

Appendix no. 1

CODE OF ETHICS FOR PREMIUM RATE SERVICES

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1 GENERAL PROVISIONS

1.1 Introduction

1.1.1 *Purpose of the Code of Ethics*

The purpose of the creation of the Code of Ethics is to provide a set of professional and ethical norms, in compliance with the requirements of the European Union, for content providers offering premium rate services in Hungary, either directly or via subcontractors (hereinafter referred to as the Content Providers) and to thus allow professional self-regulation to be established in the market for premium rate services.

A key goal is to define the regulations, procedures and customs for content delivery and to ensure that those using premium rate services are aware of the basic principles.

The goal of the Code of Ethics is to enable the Content Providers offering premium rate services via the networks of Magyar Telekom Nyrt. Mobile Division, Pannon GSM Zrt. and Vodafone Magyarország Zrt. (hereinafter referred to as: the Operators) to provide their services based on principles aimed at protecting the interests of users. In order to comply with the Code of Ethics, the Operators agree to enforce the provisions of the service contracts made with the Content Providers and, in doing so, they may stipulate conditions that are stricter than the provisions of the Code of Ethics.

Following the signing of the service contracts and concurrently of the Code of Ethics, the Content Providers are responsible for ensuring that content delivery is in compliance with these provisions.

1.1.2 *Basic principles*

As regards premium rate content services, it is the goal of the Code of Ethics to protect subscribers, strengthen confidence in Content Providers and Operators, ensure fair service and uniformity in market practices. To attain these goals, the Content Providers and Operators will act in accordance with the principles outlined below:

- taking into account the popularity of premium rate services, in the absence of accurate, thorough and correct information, such services may deceive certain consumers and may cause them damage and, therefore, consumers need to be protected by creating and enforcing rules that are stricter than the legal obligations so as to establish and maintain confidence in the services;

- they will draw up uniform regulations that are mandatory to all, and the acceptance of such regulations will be a condition for offering the service;
- the Content Providers and the Operators will mutually cooperate;
- consumers will always be given full information;
- when drawing up the regulations, they will take account of the current opportunities and subsequent possibilities permitted by technology.

1.1.2.1 *Moral Requirements*

Both the premium rate service and also communication and advertisements to subscribers must observe social values and human dignity.

It is forbidden to offer services that:

- a) encourage anyone to commit any act in violation of the law,
- b) cause serious scandals due to their sexual, violent or obscene content,
- c) are misleading due to their inaccuracy, ambiguity, exaggerated nature, carelessness or for any other reason,
- d) cause serious or widespread resistance,
- e) are defamatory or humiliating,
- f) may cause conflicts among persons, groups or communities for racial, religious, political or any other reasons,
- g) encourage the use of materials that are dangerous for your health,
- h) encourage anyone to commit a dangerous act,
- i) cause an unacceptable level of fear or anxiety,
- j) disturb unnecessarily the privacy or peace of anyone,

Furthermore, it is forbidden to render any service in a manner in which:

- k) potential subscribers are not provided with information on their content or price or they are given misleading information;
- l) the Content Provider is late in fulfilling provision thereof.

1.1.3 *Scope*

The Operators and Content Providers will jointly review the provisions at the core of the Code of Ethics on an annual basis, and the Code of Ethics will be amended according to the mutually accepted guidelines.

The provisions of the Code of Ethics must be applied in relation to any premium rate service rendered in the territory of the Republic of Hungary by any private individual or company (Content Provider).

The services listed below are considered to be premium rate services:

- Premium rate MO (mobile originated) SMS service
- Received premium rate MT (mobile terminated) SMS service
- Premium rate MO (mobile originated) MMS service
- Received premium rate MT (mobile terminated) MMS service
- Premium rate voice (event charge or per minute charge) service

Pursuant to Govt. Decree No. 164/2005. (VIII. 16.) on the National Allocation Plan of the Identifiers of Electronic Telecommunications Networks, premium rate services operate in the 90 and 91 prefix number ranges and the 17cd and 17cde premium rate, differentiated service number ranges.

