

# The Kolkata Gazette



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PART I—Orders and Notifications by the Governor of West Bengal, the High Court, Government Treasury, etc.

## GOVERNMENT OF WEST BENGAL CONSUMER AFFAIRS DEPARTMENT

### NOTIFICATION

No. 2287-CA/ESTT/O/IB-34/16.—5th July, 2018.—In Pursuance of the Guidelines issued by the Government of India, Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs vide G.S.R 1013 (E), New Delhi, dated 26<sup>th</sup> October, 2016, the State Government, hereby, issues the following Guidelines for regulating the business of Direct Selling & Multi-Level Marketing (MLM) & strengthen the existing regulatory mechanism on Direct Selling & Multi-Level Marketing (MLM), for preventing for & protecting the legitimate rights and interests of consumers, namely:-

#### **West Bengal Direct Selling Guidelines, 2018**

— **Short Title, extent & commencement**- These guidelines may be called “West Bengal Direct Selling Guidelines 2018”. It extends to the whole of state of West Bengal.

It shall come into force from the date of publication in the official Gazette.

#### **Clause 1. Definitions:**

In these Guidelines unless and otherwise required:

1. “Act” means the Consumer Protection Act, 1986 (68 of 1986);
2. “Consumer” shall have the same meaning as provided under the Consumer Protection Act, 1986;
3. “Prospect” means a person to whom an offer or a proposal is made by the Direct Seller to join a Direct Selling opportunity;
4. “Agreement” means agreement as per Contract Act.
5. “Direct Seller” means a person appointed or authorized, directly or indirectly, by a Direct Selling Entity through a legally enforceable written contract to undertake direct selling business on principal to principal basis;
6. “Network of Direct Selling” means a network of direct sellers at different levels of distribution, who may recruit or introduce or sponsor further levels of direct sellers, who they then support;  
Explanation: “network of direct selling” shall mean any system of distribution or marketing adopted by a direct selling entity to undertake direct selling business and shall include the multi-level marketing method of distribution.
7. “Direct Selling” means marketing, distribution and sale of goods or providing of services as a part of network of Direct Selling other than under a pyramid scheme,  
Provided that such sale of goods or services occurs otherwise than through a “permanent retail location” to the consumers, generally in their houses or at their workspace or through explanation and demonstration of such goods and services at a particular place.



8. **"Direct Selling Entity"**, means a registered entity, not being engaged in a pyramid scheme, which sells or offers to sell goods or services through a Direct Seller.  
Provided that "Direct Selling Entity" does not include any entity or business notified otherwise by the Government for the said purpose from time to time.
9. **"Goods"** means goods as defined in the Sale of Goods Act, 1930 and **"Service"** means service as defined in the Consumer Protection Act, 1986;
10. **"Saleable"** shall mean, with respect to goods and / or services, unused and marketable, which has not expired, and which is not seasonal, discontinued or special promotion goods and / or services;
11. **"Cooling-off Period"** means the duration of time counted from the date when the direct seller and the direct selling entity enter into an agreement under Clause 4 and ending with date on which the contract is to be performed and within which the direct seller may repudiate the agreement without being subject to penalty for breach of contract;
12. **"Pyramid Scheme"** means, a multi-layered network of subscribers to a scheme formed by subscribers enrolling one or more subscribers in order to receive any benefit, directly or indirectly, as a result of enrolment, action or performance of additional subscribers to the scheme. The subscribers enrolling further subscriber(s) occupy higher position and the enrolled subscriber(s) lower position, thus, with successive enrolments, they form multi-layered network of subscribers.  
Provided that the above definition of a "Pyramid Scheme" shall not apply to a multi-layered network of direct sellers to a scheme formed by a Direct Selling Entity, which consists of subscribers enrolling one or more subscribers in order to receive any benefit, directly or indirectly, where the benefit is as a result of sale of goods or services by subscribers and the scheme / financial arrangement complies with all of the following:
  - a) It has no provision that a Direct Seller will receive remuneration or incentives for the recruitment / enrolment of new participants.
  - b) It does not require a participant to purchase goods or services:
    - i. for an amount that exceeds an amount for which such goods or services can be expected to be sold or resold to consumers;
    - ii. for a quantity of goods or services that exceeds an amount that can be expected to be consumed by, or sold or resold to consumers;
  - c) It does not require a participant to pay any entry / registration fee, cost of sales demonstration equipment and materials or other fees relating to participation;
  - d) It provides a participant with a written contract describing the "material terms" of participation;
  - e) It allows or provides for a participant a reasonable cooling-off period to participate or cancel participation in the scheme and receive a refund of any consideration given to participate in the operation;
  - f) It allows or provides for a buy-back or repurchase policy for "currently marketable" goods or services sold to the participant at the request of the participant at reasonable terms;
  - g) It establishes a grievance redressal mechanism for consumers, more particularly described in Clause 7 herein.

