

COMPLAINTS AND SERVICE DESK GUIDE

SECP's primary function is to safeguard legitimate interests and rights of investors as well as its regulatees.

The interest of small investors and minority shareholders is of prime importance to the Securities and Exchange Commission of Pakistan (SECP). In order to keep a vigilant eye and to provide a platform to the general public for voicing their concerns, a Vigilance Cell was set up at the SEC in 2000. This Cell later came to be known as the Service Desk which is responsible for ensuring that grievances/complaints of the general public are heard and redressed, in a quick and efficient manner. The Service Desk also provides assistance for answering general questions regarding the securities laws, rules and regulations and other relevant matters.

Enquiries

A service desk provides the very contact window to the general public, investors and regulatees for filing complaints, asking pertinent questions and requesting important information.

For investor education please click on the following link: www.jamapunji.pk

For Enquiries Dial our Toll Free Number: 0800 88008

OR

Lodge your complaint through our Service Desk Management System at <http://sdms.secp.gov.pk/>

OR

Write to us at queries@secp.gov.pk

Complaints

Your complaint is important to the SECP as it may provide useful information and insight into malpractices in the market. It can also serve as an early warning signal to preempt potential defaults. You are, therefore, encouraged to lodge your complaint with the SECP. Frivolous complaints, however, will not be entertained.

Grievances can be lodged with the SEC in the form of a formal complaint against:

- a member/agent of the stock exchange, or
- a listed or unlisted company, or
- any other matter within the purview of the SEC.

The SEC will endeavor to redress your complaint in a timely and judicious manner.

Please note that while you have recourse to approach the SECP for lodging your complaint, we strongly advise you to first take up your concern/problem directly with the relevant forum such as the exchange, registrar, member, agent, company concerned etc. before contacting the SECP. This will not only save you time, but also prevent ambiguities which may otherwise arise.

Lodging your complaint

If you are aggrieved, it is prudent to act promptly and lodge your complaint as early as possible. The regulations of stock exchanges and certain other legislations place a limit on the time, usually two years, within which you can lodge your complaint. After this time period elapses, your complaint, as well as your claim, will not be considered.

For any dispute for which an amicable solution has not been provided by the broker/agent the complainant may apply for arbitration under Pakistan Stock Exchange (PSX) regulatory framework with the PSX.

As an investor you have several alternatives to lodge your complaint:

You may submit your complaint using any of the following methods:

- I. **Click on the SUBMIT YOUR COMPLAINT button available on the SECP website's home page** of our website which will lead you to the SECP online complaint submission portal where you can provide vital personal information, append documents and submit further details of your complaint.
- II. **Fax your complaint on +92 51 9100471**
- III. **Send us a hardcopy of your complaint to our Service Desk at:**
Service Desk
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue,
Islamabad, Pakistan
44000
- IV. **You may also submit your complaint at any of the drop boxes placed prominently at the following locations:**
 - i. KARACHI
 - ii. LAHORE
 - iii. ISLAMABAD
 - iv. ABBOTTABAD

KARACHI

1. Ground Floor – Pakistan Stock Exchange Limited,
Stock Exchange Building, Stock Exchange Road,
Karachi
2. Ground Floor – CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi
3. 8th Floor – Pakistan Stock Exchange Limited,
Stock Exchange Building, Stock Exchange Road,
Karachi

LAHORE

Basement Reception – Pakistan Stock Exchange, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore

ISLAMABAD

1. Ground Floor – NIC Building Securities and Exchange Commission of Pakistan 63 Jinnah Avenue,
Islamabad
2. Ground Floor – 55-B ISC Tower, Pakistan Stock Exchange, Jinnah Avenue, Islamabad

ABBOTTABAD

1st Floor Abbottabad Sarmayakari Markaz, Al-Fateh Shopping Centre, Mansehra Road,
Abbottabad

V. You may also send your complaint to the Federal Ombudsman by accessing the following web link: www.mohtasib.gov.pk/

VI. How to lodge complaints with the Federal Insurance Ombudsman

To Lodge a complaint with the Federal Insurance Ombudsman (FIO) please click on the following link:
<http://www.fio.gov.pk/>

OR reach: Mr. Mobashir Naeem Siddiqui

Director

Federal Insurance Ombudsman Secretariat

2nd Floor, Pakistan Red Crescent Society

Annexe Building, Plot # 197/5

Dr. Doud Pota Road

Karachi

Ph: 021-99207761-62

ix. How to lodge complaints with a small dispute resolution committee

ISLAMABAD

Mr. Muhammad Mateen Abbasi

Official Coordinator – Small Dispute Resolution Committee (Islamabad)

3rd Floor, NIC Building, 63-Jinnah Avenue, Blue Area, Islamabad

051-9207091-4 ext. 439

KARACHI

Mr. Muhammad Azam Nizami

Official Coordinator – Small Dispute Resolution Committee (Karachi)

5th Floor, State Life Building No. 2, Wallace Road, Off. I. I. Chundrigar Road, Karachi.