1.2 Definitions and Interpretations

The meanings of the definitions laid down in law and generally accepted in the sector apply to the definitions concerning premium rate services.

The following definitions need to be separately made and, thus, duly applied in the Code of Ethics:

Adult content: a service whose dominant element is sexuality and/or violence. The content provider is responsible for observing the conditions regarding the content of the service.

Minor: a person who has not yet turned 18.

Publication for minors: publications (including electronically-distributed publications) whose audience is mostly under 18 years of age, as well as publications whose appearance, based on the intention of the publisher, is such that they are intended entirely or partially for those under 18 years of age.

Service for minors: any service intended to be offered to minors, whether wholly or partially. Any premium rate service published in a publication for minors qualifies as a service for minors.

1.3 General Provisions and Requirements

The Content Providers are fully responsible for ensuring that they and the subcontractors they use for rendering the premium rate services observe the provisions of the Code of Ethics in the course of their operations.

The Content Providers are fully responsible for complying with the requirements of Hungarian law and in particular for enforcing the requirements of copyright protection in respect of the content of their services.

1.3.1 *Launching Services*

The Operators are entitled to separate number ranges for each premium rate service on which only the premium rate services specified by the Operators can be provided.

The Content Providers must take all reasonable measures to make the service they render comply with generally accepted quality requirements, as well as taking into account the availability and quality indices of the Operators' systems.

In exceptional cases, the Operators may subsequently exclude in writing, giving just cause, certain content categories and services from the scope of permitted content delivery.

1.3.2 *Provisions on 91 Prefix Premium Rate Differentiated Services*

1.3.2.1 *Call Termination for High-value Content*

Pursuant to Govt. Decree No. 164/2005. (VIII. 16.) on the National Allocation Plan of the Identifiers of Electronic Telecommunication Networks, the Content Providers, acting as the users of the premium rate number, undertake to terminate the call, in the manner and time defined in the Decree, in the case of voice-based premium per minute rate services offered in the 91 prefix ranges commencing with SHS or the 17cd or 17cde ranges. In case of failure to do so, the Operators are authorised to terminate the call if the client exceeds the threshold specified by the National Telecommunications Authority.

1.3.2.2 *Separation of Adult and High-value Content*

Based on the provisions of Govt. Decree No. 164/2005. (VIII. 16.) on the National Allocation Plan of the Identifiers of Electronic Telecommunication Networks, it is forbidden to deliver adult content as a premium rate service in the 91 range commencing with SHS or in the 17cde or 17cd ranges.

1.3.3 *Data Protection*

Content Providers must inform subscribers of the identities of the parties involved in data management, the scope of the data managed, the purpose of data management and the term thereof. In addition, it must be ensured that the data managed is deleted at the request of the person concerned, in compliance with current data protection legislation.

1.3.4 *Information and Provisions on Advertising*

The provisions below apply to all forms of promotion and advertising activities aimed, either directly or indirectly, at encouraging the use of premium rate services.

Advertisements must comply with the relevant regulations on advertising including in particular Act No. I, 1996 on Radio and Television Broadcasting.

The telephone number and charge for the service and the data of the Content Provider must be indicated in all advertisements:

- a) When advertising the service, Content Providers must clearly indicate the name of the Content Provider or its subcontractor and its (non-premium rate) customer care telephone number in Hungary accessible during working hours or its full address in Hungary (not a PO box) where it provides customer care during working hours. Appearances in electronic media (other than the internet) are excluded from the foregoing provided that the service is linked to a program (also observing the restrictions of the Media Act); in such case, the name, address and telephone number of the Content Provider do not need to be displayed.
- b) The premium rate prefix must be displayed emphasised and distinctly separated from any other parts of the telephone number to make it clearly apparent that it is a premium rate service.
- c) If a service cannot be used by the clients of all Operators, the Operators through which the service is available must be stated.
- d) The Content Providers must display the charge for the services in all promotions and advertisements in a clear, explicit and apparent manner. The gross charge for the services must be stated in Arabic numerals. In any case where the client does not use the service on *ad hoc* basis but, rather, subscribes for a definite or indefinite period and is obliged to continuously pay the charge in any manner whatsoever, the Content Providers must display the fact of subscription and the charge for the subscription period. As regards television advertisements, the fact of subscription being involved and information concerning subscription for a longer

period should be fundamental parts of the information disclosed in addition to publishing the facts in an apparent manner.

