



---

## PingPong Europe S.A. Customer Compliant Policy

<b>Document Reference</b>	EU-POL-5.01
<b>Version</b>	v1.1
<b>Last Updated</b>	22 <sup>nd</sup> November 2017
<b>Document Controller</b>	Complaint Officer
<b>Document Approver</b>	E.U. CCO

# Table of Contents

<b>1. Introduction.....</b>	<b>3</b>
1.1. Objectives, Scope and Principles	3
<b>2. Description of PingPong Europe Complaint Handling.....</b>	<b>3</b>
2.1. Organization, roles and responsibilities	3
2.2. Definition of “Complainant”	4
2.3. Definition of “Complaint”	5
2.4. Complaint Resolution Time Limits and Process Requirements	6
2.5. Incident Management	7
2.6. Recordkeeping	7
2.7. Customer Complaints Inbound Channels	7
2.8. Confidentiality	8
<b>3. CSSF Complaint Handling Procedure.....</b>	<b>8</b>
3.1. Introduction	8
3.2. Objective and Scope	8
3.3. CSSF Out-of-Court Complaint Procedure Requirements	9
<b>4. CSSF – Complaint Management Reporting.....</b>	<b>10</b>
4.1. Requirements for Customer Complaint Reporting to the CSSF	10
4.2. Requirements for Customer Complaint Reporting to PingPong Senior Management	10
<b>Appendix A: Version and Review History.....</b>	<b>11</b>
<b>Appendix B: Key Terms and Definitions.....</b>	<b>12</b>

# 1. Introduction

## 1.1. Objectives, Scope and Principles

PingPong Europe has a clear engagement in doing business in compliance with all applicable laws and regulations in every country it operates in and with an absolute commitment to ethics, honesty and credibility.

As such, PingPong Europe will give the utmost importance to any complaint received from its customers and will handle complaints with the required diligence, transparency and objectivity, with the declared willingness to find the truth and, if any, admit mistakes committed by the company or one of its employees.

As a consequence, PingPong Europe will deal with any complaint received from customers related to the financial product provided to the market based upon the principles and procedures established in the present document.

In order to provide fair and compliant management of customer's complaints, PingPong Europe commits to strive to the following principles:

- a) The present document is approved by PingPong Europe Senior Management and is communicated to all relevant employees. An extract of it is made public and available to the outer world on the PingPong website;
- b) The present policy and the processes described aim at being efficient and effective. Also, they enable the identification and the mitigation of potential conflicts of interests;
- c) The present policy is issued pursuant to and reflects compliance with the Luxembourgish regulatory framework as set up by the CSSF with Regulation n°16-07 of November 11, 2016 and Circular 17/671 of October 13, 2017;
- d) An adequate internal organization with clear roles, responsibilities and lines of controls is set up in order to provide effective management of customer's complaints;
- e) Every customer's complaint must receive a response from PingPong Europe according to the present policy without any exception and within the defined timetable;
- f) Every customer will be informed about the contact person at PingPong Europe in charge of his/her complaint, the various steps of the procedure and the possibility to escalate the claim to the CSSF according to the procedure as defined into the Regulation n° 16-07 of November 11, 2016 and Circular 17/671 of October 13, 2017.

## 2. Description of PingPong Europe Complaint Handling

### 2.1. Organization, roles and responsibilities

The senior manager formally appointed as PingPong Europe « *Complaint Officer* » as required by the CSSF Circular 17/671 is PingPong Europe's, Kenny Tsang.

In this role, he will act as only point of contact with the CSSF for any issue related to customer's complaints specific to PingPong Europe.

In his function, the Complaint Officer may delegate the resolution of customer complaints to the PingPong Group Head of Customer Support, as externalized based upon the intercompany agreement. Depending on the nature of the complaint, various PingPong Group companies or departments may be involved in providing to the Complaint Officer their input, documentation and support upon demand as necessary for preparing adequate response to the customer.

In any case, the Complaint Officer will always bear the full and ultimate responsibility of keeping an efficient and proper complaint management system within PingPong Europe.

It will fall under the responsibility of the Complaint Officer to set up appropriate controls on the activity of the delegated person in order to verify that regulatory requirements and the policies and procedure as set in the present document are always respected.

