



## **Dispute Resolution, Monitoring and Enforcement Mechanisms**

# I. Dispute Resolution Mechanism

## 1. Dispute Resolution Mechanism

The BusinessTrust Global Reliability Programme has in place a 3-Step Internal Dispute Resolution Mechanism for handling disputes that arise between trading parties, they are:

- (i) Direct Negotiation
- (ii) Recommendation for Settlement
- (iii) Mediation

In the event that the BusinessTrust -DRU fails to resolve the disputes satisfactorily, the BusinessTrust Secretariat would direct and advise the parties concerned to access an independent Alternative Dispute Resolution (ADR) scheme such as the Singapore Mediation Centre or the Small Claims Tribunal.

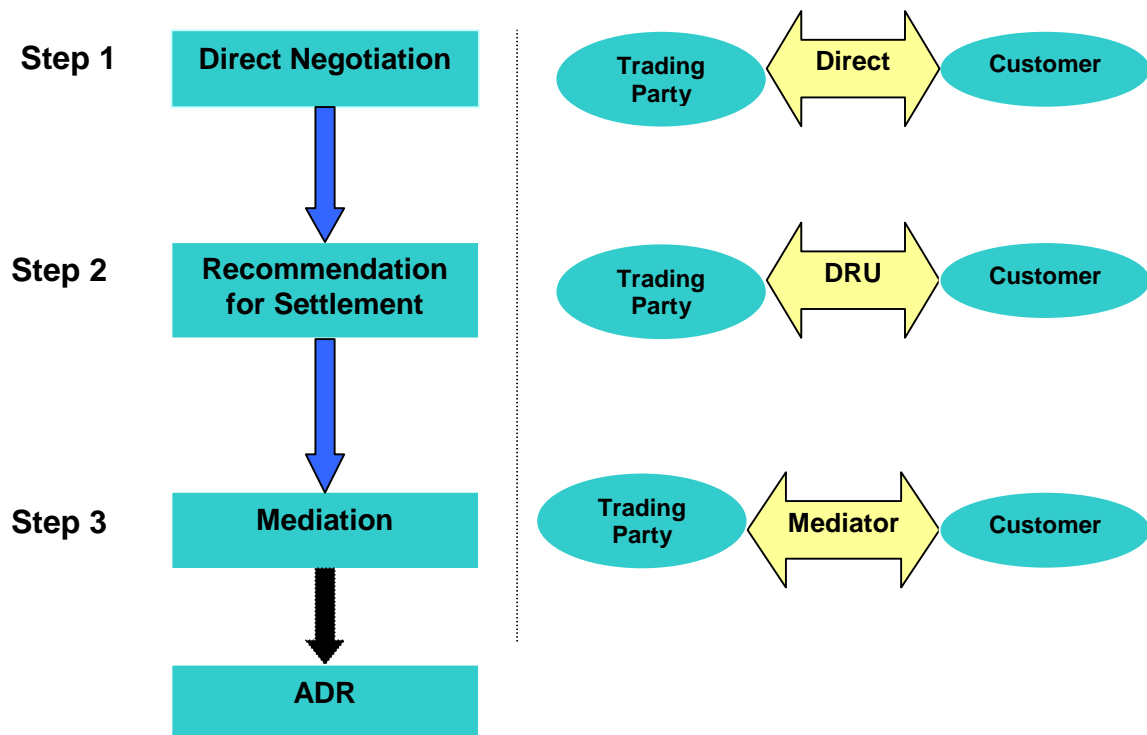


Diagram: BusinessTrust 3-Step Dispute Resolution Mechanism

### **Step 1: Direct Negotiation**

Complaints would be directed in the first instance to the licensee. The licensee would first try to reach an agreement by communicating directly with their customer. The licensee would investigate all grievances received from the customer, or made on behalf of the customer promptly and diligently. If the grievance is complex and the investigation into the grievance cannot be completed within 3 working days of the receipt of the customer's complaint, a written acknowledgement would be sent to the customer. The acknowledgement would contain an indication of when a full investigation can be completed.

### **Step 2: Recommendation for Settlement**

If the parties are unable to resolve the dispute through Direct Negotiation within 7 working days, they may request the assistance of the BusinessTrust Dispute Resolution Unit (DRU). The BusinessTrust-DRU would facilitate positive, solution-oriented discussion through email between the parties. In addition, the BusinessTrust-DRU would assist the parties to identify issues to be resolved and provide guidance to reach an acceptable and mutually agreeable solution. However, the BusinessTrust-DRU does not act as a judge, and would only offer a Recommendation for Settlement based on the evidence provided.

### **Step 3: Mediation**

If the parties are unable to resolve the dispute through the BusinessTrust-DRU's Recommendation for Settlement, the complaint would be forwarded to the BusinessTrust Mediation Panel. The panel consists of a broad range of individuals from industry professionals and practitioners. There is a non-refundable \$150.00 mediation fee chargeable per party. The BusinessTrust Secretariat would assign a mediator once the parties have filed for mediation assistance. The mediator would attempt to mediate and resolve the dispute either through email or face-to-face consultation at the BusinessTrust Secretariat's office on a pre-arranged date and time. An appeal for the decision of the mediation proceedings can be made to the BusinessTrust Secretariat within 7 working days of the mediation.

