

The NBCI Embafinance Limited Liability Company

Regulations on handling appeals of consumers of financial services

Approved by the Supervisory Board of the Embafinance LLC

(Protocol # MŞ-12/2013-01 Date:27 December 2013)

#	Approving body	Date of approval	Date of enforcement	Note
A. Main document				
	Supervisory Board	27.12.2013	27.12.2013	
B. Annexes				

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1. General Provisions

- 1.1. These Regulations shall govern the registration of, response to and related forwarding of appeals delivered to the Non-bank Credit Institution Embafinance LLC (hereinafter – the NBCI).

2. Definitions

- 2.1. **Consumer of financial services** - individual or legal entity, that used, uses or stated intentions to use financial services;
- 2.2. **Appeal** – verbal or written complaint, application or suggestion sent to the NBCI by a consumer of financial services;
- 2.3. **Application** – application form, which implies requirements on enforcement of consumer rights ;
- 2.4. **Suggestion** – application, implying improvement of institution’s performance and solution of technical, legal, creative and other fields related issues;
- 2.5. **Complaint** - consumer’s appeal to credit institution, requesting restoration of his/her violated rights;
- 2.6. **Designated person** – the person, who implements administrative, logistic or organizational functions at the NBCI within permanent, temporary or specific authorities .

3. How to apply

- 3.1. Consumers of financial services (hereinafter – consumers) may issue individual or joint appeals to the NBCI;
- 3.2. Consumers may apply to the NBCI either verbally or in writing;
- 3.3. A written appeal shall contain consumer’s first, middle and last names, postal address, contact numbers, personal signature and the date in addition to the main content;
- 3.4. The e-application shall contain consumer’s first, middle and last names, contact numbers and postal address, if a written response is required, in addition to the main content;
- 3.5. When issuing a verbal appeal, the applicant shall mention his/her first, middle and last names , postal address, and contact numbers;
- 3.6. Applications with no first, middle and last names shall be deemed anonymous and not accepted for review.

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4. How to accept, review and response to appeals

- 4.1. According to these Regulations, all appeals received by the NBCI shall be registered by a **designated person** and entered to the *Special Standard Form to Maintain Appeals Registry* (Annex 1) within one business day;
- 4.2. All appeals must be accepted and reviewed by the **designated person** within the time frame specified in Items 4.7 and 4.8 herein;
- 4.3. Four main principles shall be guided by when reviewing appeals:
 - Appeals should be reviewed as soon as practicable;
 - Appeals should be handled in an unbiased manner and objectively;
 - Appeals on a designated person's actions or negligence may not be reviewed by him/her;
 - All data in appeals should be kept **confidential**.
- 4.4. The **designated person** on consumer appeals shall investigate the appeal upon receiving. If the appeal is accepted for review, the consumer shall be notified hereof either in writing or verbally and the appeal shall be forwarded to a related department for review. He/she shall ensure review of appeals within his/her authority;
- 4.5. If the appeal is not accepted for review, the **designated person** on consumer appeals shall notify the consumer hereof either in writing or verbally, inform the consumer on the reasons hindering the review and on the means to eliminate these reasons;
- 4.6. If the appeal is not attached with necessary documents for its comprehensive and in detail review, the consumer shall be required to provide the documents. The consumer shall be notified on deadline for submission of documents. If the consumer is not capable to submit such documents, the application shall be reviewed based upon existing documents. If lack of additional documents makes the review impracticable, the **designated person** on consumer appeals shall notify the consumer hereof;
- 4.7. Consumer appeals shall be responded to in a short run, no later than 10 business days;
- 4.8. If the appeal requires additional investigation, the response period shall be extended by 20 business days. In this case the consumer shall be notified on the reason for delay, further steps and deadline for the response;

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- 4.9. Central Bank enquiries, related to consumer appeals to the Central Bank on the NBCI's **activity**, shall be investigated and responded to by the **designated person** on consumer appeals within the assignment period by the Central Bank, at the latest within 5 business days. If the Central Bank requires notification of consumers, the appeals shall be handled within the time frame specified in Items 4.7 and 4.8 herein;
- 4.10. If consumers are not satisfied with responses to appeals, repeated appeals shall be responded to by the Management Board within the time frame specified in Items 4.7 and 4.8 herein under the control of Chairman of the Supervisory Board;
- 4.11. Within the specified timeframe the **designated person** on consumer appeals shall negotiate verbally and hold meetings with consumers depending on the nature of appeals, and issue advice and explanations ;
- 4.12. The **designated person** on consumer appeals shall exchange information with, issue enquiries to, obtain written and verbal statements from related structural units in order to investigate appeals ;
- 4.13. Responses to consumer appeals shall be signed by the CEO of the NBCI.

5. Non-review of appeals

- 5.1. Appeals received shall not be accepted for review when:
 - the content of the appeal is not readable;
 - appeal related documents are expired.
- 5.2. In all other cases appeals should be accepted for review.

6. Accountability and control

- 6.1. The **designated person** on consumer appeals shall submit regular reports to the Management and Supervisory Boards on his/her **activity**;
- 6.2. The reports shall contain at least the following:
 - information on consumers;
 - number of, nature of and reasons for appeals;
 - disaggregation of appeals on products and services;
 - number of appeals responded, under review and rejected;

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number of compensated appeals or compensation amount;

comparative analysis of the above data in this item with previous periods (monthly, quarterly, annually etc).

- 6.3. The **designated person** on consumer appeals should issue **proposals** to eliminate deficiencies. The **proposals** should encompass changes to the process of product sale, product types, communication channels with consumers, advertising data and similar processes, products and data and other issues;
- 6.4. Reports developed by the **designated person** on consumer appeals should be submitted to Chairman of the Supervisory Board and discussed by the Supervisory Board with relevant decision to be taken no less than once a quarter.