The various involved Departments and roles are as follows:

<b>Complaint Officer</b>	Acts as single point of contact with the complainants, and, internally, will search for appropriate information with other Departments according to the nature of the claim.
<b>Customer Service</b>	The customer service team in Hangzhou will be assigned cases as determined by the Complaint Officer.
<b>Incident Manager</b>	Responsible for IT-related technical issues. Identifies bugs and contributes fixing recurrent issues.
<b>Risk &amp; Compliance Departments</b>	The Risk & Compliance teams will provide assistance for any customer's complaint related to risk issues, like fraud, or compliance issues, like KYC, AML, etc.
<b>Financial Operations</b>	The FinOps team will provide assistance every time the customer's complaint relates to bank-related issues of his/her account and/or the YMC attached to the e-wallet. FinOps team may provide assistance behind request coming directly from CS or from other departments, like Risk & Compliance.
<b>Head of PR &amp; Communication</b>	Responsible for providing assistance on Public Relation-related issues.
<b>Chief Marketing Officer</b>	Responsible for providing assistance on marketing-related issues, especially those set into the Consumer's Code.

## 2.2. Definition of "Complainant"

For the purposes of the present document, a « *complainant* » is defined as anyone who receives, requests or is affected by PingPong Europe's services and who can make a complaint, and may be:

- I. A new business customer;
- II. A former business customer;
- III. Somebody considering becoming a business customer;
- IV. A third party having legitimate interest in complaining with PingPong Europe.

The complaint can be introduced to PingPong Europe directly by the complainant or by a lawyer representing him or her.

In case the customer is unable or reluctant to make a complaint on their own, PingPong Europe will accept complaints brought by third parties as long as the customer has given his or her personal consent.

### 2.3. Definition of “Complaint”

For the purpose of the present procedure, a “*complaint*” is defined as the expression of dissatisfaction from a business customer on how the financial service or product has been handled or delivered by PingPong Europe in order to:

- a) Recognize a right;
- b) Redress a harm.

In accordance with the CSSF Circular 17/671, requests of information or explanation inquiries are not to be considered as complaints.

For the purpose of this procedure, a complaint communicated by a customer concerning any issue, will be responded to with written acknowledgment of receipt within one business day.

Complaints shall refer, but not be limited, to:

- Order/transaction errors resolved concurrently;
- Delay in communicating the net asset value or an account statement;
- Difficulty to establish contact with a representative of PingPong Europe or PingPong Hangzhou in a timely manner;
- Any other minor inquiry that can be rapidly resolved and not expressing signs of dissatisfaction.
- Alleged non-suitability, incorrect or dissatisfaction on policies applied by PingPong Europe in opening and managing accounts;
- Insufficient warning about the risks;
- Alleged poor level of customer service in relation with the services provided;
- Requests of clarification on account closure or account temporary blocking;
- Requests of clarification on certain transactions or costs and fees related to the service;
- Threat of litigation through regulatory or press contact where a complainant proposes to make the complaint public;
- Complaint received from the legal representative or the lawyer of the customers;
- Complaint involving sensitive areas that may involve a certain level of reputational risk for PingPong Europe.

The Customer Support Department is responsible for dealing with and following up all complaints. All complaints shall be reported to the Complaint Manager and recorded in the complaints file.

Some complaints may require internal investigation and likely support from other departments of PingPong Europe.

All customer complaints and relative follow-ups, including decisions and measures taken, have to be documented and stored in proper filings.

The Head of Customer Support, as delegated person for customer’s complaint management, is in charge of keeping always updated the entire documentation related to customer’s complaints and

relative follow ups.

According to the criticality of the incoming customer's complaint, it falls under the responsibility of the Complaint Officer to inform the PingPong Europe Authorized Managers and/or the Board Members.

## 2.4. Complaint Resolution Time Limits and Process Requirements

Some complaints as previously defined will be solved within 1 business day from reception.

If, for whatsoever reason, a complaint that cannot be solved within 1 business day since its reception, it will follow the procedure as set up in the next paragraph.

Some complaints deal with more complex issues and often require the gathering of documentation and the involvement of other PingPong Europe Departments, the time table will be the following:

- a) The complainant will receive a written acknowledgment of receipt or/and a holding response within 1 business day since the information of the complaint has been received by PingPong Europe;
- b) The complainant will receive a final response, either positive or negative, within 1 month at the latest since the date of introduction of the complaint. If an answer cannot be provided within this period, PingPong Europe will inform the complainant of the causes of the delay and will indicate the date at which its examination is likely to be achieved.