- e) Written information regarding the service and particularly the charges thereof must be displayed clearly in an easily legible form, with the text shown horizontally. In addition, for subscription-type services, the fact of there being a subscription, the subscription period and the charge for such period or, in the case of subscriptions for an indefinite period, the subscription fee for one month must be displayed in a manner to allow the subscriber to easily gain an overview on the key conditions of the service. In addition to the easily understood appearance, the Content Provider must also display his contact data where the subscriber can get exact information on the specific conditions of the provisions of the service.
- f) If the charge for services provided over a longer period including but not limited to subscription-type services should change during the term of the service, the client must be directly informed of the fact, the level of the change in the charge and the client's option to terminate, following public disclosure, and at least 30 days before the next use of the service.
- g) It is expressly forbidden to advertise a premium rate service as being free or to advertise certain products or services as being free if it is obvious that the availability of the same is ensured by the use of a premium rate service.

Further to the foregoing, the Content Providers also agree that, following the entry into force of this Code, they will represent, their services in media appearances, both in person and in writing, in a factual manner.

The Operators may publish the names of the Content Providers they have contracted with and the dialling codes used for rendering their services as well as the contact data of the customer care offices.

1.3.4.1 Special Provisions on Websites Operated by Content Providers

In case the Content Provider operates a website linked to its service, it must display on such website the description and terms of the service and its data management regulations concerning the service in an articulated, structured and easily understood form in the Hungarian language. As far as possible, such information must be accessible from any part of the website using the *Service conditions* or *Legal conditions* links. In case these documents do not contain the same, the Content Provider must give clear and unambiguous information in a separate document on the charges for the services it offers and the methods by which such fees are invoiced.

Content Providers must make available a statement on compliance with the Code of Ethics, as an appendix thereof, on all websites created for running the services they offer and to provide a link to the separate website jointly developed by the Content Providers and the Operators in relation to the premium rate services and the Code of Ethics.

Content Providers must provide clear, accurate and comprehensive information on possible technical requirements of the use of the content service or the technical parameters of the content delivered, on the basis of which the subscriber can be sure of being able to use the content provided before paying the charge for the content service.

1.3.5 *Provisions Concerning the Content of Services*

1.3.5.1 *Services for Minors*

Owing to the need for special protection for such persons, the information communicated through the service to minors and the views they represent must not disturb the privacy or peace of minors, of the mentally handicapped or persons raised by guardians. The following content is expressly forbidden:

- a) reference to sexual acts; nudity in a sexual or non-sexual context;
- b) speech (e.g. obscene, aggressive) detrimentally influencing the development of children;
- c) reference to or invitation to commit violent acts; images, moving pictures, sound material with such content or applications in such a topic;
- d) invitation to consume alcohol or tobacco or other narcotics.

Advertisements easily accessible to minors must contain a notice, highlighted in the same manner as the main topic of the advertisement, drawing their attention to how many forints a minute calling the number concerned or the sending of the SMS, per SMS, will cost. As regards services for minors, the received premium rate solution should be avoided in all cases.

Any services for minors lasting more than 10 minutes must be introduced with a short notice which clearly highlights that the service can only be used with the approval of a responsible person.

Services for minors must not encourage excessive use of the service.

Direct soliciting or encouraging purchase must not be used vis-à-vis minors unless the product or service offered is such that it is within their scope of interest and it can be presumed that the minors can afford the same.

No commercial or advertisement should incite/encourage minors to use premium rate content (prefix 90).

1.3.5.2 Prize draws

Content Providers must always comply with the relevant provisions of Act No. XXXIV of 1991 on the Organization of Gambling. Content Providers will bear all damages and costs arising in relation to any unlawful procedure.

