



SM CAPITAL MARKETS

Global Online Trading

SM CAPITAL MARKETS COMPLAINS OR GRIEVANCES POLICY

SM CAPITAL MARKETS LTD (previously named ABC 123 (CY) LTD)
is authorized and regulated by CySEC License (339/17)
with its registered business Office
9, Spyrou Kyprianou Avenue,
Neda Court Floor 1,
3070 Limassol, Cyprus
Tel: 00357 25281811 – Fax: 00357 25350175

INTRODUCTION3

 Policy3

 Procedure to be followed when a formal complaint or grievance is received:.....4

 Complaints on an on-going basis.....5

 Reporting of complaints6

 Record-keeping of complaints or grievances received.....6

 Accountability to CySEC.....7

 Appendices7

INTRODUCTION

The purpose of this Policy is to set out the procedure to be followed and the appropriate action required to be taken by SM Capital Markets previously ABC 123 (CY) Ltd (the “Company”) in the case of a complaint by any client to ensure the Company’s compliance with paragraph 13 of Directive DI 144-2007-01 of the Cyprus Securities and Exchange Commission for the Authorisation (hereafter “CySEC”) and Operating Conditions of the Cyprus Investment Firms.

Definitions

“**Complainant**” means any person, natural or legal, which is eligible for lodging a complaint to the Company and who has already lodged a complaint.

“**Complaint**” means a statement of dissatisfaction addressed to the Company by a complainant relating to the provision of investment services.

The Company shall establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints or grievances received from retail or potential retail clients, and to keep a record of each complaint or grievance and the measures taken for the complaint’s resolution.

In addition, the Company is required to:

- Apply a complaints management policy, which is defined and endorsed by the senior management and the board of directors, who will be responsible for its implementation and for monitoring the Company’s compliance with it.
- Ensure that it has a complaints management function, which enables complaints to be investigated fairly and possible conflicts of interest to be identified and mitigated.

POLICY

Clients’ complaints or grievances are initially handled by the Compliance Department. However, the final settlement of non-trivial complaints or grievances needs to be approved by Senior Management.

A complainant shall complete the Complaint Form developed by the Company (available on **Appendix 1** of this Policy). Once completed, it should be sent either in a hard copy along with a copy of the complainant’s identification document and any additional documentation that would be relevant to the complaint to the Company’s head offices which are situated at Archiepiskopou Makariou street, 219, 1st floor, Office 202, Gloria House Building, Limassol, Cyprus or by e-mail to compliance@smcapitalmarkets.com.

The procedure which shall be followed by the Company, when handling clients’ complaints or grievances, is the following:

- a. A complaint or grievance is initially handled by a member of the Compliance Department. The employee receiving the complaint or grievance shall take the necessary actions so that the complaint or grievance is properly addressed.
- b. The complaint or grievance in the form that has been received immediately (within three working days), should be forwarded to the head of the department where the complaint is addressed.
- c. The member of the Compliance Department shall send a written acknowledgement letter inform the complainant that the complaint or grievance is under investigation and has been forwarded to the relevant department/personnel, providing all details so that the complainant is aware who is dealing with his/her complaint or grievance. Along with the letter, the Company's Handling of Clients' Complaints Policy shall be provided to the complainant free of charge.
- d. The member of staff, in addition to the above, should make all best efforts to ensure that in the case of the complaint or grievance being of such nature that can be resolved immediately, to do so that the client will not have to pursue the filling of a formal complaint. The member of staff in such a case shall not:
 - i Commit him/herself in any way to the client.
 - ii Address any issues in relation to best execution.
 - iii Address any issues relating to legal issues.
 - iv Commit the Company in taking any action prior to examining the issues in a formal manner.

The Company sets 5 business days from the day the original complaint is received as a standard investigation period. If the investigation is complete in less than 10 business days, the complainant will be informed about the results of the investigation immediately upon its completion. However, if a complaint is not resolved within the standard investigation period, the Company will inform the complainant in detail about causes of delay, a status of the investigation process and an expected date of completion of the investigation.

PROCEDURE TO BE FOLLOWED WHEN A FORMAL COMPLAINT OR GRIEVANCE IS RECEIVED:

- a. When a written complaint or grievance is received, this shall be forwarded to the relevant department which is the most appropriate for dealing with the complaint.
- b. The member of the Compliance Department shall contact the client to inform him/her that the complaint or grievance has been received and it is under investigation.
- c. Upon receiving a written complaint or grievance, the following details should be obtained and recorded:
 - The identification particulars of any client having made a complaint or grievance.
 - The service provided by the Company and related to the complaint or grievance.
 - The employee responsible for the provision of those services.
 - The department where the employee belongs.
 - Date of receipt and registration of complaint or grievance.
 - Content of the complaint or grievance.