The communication provided by PingPong Europe to the complainant will have to comply with the following requirements:

- i. The information provided must be clear, precise and up-to-date;
- ii. The wording must be simple and understandable and will be in both Chinese and English;
- iii. The complainant must be given the name, surname and contact details of the person in charge of the complaint;
- iv. The complainant must be given the name of the "escalation" manager at PingPong Europe to whom the complainant can eventually address a second and more detailed complaint in the case he or she considers the response provided unsatisfactory. The "escalation" manager at PingPong Europe is the Complaint Officer;
- v. The complainant must be informed about the procedure adopted by PingPong Europe, including the timetables and the possibility, through the introduction of a written complaint, to activate the extra-judicial procedure in front of the CSSF as defined and ruled into the Regulation n°16-07 of November 11, 2016.

If even after the response provided by the "escalation" manager the complainant is dissatisfied, the procedure of introducing a complaint to the CSSF as defined in the next Section 3 will apply.

During the period from the receipt of the customer's complaint and the final response of PingPong Europe, the Head of Customer Support, as delegated person in charge of the function, will be responsible for collecting all required information and preparing / submitting to the signature the final communication to be sent to the customer.

The Head of Customer Support will be responsible for respecting the due dates as set in previous a) and b) on a day-by-day basis and the Complaint Officer will remain ultimately responsible for the overall and continuous respect of such due dates.

## 2.5. Incident Management

All complaints from customers related to technical issues, like service disruption or unavailability, will be dealt with as follows.

In case of a technical issue, the Customer Service representative will offer the customer a troubleshooting response for resolving the issue.

If the origin of the complaint is IT-related, the Customer Support representative will hand the issue over to the Incident Manager.

The Incident Manager will internally take over and coordinate with the IT Department as per the Incident Response Plan.

Information to the Senior Management of PingPong Europe will be provided for any IT-related incident having generated a customer's complaint. The Complaint Officer will be responsible for keeping updated the log of complaints related to IT-technical issues.

## 2.6. Recordkeeping

PingPong Europe should retain records of complaints for a minimum period of 5 years after the closing of the agreement with the consumer as per standard requirement.

The file, both in hard and soft copy, should include:

- The name of the complainant;
- The rationale of the complaint;
- Any correspondence between the complainant, including details of any redress offered by PingPong Europe to the complainant;
- Any correspondence between PingPong Europe, the CSSF and the customer should the latter have activated the procedure as set in Section 3 of the present document;
- All internal documentation supporting the final response provided to the complainant or any other correspondence occurred with the CSSF.

## 2.7. Customer Complaints Inbound Channels

Complaints shall be received by PingPong Europe in written or oral form through one of the following channels:

- To PingPong's core Customer Service team in China. The Customer Support Team is available from 9:00AM - 9:00PM Monday-Friday and 9:00AM -6:00PM Saturday-Sunday (Hangzhou time), at the phone number 400 996 96 66, or via email at [service@pingpongx.com](mailto:service@pingpongx.com).
- Directly to the EU Complaints Officer, at [complaints@pingpongx-eu.com](mailto:complaints@pingpongx-eu.com). Please note only complaints specific to PingPong Europe S.A.'s services will be addressed through this process.

Irrespectively from the channel the customer's complaint is received by PingPong Europe, it falls under the obligation of the owner of each channel to forward without any delay each complaint to the Customer Support Department in Hangzhou, China, for appropriate handling and to inform the Complaint Officer in Luxembourg without delay.

## 2.8. Confidentiality

Confidentiality is important in complaints handling.

It includes maintaining the complainant's confidentiality and explaining the importance of confidentiality generally.

PingPong Europe will always comply to legal requirements when it comes to bank secrecy and data protection legislation, as well as internal policies on confidentiality and the use of complainant's information.

## 3. CSSF Complaint Handling Procedure

### 3.1. Introduction

In accordance to the CSSF Regulation n°16-07<sup>1</sup> customers can introduce a complaint to the CSSF when they consider that the solution provided by PingPong Europe is not satisfactory or that PingPong Europe has not provided any response at all.

The CSSF considers complaints from people who remain dissatisfied at the conclusion of the complaints procedure as described and detailed in the previous chapters.

As per the previous sections, PingPong Europe will keep the complainant informed about the option of the extra-judicial procedure in front of the CSSF as defined and ruled into the CSSF Regulation 16-07.