1.3.5.3 Fund-raising

Fund-raising via premium rate services is not supported.

1.3.5.4 Dating Services

In this respect, the advertiser is the person who is publishing his/her own details in the service with the aim of dating, while the respondent is the person who answers the message.

The Content Provider is responsible for checking the messages of the advertisers and for making them suitable for publication, and the Content Provider must also ensure that the messages only contain the telephone number, address or other personal data if the advertiser has so agreed.

Content Providers must agree with each advertiser whether or not his/her telephone number can be disclosed to the respondents or if the personal identification data of the inquiring respondents should be collected on his/her behalf.

The records of advertisers (clearly matched with the reference numbers used with the message) must be maintained and kept confidential for a minimum of two months.

Content Providers applying premium per minute rates must ensure to advertisers that, on request, their messages are deleted from the service as quickly as possible, no later than within 48 hours.

Irrespective of whether the service is based on voice or SMS messages, Content Providers must moderate the texts appearing and sent in dating services, with a special focus on publicly advertised texts or texts concerning any single or multi-participant services appearing in the media and thus being accessible by the general public. Messages sent directly by the advertiser to one another are excluded from the foregoing. If considered necessary, the Operators may demand from the Content Providers their moderation rules and check the methods used.

For a period of 6 months from launching the service, the SMS chat service can only be used within the frameworks of MO service.

1.3.5.5 Content Services for Adults (erotic, sexual and pornographic)

Content delivery for adults is construed as all services containing erotic, explicitly sexual or violent information in any form whatsoever (text, images, sound, video recording, etc.). Sexual educational, dating and chat lines providing non-sexual entertainment are not regarded as such services.

Content service for adults may only be advertised in media where sexual content for people above 18 years of age may appear.

It is expressly forbidden to publish content service for adults on flyers unless the flyers are made available in erotic shops or erotic events attended by adults.

As regards the advertising activity of content services for adults, the party offering the service may only advertise whilst observing and abiding by applicable laws.

2 SPECIAL PROVISIONS

This chapter outlines specific and special provisions for certain types of services. Issues not covered by this chapter are governed primarily by the stipulations set out in the General Provisions and, then, by the provisions of the service contract made with the Operator.

2.1 Mobile terminated SMS service

2.1.1 *Information and Provisions on Advertising*

It must be made clear to the subscribers that they pay the charge upon the receipt of the SMS's within the framework of the service.

An MT type service can only be launched if the Content Provider is capable of determining the Subscriber's expected estimated cost or provides unambiguous information on possible frequency.

The table below shows the information to be disclosed in the different press and communication materials:

Type	Required information
Printed press, internet	Service number; gross charge for each SMS received and frequency of receipt OR total fee projected for a subscription period (for indefinite term subscriptions, fee for 1 month) OR total fee projected for 1 month; cancellation method; Content Provider's name, customer care contact information (telephone, e-mail), homepage; depending on the method of service, warning of the additional costs of using the WAP service (costs of using the service).
TV, radio	Service number; gross charge for each SMS received and frequency of receipt OR total fee projected for a subscription period (for indefinite term subscriptions, fee for 1 month) OR total fee projected for 1 month; cancellation method; at least two of the following data: Content Provider's name, customer care contact details (telephone, e-mail), homepage.

2.1.2 *Protecting Subscribers*

2.1.2.1 *Registration/Application*

The use of the Service and the corresponding legal transaction are instigated by the Subscriber by successfully sending an SMS, appropriate for the defined content requirements to the service number. He/she carried out such an act based on the Content Provider's notice published and expressly aimed at receiving premium rate SMS, whilst being aware of that he /she orders several/recurring services through the registration ("Application").

