Dealing with Clients' Complaints

In line with applicable Investment Services Rules and the Conduct of Business Rulebook, the Company is required to establish, implement and maintain effective and transparent procedures for the reasonable and prompt handling of complaints received. This section of these procedures deals on the manner complaints received should be handled by the Company both in line with the investment services rules and its respective Divisions' Terms and Conditions of the Business.

What is a Complaint?

'*A statement of dissatisfaction addressed to a Regulated Person by a Client relating to the provision of an investment service/product provided under MiFID or related to an insurance contract (as applicable)*'.

A complaint may be the result of an action or omission on the part of the Company or any of its representatives who allegedly may have:

i. breached or failed to comply with a law, directive, guidance note or bye-law which the Company is required to adhere to in respect of a customer.
ii. been negligent or in breach of terms of any explicit or implicit agreement with the customer.
iii. misrepresented products or services or acted in bad faith or some other malpractice.
iv. Technical issue relating to trading platforms or exchanges.

However a complaint may also be the result of a bona fide occurrence through no fault of the Company or any of its representatives such as in the case of a breakdown of communication, especially where language acts as a barrier.

A query would normally refer to one or more of the following situations:

i. where the client is requesting a clarification or seeking information.
ii. where prima facie the customer has not suffered any material or financial loss.
iii. where the case required minor or administrative action.

In the case of queries the compliance officer does not need to be informed.

Complaints Management Function

Clients should be encouraged to submit their complaint in writing. If an oral complaint is received, a summary of the complaint should be written and the complainant should be asked to confirm in writing the said summary. Alternatively the client should be asked to forward his complaint in writing by email to support@tier1fx.com. The responsible Account Manager in support should immediately forward the complaint to any one or more of the following individuals.

In view of the size of the Company, the complaints management function shall be constituted of the following executive directors of the Company, one of whom is also the appointed Compliance Officer:

- Mr. Mark Hogg – markhogg@hoggcapital.com
- Mr Abert Galera – agalera@tier1fx.com
- Ms Bernardine Farrugia – bfarrugia@tier1fx.com

The Company shall inform the MFSA of the identity and contact details of persons responsible for the complaints management function (as listed above) and of any changes thereto.

It shall be the responsibility of the complaints management function to ensure that complaints are processed as soon as possible and in a fair, impartial and efficient manner. Any client information or personal data processed by the Company in the process of looking into complaints would be subject to the applicable data protection regulations. Furthermore any conflicts of interest arising in the handling of any complaint would be adequately managed and resolved. This shall be further overseen by the Compliance Function.

Record-Keeping

The Compliance Officer shall keep a written record of all customer complaints received. Such records shall be maintained in a purposely created complaints logbook saved in the following link: https://tier1fx-my.sharepoint.com/personal/albert_galera_tier1fx_com/_layouts/15/onedrive.aspx?FolderCTID=0x0120000577617FB56E5143B16A4294A27FCEAD&id=%2Fpersonal%2Falbert%5Fgalera%5Ftier1fx%5Fcom%2FDocuments%2FBox%2FCompliance%20Procedures%2FComplaints. The following information is recorded in such register:

▯) Date when complaint was received
▯) Complaint ID
▯) Client's Name
▯) Client Number
▯) Nature of the Complaint
▯) Date of Action
▯) Description of the Action Taken
▯) Credit Applied (if any)
▯) Status of the Complaint, including date of resolution
▯) Whether the Client contacted the Arbiter for Financial Services, and if so the outcome of the Arbiter's decision

) Whether the MFSA was informed of the final decision taken by the Arbiter for Financial Services + whether any appeal was lodged by either party to the complaint (where applicable).

In the process of monitoring the application of the Company's complaints handling process, the Compliance Officer shall also consider root causes of complaints in order to identify any recurring/systemic problems which might have potential legal and operational risks. Such root causes, if any, shall be analysed by the Compliance Function and a decision would be taken as to whether rectification is required. Such occurrences would be reported in the Compliance Report presented to the Board of Directors on a quarterly basis.

