

### Mitigation on Regulations Regarding Free Gift Sweepstakes

The Korea Fair Trade Commission (“KFTC”) revised the Guideline on Types of and Criteria for Unfair Trading on Free Gift (hereinafter, “**Gift Guideline**”) for enforcement starting November 7, 2012.

The Gift Guideline provides that a “consumer gift sweepstake” falls under unfair competitive means when the trading value of each gift or the sum of all gifts provided exceeds set limits. Here, “consumer gift sweepstake” refers to the offering of free gifts to ordinary consumers through a sweepstake (e.g., receipt code sweepstake, bottle code sweepstake) as an accompaniment to the main transaction for product or service.

The revised Gift Guideline dramatically increases the limits on both the per unit trading value of each gift and the sum of all gifts provided.

Limits	Prior to Revision	Following Revision
Per Unit Trading Value of Each Gift	KRW 5 million	KRW 20 million
Sum of All Gifts Provided	1% of the expected total sales turnover of the good/service	3% of the expected total sales turnover of the good/service (May exceed 3%, if the sum of all gifts provided is KRW 30 million or less)

The increased limit on the per unit trading value of each gift in a gift sweepstake is expected to increase the enterprisers’ use of consumer gift sweepstakes.

If you have any questions regarding this issue please contact:

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### Increase in the Reward for Cartel Whistleblowers

The Korea Fair Trade Commission (“KFTC”) revised the Guideline on Reward to Whistleblowers (hereinafter, “**Reward Guideline**”) for enforcement starting November 6, 2012.

The reward is calculated by multiplying the administrative surcharge by the applicable reward rate and the evidentiary support rate. The revised Reward Guideline increases the maximum reward from KRW 2 billion to KRW 3 billion, and increases both the administrative surcharges and the relevant reward rates as follows:

Prior to Revision		Following Revision	
Administrative Surcharges and Reward Rate		Administrative Surcharges and Reward Rate	
KRW 500 million or less	10%	KRW 6 billion or less	10%
KRW 500 million ~ KRW 5 billion	5%	KRW 5 billion ~ KRW 20 billion	5%
Above KRW 5 billion	1%	Above 20 billion	2%

Thus, under the revised Reward Guideline, a whistleblower in the case of the same level of administrative surcharge and level of evidentiary support would receive more than twice the amount of reward compared to that under the previous Reward Guideline.

Although there has yet to be a case in which a whistleblower receives billions of KRW in reward, the revised Reward Guideline is expected to encourage whistleblowing by internal officers and employees who have access to information regarding cartel activities.

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