The Content Provider may render the Service to the Subscribers only following successful registration. Successful registration is when the Operator terminates the Subscriber's SMS, corresponding to the Content Provider's specifications, at the Connection Points in compliance with the provisions of the Contract between them. Following successful registration, the Content Provider must confirm the Subscriber's successful registration within 3 i.e. three minutes by successfully sending the Subscriber a reply SMS, free to the Subscriber, containing information regarding the service. The exact content of such information is set out in the chart in this Code of Ethics (the procedure above hereinafter referred to as "Successful Registration", while the Client's response is referred to as "Notification", and the Subscriber making a Successful Registration is a "Registered Subscriber").

The Content Provider agrees to accept one registration only for each MT premium rate SMS service it renders per Subscriber and per service. Repeated use of the same service is subject to the Subscriber cancelling the service at least 24 hours before his/her repeated registration.

2.1.2.2 *Notification SMS*

A notification SMS is a reply message containing information concerning the service that the Content Provider has to send to the clients following registration. The Content Provider must send the client a notification SMS for each client registration. A notification SMS is free of charge to the client. The exact content of a notification SMS is listed below, and the Content Provider must use one of the messages outlined in response to the registration. If, acting upon the request of the Content Provider, the Operators uniformly establish that the notification SMS's written here below are not suitable for outlining the service, the Content Provider may deviate from the described notification SMS texts with the mutual approval of the Operators.

1. You have successfully registered! You will receive xx SMS a month, payment upon receipt of SMS is: HUF ... per SMS. Cancellation: with a STOP xxxxx reply (basic charge). Info: 06-1-000000; www.xxxxxxxxxx.hu"

2. We have received your registration. Any subsequent SMS received costs HUF /SMS gross. You will receive x SMS a month, at a cost of HUF /month. Cancellation: with a STOP code (basic charge). Info: 06-1-000-000, www.....hu

3. You have subscribed to our premium rate service. You will receive x SMS a month/day, HUF /SMS. Cancel the receipt of SMS by sending the STOP code (basic charge). Info: www.....hu

A notification SMS may not contain any actual content or advertisement concerning the service.

In case the subscriber has registered to a MT service in error, he/she must be given the opportunity to cancel the service following the notification SMS. The notification must clearly show the subscriber the service for he/she has registered to allow him/her to immediately cancel it in case of error.

2.1.2.3 Content SMS

The Content Provider sends the subscribers the actual content in content SMS('s). The Content Provider may not send content SMS invoiced at a premium rate within 3 minutes of the sending of the notification SMS's. Thereafter, the sending frequency may be at 2-minute intervals as defined in the Code of Ethics. This provision applies to the interval between the sending of SMS's or groups of SMS's that can be independently interpreted and clearly separated, however notification SMS's and SMS's qualifying as single transactions by sending the content in several connected messages are excluded.

When sending content SMS's, Content Providers must refrain from cross-marketing activities, i.e. they may send the subscriber only content advertised under the number concerned and relating to the type of service concerned.

In case the sending of an MT premium rate SMS by the Content Provider to the Subscriber fails for any reason other than running out of available balance for receiving premium rate services, the Content Provider agrees not to repeatedly send the MT premium rate SMS to the same Subscriber within the validity time of the previous message set by the Operator.

The content Provider agrees that:

- if the subscriber has barred the premium rate service, the Content Provider will not send him/her any further messages other than the notification SMS on

cancelling the registration, and the Content Provider will cancel the registration for the service from its system.

- if the subscriber does not have a sufficient balance to receive the SMS, the Content Provider will, after noticing the relevant error message, try to repeat sending the message within the period defined in the service contract after the unsuccessful delivery only after the expiry of the validity of the previously sent message and on no more than 1 occasion per day.

2.1.2.4 Cancellation

Subscribers may cancel the service at any time. In order to be uniform, it is recommended that cancellation is made by sending the word "STOP". In case the cancellation does not contain the service to which it pertains to (e.g. "STOP xxx" service) all services running under the same number will be cancelled.

Where several types of services are running under the same service number, the cancellation should be made using a code referring to the content, e.g. "STOP RING".

The cost of cancellation to the subscriber may not exceed the charge for a normal rate SMS in the package used by the subscriber in the network of the Operator concerned.