Any documents relating to a complaint shall be kept on record and saved in the above link. Such documents will generally include the actual complaint submitted by the client, communication undertaken by the Complaints Management Function and ensuing communication with the client, including ancillary documents, such as agreements entered into with the client in order to solve the complaint.

Disclosure to Clients

The Company includes information on its complaints handling policy, including that this is free of charge, in the Terms of Business provided to the traditional brokerage clients prior to the entering into a business relationship with the Company and the Tier1FX website, respectively. Further detail can be provided to clients upon request.

Processing of Complaints

In accordance with the applicable rules incumbent upon the Company, the latter will be required to give the customer a final response within 15 working days from receipt of the complaint.

The following is the process that should be followed when receiving a complaint from a client:

- The responsible Account Manager at Tier1FX or person from the traditional brokerage division should immediately notify the Compliance Officer of the complaint.
- Where the complaint is minor and administrative the persons referred to in the above point shall look into the matter and communicate with the client, always keeping the Compliance Officer updated.
- Where the complaint is more serious the Complaints Management Function will step in and handle the complaint.
- Both with respect to minor and major complaints, the Company will acknowledge the receipt of a client's complaint in writing within 1 or 2 business days and will provide the client with an indication on how the Company intends to deal with the complaint. An

example of a template email sent to the client in this instance could be the following:

> [*Dear [ ],*
>
> *In view of your recent complaint to Hogg Capital Investments Limited/Tier1FX, we understand that your main complaint relates to [please include a brief description of his complaint] Please do let us know if our understanding of your complaint is incorrect.*
>
> *Kindly note that we treat all clients' complaints with the utmost seriousness. We are currently applying our internal complaints handling process, which you can refer to in the following link: https://www.tier1fx.com/company/legal/ .*
>
> *Please be informed that our regulations allow us 15 working days within which to consider and finalise clients' complaints, however we will do our best to get back to you with our feedback prior to such time.*
>
> *Thanks and kind regards*]

- If the complaint was conveyed by phone or via social media, the Company will formally acknowledge to the client the receipt of and its understanding of the client's concerns in writing, thereby enabling them to confirm and/or correct the acknowledgment, should it be required. Alternatively the client will be asked to lodge their complaint in writing to support@tier1fx.com.
- The responsible person or Complaints Management Functions, as the case may be, will seek to gather and investigate all relevant evidence and information regarding the complaint without unnecessary delay.
- Communication will be in plain language, which is clearly understood by the clients.
- The Company will keep the Client informed of the status of the complaint and will update the client by the 8th working day from the receipt of the complaint, where no further update would have been provided besides the initial acknowledgement.
- Where the investigation of a complaint is not completed within fifteen working days from receipt of the complaint, the Company shall:
    - inform the client about the causes of the delay and
    - provide an indication as to when the investigation is likely to be completed.
- The final response should:
    - include a very short description of the complaint and of the outcome of the Company's investigation.
    - set out the Company's final view on the issues raised in the complaint and
    - include details of any redress that is being offered, if considered appropriate.
    - include the contact details of the Arbiter for Financial Services for the client's

consideration, should they not be satisfied with the solution advanced by the Company, or where the Company rejects the Client's complaint/proposed redress:

Office of the Arbiter for Financial Services
N/S in Regional Road
Msida MSD 1920
Malta
www.financialarbiter.org.mt
Contact numbers: 80072366 / +356 21249245

Clients should be made aware (at the appropriate stage in the complaint's process) that complaints with the Arbiter should always be made in writing.

A complaint form (available in Maltese and English) is available to help consumers provide relevant information when lodging their case with the Arbiter (the complaint form in pdf or web version may be found in the website (https://www.financialarbiter.org.mt/oafs/complaint).

The Arbiter will accept a complaint if it is registered in writing with the Company first by not later than two (2) years from the day on which the client first had knowledge of the matters complained of.

Reporting of Complaints

Data in relation to the total number of complaints received, unsolved and solved complaints shall be reported to the Malta Financial Services Authority in the MiFID Quarterly Report. The Company will additionally provide information on complaints and complaints handling to the MFSA as and when required and in any format as required by the MFSA.

