

Your ref :

Our Ref : LM T38/03 in OFTA R117

Telephone :

Fax No :

6 June 2003

**Circular letter to
all Fixed Telecommunication Network Service licensees,
Public Mobile Radiotelephone Service licensees,
Personal Communications Service licensees,
Internal calling card service licensees and
External Telecommunications Service licensees**

Urgent

Dear Sir/Madam,

**Insufficient Disclosure
of the Charges for Calling Card Service**

If your company is offering calling card service or may provide calling card service in the future, please carefully note the following requirement of the Telecommunications Authority (“TA”).

It has come to the attention of the TA that many operators for calling card service have not made their charges sufficiently clear to consumers in their promotional materials (including posters, promotional leaflets or tariff sheets etc.). Many operators only highlight the “usage charge” for the calling card service in their promotional materials. The other relevant charges (e.g. connection charges, call handling charges etc.) are not clearly identified or even shown in the promotional materials. As reasonable notice of the other relevant charges is not given in the promotional materials, consumers are not aware that there are other relevant charges for the calling card service. They are often misled by the promotional materials to buy a calling card based on the incorrect understanding that their calls will be charged according to the published “usage charge” only.

To protect the interests of consumers, the TA is concerned about the above practice which is likely to be misleading. As has been stated in the TA Guidelines entitled “Misleading or Deceptive Conduct in Hong Kong Telecommunications Markets”^{Note} issued on 21 May 2003, when promoting, marketing or advertising telecommunications products or services, licensees should always ensure the full cost of the product or service is clearly stated or easily ascertainable at the time of purchase and, if relevant, at the time the product or service is marketed or promoted.

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If your company is offering calling card service, please immediately review the promotional materials of your company to make sure that the above requirement has been duly complied with. Failure to comply with the above requirement may constitute a breach of section 7M of the Telecommunications Ordinance. The TA will closely monitor the market and will not hesitate to take action against any operators who fail to comply with the requirement.

Office of the Telecommunications Authority

^{Note} The Guidelines may be downloaded from OFTA's website
<http://www.ofta.gov.hk>