2.1.2.5 Modifying Services, Changing Between Services

Direct and immediate changes from a service rendered by a Content Provider to another service, where the client cancels his/her previous service and orders another service with a single act (even if this is the client's expressed and clear manifestation of will), is not supported.

The above provision does not affect clients' possibilities to order the other service in a separate procedural step once he/she has cancelled the previous service.

2.1.2.6 Unsolicited SMS messages

Content Providers may not send subscribers any SMS concerning the service without them being registered.

A serious breach of the provisions on sending unsolicited SMS's is considered to have occurred if the Content Provider tries to induce the subscriber to register for its subscription system service through a multiple-choice message.

2.1.2.7 *Error Message*

If the subscriber sends an SMS to the service number of which the content cannot be interpreted, the Content Provider must invite the subscriber in a notification SMS to send a new message with accurate content, as well as indicating its information and customer care contact details.

2.1.3 *Registration by Website*

These provisions apply to special forms of content delivery in which the subscriber can register for the content services offered not only by SMS but also directly on the website operated by the Content Provider.

The Content Provider must communicate to the subscriber all the information needed for the Content Provider to create the internet registration area.

The registration page must contain a separate link to the "*Service Conditions*" or "*Legal Conditions*" mentioned in Clause 0 and to the statement of compliance with the Code of Ethics. When registering, it is necessary to declare acceptance and having read the "*Service Conditions*" or "*Legal Conditions*" using the checkbox provided.

It must be emphasised and clearly stated during the registration for the service that the registration applies to the ongoing receipt of messages within a subscription system. The subscriber must acknowledge this information, for which an additional acceptance from the subscriber's side is required as confirmation: the checkbox or notification SMS.

By ticking the checkbox, the Subscriber accepts the conditions of the service outlined in the document entitled "*Service Conditions*" or "*Legal Conditions*" mentioned in Clause 0 or, if such document does not contain the same, he/she declares to have acquainted himself/herself with the relevant information. The Content Provider may not use any technical solution during the programming of the website that marks the checkbox in advance on behalf of the Subscriber: the tick must always be made directly by the Subscriber.

To launch the registration and disclosure of the dialing code used by the Subscriber, it is necessary to complete the confirmation step above no later than when disclosing the dialing code but, if possible, before then.

The Content Provider will send a password to the telephone number the Subscriber specified on the internet surface that may not be valid for more than 3-5 minutes. The Subscriber types the password received in the respective field on the internet surface within the specified time limit and returns the same to the dialing code operated by the Content Provider, thus finalising the registration process.

In case of successful registration, the Content Provider will send the subscriber a notification SMS the content of which is governed by the provisions of Clause 0. Thereafter, the premium rate SMS's can be sent to the subscriber's number.

The telephone number and gross charge for the service and the cancellation possibility must be displayed to the subscriber with multiple warnings on the internet site.

2.1.3.1 Data Provision to the Operators

To prevent and efficiently handle client complaints, Content Providers must provide the requesting Operator with detailed and accurate information on the services they render, in the manner stated in their service contracts, whether in general terms or as regards certain dialling codes.

The data disclosed in such information remain the business secrets of the Content Provider or, in case clients' personal data is also disclosed, the provisions of the current data protection laws apply.

2.1.4 Registration on WAP

Based on the decisions of each Operator made under its discretion, registration on WAP is governed by the provisions for registration by SMS or through the website (see Clause 2.1.2 respectively Clause 0), with the provision that, even if detailed, accurate and comprehensive information is provided the Content Provider, he may not use a link which triggers an immediate payment obligation for the subscriber if he/she clicks on it.

Declaration

by **company name** (address) as the Content Provider, hereinafter referred to as "**Content Provider**".

1. By signing this declaration, the Content Provider acknowledges that the Code of Ethics for Premium Rate Services is an integral part of its General Agreement, and it accepts it as binding, and, following perusal and interpretation, it causes its legal representatives to execute the same in witness of approval as being in full compliance with its will on the matter.
2. This Declaration enters into force as of the date of its execution.

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