021-32414204

LAHORE

Mr. Muhammad Usman Mirza

Official Coordinator – Small Dispute Resolution Committee (Lahore)

Associate House, 3rd & 4th Floor, 7-Egerton Road, Lahore.

Phone: 042-99204962-66 ext:28

DETAILS REGARDING THE COMPLAINTS HANDLING MECHANISM

Definition of a complaint

An issue or complaint arising out of activities that are covered under Securities and Exchange Commission of Pakistan Act, 1997; Companies Ordinance 1984; Securities Act, 2015; Insurance Ordinance 2000; Central Depository Companies Act 1997 and Rules and Regulations made there under, related to any of the entities regulated by the SECP Inter-alia the Listed companies, Stock Brokers/Sub-brokers, Stock Exchanges, Depository, Depository Participants, Registrars to an Issue / Share Transfer Agent, Mutual Funds, Credit Rating Agencies etc. may be considered a legitimate complaint.

Complainants may also file complaints regarding misconduct, misbehavior or instances in which allegations of fraud are to be reported against an employee or employees of the SECP. Such matters will be reported to the Human Resource department of SECP for necessary investigation and handling.

Complaints may be filed by anyone centrally with the Service Desk subject to conditions listed below.

What does not qualify as a complaint:

Any issue that does not fall within the regulatory domain of the SECP such as:

1. Complaints related to personal banking transactions or poor customer service experience with a bank
2. Disputes arising out of private agreement with companies/intermediaries, such as terms of employment or compensation and benefits, contractual obligations etc.
3. Seeking explanation for non-trading of shares or illiquidity of shares or not satisfied with trading price of the shares of the companies
4. Complaints regarding an event that took place longer than 5 years ago from the time of filing the complaint. Provided that a claim may be admitted after the lapse of five years but not more than 10 years if the investor is able to demonstrate that the delay was due to reasons beyond his control.
5. General commentaries and allegations about the state of the nation, fraud prevailing in a certain organization or general suggestions containing no specific complaint.
6. Any other irrelevant issue

Possible scenarios of delayed complaint settlement:

In certain cases, complaint handling and settlement may take longer than usual. However in such cases the concerned POC/sub-POC will be fully responsible for regularly following up with relevant forums to expedite resolution and to report the same on a regular basis to form part of complaint status and ageing reports circulated to relevant authorities within SECP.

The concerned POC/sub-POC will also be responsible for updating the complainant regarding complaint status on a monthly basis.

Such exceptions appear below:

1. Subjudice Matters

After accepting to handle a complaint it becomes evident that the complaint was already subjudice at the time of filing or that it became subjudice during the complaint handling process, the fate of all such complaints will rest with the relevant legal forum.

2. Matters under adjudication at the SECP

All matters which have been or shall be taken up by the SECP for adjudication for example cancellation of returns under section 468 and buy back of shares due to loss of investment.

3. Whistle Blowing/Manipulation/Fraud

All complaints which require probe by SECP or are already under investigation with relevant officers of the SECP.

4. Suspended/Defaulted/Non Active Brokers

Complaints against brokers who have been suspended/defaulted/non active, are dealt at the Stock Exchange Level under the default management mechanism defined in their regulations and therefore subservient to the defined structure of such regulations. Also disputes with active brokers which have been referred for arbitration.

5. Low Return on Investment, Non Declaration of Dividend and Refund of Funds from Delisted Companies

Return on investment is a market mechanism and subject to volatility of the market. Recommendation of declaration of dividend is the prerogative of the board of directors of the company as envisaged in the Companies Ordinance 1984. Similarly obtaining refunds for complainants in context of delisted companies may not be in the locus of control of the SECP.

Complaints and disputes referred to following redress forum available to insurance policy holders:

1. Small Dispute Resolution Committee (SDRC)

Disputes regarding claims filed with SDRC may be raised as complaints to the SECP, only if the matter under consideration has breached the permissible resolution timeframe as defined in the

SDRC rules. SDRC has standing instructions to report on fortnightly basis the status of complaints being handled by it.

In case of delay in complaint resolution, the nominated committee specific coordinator will pursue the matter with SDRC and revert to the complainant with further information and guidance within one week of receiving such a complaint.

The permissible timeline for complaint resolution of 45 days will start from the date when the complaint is forwarded by the Commission to SDRC.

2. Federal Insurance Ombudsman (FIO)

If a complaint is already filed for resolution with FIO or the Commission endorses a complaint to FIO. The Federal Ombudsmen Institutional Reforms Act 2013, section 18 provides that “No Court or authority shall have jurisdiction to entertain a matter which falls within the jurisdiction of an ombudsman nor any court or authority shall assume jurisdiction in respect of any matter pending with or decided by an Ombudsman.”

3. Tribunal

If a complaint is filed for resolution with the Tribunal or any Court, Insurance Ordinance 2000, section 122 (3), provides that “No court other than a tribunal shall have or exercise any jurisdiction with respect to any matter to which the jurisdiction of a tribunal extends under this Ordinance, including a decision as to the territorial limits and the execution of a decree, order or judgment passed by a tribunal”.

