



VANUATU FINANCIAL SERVICES COMMISSION

GUIDANCE NOTES

FOR

ADDRESSING COMPLAINTS

AGAINST A

FINANCIAL DEALERS LICENCE

SUPERVISION DEPARTMENT

FINANCIAL DEALERS (LICENSING) ACT [CAP 70]

1. STATEMENT OF OBJECTIVES

This guideline is issued by the Vanuatu Financial Services Commission (VFSC) pursuant to section 7A of the Financial Dealers (Licensing) Act [CAP 70]. The Commissioner, may revoke a license, if any circumstance is likely to lead to the improper conduct of business by, or reflect discredit upon the method of conducting business of, the applicant or holder or any person so employed by or associated with him as aforesaid, the applicant or holder is not, or, as the case may be, is no longer, a fit and proper person to hold a licence.

The purpose of the guideline is to assist VFSC, the Financial Centre Association (FCA) and the public at large to receive and manage the complaints received in relation to Financial Dealers License.

It is expected that by January 1, 2018 all licensees will be required to provide VFSC with a prospectus on the product to be offered by the licensee. Prospectus is to be approved by VFSC and the appointed Representative can only attract clients using the approved prospectus.

VFSC will only consider genuine complaints from genuine clients. Any complaints made must be made by a client providing the details below:

- (a) Full name and photo identification of complainant;
- (b) Confirmation of investment, such as receipt of deposit of funds for investment;
- (c) Copy of prospectus of product or investment offered;
- (d) Full statement of complaint outlining the basis of the complaint;
- (e) Confirmation of request for Withdrawal; and
- (f) Other relevant information or documents such as email or chats between the complainant and the licensee.

All relevant documents to VFSC must be translated into English where necessary and certified confirming a correct translation of the documents

2. GUIDELINES

The steps below are to be followed by VFSC when receiving complaints regarding holders of Financial Dealers licenses:

- (a) Complaint must only be made by complainant to the VFSC after attempting to have the issue resolved by the licensee in accordance to their dispute resolution policies;
- (b) If after three (3) attempts the licensee has not satisfactorily addressed the issue of the complaint then the complainant can bring the complaint to VFSC;
- (c) VFSC receives complaint in person, by telephone or email;
- (d) Register complaint in VFSC Complaints Register;
- (e) Give notice of complaint to local registered agent for registered agent and licensee to address complaint within 7 days in accordance to their dispute resolution policies and to forward outcome of complaint only if resolution of dispute is satisfied that there is enough evidence to prosecute licensee;
- (f) Once outcome of complaint is received from registered agent:
 - (i) Commission will consider outcomes and responses of Registered agent and licensee and assess whether or not section 7A of Financial Dealers Licensing Act is applicable; and
 - (ii) Where Commission feels that licensee is subject to section 7A of the Act the Commission will give a notice of 14 days of its intention to revoke the license;
- (g) Where there is no response from either the registered agent or licensee then the license may be revoked subject to section 7A (3) of the Act;
- (h) The Commission will forward all received documentation of the outcome of the dispute resolutions and supporting evidence to its supervisory partners namely the Vanuatu Financial Intelligence Unit (VFIU), the Transnational Crime Unit (TCU) and the Money Laundering Unit (MLU);
- (i) A notice of the revocation of license will be published on the VFSC website and also shown on the list of licensees that the license of a particular entity was revoked;
- (j) The revocation of the license does not in any way remove the obligations of the company or its key persons to its clients; and
- (k) The decision must be noted on the VFSC Complaints Register.