Chapter 4

Communicating with clients, including financial promotions

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4.8 Cold calls and other promotions that are not in writing

Application

4.8.1 **R** This section applies to a *firm* in relation to the communication of a *financial promotion* that is not in writing, but it does not apply:

(1) to the extent that the *financial promotion* is an *excluded communication*;

(2) if the *financial promotion* is *image advertising*;

(3) if the financial promotion is a *non-retail communication*;

(4) [deleted]

(5) to the extent that the *financial promotion* relates to a *pure protection contract* that is a *long-term care insurance contract*.

Restriction on cold calling

4.8.2 **R** A *firm* must not make a *cold call* unless:

(1) the recipient has an established existing client relationship with the *firm* and the relationship is such that the recipient envisages receiving *cold calls*; or

(2) the *cold call* relates to a generally marketable *packaged product* which is not:

(a) a *higher volatility fund*; or

(b) a *life policy* with a link (including a potential link) to a *higher volatility fund*; or

(3) the *cold call* relates to a *controlled activity* to be carried on by an *authorised person* or *exempt person* and the only *controlled investments* involved or which reasonably could be involved are:

(a) *readily realisable securities* (other than warrants); and

(b) generally marketable non-geared *packaged products*.

Promotions that are not in writing

4.8.3   R   A *firm* must not *communicate* a solicited or unsolicited *financial promotion* that is not in writing, to a *client* outside the *firm's* premises, unless the *person communicating* it:

    (1) only does so at an appropriate time of the day;

    (2) identifies himself and the *firm* he represents at the outset and makes clear the purpose of the communication;

    (3) clarifies if the *client* would like to continue with or terminate the communication, and terminates the communication at any time that the *client* requests it; and

    (4) gives a contact point to any *client* with whom he arranges an appointment.

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