- The capital and the value of the financial instruments which belong to the client.
 - The magnitude of the damage claimed by the client.
 - Reference of any correspondent exchanged between the Company and the client.
- d. The events leading to the complaint or grievance should be examined and assessed based on the information provided by the client.
 - e. The facts as stated by the client have been examined and verified whether any additional information, need to be retrieved from the Company's archive (electronic mail, recorded telephone calls, IT data, etc.).
 - f. All non-trivial complaints or grievances shall be brought to the attention of and their resolution should be approved by the Senior Management.

Upon completion, of the investigation a report shall be prepared stating the facts and brought to management's attention, which will decide on the formal response to the client and the action to be taken.

- g. Upon investigation completion, the member of the Compliance Department shall inform the complainant in writing, using a plain language which is clearly understood, about results of the investigation and actions taken to satisfy the complainant's demand(s) without any unnecessary delay.

If the provided investigation results do not fully satisfy the complainant's demands, the Company should provide to the complainant in writing a thorough explanation of its position on the complaint and set out the complainant's option to maintain the complaint e.g. through CySEC, the Financial Ombudsman, ADR Mechanism, or the relevant Courts.

In the case where a client complaint or grievance is valid, the management shall take such necessary action together with the Head of Department(s) to which the complaint or grievance is related in order to identify and verify:

- a. Reasons for failure of procedure followed.
- b. Weaknesses of the internal controls.
- c. Implementation of internal controls that would prevent any complaint or grievance in the future.

All suggested procedures shall be approved by Senior Management at the meeting following the completion of the investigation.

The abovementioned procedure shall be disclosed in summarised form to the complainant through the agreement which is signed for the provision of investment services.

COMPLAINTS ON AN ON-GOING BASIS

The Company undertakes to analyse, on an on-going basis, complaints-handling data, to ensure that they identify and address any recurring or systemic problems, and potential legal and operational risks, for example by:

- Analysing the causes of individual complaints so as to identify root causes common to types of complaints;
- Considering whether such root causes also affect other processes or financial means, including those not directly complained of; and
- Correcting, where reasonable to do so, such root causes.

REPORTING OF COMPLAINTS

Information regarding the complaints received by the Company shall be disclosed to CySEC through the submission of Document 144-002-01. The said Document is submitted in an electronic form to CySEC on a monthly basis.

Further to the provisions of Circular C198, the Company must submit the Document 144-002-01, even if no complaints have been received during the reporting month or no update with regards to the existing complaints is applicable.

RECORD-KEEPING OF COMPLAINTS OR GRIEVANCES RECEIVED

The responsible department for the record keeping of complaints or grievances received is the Compliance Department. In particular, the Head of Compliance, or his designee, will keep a record of each complaint and the measures taken for the complaint's resolution.

The complaint shall be registered once it is receiving on an internal archive and in an appropriate manner. The Head of Compliance, or his designee, shall maintain a central record of all complaints that includes the following information:

- name, address and account number (if available) of the complainant;
- date on which the complaint was received;
- department(s) involved the complaint investigation along with the names of the responsible employees;
- description of the nature of the complaint;
- disposition of the complaint.

The Company shall maintain all complaints or grievances for a minimum period of five years.

ACCOUNTABILITY TO CYSEC

Information regarding the complaints received by the Company shall be disclosed to CySEC through the submission of Document 144-002-01. The said Document is submitted in an electronic form to CySEC on a monthly basis.

Further to the provisions of Circular C198, the Company must submit the Document 144-002-01, even if no complaints have been received during the reporting month or no update with regards to the existing complaints is applicable

APPENDICES

Appendix 1 – Complaint Form

COMPLAINT FORM

No. of the Form: _____

Client's Name: _____

Account ID: _____

Address: _____

Email: _____

Description: _____

Date: _____

Signature: _____

Please enclose any evidence and relevant documentation.

Submit the form to compliance@smcapitalmarkets.com or fax at 00357 25 350175 or 9, Spyrou Kyprianou Avenue, Neda Court Floor 1, 3070 Limassol, Cyprus.



Internal Use Only

Employee handling the complaint: _____

Position: _____

Date of Receipt: _____ Date of response: _____

Result and Date of final resolution:
