

IFSRB - Rules and Guidelines

1. Preamble

- 1.1. IFSRB is an independent self-regulatory non partisan non governmental organisation and external dispute resolution (EDR) body, not regulated or registered as an EDR body in any jurisdiction.
- 1.2. IFSRB is a private limited company duly organized under the laws of Saint Vincent and the Grenadines. The Members of IFSRB are individuals, firms and corporations that operate in the Financial Services Industry and who agree to be bound by IFSRB rules. Despite the fact that IFSRB is registered in Saint Vincent and the Grenadines, IFSRB does not accept any Saint Vincent and the Grenadines residents as its members. IFSRB does not offer any services or products in Saint Vincent and the Grenadines.
- 1.3. The main objectives of IFSRB are to:
 - (a) provide clients, at no cost, with an accessible alternative to legal proceedings to resolve their complaints against Members;
 - (b) act as a complaints resolution body for the Financial Services Industry; and
 - (c) actively facilitate the resolution of complaints with their financial service providers who are the Members of IFSRB.
- 1.4. The goal of IFSRB is to provide a prompt resolution of clients' complaints against Members, with regard to:
 - (a) high commercial standards in the Financial Services Industry; and
 - (b) treating customers fairly in all circumstances.
- 1.5. IFSRB will deal with Complaints in accordance with these Rules with the aim to resolve Complaints by:
 - (a) making a Ruling as to whether the Complaint falls within the jurisdiction of IFSRB;
 - (b) achieving a settlement of the Complaint by the parties; or
 - (c) issuing an Order prescribing a particular mode of conduct to the Member against whom it receives a Complaint; or
 - (d) making an Award; or
 - (e) other appropriate remedies.
- 1.6. IFSRB will not provide general information about Members, Members' business operations or services, or the Financial Services Industry.
- 1.7. These Rules set out, among other things:
 - (a) requirements which may be applicable to its Members;
 - (b) who can make a Complaint to IFSRB;
 - (c) what Complaints can be dealt with by IFSRB;
 - (d) what Complaints IFSRB cannot deal with;
 - (e) how a Complaint can be made to IFSRB; and
 - (f) how IFSRB tries to resolve a Complaint.
- 1.8. The Board may from time to time approve and have published on IFSRB's website guidelines to these Rules, procedures of IFSRB, position statements and other documents relating IFSRB process, however, subject to IFSRB Rules.
- 1.9. In the event of a dispute as to the terms of this Membership Rules and Guidelines the English version shall prevail.

2. Definitions and terms

- 2.1. Certain words and phrases have the special meanings set out below:

- “Award” shall mean the binding determination made by the Dispute Resolution Committee which may award any compensation to the Complainant;
- “Board” shall mean the board of directors of IFSRB;
- “Complainant” shall mean a Client who makes a Complaint to IFSRB about a Member or Members, but does not include a person who is a member of IFSRB unless the person did not, at the time the event complained about occurred, have a business relationship with the Member against whom the Complaint is made;
- “Complaint” shall mean:
 - (a) for the purpose of IDR, an expression of dissatisfaction made to a Member, related to its conduct, products or services, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected; and
 - (b) for the purpose of EDR, an expression of dissatisfaction made to IFSRB, related to a Member’s conduct, products or services, whether or not the Complainant has first tried to resolve the Complaint with the Member using the Member’s IDR process;
- “Client” shall mean an individual (whether acting as a trustee or otherwise), a partnership comprising individuals or a small business, but does not include an individual that IFSRB determines is not a client for the purposes of Rules or guidelines because of the assets, wealth, or both, that the person has, holds or controls;
- “IFSRB’s website” or “website” shall mean the website maintained by IFSRB at www.ifsrb.com
- “IFSRB process” shall mean the process for dealing with a Complaint under these Rules;
- “Determination Phase” shall mean the phase during which the Dispute Resolution Committee makes a decision on the merits of the Complaint and, as required, makes an Award or issues an Order;
- “EDR” shall have the meaning given thereto in Rule 1.1;
- “Financial Service” shall mean either services and/or products within the scope of the financial trading including but not limited to Forex, Options, Commodities, Equities, or Binary Options;
- “Financial Services Provider” shall mean any individual or organization that offers, for compensation, Financial Services;
- “Financial Services Industry” shall mean a collection of Financial Service Providers;
- “IDR” shall mean internal dispute resolution involving a procedure adopted by a Member to consider a Complaint;
- “Investigation Phase” shall mean the investigation phase of IFSRB process;
- “Member” shall mean a person, firm or corporation which is a member of the IFSRB;
- “Monetary compensation limit” shall mean an amount not exceeding €20,000, as may be amended from time to time; **Note:** Separate claims by the same Complainant will not be aggregated for the purpose of determining a maximum monetary compensation limit;
- “Order” shall mean a determination made by the Dispute Resolution Committee prescribing certain mode of conduct to a Member;
- “Rules” shall mean these Rules;
- “Ruling” shall mean a Ruling by the Dispute Resolution Committee as to whether a Complaint or any aspect of a Complaint can be dealt with under these Rules or about any matter that arises in the course of IFSRB dealing with the Complaint;

2.2. Unless the context suggests otherwise:

- (a) the singular include the plural and vice versa;
 - (b) any reference to a party to a Complaint includes that party's executors, administrators or permitted assigns;
 - (c) a reference to one gender includes every gender;
 - (d) headings are for reference purposes only; and
 - (e) references to any applicable law including but not limited to any regulations and other rules made under it and to consolidations, re-enactments, amendments or replacements of it.
- 2.3. In calculating compliance with a time period by reference to a number of "days", shall include weekends but not include any global public holiday or public holiday pertaining to the country of residence of the Member.
- 2.4. Whenever these Rules refer to information, they shall include information or evidence in any form and from any source, but do not include information or evidence that has been or appears to be illegally obtained.

3. Assets and income of IFSRB

- 3.1. The assets and income of IFSRB shall be applied solely for the purpose of operating IFSRB (including for purposes of setting up a Compensation Fund) and no portion will be distributed directly or indirectly to its Members.
- 3.2. IFSRB will use some of its assets and income to set up a compensation fund, which will act as an insurance policy for the Claimants (the "Compensation Fund"). This fund will be held in a separate bank account. The Compensation Fund is financed by IFSRB through allocation of a percentage of the monthly membership dues to it. The Compensation Fund will only cover Awards up to its current monetary compensation limit per Complainant.
- 3.3. IFSRB may at any time change the amount of the current monetary compensation limit. IFSRB will publish any change in the monetary compensation limit on IFSRB website.
- 3.4. The funds from the Compensation Fund will be used by IFSRB to satisfy an Award only if a Member refuses to adhere to a decision of IFSRB or if a Member ceased to be a Member of IFSRB prior to paying an Award outstanding against it.
- 3.5. The Compensation Fund is property of IFSRB, no Member is entitled to any portion of the Compensation Fund for any reason including if such Member's membership ceased.
- 3.6. If the Compensation Fund does not have adequate funds to cover multiple Complaints against a Member or Members, IFSRB reserves the right to distribute the Compensation Fund as it sees fit based on the Complaints filed

4. Membership

- 4.1. IFSRB does not accept any Hong Kong residents as its members.
- 4.2. To be eligible a Member must be operating in the Financial Services Industry for a period of at least 3 years.
- 4.3. If the applicant has been in operation for less than 3 years, the IFSRB requires two professional references from a shareholder, director, senior executive or comparable officer of a Financial Services firm or firms that has been in operation for more than 3 years.
- 4.4. If the applicant does not meet the requirements of Rule 4.2-4.3, the Commission, at its discretion, may apply Rule 4.5 below in order to approve the Member as described in the sections below.

- 4.5. IFSRB reserves a right to provide sub-categories of membership with different pricing and payment requirements, which may, among others, depend on the number of Complaints to be adjudicated in relation to such Member and other services.
- 4.6. To become a Member the Board must approve an organization.
- 4.7. To apply for approval as a Member, such organization shall:
 - (a) file a membership application (in the form approved by IFSRB) identifying the type of membership being applied for;
 - (b) get approved by the Board; and
 - (c) if approved execute the membership agreement and pay IFSRB membership fees.
- 4.8. Membership is not transferable. There is no limit on the number of Members.
- 4.9. By executing the membership agreement with IFSRB, each Member agrees to be bound by these Rules.
- 4.10. Each Member agrees to pay membership fees in a timely manner. Payments are accepted only in Euro (€) and must be received within 10 business days of receiving a notice requiring payment to avoid late payment fees. Any payments made after 10 business days of receiving notice will be assessed a €50 late payment fee for every business day that a payment is overdue.
- 4.11. A Member may withdraw from membership in IFSRB by giving the Chairman of the Board no less than three (3) months' notice to that effect ("Termination Notice"). A Member may give no Termination Notice during the initial 12 month of the membership. Subject to the above, the membership shall cease upon expiry of the three (3) months' period following the service of the Termination Notice. Any membership fees that have already been paid are non-refundable. In addition all logos and mention of IFSRB must be removed from all marketing materials including any websites.
- 4.12. The Board may in their absolute sole discretion resolve, to accept a Member's withdrawal from membership at any time even if notice has not been given in accordance with clause 4.8 and may waive any portion of the notice period.
- 4.13. If a Member:
 - (i) refuses or neglects to comply with the provisions of these Rules or with any binding decision made pursuant to these Rules; or
 - (ii) fails to pay its fees to IFSRB within 10 business days of the date of the relevant invoice; or
 - (iii) ceases to be operating in the Financial Services Industry; or
 - (iv) for any reason ceases to be licensed or registered, as required under any applicable law in the jurisdiction in which it conducts business for operating in the Financial Services Industry; or
 - (v) becomes insolvent, files for bankruptcy or bankruptcy proceedings are initiated against it by its creditors;The Board, acting in good faith and in its sole discretion, may expel that Member and any associated persons of such Member from membership with IFSRB. If the Board passes such a resolution to expel, the Member shall cease to be a Member on the day the resolution is passed.
- 4.14. Following a voluntary or involuntary cessation of Membership, the Member will no longer be entitled to receive any discounted or special offers for Value-added Services provided to the Member by a 3rd party.
- 4.15. A Member may be expelled under clause 4.10 if:
 - (a) the Member has been given notice in the first meeting of the Board which sets out the alleged grounds for expulsion and at which the resolution for expulsion will be considered:
 - (i) at least 7 days prior to the date of that meeting for reasons of non-payment to IFSRB ; or
 - (ii) at least 7 days prior to the date of that meeting in any other instance; and

- (b) the Member has been given an opportunity to provide reasons for not expelling such Member from IFSRB in writing.
- 4.16. An expelled Member may be reinstated by the Board in its absolute sole discretion and upon such terms and conditions as the Board may see fit.
- 4.17. Cessation of membership:
- (a) does not entitle the Member to repayment in whole or in any part of any membership dues or of any other fees which have been previously paid by the Member;
- (b) is without prejudice to the Member's liability to pay any levy or other fee which has become due and payable before such cessation; and
- (c) is without prejudice to the Member's rights and obligations in respect of any Complaint commenced to be processed at IFSRB before such cessation (including any Order, Award or any fees payable to IFSRB in respect of such a Complaint).

5. Financial Requirements

- 5.1. IFSRB may introduce financial requirements to all or any types of membership, such requirements will be announced by IFSRB by publishing a notice on its website.

6. Reporting Requirements

- 6.1. IFSRB may introduce reporting requirements to all or any types of membership, such requirements will be announced by IFSRB by publishing a notice on its website.

7. Record-keeping Requirements

- 7.1. All Members shall comply with the record-keeping requirements set out in Annex C.
- 7.2. All Members shall comply with Voice Risk Disclosure Requirements set out in Annex D.

8. Dispute resolution clause

- 8.1. As a condition to the effectiveness of a Member's membership, each Member shall amend the dispute resolution or any similar clause in its contracts with the customers to allow a Client to raise a Complaint with IFSRB against such Member.

9. Business Continuity/Disaster Recovery Plan

- 9.1. IFSRB believes that disaster recovery and business continuity issues are of utmost importance and trading technology providers must take a proactive approach to ensure that they have an adequate disaster recovery plan in place.
- 9.2. A disaster recovery and business continuity plan must contain the following information:
- description of backup facilities;
 - procedure for implementation of disaster recovery/business continuity plan;
 - disruptions of third parties;
 - annual testing;
 - rules of communication with IFSRB;
 - third party contact information; and
 - employees and emergency contact information.

10. Audit and compliance control

- 10.1. The IFSRB reserves a right at its own discretion to conduct an annual audit of a Member to check the Member's compliance with these Rules, including the requirements, set out in Rules 5 – 9 above.
- 10.2. Each Member agrees to cooperate with the IFSRB should IFSRB initiate such audit, grant IFSRB full access to its premises and employees and promptly, upon IFSRB's request, provide any documents and information required to conduct the audit.

11. Independence

- 11.1. The decision-making process and administration of IFSRB are independent of its Members.
- 11.2. The IFSRB Dispute Resolution Committee and staff are:
 - (a) entirely responsible for the handling and determination of Complaints; and
 - (b) accountable only to the Board.
- 11.3. The Board is responsible for overseeing the operations of the Dispute Resolution Committee, for ensuring independent decision making by the Dispute Resolution Committee and IFSRB staff, and for preserving the independence of IFSRB and its dispute resolution process.
- 11.4. In order to ensure that IFSRB is, and is perceived to be, independent, the Board comprises:
 - (a) an independent Chairman; and
 - (b) no Member representatives on the Dispute Resolution Committee.
- 11.5. Notwithstanding anything the above, monetary size of the Complaint heard, IFSRB's Chief Operating Officer is entitled to assist the Dispute Resolution Committee in the decision-making process if so requested.

12. Dispute Resolution Committee

- 12.1. Only the Board shall have authority to appoint the Dispute Resolution Committee. The Dispute Resolution Committee is the sole body who can:
 - (a) make any decision permitted under these Rules, including but not limited to, a review of whether a Complaint is within the jurisdiction of IFSRB and making a Ruling on this;
 - (b) issue an Order; and
 - (c) make an Award.
- 12.2. The Dispute Resolution Committee shall have the powers, functions, and duties conferred by these Rules, and as conferred and delegated by the Board from time to time.

13. Filing a complaint

- 13.1. IFSRB reserves a right to reject to hear any claim if the claimant resides in Saint Vincent and the Grenadines or if the claim is otherwise related to Saint Vincent and the Grenadines.
- 13.2. A Complaint can be filed with IFSRB if:
 - (a) the Complainant is a Client;
 - (b) the Complaint is against a Member; and

- (c) the Complainant has first tried to resolve the issue with the Member through the Member's IDR process.
- 13.3. A Complainant may file a Complaint to IFSRB only in writing by completing the form which can be found on IFSRB's website www.ifsrb.com
- 13.4. The Complainant can make a Complaint about two or more Members in relation to the same subject matter, but must generally first of all try to resolve his Complaint with each of the Members concerned. These Rules apply with any necessary modifications in respect of a Complaint against two or more Members in relation to the same subject matter.
- 13.5. When making a Complaint, a Complainant shall:
- (a) describe the nature of the dispute with the Member in reasonable detail, inform of the outcome of the IDR procedures with the Member and specify the compensation or corrective action he is seeking from the Member to resolve the Complaint;
 - (b) provide IFSRB with copies of supporting documentation and every document relevant to the Complaint; and
 - (c) consent in writing (which can be done by clearly stating so in the Complaint) to IFSRB providing a copy of the Complaint and supporting documentation to the relevant Member.
- 13.6. IFSRB will deal with a Complaint if, in relation to a Financial Service provided by a Member, such Member has:
- (a) breached the terms of the contract entered into between the Member and the Complainant in relation to such Financial Service;
 - (b) did not meet standards of good practice in the Financial Services Industry; or
 - (c) acted unfairly towards the Complainant.
- 13.7. Once the Complaint is accepted by IFSRB, the Complainant may not raise any new grounds for a Complaint unless:
- (a) the Member consents to it in writing; and
 - (b) IFSRB consents in writing to such terms and conditions as it regards as appropriate.
- 13.8. In order for a Complainant to raise any new grounds in connection with the subject matter of a previously filed Complaint, the Complainant shall withdraw his Complaint within 7 days of its acceptance by IFSRB and file an amended Complaint with IFSRB. Failure of a Complainant to do so will result in any additional grounds to be disregarded by IFSRB.
- 13.9. IFSRB shall deal with a Complaint if the Complainant's loss resulting from the Member's conduct does not exceed or appear to IFSRB to exceed \$200,000.00 For the avoidance of doubt, regardless of the compensation amount awarded by IFSRB to the Complainant, if the Compensation Fund is used to repay the Award, such payout may not exceed IFSRB's current monetary compensation limit (as described in Rule 3.2).
- 13.10. The Complainant can claim compensation for losses that are a direct financial loss.
- 13.11. Punitive, exemplary or aggravated damages will not be awarded.
- 13.12. IFSRB may also award interest or earnings in addition to any compensation awarded.
- 13.13. If interest or earnings is awarded, it will be calculated from the date of the cause of action or matter giving rise to the Complainant's claim, but IFSRB will have regard to any factors it considers relevant, including but not limited to, the extent to which the conduct of either party contributed to any delay.
- 13.14. The Member must not charge the Complainant any fee in connection with a Complaint made to IFSRB.
- 13.15. In dealing with a Complaint at any stage of IFSRB process, IFSRB will observe procedural fairness and shall regard:
- (a) good practice in the Financial Services Industry; and
 - (b) fairness in all the circumstances.
- 13.16. Dealing with a Complaint includes:
- (a) deciding the extent to which a Complaint falls within the jurisdiction of IFSRB and making a Ruling on this if it does not;

- (b) assessing the merits of the Complaint;
 - (c) making recommendations to the Complainant and the Member about resolving it and reaching a settlement;
 - (d) issuing an Order; or
 - (e) making an Award.
- 13.17. When considering what constitutes good practice in the Financial Services Industry, IFSRB may:
- (a) consult within the representatives of Financial Services Industry;
 - (b) seek, but is not bound by, advice from such persons whom IFSRB regards as suitably qualified to give such advice.

14. Complaints outside of jurisdiction. Rejections.

- 14.1. A reference to a Complaint shall include any aspect of the Complaint. IFSRB will not deal with a Complaint if, at the time of receiving the Complaint or at any time during IFSRB process, IFSRB is satisfied that:
- (a) a Complaint is about a Member's acts or omissions that do not comprise a Financial Service;
 - (b) a Complaint is about someone who is not a Member at the time the Complaint is made;
 - (c) the Complainant is seeking compensation in an amount in excess of IFSRB's then current monetary compensation limit in 200,000.00 USD;
 - (d) a Complaint is about management of a trading account, including, but not limited to the investment in the financial or cryptocurrency markets by a 3rd party on behalf of the Complainant.
 - (e) the Complaint relates to a fee, charge, commission or, unless:
 - (i) the Complaint concerns the non-disclosure, misrepresentation, miscalculation or incorrect application of the fee, charge, commission
 - (ii) the fee, charge or commission is egregious by industry standards
 - (f) the Complaint is about an issue or action done or not done by, or the policies or commercial judgment of, someone other than the Member the Complainant is complaining about;
 - (g) the Complainant is not the person to whom the Financial Services directly relate to;
 - (h) the Complaint is not brought within 45 days from the moment of dispute arising between the Complainant and the Member;
 - (i) the Complaint has been dealt with by a court, tribunal, arbitrator or another regulated or unregulated alternative dispute resolution commission body, unless:
 - (i) the Member has declined the Complainant's request on the execution of a default judgment; or
 - (ii) both the Complainant and the Member consent in writing to the Complaint being considered by IFSRB;
 - (iii) it is more appropriate than the Complaint is dealt with in another forum such as a court or some other type of a judicial or arbitration tribunal.
 - (k) the Complainant has not undergone through the IDR procedures established by the Member; or
 - (l) the Complaint lacks substance or is being pursued by the Complainant for an improper purpose.
- 14.2. If the Complaint or any aspect of the Complaint is outside of the jurisdiction of IFSRB, the Dispute Resolution Committee may make a Ruling that the Complaint or an aspect of it cannot be heard by IFSRB and will advise the Complainant in writing of this setting out the reasons why the Complaint or relevant aspect of the Complaint is outside of jurisdiction of IFSRB.

- 14.3. Notwithstanding anything to the contrary in these Rules, the IFSRB has an absolute and an unrestricted right to deny any Complaint. Examples of situations when a Complaint may be denied are as follows:
- the Complainant is known to the IFSRB or in the Financial Services Industry in general as an untrustworthy person or a person who utilizes unfair or fraudulent practices in order to obtain gain from the Members;
 - the Complainant has previously abused the procedures of the IFSRB for the purpose, which the IFSRB finds (in its sole discretion) improper;
 - the Complainant has violated any of the Rules; and
 - it came to the knowledge of the IFSRB that the Complainant engages in disparaging acts (including, but not limited to statements in public forums) in relation to the IFSRB, its directors, members of DRC and ICC, officers and employees.
- 14.4. For the avoidance of doubt, the above examples are simply examples and the IFSRB at its sole discretion may deny a Complaint on any other ground. The IFSRB does not need to state the ground for denial (but may do so if it chooses so) when informing the Complainant that his/her Complaint was rejected.

15. Internal Dispute Resolution (“IDR”)

- 15.1. Every Member must have IDR procedures in place which comply with standards and requirements of IFSRB and are approved by IFSRB. Prior to adoption of such IDR procedures, a Member shall submit to IFSRB’s review a draft of such procedures and adequately address any comments or recommendations received from IFSRB.
- 15.2. After recording a Complaint as received, IFSRB will only continue to deal with the Complaint if the Complainant has first tried to resolve the Complaint with the Member using the Member’s IDR process, unless:
- (a) IFSRB considers that the Complaint or any aspect of the Complaint should be dealt with urgently; or
 - (b) it does not appear that the Complaint or an aspect of the Complaint is being addressed adequately or in a timely manner by the Member; or
 - (c) IFSRB reasonably considers that it is appropriate in certain circumstances not to require the Complainant to first try to resolve the Complaint or an aspect of the Complaint with the Member.
- 15.3. A Complainant may make a Complaint to IFSRB if:
- (a) the Member does not give the Complainant a final response through its IDR within 14 days of receipt of the Complaint; or
 - (b) the Member otherwise gives a final response that the Complainant does not consider resolving his Complaint.
- 15.4. A Member must inform a Complainant of IFSRB’s contact details and his right to refer his Complaint to IFSRB:
- (a) when the Member gives the Complainant a final response as a result of the IDR procedures within 14 days of receipt of the Complaint; or
 - (b) when the Member becomes aware that it will not be able to give a final response within the above mentioned time frame;

16. The Dispute Resolution Committee Process

- 16.1. Without in any way limiting what IFSRB can do, the Dispute Resolution Committee can at any time and from time to time during IFSRB process do all or any of the following things:
- (a) ask any party questions about the Complaint;

(b) require any party promptly to provide to, or procure for, the Dispute Resolution Committee any information and documents that the Dispute Resolution Committee considers necessary within a certain time, except where the party satisfies the Dispute Resolution Committee that:

(i) provision of information would breach a duty of confidentiality to a third party and, despite best endeavors, the third party's consent to the disclosure of the information has not been able to be obtained;

(ii) provision of information would breach a court order or prejudice a current investigation by the police or other law enforcement agency; or

(iii) failure to submit such documents or information and in the absence of a reasonable explanation, allows the Dispute Resolution Committee to reserve the right to draw such inferences as it considers appropriate.

(c) ask any party for their comments generally on the other party's responses to IFSRB;

(d) send to one party copies of:

(i) the other party's comments on the Complaint;

(ii) the other party's answers to questions asked; and

(iii) information provided to the Dispute Resolution Committee by the other party;

(e) at the expense of the Member, obtain such specialist advice as IFSRB reasonably considers is desirable or necessary to deal with the Complaint.