# II. Monitoring Procedures

## 2. Monitoring Procedures

The BusinessTrust Secretariat has implemented monitoring procedures to ensure that licensees comply with the BusinessTrust Code of Practice. The BusinessTrust Secretariat conducts regular compliance checks as well as unannounced and random site audits at least once a year.

### 2.1 Unannounced Check

The BusinessTrust Secretariat conducts quarterly unannounced checks on all its licensees to ensure compliance with the BusinessTrust Code of Practice.

### 2.2 Visibility Monitoring

The BusinessTrust Secretariat will make readily available all necessary information about the BusinessTrust Global Reliability Programme and maintain a list of all licensees on the BusinessTrust website for verification. The BusinessTrust Secretariat will take action, including legal action where appropriate, against any unauthorised use or misuse of the BusinessTrust logo by both licensees and non-licensees.

### 2.3 Submission of Report

BusinessTrust licensees are required to submit a monthly report on the status of complaints handled including the total number of complaints, nature of complaints and the average time taken to resolve them. The BusinessTrust Secretariat would review and monitor the licensee's dispute resolution capability and make recommendations for improvement where necessary. In order to ensure that licensees are equipped with the necessary skills for effective complaints handling, the BusinessTrust Secretariat also conducts training on dispute resolution for all licensees regularly.

# III. Enforcement Mechanism

## 3. Enforcement Mechanism

### 3.1 Licence Agreement

Upon completion of the compliance audit, successful applicants are required to sign a Licence Agreement with CommerceNet Singapore Limited. Licensees are thus legally bound to comply with the Code of Practice and enforcement action could be taken in the event of any breach in the terms of the Agreement.

### 3.2 Renewal of Membership

Licensees of BusinessTrust are required to renew their licence annually. This is to ensure that licensees adhere to the standards stipulated in the Code of Practice. Licensees are subject to an unannounced compliance audit no later than one month before their licence expires.

Renewal of licence is also dependent on the licensee's conduct in the course of the previous year. Licensees who commit a breach or infringement of the Code of Practice are subject to the BusinessTrust Enforcement Measures that may lead to warning, payment of compensation or liquidated damages, suspension, or expulsion depending on the severity of the breach.

### 3.3 Enforcement Measures

In the event that an infringement of the Code of Practice has occurred, or whenever the BusinessTrust Secretariat receives a complaint that the licensee has failed to comply with the Code of Practice, the BusinessTrust Secretariat may, after giving the licensee reasonable opportunity to be heard, perform one of the following actions where appropriate:

- (a) Dismiss the complaint;
- (b) Issue an advise or warning letter to the licensee;
- (c) Issue a directive for payment of compensation or damages;
- (d) Suspend the licence and withdraw the BusinessTrust logo.

The BusinessTrust Secretariat would take the following factors into consideration in deciding the appropriate Enforcement Measures:

- (a) Extent and total number of past complaints;
- (b) Nature of complaints;
- (c) Value of contract;
- (d) Nature of product/ service eg. complexity and reasonably expected quality;
- (e) Frequency of occurrence;

- (f) Industry norms;
- (g) Size of company;
- (h) Mitigating factors or extraordinary circumstances;
- (i) Other relevant factors.

In the event that the licensee fails to comply with the privacy standards stipulated in the Code of Practice, the BusinessTrust Secretariat may require the licensee to undergo a comprehensive audit of the company's privacy practices by an independent third party at the licensee's expense.

In the event that the licensee consistently fails to meet the standards of disputes resolution stipulated in the Code of Practice, the licensee would be required to pay a deposit of S\$3000 to the BusinessTrust Secretariat. The deposit would be used to settle any claims that customers may have against the licensee and is refundable to the licensee when there is considerable improvement in the licensee's dispute resolution performance.

### **3.4 Termination**

The BusinessTrust Secretariat would terminate a licensee's Licence Agreement under the following circumstances (in addition to exercising other rights under the Agreement, such as suing for breach of contract):

- (a) If the licensee goes into liquidation;
- (b) If the licensee breaches the terms in the Licence Agreement;
- (c) If the licensee fails to comply with the Code of Practice;
- (d) If the licensee fails to pay the licence fee.

Upon termination of the agreement, all rights acquired by the licensee under the agreement shall automatically expire without the need for any further act or deed, and the licensee must:

- a) Immediately cease all use of the logo;
- b) Immediately remove the logo from the store/website;
- c) Immediately remove the logo from all advertising, promotional or other material;
- d) Immediately discontinue the use of all advertising, promotional or other material bearing or indicative of the logo;
- e) Do all such other acts and things and execute all such documents as BusinessTrust shall require in relation to the logo; and
- f) Continue to treat any personally identifiable information received during the term of the agreement in accordance with the Privacy Policy/Statement and the terms of the agreement.