



Complaints Management Framework

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1. Introduction

- 1.1. This Complaints Management Framework (the “**Framework**”) has been developed by FMDQ Clear Limited (“**FMDQ Clear**” or the “**Central Counterparty**” or the “**CCP**”) to address complaints arising out of issues that are covered under associated Rules of markets or products for which FMDQ Clear provides services and the FMDQ Clearing Member Rules¹ made pursuant to the Investments and Securities Act 2007 (“**ISA**”), and the Securities and Exchange Commission (“**SEC**” or the “**Commission**”) Rules and Regulations 2013.
- 1.2. The Framework is developed to provide an overview of how complaints are received and managed by the CCP and guidelines on how complaints should be managed by Clearing Members.
- 1.3. Due consideration has also been given to the regulatory environment - both local and international - as well as standards set by the International Organisation of Securities Commissions (“**IOSCO**”), and most notably, the SEC *Rules on Central Counterparty* (“**CCP Rules**”) December 23, 2019.
- 1.4. In accordance with the SEC CCP Rules, FMDQ Clear is required to maintain a Complaints Management Framework developed in line with the SEC *Complaints Management Framework of the Nigerian Capital Markets* and is vested with the authority to resolve the following complaints:
 - (i) Complaints by Clients² against Clearing Members³.
 - (ii) Complaints between and amongst Clearing Members.
 - (iii) Complaints by Clearing Members against the CCP.
 - (iv) Such other complaints as may be determined by the SEC from time to time.
- 1.5. The following complaints shall not be handled under this Framework:
 - (i) Complaints on matters that are being heard or presided upon by a court of law or other forum of competent jurisdiction.
 - (ii) Complaints falling outside the purview of the CCP.
 - (iii) Complaints falling outside the purview of the Securities and Exchange Commission.

2. Objective and Implementation of the Framework

- 2.1. This Framework is designed to ensure that all complaints outlined in 1.4 above are managed in a fair, impartial, transparent, and timely manner.
- 2.2. The Management of FMDQ Clear shall ensure that the CCP has a complaints management

¹ Includes Guidelines, Agreements and such other regulation as may be developed by FMDQ Clear from time to time.

² As defined in the FMDQ Clearing Member Rules.

³ As defined in the FMDQ Clearing Member Rules.

mechanism which enables complaints to be received and investigated fairly, and infractions identified and resolved accordingly. Management shall also be responsible for the implementation and monitoring of compliance with this Framework.

3. Complaints Management by Clearing Members

- 3.1. Clearing Members shall establish clearly defined complaints management frameworks in line with this Framework to handle and resolve complaints from Clients and other Clearing Members.
- 3.2. The Complaints Management Framework of a Clearing Member shall be approved by the Management of the Clearing Member.
- 3.3. Clearing Members shall have a dedicated personnel or function directly responsible for the fair and transparent handling of complaints with responsibilities including but not limited to investigation, and reporting of complaints, as well as recommending actions to Management with respect to complaints.
- 3.4. Clearing Members shall file their Complaints Management Frameworks and any subsequent updates with the CCP and publish same on their websites.
- 3.5. Clearing Members shall acknowledge receipt of complaints received by email/letter within two (2) business days.
- 3.6. Clearing Members shall ensure that all complaints are resolved within ten (10) business days of receipt of the complaint.
- 3.7. Clearing Members shall notify the CCP within two (2) business days upon resolution of every complaint received. Where a complaint is not resolved within ten (10) business days, the Clearing Member and/or the Client shall refer the complaint to the CCP within two (2) business days of the lapse of the aforementioned timeframe.

4. Registration and Reporting of Complaints

- 4.1. Clearing Members shall maintain Complaints Register for the registration of all complaints that fall within the scope of this Framework.
- 4.2. The Complaints Register shall provide the following information:
 - (i) The date that the complaint was received.
 - (ii) Details of the complainant (including name, address, telephone number, e-mail address).
 - (iii) Nature and details of the complaints.
 - (iv) Details of steps taken to resolve the complaints.
 - (v) Status of the complaints.

- (vi) Date of the resolution of the complaints.
 - (vii) Such other information as may be required by FMDQ Clear.
- 4.3. Clearing Members shall submit a Complaints Management Report to FMDQ Clear on a monthly basis in the FMDQ Clear-advised template.
- 4.4. Where the Clearing Members do not receive any complaints within the monthly reporting period, a nil report shall be submitted.

5. Complaints Management by the CCP

5.1. Complaints may be filed by Clearing Member with FMDQ Clear at first instance or by referral.

5.2. Complaints lodged at first instance with the CCP.

- (i) Complaints between Clearing Members and complaints against FMDQ Clear may be filed with FMDQ Clear at first instance.
- (ii) Complaints lodged at first instance with FMDQ Clear shall be resolved within twenty (20) business days.
- (iii) All complaints not resolved within the prescribed timeline in 5.2(ii) shall be referred by the Clearing Member or FMDQ Clear to the SEC within five (5) business days.

5.3. Complaints referred to the CCP

- (i) Where a complaint by a Client against a Clearing Member or between Clearing Members is not resolved within ten (10) business days from the date the complaint was filed, the Client or Clearing Member shall refer the complaint to FMDQ Clear within two (2) business days.
 - (ii) The letter of referral shall be accompanied by a summary of proceedings of events leading to the referral, copies of relevant supporting documents and such other documents the CCP may require.
 - (iii) FMDQ Clear shall acknowledge receipt of above-mentioned documents and may request for additional documentation deemed relevant to the complaint.
 - (iv) Failure to file the above-mentioned documentation within the prescribed timeframe shall be deemed an infraction which shall attract a sanction in line with the rules and regulations of the Commission.
 - (v) Complaints referred by Clearing Members to FMDQ Clear shall be resolved within twenty (20) business days of receipt.
 - (vi) Where the complaint is not satisfactorily resolved within twenty (20) business days, the matter shall be referred by Clearing Member to the SEC within two (2) business days of expiration of the timeline.
- 5.4. The referral letter/email shall be accompanied by a summary of proceedings of events leading to the referral, copies of relevant supporting documents and such other information as FMDQ Clear may require.
- 5.5. Upon receipt of a complaint, whether at first instance or by referral, FMDQ Clear shall use its best

endeavours to ensure that:

- (i) An acknowledgement of receipt is issued within two (2) business days of receipt of the complaint.
- (ii) The complaint is resolved within twenty (20) business days of receipt of the complaint.

5.6. All complaints for consideration by the CCP shall be logged on the FMDQ Complaints Management Solution⁴, uploading the following information:

- (i) Name, email, telephone number and full address of the complainant.
- (ii) Name, email, telephone number and full address of the respondent.
- (iii) Full description of the complaint against the Clearing Member or CCP (as applicable).
- (iv) Copies of relevant supporting documents providing as much detail as possible with regards to the complaint.
- (v) Such other information as FMDQ Clear may require

6. Review and Interpretation of the Framework

- 6.1. FMDQ Clear may review this Framework and the procedures relating to complaints management from time to time as approved by the Commission.
- 6.2. Any question regarding interpretation or scope of this Framework should be referred to the Rules & Regulation Group⁵ at rrg@fmdqgroup.com.

⁴For clarification and guidance on the Complaints Management Solution, all enquiries shall be addressed to the FMDQ Members Examination & Investigations Group (eig@fmdqgroup.com).

⁵ The Rules & Regulation Group is vested with the responsibility of developing Rules, Guidelines and other regulation as may be required by FMDQ Clear in the exercise of its SRO functions.