A mandatory requirement is that the complaint has been introduced to PingPong Europe by the complainant in written form.

### 3.2. Objective and Scope

The activation of the complaint procedure in front of the CSSF is applicable in the following cases, as they relate to PingPong Europe a payment institution:

- I. Any request filed in accordance with Article 58 of the law of 5 April 1993 on the financial sector<sup>2</sup>;
- II. Any request filed in accordance with the first sub-paragraph of Article L.224-26 (1) of the Consumer Code;
- III. Any request filed in accordance with the second sub-paragraph of Article L.224-26 (1) of the Consumer Code<sup>3</sup>;
- IV. Any request filed in accordance with Article 106(1) of the law of 10 November 2009 on payment services;

---

<sup>1</sup> [http://www.cssf.lu/fileadmin/files/Lois\\_reglements/Legislation/RG\\_CSSF/RCSSF\\_No16-07eng.pdf](http://www.cssf.lu/fileadmin/files/Lois_reglements/Legislation/RG_CSSF/RCSSF_No16-07eng.pdf).

<sup>2</sup> The Law 5 April 1993 regulates the Financial Sector and the art. 58 states that the CSSF, in its former form, is able to receive customer's complaints from clients of regulated financial entities with the aim of settling the claim in an extra-judicial way.

<sup>3</sup> The art. L. 224.26 first and second sub-paragraph of the Consumer Code establish the power of the CSSF to receive and to deal in an extra-judicial way complaints from customers related to alleged violation of the chapter related to consumer credit agreements. Also, the CSSF is entitled to receive complaints coming for Associations of Consumers related to the same topics.

- V. Any request filed in accordance with Article 106(2) of the law of 10 November 2009 on payment services<sup>4</sup>.

In the following cases the complaint procedure vis-à-vis the CSSF will not be considered admissible:

- a) When the complaint has been previously or is currently being examined by another alternative dispute resolution body, arbitrator, arbitration tribunal or a court, in Luxembourg or abroad;
- b) When the complaint concerns the business policy of the professional;
- c) When the complaint concerns a non-financial product or service;
- d) When the request is unreasonable, frivolous or vexatious;
- e) When the complaint has not been previously submitted to the relevant professional in accordance with Article 5(1) of this regulation;
- f) When the complainant has not filed a request with the CSSF within one year after s/he filed a request with the professional;
- g) When the request handling would seriously impair the efficient functioning of the CSSF.

### 3.3. CSSF Out-of-Court Complaint Procedure Requirements

The complainant can introduce the complaint to the CSSF in written form by means of:

1. Standard mail;
2. Through the CSSF website at the dedicated pages<sup>5</sup>;
3. Fax.

The complaint can be filed in the following languages:

- French;
- English;
- Luxembourgish;
- German.

The written complaint must contain the following elements in order to be admissible by the CSSF:

- i. A detailed and chronological statement of the facts underlying the complaint and the steps already taken by the applicant;
- ii. A copy of the prior complaint filed with PingPong Europe;
- iii. A copy of the answer to the prior complaint or the confirmation by the applicant that s/he did not receive an answer within one month from the date at which s/he sent his/her prior complaint;
- iv. The statement of the applicant that s/he did not refer the matter to a Court, an arbitrator or another alternative dispute resolution body in Luxembourg or abroad;
- v. The agreement of the applicant with the request handling conditions of the CSSF as body responsible for the out-of-court resolution of his/her complaint;

---

<sup>4</sup> The art. 106 (1) and (2) of the Law 10 November 2009 on the payment institution establish, respectively, the power of the CSSF to receive complaints of their customers and, also, complaints for Associations of Consumers related to alleged violations of the following bullets of the Title II of the Law: „Payment transaction authorization“, „Execution of payment transactions“ and „Data protection“.

<sup>5</sup> (<http://www.cssf.lu/de/verbraucher/kundenbeschwerden/> in German and <http://www.cssf.lu/en/consumer/complaints/> in English).

- vi. The express authorisation of the applicant so that the CSSF can transmit its request (including the attachments) as well as any future correspondence or information to the professional concerned by the request;
- vii. In the case where a person acts on behalf of an applicant or on behalf of a legal person, a document showing that the person is legally entitled to act so;
- viii. A copy of a valid ID document of the natural person representing the legal entity and proof of the powers of representation.