16.2. The Dispute Resolution Committee is not bound by any legal rule of evidence and may inform itself about the Complaint and all matters relating to it in whichever manner and by whichever means, in its sole discretion, it shall deem appropriate.

17. Investigation

17.1. At the first stage of the dispute resolution process IFSRB will conduct investigation into the merits of the Complaint. During the Investigation Phase, IFSRB may carry out whatever reconciliation and investigation process it thinks appropriate to deal with the Complaint, including conducting oral conferences with the parties, requesting any additional documents, obtaining advice from experts.

17.2. If IFSRB requires additional documents from the Member or the Client, both are required to respond to IFSRB within 7 days or a reasonable explanation must be given as to why more time is needed.

17.3. If there is no response given within 7 days IFSRB will proceed in the decision making process with the information it has on file. A lack of response from the Member or the client could affect the outcome of the decision of the dispute.

17.4. IFSRB may carry investigation process until IFSRB is reasonably satisfied that it is in possession of all relevant information regarding the merits of the Complaint.

17.5. Having completed its investigation, IFSRB may:

(a) give the Complainant and the Member IFSRB's assessment of the merits of the Complaint; and/or

(b) make a recommendation to the Complainant and the Member about resolving the Complaint.

17.6. If no settlement of the Complaint is achieved between the parties during the Investigation Phase, IFSRB may declare this phase completed and proceed to the Determination Phase.

18. Determination

- 18.1. At the Determination Phase, the Dispute Resolution Committee will decide on the merits of the Complaint.
- 18.2. The Dispute Resolution Committee will generally decide on the merits of the Complaint based upon:
 - (a) the Complaint;
 - (b) the Member's response;
 - (c) the Complainant's reply; and
 - (d) information and documents IFSRB has received during IFSRB process, including any advice from suitably qualified people.
- 18.3. The Dispute Resolution Committee may decide as follows:
 - (a) make an Award to the Complainant that the Member shall pay the Complainant compensation for any loss the Complainant has suffered up to the monetary compensation limit; and/or
 - (b) issue an Order that the Member do some act or refrain from doing some act in relation to the subject matter of the Complaint; or
 - (c) deny the Complaint, refuse the Complainant any remedy and declare the Complaint closed.
- 18.4. The Dispute Resolution Committee's decision will be in writing and will include the Dispute Resolution Committee's reasons underlying the decision.
- 18.5. If the Dispute Resolution Committee makes an Award, the amount of compensation will be determined by what the Dispute Resolution Committee believes is sufficient but not more than is required to compensate the Complainant for its loss as a result of the act or omission of the Member.
- 18.6. If the Dispute Resolution Committee issues an Order, in considering whether the Order should require the Member to do or refrain from doing some act, the Dispute Resolution Committee will have regard to what is fair and reasonable to put the Complainant and the Member in the position the Complainant and the Member would have been in were it not for the act or omission of the Member.
- 18.7. In doing this, the Dispute Resolution Committee will consider what is fair and reasonable for all parties, including someone who is not a party to the Complaint but who might be affected by the Dispute Resolution Committee's decision.
- 18.8. The Dispute Resolution Committee's decision will be binding upon a Complainant only if he accepts such decision in writing within 14 days of the receipt of the written decision from the Dispute Resolution Committee. If the Complainant accepts the decision, the Complainant must provide the Member (if the Member so requests) with a binding release of the Member from liability in respect of the matters resolved by the decision. The release must be for the full value of the claim which was the subject of the Complaint, even if the amount of the claim exceeds the amount of the remedy decided upon by IFSRB. The Dispute Resolution Committee's decision becomes binding upon a Member only if the Complainant accepts that decision in full and final settlement of his Complaint against the Member (and executes the necessary release, if requested by the Member).
- 18.9. If the Member requests that the Complainant should provide a release to such Member, the Member shall within 7 days of the receipt of the Dispute Resolution Committee's decision make a written request of such release and provide both IFSRB and the Complainant with the text of such release. The release shall have the effect and only the effect of releasing the Member from any further legal liability to the Complainant and precluding commencement of legal proceedings by the Complainant against the Member in relation to the subject matter of the Complaint on condition that the Member has fully complied with the determination. IFSRB reserves a right to review and amend

the text of the release as it reasonably deems appropriate in order for the release not to negate the effect of any decision made by the Dispute Resolution Committee.

- 18.10. If the Dispute Resolution Committee does not receive the Complainant's signed acceptance of its decision and a signed release (if requested so by the Member) within 14 days after the receipt of Dispute Resolution Committee's decision, the Dispute Resolution Committee may declare the Complaint closed.
- 18.11. Whenever the Dispute Resolution Committee makes an Award or issues an Order, the Member must comply with it fully and within the time period specified in such Award or Order. If the Dispute Resolution Committee Award or Order does not specify a particular time period, then the Member must comply with the Award or Order as soon as practicable.
- 18.12. IFSRB may publish a non-identifying copy of the Dispute Resolution Committee's determination of the Complaint on IFSRB's website, unless either party requested in writing that a decision be made on a confidential basis and not subject to public disclosure.

19. Settlement

- 19.1. At any time and from time to time during IFSRB process, if it thinks it appropriate to do so, IFSRB may:
 - (a) refer the Complaint back to the Member and afford it another opportunity to reconsider its position given IFSRB's preliminary view of the merits of the Complaint;
 - (b) facilitate informal negotiations between the parties to resolve the Complaint or any aspect of the Complaint; or
 - (c) suggest that the Complaint be settled or withdrawn, with or without conditions, with the agreement of both parties in full and final settlement of the Complaint.
- 19.2. If parties reach a settlement, they shall provide IFSRB with a copy of the executed settlement agreement so that IFSRB could declare the Complaint closed.
- 19.3. If IFSRB is satisfied that:
 - (a) the settlement agreement was validly signed and executed by all the parties
 - (b) the Complaint was within IFSRB's jurisdiction; and
 - (c) the Member has failed to comply with the settlement agreement,
- 19.4. The Dispute Resolution Committee may make an Award on terms of the settlement agreement to enforce it.

