

Complaints Handling

Introduction

All complaints, whether written or verbal, must be handled in an expeditious manner, so as to maintain the highest level of service and to satisfy our regulatory obligations. Reporting a client complaint is a responsibility of every employee and failure to do so may result in adverse consequences for the organization and the employee involved. Since responsibility for coordination with regulators concerning client complaints rests with Compliance, it is imperative that a member of the Compliance group be advised about client complaints as soon as they occur. Any doubts as to whether a complaint has been received should be resolved by reporting the matter to the employee's Supervisor and to Compliance.

What is a Complaint?

For purposes of this policy, a complaint is defined as any written (including e-mail) or verbal statement of dissatisfaction or grievance other than a statement regarding a non-systematic, routine matter of a minor nature that is promptly resolved.

Brokerage complaints can range from frivolous to serious misconduct. They may result from simple misunderstandings or violations of the law, regulation, ethical standards or firm policy.

Typically, client complaints fall into two categories:

- 1 **Sales Practice** which includes allegations of misrepresentation, unsuitability, and improper solicitation as well as unauthorized, excessive or improper trading. It may also include complaints regarding the quality of investments or wrongdoing on the part of the Registered Representative or employee of the firm.
- 2 **Operational** which includes complaints relating to confirmations, statements, settlement, margin, dividend, and interest problems. Other issues could include tax reporting, reorganization, redemption and account transfers as well as complaints involving the account administration.

It should be noted that in certain instances a request by a client for corrective action following an initial request for services that were not properly executed might be considered a complaint.

The definition of a complaint and the terms in the industry forms used to report such complaints are subject to interpretation and legal definition. It is also important to determine if client complaints are related to broker dealer products or if the complaint is a reportable event. In addition, industry regulators may differ in their definitions of reportable events; therefore, it is imperative that the Compliance Department is consulted **before** attempting to resolve any client complaints.

How do you handle a complaint?

- ⇒ Any written complaint must be immediately reported to your Head of Department and either your local Compliance contact or your business line Compliance contact.
- ⇒ Verbal complaints should be given the same priority treatment and similarly reported.
- ⇒ All contact with the client regarding any written or verbal complaint should be coordinated with Legal/Compliance.
- ⇒ Legal/Compliance will assist or advise in the preparation of a written response upon completion of a review of relevant client documentation, firm records, statements, confirmations, trading activity, and interviews with relevant persons.
- ⇒ When receiving an verbal complaint, you should not make any comment to the client on the merit of the complaint. In particular you must not make any admission of any error or of responsibility. You should simply make a note of the relevant details of the complaint and explain to the client that it will be investigated and that someone will get back to him promptly.
- ⇒ You should not conceal any information nor conceal or destroy any document that may be relevant to the complaint in question.

Questions regarding these procedures should be directed to your Local Compliance officer or the Asia Regional Compliance team.

Procedure for Handling Complaints

The following procedures must be adhered to when dealing with brokerage client complaints:

- 1- The Head of Department must be alerted immediately.
- 2- The Client Complaint must be acknowledged in a timely manner. In the case of a written complaint, the Head of Department typically must send a letter of acknowledgement to the client within three days of receipt of the complaint. In the case of verbal complaints, the client must be assured that the issue will be promptly reviewed. It is permissible for the Head of Department (at their discretion) to acknowledge written complaints verbally. Should a verbal acknowledgement be deemed necessary, it is imperative that the Head of Department document the verbal acknowledgement and how the client was contacted by placing a memo in the client complaint file.
- 3- The person who received the complaint must complete a **Complaint Register** and contact supervisory manager, the Head of Department and their Compliance Officer.
- 4- The Head of Department must then research the complaint and gather all supporting documentation. Once the necessary information is gathered, and the form has been completed, the Head of Department must meet with their Local Compliance Officer and Head of Cash Equities to determine a course of action.

- 5- A Client Complaint file must be created and maintained by the Head of Department. Once the matter has either been resolved or a course of action has been determined, a copy of the file must be given to the Local Compliance Officer. It is important to note that this be done no less than **one business day from the end of the quarter** in which the complaint was brought to our attention.
- 6- Once a resolution has been determined by the Head of Department and Compliance, the Head of Department will then prepare a response to the client. All responses must be reviewed by your Compliance Officer prior to being sent to the client.

In order to ensure that the files are complete, the Front Office and Operations and the Compliance Department Complaint Files will be reviewed periodically

Use of a Complaints Register

All Cash Equities employees are to make use of the attached Complaints Register to record all complaints as defined below, immediately after being notified of such. In accordance with the Firm's Escalation Policy, this record should then be forwarded to the Supervisor Manager, Head of Department of the employee concerned and also Compliance.

JPMSI Complaints Register

Part I: Details about the Client and the Complaint (to be completed by the person who received the complaint)

1. Client and Complainant Details (including name and designation)
2. Manner by which the Complaint was received (i.e. in person, telephone, email, Bloomberg) including Date and Time
3. Persons and/or Business Units (Sales, Dealing, Back Office) and the particular transaction that is the subject of the Complaint
4. Exact Nature of Complaint (please provide as much detail as possible)

Part II: Investigation and Disposition of the Complaint (to be completed by Compliance)

1. Describe action taken (reviews of relevant client documentation, firm records, statements, confirmation, trading activity, and interviews with relevant persons).
2. Identify any breaches of local laws, regulations or internal policy. Determine whether if regulatory reporting is necessary.
3. Action to be taken (including drafting a reply for the client)/ Target date of completion/ Responsible person/s

Monthly Certification

At the end of each month, the Head of Equities, after consultation with the Head of Departments, shall certify to Compliance Indonesia that all Complaints received during the month after have been properly logged, investigated (or currently being investigated) and/or resolved.

The same certification is also required for purpose of monthly Trading Activities Report submit by Finance.

Pengaduan Nasabah/Customer Complaint:

jpmsi.customer@jpmorgan.com