

Guidelines on Non Face-to-Face Financial Investment Business

Chapter 1. Summary

1. Purpose

These guidelines are designed to protect financial consumers by stipulating matters to be complied by financial investment companies when they conduct non face-to-face financial investment transactions.

2. Regulated activity

- Solicitation, including out-bound ones, of financial investment products, conducted by financial investment companies (hereinafter referred to as “sales activity”).

3. Scope of application

- Properly using customer information
- Delivering and managing text messages
- Delivering and managing email messages
- Making and managing calls

4. Grounds

- Comprehensive Measures to Prevent Loss of Private Financial Information (March 10, 2014)

Chapter 2. Properly Using Customer Information

1. A financial investment company may use private information, only when such information is lawfully obtained from the informant, and when the informant has agreed to the use of such information for marketing purposes.
2. A financial investment company shall ascertain the legality of the methods and procedures in which consensus is obtained for the provision and use of private information.

Chapter 3. Delivering and Managing Text Messages

1. Limit on text delivery

- 1.1 A financial investment company shall not deliver text messages for the purpose of sales activity. However, this shall not be applied in cases falling under any of the exceptional circumstances set forth in Subparagraph 2 below.
- 1.2 When delivering text messages, a financial investment company shall record and manage the details of text delivery.

2. Exceptional cases for text delivery

2.1 A financial investment company may deliver text messages to customers who have agreed for their private information to be used for text message marketing.

2.2 A financial investment company may send text messages when it is necessary for the extension and management of the existing contracts, etc. (refer to Annex 1).

2.3 A financial investment company may send text messages with information on the name of the company, the position and status of the sender, the purpose of making a call, the expected duration of a call, etc., in any of the following cases:

- Where the customer has requested a call from the company for reasonable purposes in the process of sales activity
- Where the customer desires to receive a call-back, due to reasons such as delays in connecting with the company
- Where the customer left his/her own contact number on the website (including internet cafes, blogs or SNS sites, etc.) of the financial investment company to receive consultation services.

3. Matters to be indicated in text messages

3.1 When delivering text messages, a financial investment

company shall expressly indicate the name of the company, the name and the position of the sender, and the purpose of text delivery.

(e.g. : [_(name)_____ from _____ financial investment company - The message sent to introduce financial products for investment])

3.2 Where it is impossible to determine the sender of a message since, for example, a financial investment company (excluding the executives and employees thereof) directly sends a text message to a multiple number of customers, the name and position of the sender may be omitted.

4. Opt-out option for text messages

4.1 A text message sent by a financial investment company for the purpose of sales activity shall indicate the phone number to which the customer can place a call to express his/her intention not to receive any more messages.

4.2 A financial investment company shall separately manage the list of customers who opt out of text messages, and may not send any more text messages before and until the concerned customer provides consent to receive text messages again.

Chapter 4. Delivering and Managing Email

1. Limit on email delivery

- 1.1 A financial investment company shall not send any email for the purpose of sales activity. However, this shall not be applied to cases falling under any of the exceptional circumstances set forth in Subparagraph 2 below.
- 1.2 When delivering email, a financial investment company shall record and manage the details of email delivery.

2. Exceptional cases for email delivery

- 2.1 A financial investment company may send email to customers who have agreed for their private information to be used for email marketing purposes.
- 2.2 A financial investment company may send email in cases where customers make individual requests, or where it is necessary to maintain and manage the existing contracts, etc. (refer to Annex 1).

3. Matters to be indicated in email messages

- 3.1 A financial investment company shall indicate the following information in the subject of, and at the top of, the message: The name of the financial investment company, the purpose of email delivery, the name as well as position of the sender, and the *Consent to Provide*

Information. However, in cases where email is delivered according to Subparagraph 2.2 above, *the Consent to Provide Information* may be omitted (refer to Annex 2).

3.2 Where it is impossible to determine the sender of a message since, for example, a financial investment company (excluding the executives and employees thereof) directly sends an email message to a multiple number of customers, the name and position of the sender may be omitted.