The Company shall make the following notifications/submissions in the following respective circumstances:

- Submit a copy of the Arbiter's final decision to the MFSA where a complaint has been lodged with the Arbiter and been duly decided upon.
- Notify the MFSA immediately, in the event that an appeal from the decision of the Arbiter is lodged by the client or by the Company itself, in terms of the Arbiter for Financial Services Act.
- Notify the MFSA of the final decision of the Court, once such appeal has been decided.

The role of the Office of the Arbiter for Financial Services

Who can lodge a complaint with the Arbiter?

Customers who have acquired products or availed of services from a financial services provider licensed by the MFSA, are eligible to lodge a complaint with the Arbiter. This includes providers whose licence has been suspended or withdrawn by the MFSA, since the Arbiter has the power to investigate complaints against providers whose licence has been suspended or withdrawn by the MFSA, but which were licensed during the period relevant to the complaint.

A customer has to be either:

- a natural person (or its successor in title)
- a micro-enterprise. A micro-enterprise is a firm that does not employ more than 10 persons and its turnover/balance sheet totals do not exceed €2,000,000.

Such customers may either be:

- Consumers of a financial services provider licensed by the MFSA; or
- To whom the financial services provider has offered to provide a service; or
- who have sought the provision of a financial service from a provider.

On receipt of a complaint form and a letter on file evidencing that the complainant has gone through the Company's internal complaint's handling process, the Office of the Arbiter for Financial Services shall register the complaint, offer mediation to both parties and exchange any relevant information.

The Office of the Arbiter for Financial Services shall register a complaint if:

i. the Company has rejected a complaint and informed its customer accordingly, and / or
ii. the Company has offered a settlement which is rejected by the complainant, and / or
iii. the Company has not responded to the customer's complaint within 15 working days from the lodging of the complaint.

The Office of the Arbiter will not look into a complaint if the complainant has not gone through the internal complaints process of the license holder first.

The Company's dealings with its customer while the Office of the Arbiter for Financial Services considers the complaint

While the Office of the Arbiter for Financial Services is considering a complaint, the Company should continue to deal with the customer as normal – for example, handling their account or dealing with any separate claims.

If, in the meantime, the Company does something in relation to the complaint, it should inform the Office of the Arbiter accordingly. The Company is free, at any time, to revise any earlier offer it has made to its customer, if it thinks this could help resolve the complaint.

Communication with the Office of the Arbiter for Financial Services

The Office of the Arbiter shall address any correspondence to the Directors of the Company, unless instructed otherwise by the Company.

The Company may nominate other official/s to whom the Office of the Arbiter for Financial Services can address queries and complaints from consumers. It shall be the Company's responsibility to provide correct and updated contact details of its representative to the Office.

a) The Arbiter shall hold at least one sitting for the hearing of the complaint.
b) The Arbiter shall determine the admissibility, relevance, materiality and weight of the documentary and oral evidence.
c) Hearings are to be held in public unless the Arbiter, giving reasons, otherwise decides.
d) Neither party shall be required to be represented or assisted for oral hearings. If only one party is represented or assisted, the Arbiter shall ensure the hearing remains fair to both parties.
e) In the process of investigation, the Arbiter shall inform the parties of the progress made.

In communicating with the Office of the Arbiter, the Company shall ensure that all documentation necessary to resolve the complaint is forwarded. Release of client documentation may only take place following receipt from the Office of the Arbiter of written authorization from the client.

The Arbiter may request the production of information or documentation from either of the parties or from a third party, as the case may be, which the Arbiter considers necessary or relevant for the determination of the complaint, which information or documentation is to be provided before the end of such reasonable period as the Arbiter shall specify, and in the case of information, in such manner or form as may be specified by the Arbiter.

For the purpose of obtaining such information or documentation, the Arbiter shall moreover have the power to summon witnesses and to administer an oath to any witness and to any person concerned in the investigation, including the complainant and the service provider, and to require persons to give evidence.

In the process of an investigation, the Arbiter may enter and inspect the Company's premises and inspect any document or thing within the premises.