*Explanation 1* – For the purposes of this proviso the term "material terms" shall mean buy-back or repurchase policy, cooling-off period, warranty and refund policy.
13. **"Portal"** means portal of Direct Selling dealing with registration of direct sellers, maintaining their database, dealing with grievances related to direct sellers and direct selling entities on one hand and consumers on the other. It would include database of direct selling entities also.
14. **"Money Circulation Scheme"** has the same meaning as defined under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978.
15. **"Mediation Centre"** means mediation centers of the State as well as the mediation centers within the districts, as operative under the Department of Consumer Affairs.
16. **"Remuneration System"** means the system followed by the direct selling entity to compensate the direct seller which illustrates the mode of sharing of incentives, profits and commission, including financial and non-financial benefits, paid by the direct selling entity to the direct sellers, on a monthly or periodic or yearly basis or both, as the case may be. This system, for every Direct Selling entity, shall:
  - a) Have no provision that a direct seller will receive remuneration from the recruitment to participate in such direct selling;
  - b) ensure that direct sellers shall receive remuneration derived from the sale of goods or services only.
  - c) clearly disclose the method of calculation of remuneration.



17. "State" means the State of West Bengal.
18. **Registering Authority:** Registering Authority means, the Director, Commerce & industries Department having jurisdiction over the area in respect of State of West Bengal.
19. **Disciplinary Authority:** Disciplinary Authority means, SDM in case of the rural area or the Joint Commissioner of the Municipal Commission in respect of urban area of the state of W.B.
20. **Enforcement officer:** Enforcement officer means Inspector Legal Metrology of the concerned jurisdiction or GM, DIC of the district or any other officer as authorized by the SDM. He/She shall submit the enquiry report to the Disciplinary Authority as mentioned above.
21. **Appellate Authority-** Appellate Authority means the District Magistrate / Municipal Commissioner of the concerned municipal area having jurisdiction over the area in respect of State of West Bengal.
22. **Reviewing Authority:** Reviewing Authority means, the Additional Chief Secretary/Principal Secretary /Secretary of the Commerce & Industries Department having jurisdiction over the area in respect of State of West Bengal.
23. **Monitoring Authority:** Monitoring Authority means the Secretary of the Department of Consumer Affairs.

**Clause 2. Conditions for the setting up of Direct Selling Business:**

Every Direct Selling entity intending to carry out direct selling business subsequent to the publication of the notification in the Gazette, shall within 90 (ninety) days comply with the following set of conditions for the conduct of direct selling business:

It shall

1. Be a registered legal entity under the laws of India.
2. Provide a mandatory orientation session to all prospective direct sellers providing fair and accurate information on all aspects of the direct selling operation, including but not limited to the remuneration system and expected remuneration for newly recruited direct sellers;
3. Provide accurate and complete information to prospective and existing direct sellers concerning the reasonable amount of remuneration opportunity, and related rights and obligations;
4. Pay all dues to direct sellers as per written agreement.
5. Notify and provide a full refund or buy-back guarantee to every direct seller on reasonable commercial terms which can be exercised within a period of 30 (thirty) days, from the date of distribution of the goods or services to the direct seller;
6. Notify & provide to every Direct Seller a cooling off period which entitles such Direct Seller
  - a) to refund of any fee, including any training fee, franchise fee, fees for promotional materials or other fees related solely to the right to participate as a Direct Seller, paid upon the return of all goods received at the time of joining;
  - b) To return any other goods or services purchased by the Direct Seller during the cooling off period (2)
7. The promoter or key management personnel should not have been convicted of any criminal offence punishable with imprisonment by any Court of competent jurisdiction;
8. It shall have an registered office with identified jurisdiction of its operation in the State to enable the consumers and direct seller to acquaint themselves with price of products, return or replacement of products and efficient delivery of goods and services, and post-sale redressal of grievances;
9. Any trading or marketing or sale activity not adhering the above conditions/clause shall not be considered as direct selling & would be dealt appropriately under relevant laws.
10. Registration of such entity shall be done as per the norms of the Commerce & Industries Department issued in this regard as and when.