20. Recommendation on reasonable offer

- 20.1. Where IFSRB reasonably considers that an offer made by a Member to a Complainant to resolve a Complaint is reasonable having regard to the information before IFSRB may recommend to the Complainant that he shall accept the Member's offer in full and final settlement of the Complaint.
- 20.2. If the Complainant does not accept the offer, IFSRB may close the Complaint in the absence of further information from the Complainant that would justify the Complaint remaining open. If IFSRB closes the Complaint, it will notify the Complainant and Member that it has done so.

21. Non-compliance

- 21.1. If either party does not comply with a IFSRB requirement within the period specified by IFSRB:

- (a) IFSRB may give the party whatever further period IFSRB thinks appropriate to comply;
 - (b) if the Member still does not comply:
 - (i) the Dispute Resolution Committee may, if it considers appropriate, proceed to determine the Complaint on the basis of the information and documents then available; or
 - (ii) IFSRB may expel the Member as a member of IFSRB;
 - (c) If the Complainant still does not comply, IFSRB may declare the Complaint closed or, where IFSRB requirement only relates to a particular aspect of the Complaint, IFSRB may decline to consider that aspect further and continue to deal with the other aspects of the Complaint.
- 21.2. For the purpose the expression “IFSRB requirement” refers to any requirement imposed by IFSRB or these Rules on the Complainant or the Member, including the requirement to respond to IFSRB within a certain time or the requirement to provide IFSRB with such information and documents that may be requested by IFSRB in relation to the Complaint.

22. Enforcing an Award

- 22.1. If a Member fails to comply with an Award or Order of the Dispute Resolution Committee within the time frame specified in such Award or Order (or if no time specified, as soon as practicable), IFSRB may give the Member 28 days’ written notice to comply with such Award or Order. If the Member still fails to comply, then IFSRB can take whatever action it deems necessary to enforce the Award or Order, including but not limited to:
- (a) take action to suspend or cancel the Member’s membership of IFSRB;
 - (b) bring legal proceedings for specific performance of the Member’s agreement to abide by IFSRB’s Rules, including but not limited to the Member’s obligation to comply with the Award or Order; or
 - (c) take such other action as IFSRB thinks appropriate to secure compliance with the Member’s obligations under IFSRB’s Rules

23. Objection Notice from Member

- 23.1. IFSRB will suspend dealing with a Complaint if during the Investigation Phase the Member gives an Objection Notice to IFSRB and is able to demonstrate to IFSRB’s reasonable satisfaction:
- (a) that the Complaint involves or may involve an issue which could have important consequences for the Member’s business or the Financial Services Industry generally; or
 - (b) that the Complaint raises an important or novel point of law.
- 23.2. A Member who gives an Objection Notice must:
- (a) identify and describe the issues which could have important consequences for the Member’s business or the Financial Services Industry generally as the issues relate to the Complaint; or
 - (b) identify and describe the important or novel point of law as it relates to the issues raised in the Complaint; and
 - (c) advise IFSRB of the grounds on which the Member seeks a declaration from the court or any other judicial or arbitration tribunal and how the declaration being sought relates to the issues raised in the Complaint.
- 23.3. IFSRB will refuse to accept an Objection Notice if:

- (a) the Member has not complied with these Rules;
 - (b) IFSRB reasonably considers that the Member has inadequate grounds for seeking a declaration from court or any other judicial or arbitration tribunal;
 - (c) having regard to all other relevant circumstances, IFSRB is reasonably satisfied that the Member has given IFSRB the Objection Notice for an improper purpose; or
 - (d) the Member previously gave IFSRB an Objection Notice in relation to the same Complaint, in which case, IFSRB will give the Member written notice of the refusal and will continue to deal with the Complaint.
- 23.4. If the Member does not initiate judicial or arbitration proceedings on the issues specified in the Objection Notice within 14 days of giving the Objection Notice to IFSRB, the IFSRB will deal with the Complaint as if the Objection Notice has not been given.

24. Joining other parties

- 24.1. If IFSRB believes that:
- (a) it would not unfairly prejudice the Complainant or the Member; and
 - (b) it would lead to a more efficient and effective resolution of the Complaint, IFSRB may allow or require another Member (called the “Third Party Member”) to be joined as a party to the Complaint.
- 24.2. IFSRB may impose terms and conditions on joining a Third Party Member. For example, IFSRB may require the Member the Complainant has complained about to pay costs or to provide security for future costs.
- 24.3. Once a Third Party Member has been joined in the Complaint, IFSRB may give directions about how the Complaint will be dealt with.
- 24.4. A Third Party Member has all the rights and duties under these Rules as if that Third Party Member were the Member as referred to in the Rules.
- 24.5. Where a Third Party Member has been joined, these Rules are to be read to include that Third Party Member with appropriate changes being made.

25. Legal or other representation

- 25.1. Neither party is required to have legal or other representation (“representation”) while IFSRB deals with the Complaint.
- 25.2. If a party chooses to be legally or otherwise represented, this will be at its own cost.

26. Statements and information made ‘without prejudice’

- 26.1. All statements the Complainant or Member makes and information or documents they provide to IFSRB are made on a “without prejudice” basis. This shall mean that anything said or done or information provided to IFSRB during the process cannot be used in subsequent legal proceedings unless required by an appropriate court process.
- 26.2. Any information obtained by IFSRB during the process may not be disclosed by:
- (a) the Complainant;
 - (b) the Member; or
 - (c) IFSRB,
- to anyone else unless disclosure is required by law or required or permitted by IFSRB’s Internal Rules and after the participants agree with the disclosure.

