



FMDQ Exchange Benchmarks Complaints Procedure Policy

FMDQ Securities Exchange Limited

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1. INTRODUCTION

FMDQ Securities Exchange Limited (“**FMDQ Exchange**” or the “**Exchange**”) is a securities exchange with a mission to empower the financial markets to be innovative and credible, in support of the Nigerian economy. FMDQ Exchange aims to achieve this mission by providing the secondary markets with a world-class market governance and development services. FMDQ Exchange currently administers three (3) Benchmarks (“the **FMDQ Exchange Benchmarks**”) in the Nigerian financial markets in line with the International Organisation of Securities Commissions (“**IOSCO**”) Principles for Financial Benchmarks (“**PFB**”). The Benchmarks are listed below:

- (i) The Nigerian Inter-Bank Offered Rate (“**NIBOR**”).
- (ii) The Nigerian Inter-Bank Treasury Bills’ True Yields Fixing (“**NITTY**”).
- (iii) The Nigerian Autonomous Foreign Exchange Fixing (“**NAFEX**”).

FMDQ Exchange always seeks to provide products and services to a high standard. Therefore, the Exchange takes all queries and complaints seriously and strives to resolve them satisfactorily as quickly as possible. This document sets out the procedure FMDQ Exchange will follow in the event of a complaint being received about the determination of an FMDQ Exchange Benchmark.

A complaint may relate to any aspect of the FMDQ Exchange Benchmarks determination processes, including whether a specific Benchmark determination is representative of market value, on a proposed change to the Benchmark determination process, application of the methodology in relation to a specific Benchmark determination, and on other decisions in relation to the Benchmark determination process.

2. KEY CONSIDERATIONS

Principle 16 (Complaint Procedures) of the IOSCO PFB states that

“The Benchmark Administrator shall establish and publish or make available a written complaints procedure policy, by which Stakeholders may submit complaints including concerns on whether a specific Benchmark determination is representative of the underlying interest it seeks to measure, applications of the Methodology in relation to a specific Benchmark determination and other Administrator decisions in relation to a Benchmark determination”.

Therefore, the following principles apply to all Benchmark determination complaints raised with FMDQ Exchange:

- All investigations of a complaint raised by any stakeholder to FMDQ Exchange must be handled in a fair and timely manner
- The investigation of a complaint shall be conducted by staff independent of the personnel involved in the subject of the complaint
- Resolution of the complaint will be communicated to the stakeholder raising it, once the decision has been approved
- No complaint should be closed without the stakeholder that raised the complaint confirming that it has been properly addressed in accordance with this Policy
- All records and correspondence relating to any complaints, queries or issues shall be kept by FMDQ Exchange for a minimum period of seven (7) years

3. WHAT QUALIFIES AS A BENCHMARKS COMPLAINT?

A Benchmark complaint is any request from a stakeholder of any of the FMDQ Exchange Benchmarks to revalidate and confirm the accuracy of one or more of the published Benchmark rates currently administered by FMDQ Exchange or whether a specific Benchmark is representative of the underlying interest it seeks to measure. Examples of what may constitute a viable Benchmark complaint are specified below:

- Any dissatisfaction about the provision of any of FMDQ Exchange Benchmarks
- A dissatisfaction on the applications of FMDQ Exchange's rules and regulations in relation to any one or more specific Benchmark determinations
- A dissatisfaction with the decisions made by FMDQ Exchange in relation to one or more of its Benchmarks

Complaints not covered by this Policy shall include:

- Complaints that have previously gone through the three (3) stages of resolution as indicated in section 4 below, unless previously unseen evidence is made available
- Complaints relating to the possible wrong-doing or malpractice relating to any of FMDQ Exchange Benchmarks, which shall be handled in accordance with the FMDQ Exchange Whistleblowing Policy, available at: <https://fmdqgroup.com/whistleblowing-policy/>

4. PROCEDURE

There are three (3) stages for reporting and resolution of a complaint relating to the FMDQ Exchange Benchmarks Administration service:

- **Initial Complaint:** All Benchmark complaints shall be addressed to the FMDQ Exchange **Members' Examination & Investigations ("EIG")** via a written letter (see address below) or via an email sent to complaints@fmdqgroup.com,

Group Head, Members' Examination & Investigations

FMDQ Securities Exchange Limited
Exchange Place
35 Idowu Taylor Street
Victoria Island, Lagos

- FMDQ Exchange shall acknowledge receipt of the complaint within two (2) business days
- Investigations into the Benchmarks complaints shall be carried out by members of EIG who are not directly involved in the determination of any of the FMDQ Exchange Benchmarks. EIG may confer further with the complainant, if necessary, to ensure the nature of the query or complaint is fully understood
- The resolution time for a complaint may vary according to the nature of the issue and the level of investigation it may require, however all complaints must be investigated and resolved within twenty (20) business days
- Further, in all cases of a complaint, a written response with a decision must be provided to the complainant by EIG

In the event that the complainant disagrees with such decision or considers there are grounds for appeal, FMDQ Exchange has put in place a two-level escalation process for handling such appeals, with each stage designed to accommodate different levels of escalation upon request from the complainant.

- **First Level Escalation:** If the complainant is dissatisfied with the response given to the complaint by EIG, the complainant may request that the complaint be escalated within two (2) business days of receiving a response from EIG. At this level, the said complaint will be investigated by the members of the FMDQ Exchange Market Review Committee to resolve the complaint.
- **Second Level Escalation:** If the complaint remains unsettled after the first level escalation, the complainant has a period of two (2) business days from the date of receiving a second response from EIG to request for the complaint to be further escalated. At this level the complaint will be presented to the members of the Board Listings, Markets and Technology Committee (“**BLMTC**”), after which a resolution will be reached and communicated to complainant. The decision of the BLMTC shall be final

FMDQ Exchange shall treat all Benchmark complaints seriously and is committed to resolving any Benchmark complaint in accordance with international best practice. The Exchange is committed to investigating all submitted complaints judiciously, diligently and impartially.

5. Recording of Complaints

As stipulated in *IOSCO Principle 16*, “All documents relating to a complaint, including those submitted by the complainant as well as the Administrator’s own record, shall be retained for a minimum of five (5) years, subject to applicable national legal or regulatory requirements”. FMDQ Exchange’s Data Retention Policy which is made pursuant to the Investment and Securities Act and the Securities and Exchange Commission Rules and Regulations, mandates the safeguarding of necessary documents and/or information for audits in accordance with legal and regulatory requirements for a minimum period of seven (7) years.

6. Confidentiality

All complaints sent to FMDQ Exchange shall always be dealt with confidentially during and after the complaint resolution process.