Policyholders’ complaints regarding settlement of claims and issues of pecuniary value will be taken up with the insurers for escalation of resolution process but the same will be forwarded to the appropriate forum if the issue remains unresolved after expiry of 15 days.

The complaint handling process: / How your complaint is dealt with

To enable the SEC to respond quickly, you are advised to disclose complete details of the case and ensure that all documentary evidence i.e. receipts, statements of accounts, confirmation tickets/contracts etc., accompany your complaint.

The new Service Desk Management System launched on 1st June 2017 provides a user friendly experience for you to lodge or query or complaint with the SECP to get timely and regular updates. Using it enables you to get these updates via sms and email, and we recommend that you use this channel as your preferred channel for lodging your concern.

Upon receipt of your complaint by the Service Desk, you will get a same day acknowledgment message of receipt through sms. In cases where we do not have mobile contact information but instead have a postal

address, the response may take longer to reach you. After initial assessment, the Service Desk will send the complaint to the relevant division of the SEC for review and evaluation on the same day of receipt, or the following working day if the complaint is received in the late hours of the working day. Once received by the designated departmental Point of Contact (POC), another acknowledgment will be sent to you within 3 days of receipt by the concerned POC stating that the matter is under review (excluding cases in which postal mail is used). If the matter is irrelevant to the jurisdiction of SECP the complainant will be informed accordingly. After assessing the complaint thoroughly the POC will revert to the complainant with the status of the complaint within 15 days.

If a complainant is requested to provide additional or deficient information (if any), the complainant will have a maximum of three weeks to provide the requisite information. Reminders will be sent to the complainant each week and upon the lapse of the third week, if the requisite material has still not been provided by the complainant, the complaint will stand closed and the same will be communicated to the complainant.

Barring the above situation, if the complaint handling process is experiencing delay owing to any reason, the concerned POC will update the complainant at least on a monthly basis.

For portal lodged complaints the complainant may check complaints status at will by accessing the SECP online Service Desk Management System and providing vital information. Alternatively, you can send an email or reach the Service Desk by dialing SECP's Toll Free Number 0800 88008.

In case reservations remain despite the correspondence, SECP may initiate an investigation in order to ascertain the true facts of the matter. This could involve inviting both parties to a face-to-face hearing for resolving the matter. Occasionally, a dispute concludes without any decision. This occurs mostly in the event of lack of evidence. The SECP is restrained by law to issue direct instructions in certain jurisdictions. In such instances, you may attempt to settle the matter amicably or exercise the option of taking legal action through the civil authorities.

Hearings, appeals, review/ petitions

The Appellate Bench (the Bench) of the Securities and Exchange Commission (the Commission) is mandated to hear and decide the appeals filed under section 33 of Securities and Exchange Commission of Pakistan Act, 1997 (the Act) against the orders passed either by a Commissioner or any other officer authorized by the Commission. The Appellant is required to file appeal before the Bench within thirty days from the date of impugned order, however no appeal shall lie before the Bench against;

1. An administrative direction given by a Commissioner or an officer of the Commission.
2. An order passed in exercise of the powers of revision or review.
3. A sanction provided or decision made by a Commissioner or an officer of the Commission to commence legal proceedings.
4. An interim order which does not dispose of the entire matter.

In order to dispose of appeals in a timely manner different benches have been constituted and each bench consists of two Commissioners. Every appeal received under section 33 of the Act is required to

be examined and scrutinized as per Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003 (the Rules). The appeals which are in accordance with the Rules are registered by the Registrar whereas the deficient appeals are notified to the appellant with the direction to remove specific deficiencies within stipulated time. After registration of appeal, the Registrar requires the Respondent to submit written comments within time specified. The hearings of the appeals are fixed after completion of the requirements contained in the Rules and final orders are passed within forty five days, if possible.

Complaint resolution feedback, audit, and internal reporting

Upon reporting of a complaint as resolved by the concerned POC the Service Desk will send a complaint feedback form to the complainant.

All complaints at the SECP are treated seriously and regular reporting to higher authorities takes place on a periodic basis as per the Commission approved Service Desk guidelines.

The Service Desk conducts regular periodic audits of complaints, an analysis of which is shared with relevant senior management on a regular basis.

Additionally, all negative feedback received by the Service Desk is reported back to the relevant POC for immediate redress. Reports regarding such complaints are also shared with higher management on a regular basis.

SECP is committed to service excellence and encourages feedback. If you are not satisfied with the level of service you received, you are encouraged to escalate your concerns, directly to the Service Desk In-Charge (Details provided below). Complaints about SECP staff may also be sent to:

Usman Khalid

Joint Director – IEIRD

2nd Floor, 63 Jinnah Avenue,

Islamabad

Telephone No. +92 51 9100462

Email: usman.khalid@secp.gov.pk