

Guidelines on Non Face-to-Face Sales of Financial Investment Products

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 sales of financial investment products.

2. Regulated activity

- Active recommendation (outbound) of financial investment products conducted by financial investment companies (hereinafter referred to as a “sales activity”).

3. Scope of application

- Proper use of customer information
- Delivery and management of text messages
- Delivery and management of email messages
- Telephone calls and their management

4. Grounds

- Comprehensive Measures for Prevention of Private Financial Information Leaks (March 10, 2014)

Chapter 2. Proper Use of Customer Information

1. A financial investment company may use personal information only when such information is lawfully obtained from the provider of such information, and when the provider of such information 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 consent is obtained from the subject of information for the provision and use of personal information.

Chapter 3. Delivery and Management of Text Messages

1. Restrictions on text delivery

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

activities..

2. Exceptions to restrictions on text delivery

2.1 A financial investment company may deliver text messages to customers who have given consent to the use of their personal information for text message marketing purposes.

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

2.3 A financial investment company may send text messages, which include the company name, department, sender name, purpose of call, 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 a sales activity,
- where the customer desires to receive a call-back, due to reasons such as delays in connecting with the company, and
- 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. Items to be indicated in text messages

3.1 When delivering text messages, a financial investment company shall expressly indicate the company name, name and position of the sender and purpose of the ext delivery.

(e.g. : [_ (name)_____ from _____ financial investment company - Introducing 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 multiple customers, the name and position of the sender may be omitted.

4. Option to not receive text messages

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

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

Chapter 4. Delivery and Management of Emails

1. Restrictions on email delivery

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

2. Exceptions to restrictions on email delivery

- 2.1 A financial investment company may send emails to customers who have given consent to the use of their personal information for email marketing purposes.
- 2.2 A financial investment company may send emails 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. Items to be indicated in email messages

- 3.1 A financial investment company shall indicate the following information in the subject line and at the top of the email message: name of the financial investment company, purpose of the email, name and position of the sender, and name of the company to which the customer

has given consent to provide his/her personal information. However, in cases where an email is delivered according to Subparagraph 2.2 above, the name of the company to which the customer has given consent may be omitted (refer to Annex 2).

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

4. Option to not receive email messages

4.1 Where a financial investment company sends an email for the purpose of a sales activity, the email message shall contain a function to unsubscribe from emails 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 not to receive email messages, and may not send any email messages before and until such customers provide consent to receive email messages again.

Chapter 5. Telephone Calls and Their Management

1. Restrictions on telephone calls

- 1.1 A financial investment company may not make telephone calls for the purpose of a sales activity. However, this shall not be applied to the cases falling under any of the exceptions set forth in Subparagraph 2 below.
- 1.2 A financial investment company shall not make more than one sales call per day to the same customer.
- 1.3 A financial investment company shall record and manage the details of its telephone calls.

2. Exceptions to restrictions on phone calls

- 2.1 A financial investment company may make telephone calls only to those customers who have given consent to the use of their personal information for telemarketing purposes.
- 2.2 A financial investment company may make telephone calls to acquaintances of the existing customers, such as their immediate family and relatives, who have been introduced to the financial investment company by the existing customers.
- 2.3 A financial investment company may make telephone 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 due to the absence of a customer, the telephone call is connected to a third party.
- When a telephone call is placed under a situation where normal communication by telephone is impossible.
- When a customer requests a telephone call.

3. Items to be mentioned when making telephone calls

3.1 Upon making a telephone call, a financial investment company shall inform the customer of the name of the company, caller (whether the call has been made by consignment), 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, upon the customer's inquiry, precise information about the company to which the customer has given consent to provide his/her information.

4. Option to not receive telephone calls

4.1 Where a financial investment company makes telephone calls for the purpose of a sales activity, and the customer clearly expresses his/her intention to not receive additional calls, it shall not make any more calls to the customer before and until the customer provides consent to receive calls again.

ADDENDUM

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

<Annex 1>

**Matters necessary to maintain and manage
existing contracts, etc. (Example)**

- Matters that need to be notified for investor protection, or for compliance with relevant laws and regulations, such as 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 a branch.
- Matters regarding the customer's rights and obligations in relation to financial investment products or relevant contracts, including the maturity of financial investment products or changes to contractual terms and conditions, etc.
- Notice regarding renewal of financial investment products or relevant contracts.
- Useful information to customers, such as the state of capital market, research and analysis reports and daily information (weather, health, etc.)
- Matters regarding maintaining and managing existing customers (CRM).
- Matters necessary to maintain and manage existing contracts, etc.

<Annex 2>

Email Delivery (Example)

Subject: [Explanation about financial investment products from (*company name*)]

This is _____, (position) at (name of branch) of (name of company). (This email has been sent as you have previously provided consent to the use of your personal information for marketing purposes.)

<Omitted>

Would you like to stop receiving emails from us?

Unsubscribe

Telephone Calls (Example)

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

= I would like to introduce a financial investment product named ____, offered by ____ securities company, and am wondering if you are interested in learning more about this product? (Would you like further explanation?)

[When refused]

= Do you want me to call again at another time today? (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 provided consent for your personal 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 call (phone number).