27. Confidentiality

- 27.1. Any party to a Complaint who believes that disclosure of any information or document to IFSRB will place them in breach of a duty of confidentiality they owe to someone else shall notify IFSRB. The party claiming confidentiality shall use its best endeavors to obtain the consent of the person to whom the duty is owed to disclose the information or document. If the consent is not received within a reasonable time, then the party claiming confidentiality will not be required to comply with any direction from IFSRB that the information or document be provided.
- 27.2. If IFSRB receives any information or document from any party to a Complaint with a request from that party that it be treated confidentially, IFSRB will not disclose that information or document to any other party or to any other person except:
 - (a) with the consent of the person supplying the information or document, or
 - (b) as required by law or required or permitted by these Rules or IFSRB's Rules.
- 27.3. IFSRB will not use or rely on any confidential information or document provided by one party to make a finding adverse to any other party, unless it:
 - (a) reasonably considers that the information or document is genuine and credible; and
 - (b) informs any party against whom an adverse finding may be made that it is in receipt of the confidential information or document; and
 - (c) identifies the confidential information or document to any party against whom an adverse finding may be made; and
 - (d) If appropriate, summarizes the confidential information or the relevant contents of the document to any party against whom an adverse finding may be made.
- 27.4. Before IFSRB ends any confidential information or document to another forum, IFSRB will obtain in writing the consent of the party claiming confidentiality.
- 27.5. Except where these Rules, or the law prohibits it, IFSRB may at its discretion disclose the Complaint, the Member's response, the Complainant's reply and any information or document obtained by IFSRB during IFSRB process to the Board, Dispute Resolution Committee, any IFSRB employee, consultant, contractor or agent to the extent that is appropriate to do so to enable the person to fully and effectively carry out their powers, functions or duties.
- 27.6. IFSRB will not be obliged to make available to the parties any memorandum, analysis, file notes or any other documents generated by IFSRB's employees, consultants, contractors or agents.
- 27.7. Notwithstanding anything set forth in these Rules, any party to a Complaint who receives from IFSRB any document prepared by IFSRB or provided to IFSRB by another party:
 - (a) must use that document only for the purpose of dispute resolution in accordance with and as contemplated by IFSRB Rules; and
 - (b) must not, except as required by law or legal proceedings, disclose the document to any other person without the prior written consent of IFSRB, which consent may be subject to such conditions as IFSRB may in its absolute discretion consider appropriate, and for the purposes of this Rule "disclose" includes communicating or divulging by any means or in any form whether written, electronic or oral or otherwise, including copying by any means and in any form the whole or any part of the document.

28. Exemptions

- 28.1. IFSRB may of its own volition or on the application of a party at any time and from time to time at its discretion and on whatever conditions it sees fit to impose, exempt a party

from any one or more of these Rules. Before IFSRB grants any exemption, it must satisfy itself that doing so:

- (a) is necessary to ensure the efficient and effective resolution of the Complaint; and
- (b) would not be otherwise prejudicial or unfair to or impose an unreasonable burden or disadvantage on any party.

29. Extensions

- 29.1. IFSRB may of its own volition or on the application of a party at its discretion and on whatever conditions it sees fit to impose extend any time for compliance with any matter under these Rules. Before IFSRB grants any extension of time, it must satisfy itself that doing so would not be unfair to or impose an unreasonable burden or disadvantage on any party.

30. Closing a compliant

- 30.1. IFSRB may at any time declare a Complaint closed in any of the following cases:
- (a) the Complaint is or becomes outside of IFSRB's jurisdiction;
 - (b) the Complaint is withdrawn, settled or resolved; or
 - (c) IFSRB deems the Complaint withdrawn by reason of the Complainant's failure to respond to IFSRB's communications within the period specified by IFSRB; or
 - (d) the Complainant does not accept the Member's offer which IFSRB considers reasonable having regard to the information before IFSRB and recommends the Complainant to accept (in the absence of further information from the Complainant that would justify the Complaint remaining open);
 - (e) the Complainant does not accept IFSRB's determination of the Complaint;
 - (f) IFSRB is not satisfied that the Complaint is properly presented by the Complainant;
- or
- (g) IFSRB is unable to locate the Member despite its reasonable efforts to do so.
 - (h) IFSRB learns of any ground listed in Rule 14.3.

31. Previous IFSRB decisions

- 31.1. IFSRB will not be bound by any previous IFSRB decisions, but will endeavor to be consistent in its decision-making.
- 31.2. A previous IFSRB decision includes but is not limited to a Ruling, Order or an Award
- 31.3. If IFSRB deems it appropriate, IFSRB will send the Complainant and the Member a copy of or extract from a IFSRB policy that IFSRB thinks is relevant to their Complaint.

32. Exceptions to IFSRB decisions being final and binding

- 32.1. Every IFSRB decision is final and binding upon a Member. Neither the Complainant nor the Member may file any appeals, and as such the IFSRB's decision is non-appealable. A Member may not challenge an Order or an Award in a court or other judicial or arbitration tribunal unless there is new information that can be presented that would affect the outcome of the Complaint.

- 32.2. IFSRB decision may only be reviewed or reopened in the circumstances allowed in these Rules or IFSRB guidelines.
- 32.3. IFSRB decision is only binding on a Complainant if the Complainant accepts it. If the Complainant does not accept a IFSRB decision, the Complainant is at liberty to pursue other remedies in relation to the subject matter of the Complaint in a courts or any other judicial or arbitration forum, but not with the IFSRB. If the Complainant does this, IFSRB can declare the Complaint closed and no IFSRB decision will have any force or effect against the Member in relation to the Complaint.
- 32.4. If upon the Dispute Resolution Committee's own motion or upon application by a party within 28 days after the date on which an Order or Award was sent to that party, the Dispute Resolution Committee has determined that in relation to that Order or Award:
- (a) a clerical mistake was made; or
 - (b) there was an accidental error or omission; or
 - (c) there is a material miscalculation of figures or a material mistake in the description of any person, thing or matter; or
 - (d) there is a defect in form; or
 - (e) the terms of the Order or Award do not reflect the Dispute Resolution Committee's actual intentions,
- The Dispute Resolution Committee may:
- (i) make whatever amendments to the Order or Award it thinks appropriate; or
 - (ii) re-issue the Order or Award; or
 - (iii) give such directions as it thinks appropriate (including directions about times for compliance) in connection with the Order or Award.
33. Member ceasing to carry on business
- 33.1. IFSRB may in its discretion:
- (a) by-pass the Member's IDR process, whether or not the Member has commenced considering the Complaint within that process; and
 - (b) deal with or continue to deal with a Complaint, if the Member:
 - (i) ceases to carry on its business; or
 - (ii) ceases to hold a relevant license; or
 - (iii) becomes insolvent, files for bankruptcy or in relation to which bankruptcy or liquidation proceedings are initiated,and in doing so, IFSRB must consider the Complainant's interests.
34. Publicizing IFSRB
- 34.1. The Board and all Members must ensure that IFSRB is appropriately and effectively publicized.
- 34.2. IFSRB's logo and mark shall only be permitted for use and distribution for Members in good standing. The use of IFSRB logo or mark is strictly forbidden unless authorized by IFSRB.
- 34.3. Unless the contrary is expressly indicated by the IFSRB in its Award or Order (as applicable), neither the Complainant nor the Member may publicize, share, transfer to any person or otherwise distribute any or part of Order, Award, any correspondence between the IFSRB and the Complainant or the Member or any information which was disclosed by any person during the Complaint resolution process. If the Complainant or the Member violate this provision of the Rules, the IFSRB may annul any of its Orders or Awards made in relation to any Complaint filed by such Complainant or against such Member, as the case may be.
35. Indemnity from liability
- 35.1. To the extent permitted by law, IFSRB excludes all liability to Members arising out of or in connection with these Rules and the performance by IFSRB of functions contemplated hereunder. This exclusion applies, without limitation, to all liability in