Mediation

a) A complaint shall, as far as possible, be primarily dealt with by mediation.

b) Participation in the mediation by the parties to a complaint shall be voluntary, and a party may withdraw from participation at any time.

c) The mediation process shall be carried out by the officers appointed by the Board, whose function shall be to act as a mediator between the complainant and the financial services provider.

d) The mediator may abandon an attempt to resolve a complaint by mediation on forming the view that the attempt is not likely to succeed.

e) The mediation process shall proceed in private and any resolution of a dispute as a result of mediation shall not be published.

f) For mediation to be successful, any solution reached must be agreed to by the complainant and the provider.

g) If the complainant and the provider agree to a settlement during mediation, what has been agreed will be written down and communicated to the Arbiter for Financial Services. Once it has been signed by both parties, and accepted by the Arbiter, that agreement becomes legally binding on both the complainant and the provider. The agreement remains confidential and the dispute is concluded.

h) If the complainant decides to withdraw the complaint, they would need to inform the Arbiter in writing who shall issue an order for the termination of the complaint procedures.

i) If no agreement is reached (and mediation is thus unsuccessful), the complaint will go to investigation and adjudication.

Adjudication

Following completion of an investigation of a complaint the Arbiter shall proceed with adjudication.

The Arbiter shall proceed to adjudication within ninety days from the date of receipt of the complaint. In the case of a complex issue, however, the Arbiter may have up to one year to deliver his findings from the date of receipt of the complaint and shall inform the parties concerned of the expected adjudication date.

If the complaint is found to be wholly or in part substantiated, the Arbiter may direct the

Company to do one or more of the following:

(i) to review, rectify, mitigate or change the conduct complained of or its consequences;

(ii) to provide reasons or explanations for that conduct;

(iii) to change a practice relating to that conduct;

(iv) to pay an amount of compensation for any loss of capital or income or damages suffered by the complainant as a result of the conduct complained of, without or with interest, at such reasonable rate and within the parameters established by law as the Arbiter may determine, on the whole or any part of the money, and for the whole or any part of the period between the date on which the conduct complained of had started until the date of payment;

(v) to specify the period within which the direction is to be carried out by the Company.

In his decision the Arbiter shall also adjudicate the costs of the proceedings, by whom they shall be borne and, if necessary, in what proportion, according to the circumstances of the case.

The Office of the Arbiter can issue binding rulings in relation to complaints filed therewith.

The Arbiter is empowered to adjudicate and resolve disputes and, where appropriate, make awards up to €250,000, together with any additional sum for interest due and other costs, to each complainant for claims arising from the same conduct. The Arbiter may, if he considers that fair compensation requires payment of a larger amount than such award, recommend that the financial services provider pay the complainant the balance, but such recommendation shall not be binding on the service provider.

Within fifteen days from the date when the decision of the Arbiter is notified to the parties, either party, with notice to the other party, may request that the Arbiter give a clarification of the award, or request the Arbiter to correct any errors in computation or clerical or typographical errors or similar error contained in the decision of the Arbiter. The Arbiter shall give such clarification or make any necessary correction within fifteen days from the receipt of a party’s request.

Right to appeal

The decision reached by the Arbiter, including any interlocutory decisions, may be subject to appeal by either party.

The appeal from a decision shall lie to the Court of Appeal (Inferior Jurisdiction).

An appeal to the Court of Appeal (Inferior Jurisdiction) i shall be filed in the registry of the said Court within twenty days from the date when the decision of the Arbiter is notified to the parties or, in the event that a request for clarification or correction of a decision is requested, from the date when such interpretation or clarification or correction made by the Arbiter shall be notified to the parties.

Where no appeal is filed by any party, the decision of the Arbiter shall become res judicata (i.e. final).

Decisions issued by the Arbiter are published on the official website: https://www.financialarbiter.org.mt/oafs/decisions?page=1

Version Control

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8	Compliance Officer – Ms. Bernardine Farrugia	Board of Directors	No Changes – Annual Review	3rd December 2024	11th December 2024
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