4. Opt-out option for email messages

4.1 Where a financial investment company sends email for the purpose of sales activity, the email message shall contain a blocking function so that the recipient customer may choose not to receive any more email messages (refer to Annex 2).

4.2 A financial investment company shall separately manage the list of customers who opt out of email messages, and may not send any more email messages before and until the concerned customer provides consent to receive email messages again.

Chapter 5. Making and Managing Calls

1. Limit on calls

1.1 A financial investment company may not make calls for the purpose of sales activity. However, this shall not be

applied to cases falling under any of the exceptional circumstances set forth in Subparagraph 2 below.

1.2 A financial investment company shall not make more than one sales call a day to the same customer.

1.3 A financial investment company shall record and manage the history of its phone calls.

2. Exceptional cases for phone calls

2.1 A financial investment company may make calls only to customers who provided consent for their private information to be used for telemarketing purposes.

2.2 A financial investment company may, where the existing customers have introduced the company to their family and close relatives, make calls to those who are introduced.

2.3 A financial investment company may make calls in cases where customers make individual requests, or where it is necessary to maintain and manage the existing contracts, etc. (refer to Annex 1).

2.4 Subparagraph 1.2 shall not be applied in the following cases:

- When it is necessary to maintain and manage the existing contracts, etc. (refer to Annex 1).
- When a call is connected with someone else in the

absence of the targeted customer.

- When a call is connected when situations where it is impossible to have a call normally
- When a customer requests for a call to be made

3. Matters to be mentioned when calls are made

3.1 Upon making a call, a financial investment company shall inform the customer of the name of the company, the caller (whether the call has been made on commission), the purpose of the call (for introducing financial products for investment, etc.), and whether the customer wishes to continue the call (refer to Annex 3).

3.2 A financial investment company shall provide precise information when the customer inquires into the entity requesting for information.

4. Opt-out option for calls

4.1 Where a financial investment company makes calls for the purpose of sales activity, and is expressly rejected by the customer for additional calls, it shall not make any more calls before and until the concerned customer provides consent to receive calls again.

ADDENDA

1. (Effective Date) These guidelines take effect as of April 1, 2014.
2. (Interim Measures) With respect to the consent garnered and secured, before the effective date of these guidelines, by a financial investment company from customers regarding the use of private information for marketing purposes, it is deemed as consent for email messages and calls as set forth in the Chapter 4 and Chapter 5 herein.

<Annex 1>

**Matters that can be informed in order to maintain
and manage the existing contracts, etc.**
(Example)

- Matters that need to be informed for investor protection, or in accordance with obligations under relevant laws and regulations, such as in the case of business suspension, change to the fee standard, amendments to the existing contractual terms and conditions, etc.
- Notice regarding the relocation, integration or close-down of the branch
- Matters regarding the customer's rights and obligations in relation to the invested financial products or relevant contracts, including the maturity of the invested products or changes to the contractual terms and conditions, etc.
- Notice regarding the extension of the invested financial products or relevant contracts.
- Useful information for customers, such as information about the capital market situations, reports on research and analysis, daily information regarding weather and health, etc.
- Matters regarding customer relationship management (CRM).
- Matters that need to be informed in order to maintain and manage the existing contracts and others, etc.

<Annex 2>

Email Delivery (Example)

**Subject : [Explanation about financial investment products from __
Securities]**

**My name is ____, (position) at (name of branch) of (name of
company). (This email has been sent as you have previously
consented to the use of your private information for marketing
purposes.)**

<Omitted>

Would you now stop receiving email?

Block Email

Phone Calls (Example)

= Hi, my name is ____, (position) of (name of company).

= I would like to introduce this financial investment product named ____, offered by ____ securities company, are you interested in learning more about this product? (Do you want further explanation?)

[When rejected]

= Do you want me to call again in another time of the day? (what time may I call you again?)

[When the customer asks how his/her information has been obtained]

= We have obtained your information, as you consented for your private information to be used for our marketing purposes when you subscribed, on February 1, 2013, to (name of product) offered by ____ securities company.

[When the customer does not want to receive any more calls]

= Your request has been accepted. If you want to receive calls again in the future, please make a call to (phone number).