contract or tort for actions or omissions of IFSRB, the Board, the Dispute Resolution Committee, its owners and their officers, employees, agents, and contractors, and any related persons and entities (the “Indemnified Persons”).

- 35.2. The Members agree to indemnify the Indemnified Persons from and against all expenses, losses, costs and damages (including any reasonable legal fees and expenses), direct, consequential, and/or incidental in nature, that the Indemnified Persons may incur as a result of (i) any breach of these Rules by the Member, its employees, contractors, or agents or (ii) any claim, demand, proceeding, suit and action by any third party for anything done or omitted in the discharge or purported discharge by the Indemnified Persons of their rights and obligations under these Rules.

36. Protection from defamation

- 36.1. The Member must not instigate defamation action of any kind against a Complainant or IFSRB in respect of allegations made to IFSRB by the Complainant about the Member.
- 36.2. Any criticism of a IFSRB decision in a public forum or on a Member’s website is prohibited and could result in dismissal from IFSRB.

37. Correspondence

- 37.1. IFSRB may give a document, demand, notice or other communication (“notice”) to any party:
- (a) personally;
 - (b) by sending it by post, to the address of a party that it has on file; or
 - (c) by sending it to a fax number or e-mail address of a party that it has on file.
- 37.2. A document sent by post must be sent by a courier mail and shall be deemed to have been received on the day of its delivery to the relevant address.
- 37.3. If a document is sent by fax or email, delivery of the document is deemed to occur on the next day following the of such fax or email transmission.
- Evidence of service
- 37.4. A certificate in writing signed by a director or officer of IFSRB stating that a document was sent to a party by post or by fax or email on a particular date is prima facie evidence that the document was so sent on that date.

Annex 1 - Recordkeeping Requirements

1. General Standard

Members who handle orders must adopt and enforce written procedures reasonably designed to record and maintain essential information regarding customer orders and account activity.

2. Transaction Records

Electronic trading systems should record the following information for each transaction:

- buy or sell;
- date and time the order is received by the system;

- price (or premium for an option) at which the order is placed;
- price (or premium for an option) quoted on the trading platform when the order was placed (if the system is a trading platform);
- account identification;
- currency pair;
- size;
- type of order (if not a straight market order);
- date and time the execution information is reported by the system;
- date and time the order is transmitted to the trading platform; and
- date and time of execution.

For options, the system should record the following additional information:

- put or call;
- strike price; and
- expiration date.

All times information must be recorded to the nearest second. The system must also record any other necessary information (e.g., re-quotes, that the platform did not execute the order because the customer had insufficient equity in its account). If the transaction is not subject to daily rollovers, the system must also record the expiration date of the transaction, if any.

The system should record this same information for liquidating orders. If customers place them as liquidating orders, the system should identify them as liquidating orders. If they are generated by the system because there is insufficient equity in the account, the system should record that information. If customers enter them as new orders, however, they need not be identified as liquidating orders in the order information even if they result in offset.

Electronic trading platforms should record the following information for rollovers:

- account identification;
- currency pair;
- size;
- long or short;
- date and time of the rollover;
- price of the position after the rollover;
- bid and ask prices quoted on the platform when the rollover occurred; and
- any other fees charged for the rollover.

An electronic trading platform should be programmed to provide the amount of interest credited or debited to the account if any. The trading platform should also be programmed to provide a report, upon request, showing the following information for all transactions other than rollovers executed on that day: time, price (or premium), quantity, long or short, currency pair, account identification, and, for options, strike price, put or call, and expiration date.

3. Account Records

Electronic trading platforms should create and maintain daily records containing the following information:

- account balance (funds in the account plus or minus open trade equity);
- account identification;
- funds in the account (net of any commissions and fees); and
- open trade equity (the net profits and losses on open trades).

For open option positions, the account balance should be adjusted for the net option value and the daily record should include the following additional information:

- if the system treats the rollover as two transactions, it should provide the date and time of each transaction;
- long option value;
- short option value; and
- net option value.

4. Time and Price Records

Electronic trading platforms should create daily logs showing each price change on the platform, the time of the change to the nearest second, and the trading volume at that time and price. Upon request by a Customer, Member should provide time and price records covering all executed transactions for the same currency pair or option during the time period in which the customer's order was or could have been executed.

5. Profit and Loss Reports

Electronic trading platforms should be able to produce, upon request, a report showing monthly and yearly realized and unrealized profits and losses by customer. The system should generate year-end reports for each customer showing the realized profits and losses incurred during the calendar year and the unrealized profits and losses on open positions.

6. Records Retention

Members must maintain this information, and it must be readily accessible. These records must be open to inspection by IFSRB, and copies must be provided to IFSRB upon request.

7. Reviews

The Member should conduct periodic reviews designed to ensure that the electronic trading platform maintains the data and is capable of generating the required reports.