Here below is attached the link to the CSSF website containing the Form for filing a complaint.

<http://www.cssf.lu/en/consumer/complaints/>

The customer's complaint procedure in front of the CSSF will follow the requirements as set into the CSSF Regulation 16-07, Section 3, art. 5.

## 4. CSSF – Complaint Management Reporting

### 4.1. Requirements for Customer Complaint Reporting to the CSSF

PingPong Europe is requested to regularly report to the CSSF the volume of complaints received by clustering them by nature and rationale and to detail the measures taken for their handling.

The Complaint Officer is in charge of taking care of producing the required reporting within the due date of March of each calendar year and the required level of details and accuracy required.

The annual report to the CSSF will be prepared and delivered by the Complaint Officer of PingPong Europe following the template as annexed to the CSSF Circular 17/671.

### 4.2. Requirements for Customer Complaint Reporting to PingPong Senior Management

On a regular basis, the Head of Customer Support, as delegated person by the Complaint Officer in charge of handling the customer's complaint, prepares on a monthly basis for the Senior Management of PingPong Europe a report containing, among others, data and statistics on the volumes and types of complaints and key performance details, for example on the time taken and the stage at which complaints were resolved.

The monthly report should contain the following information:

1. Number of cases handled;
2. Average resolution time;
3. Types of issues;
4. Number and types of unresolved issues;
5. Systemic failures uncovered.

For any other topic not expressly indicated in the present document, disposition set in the CSSF Regulation 16-07 of November 11, 2016 and CSSF Circular 17/671 of October 13, 2017, are fully applicable.

## Appendix A: Version and Review History

Version Number <sup>6</sup>	Date Updated	Description	Updated by
0.1	28 June 2017	First version of the EU Customer Complaint Policy	Mario Caporali
0.2	29 June 2017	Revised version	Holly Flocker
0.3	7 Aug 2017	Revisions to be consistent with outer-world policy	Holly Flocker
0.4	14 <sup>th</sup> Sept 2017	Revised version	Kenny Tsang
0.5	14 <sup>th</sup> Sept 2017	Updates to the clause 2.5	Kenny Tsang
1.0	4 <sup>th</sup> October 2017	Finalized and cleaned version with new numbering convention	Holly Flocker
1.1	22 <sup>nd</sup> November 2017	Updated to reflect CSSF Circular 17/671 which repeals and replaces CSSF Circular 14/589	Kenny Tsang

---

<sup>6</sup> Minor amendments are .1, .2 etc. Reviews are 1.0, 2.0, 3.0 etc.

## Appendix B: Key Terms and Definitions

“Business customer or customer”: A merchant who uses or is going to use PingPong Europe as a payment solution;

“CSSF”: the Commission de Surveillance du Secteur Financier;

“Complaint”: complaint filed with PingPong Europe to recognise a right or to redress a harm;

“Complainant”: any business customer having submitted a complaint with PingPong Europe. It can be a new or old business customer, or a non-customer indirectly affected by PingPong Europe;

“Complaint handling report”: Document where all critical complaints are documented and reported to the CSSF according to the template provided;

“Critical complaint”: has the meaning set out in bullet 2.3.2;

“Critical Information”: Internal process to inform the management about critical issues;

“Payment account” means an account held in the name of one or more payment service users which is used for the execution of payment transactions;

“Payment instrument”: means any personalised device(s) and/or set of procedures agreed between the payment service user and the payment service provider and used by the payment service user in order to initiate a payment order;

“Payment Institution”: means a legal person that has been granted authorisation in accordance with Article 10 of Directive 2007/64/EC to provide and execute payment services throughout the European Union. In Luxembourg, this covers legal persons that have been granted authorization in accordance with Article 7 of the Law November 10, 2009, to provide and execute payment services. In Luxembourg, this also includes persons that have been granted authorisation to provide and execute payment services in accordance with Article 22 of such Law;

“First Level”: A regular customer service agent of the Customer Support level 1. Deals with general customer issues;

“Incident Management”: Internal process to solve an IT-related technical issue;

“Procedure”: Out-of-court complaint resolution procedure;

“Second Level”: A regular customer service agent of the Customer Support level 2. Deals with customer issues related to credit card and transactional data;

“PingPong Europe”: Payment Institution fully licensed under the laws and regulations of the Grand-Duchy of Luxembourg.