**Clause 3: Conditions for conduct of Direct Selling Business**

Every Direct Selling entity shall comply with the following conditions:

1. It shall be the owner, holder, licensee of a trademark, service mark or any other identification mark which identifies the entity with the goods to be sold or supplied or services to be rendered;
2. It shall issue proper identity documents to its direct sellers.
3. It shall maintain proper records either manual or electronic of their business dealings, with complete details of their goods, services, terms of contract, price, income plan, details of direct sellers, including but not limited to enrolment, termination, active status, earning etc.
  - a) Every Direct Selling entity shall maintain a "Register of Direct Sellers" wherein relevant details of each enrolled Direct Seller shall be updated and maintained;
  - b) The details of Direct Sellers shall include and not be limited to verified proof of address, proof of identity and PAN;



4. It shall maintain proper and updated website with all relevant details of the entity, contact information, its management, products, product information, product quality certificate, price, complete income plan, terms of contract with direct seller and complaint redressal mechanism for direct sellers and consumers. The website should have space for registering consumer complaints and should ensure that grievances are addressed within 45 (forty five) days of making such complaints;
5. It shall update all desired details of the direct selling entity as well as direct sellers on the Direct Selling Portal as designed by the Consumer Affairs Department for the purpose.
6. Upon registration with the Director Industries, it would be mandatory for the Direct Selling Entity to enter all required fields in the portal. For any details to contact Nodal Officer, Direct Selling in the Department of Consumer Affairs.
7. Details of the portal related to inputs/information to be notified separately.
8. It shall provide to all direct sellers their periodic account / information concerning, as applicable, sales, purchases, details of earnings, commissions, bonus and other relevant data, in accordance with agreement with the direct sellers. All financial dues shall be paid & any withholding made in a commercially reasonable manner;
9. It shall monitor the value of the purchases of all its Direct Sellers/Distributors on a monthly basis & once the purchase value crosses the GST threshold it shall intimate the Direct seller/Distributor to pay the GST.
10. A Direct Selling entity shall not :
  - a) Use misleading, deceptive or unfair recruiting practices, including misrepresentation of actual or potential sales or earnings, in their interaction with prospective or existing direct sellers;
  - b) Make any factual representation to a prospective direct seller that cannot be verified or make any promise that cannot be fulfilled;
  - c) Present any advantages of direct selling to any prospective direct seller in a false or deceptive manner.
  - d) Make or cause, or permit to be made, any representation relating to its direct selling business, including remuneration system and agreement between itself and the direct seller or to the goods or services being sold by itself or by the direct seller which is false or misleading;
  - e) Engage in, or cause or permit, any conduct that is misleading or likely to mislead with regard to any material particulars relating to its direct selling business, including remuneration system and agreement between itself and the direct seller, or to the goods or services being sold by itself or by direct seller;
  - f) Use, or cause or permit to be used, fraud, coercion, harassment, or unconscionable or unlawful means in promoting its direct selling practice, including remuneration system and agreement between itself and the direct seller, or to the goods or services being sold by itself or by the direct seller;
  - g) Requires its direct sellers to provide any benefit, including entry fees and renewal fees or to purchase any sales demonstration equipment or material in order to participate in its direct selling operations;
  - h) Provide any benefit to any person for the introduction or recruitment of one or more persons as direct seller;
  - i) Require the direct sellers to pay any money by way of minimum monthly subscription or renewal charges;
  - j) Knowingly make, omit, engage or cause, or permit to be made, any representation relating to its Direct Selling practice, including remuneration system and agreement between itself & the direct seller or the goods or services being sold by itself or by the direct seller which is false or misleading.
11. Notwithstanding the distribution system adopted by a direct selling entity, the Direct Selling Entity shall be responsible for compliance of these Guidelines by any member of its network of direct selling, whether such member is appointed directly or indirectly by the Direct Selling Entity.

**Clause 4: Conditions for Direct Selling contract between Direct Seller / Distributor and Direct Selling Entity:**

1. Every Direct Selling entity shall execute a contract agreement, whether directly or indirectly, with Direct Sellers before enrollment :
  - a) The Agreement shall be provided in a manner consistent with Section 10 of the Indian Contract Act, 1872;
  - b) In addition to the rights and obligations of parties to this agreement under these guidelines or any other law in force, parties shall have rights and obligations that are co-extensive with rights and obligations of parties under the Indian Contract Act, 1872;
2. The agreement shall be made in writing, describing the material terms of participation and shall:
  - a) Not compel or induce the direct seller to purchase goods or services in an amount that exceeds an amount that can be expected to be sold to consumers within a reasonable period of time;
  - b) Allow or provide the direct seller a reasonable cooling-off period in which to cancel participation and receive a refund for goods or services purchased;



- c) Allow for the termination of contract, with reasonable notice, in such instances and on such terms where a direct seller is found to have made no sales of goods or services for a period of up to two years since the contract was entered into, or since the date of last sale made by the direct seller;
- d) Allow or provide for a buy-back or repurchase policy for currently marketable goods or services sold to the direct seller at the said direct seller's request at reasonable terms.

