

10 August 2022

DIRECTION

(Given pursuant to section 414(2)(c) of the FMC Act)

The Financial Markets Authority (**FMA**) hereby directs Kalkine New Zealand Limited (**Kalkine**) to:

1. Immediately cease making, or causing to be made, outgoing sales calls to persons in New Zealand until notified by the FMA that the FMA is satisfied that Kalkine's compliance processes are sufficient for outgoing sales calls to resume.

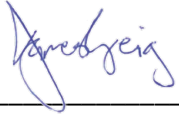
In this direction (**Direction**), an "**outgoing sales call**" means a call made by or on behalf of Kalkine for a predominant purpose of selling Kalkine's financial advice service.

2. Within 20 working days of the date of this Direction, provide the FMA with a report demonstrating how Kalkine will provide balanced information on risk and return to potential clients and will ensure all future communications, whether verbal or in writing, do not include representations that are likely to mislead or deceive consumers, or that are unsubstantiated.

This report must also include information on:

- a. any training materials (such as sales scripts or similar resources) used by Kalkine representatives in respect of outgoing sales calls
 - b. the management and control processes that are in place in respect of persons making outgoing sales calls on Kalkine's behalf to ensure that those persons comply with the fair dealing provisions in Part 2 of the FMC Act.
3. Once permitted by the FMA to resume making, or causing to be made, outgoing sales calls:
 - a. make and retain recordings of all outgoing sales calls in a form that enables convenient inspection by the FMA, for a period of four months from recommencing outgoing sales calls (**four month period**); and
 - b. keep a written list of each outgoing sales call made during the four month period, which must include:
 - i. the date and time (in New Zealand) the call is made;
 - ii. the name of the Kalkine representative making the call; and
 - iii. the unique identifier of the person receiving the call; and
 - c. provide that list to the FMA within 20 working days of the end of the four month period, or earlier if requested by the FMA.

Dated this 10th day of August 2022



James Greig
Director of Supervision
Financial Markets Authority