3) For termination of the agreement as stated above;

- (a) The contract shall include a clause where the direct selling entity/ direct sellers shall give one month prior notice to each other before termination of contract.
- (b) The direct selling entity shall refund the deposit of direct seller, if any, upon termination of contract between direct selling entity & direct seller.
- (c) The direct selling entity shall be liable to pay penalty at the rate of 1% per day of the deposit money if it fails to return the deposit of direct sellers at the time of termination of the contract.
- (d) Mediation Center at the District & State level may be approached in the event of failure of any of the above clauses.
- (e) For the purpose of these guidelines direct selling entity means the board of the company director or to secretary or manager or any other person competent/ authorized by the company.

**Clause 5: Certain obligations of Direct Sellers**

1. Direct Seller engaged in direct selling should carry their identity card as issued by the Direct Selling entity and not visit the customer's premises without prior appointment / approval;
2. At the initiation of a sales representation, without request, truthfully and clearly identify themselves, the identity of the direct selling entity, the nature of the goods or services sold and the purpose of the solicitation to the prospective consumer;
3. Offer a prospective consumer accurate and complete explanations and demonstrations of goods and services, prices, credit terms, terms of payment, return policies, terms of guarantee, after-sales service;
4. Provide the following information to the prospect / consumers at the time of sale, namely:
  - a) Name, address, registration number or enrollment number, identity proof and telephone number of the direct seller and details of direct selling entity;
  - b) A description of the goods or services to be supplied;
  - c) Explain to the consumer about the goods return policy of the company in the details before the transaction;
  - d) The Order date, the total amount to be paid by the consumer along with the bill and receipt;
  - e) Time and place for inspection of the sample and delivery of good;
  - f) Information of his / her rights to cancel the order and / or to return the product in saleable condition and avail full refund on sums paid;
  - g) Details regarding the complaint redressal mechanism;
5. A direct seller shall keep proper book of accounts stating the details of the products, price, tax and the quantity and such other details in respect of the goods sold by him / her, in such as per applicable law.
6. A direct seller shall not:
  - a) Use misleading, deceptive and / or unfair trade practices;
  - b) Use misleading, false, deceptive, and / or unfair recruiting practices, including misrepresentation of actual or potential sales or earnings and advantages of Direct Selling to any prospective direct seller, in their interaction with prospective direct sellers;
  - c) Make any factual representation to a prospective direct seller that cannot be verified or make any promise that cannot be fulfilled;
  - d) Present any advantages of Direct Selling to any prospective direct seller in a false and / or a deceptive manner;
  - e) Knowingly make, omit, engage, or cause, or permit to be made, any representation relating to the Direct Selling operation, including remuneration system and agreement between the Direct Selling entity and the direct seller, or the goods and / or services being sold by such direct seller which is false and / or misleading;



- f) Require or encourage direct sellers recruited by the first mentioned direct seller to purchase goods and / or services in unreasonably large amounts;
- g) Provide any literature and / or training material not restricted to collateral issued by the Direct Selling entity, to a prospective and / or existing direct sellers both within and outside the parent Direct Selling entity, which has not been approved by the parent Direct Selling entity;
- h) Require prospective or existing direct sellers to purchase any literature or training materials or sales demonstration equipment;

**Clause 6: Relationship between Direct Selling Entity and Direct Seller:**

- 1.1 The relationship between Direct Selling entity and Direct Seller shall be determined as per written agreement between the parties which shall contain the rights and obligations that are expressly provided as conditions for the conduct of Direct Selling business as well as provide for the obligation of the direct selling entity and the direct seller in terms of these guidelines;
- 1.2 All other rights and obligations shall be determined as per the express terms of written agreement between a Direct Selling entity and Direct Seller;
- 2. The Direct Selling entity will be liable for grievances arising out of sale of products, services or business opportunity by its Direct Sellers;
- 3. It will be responsibility of the Direct Selling entity to monitor and control the practices / methods adopted by the Direct Sellers;

**Clause 7: Conduct for the Protection of Consumer:**

- 1. Direct Sellers and Direct Selling Entity shall take appropriate steps to ensure the protection of all private information provided by a consumer;
- 2. Direct Sellers and Direct Selling Entity shall be guided by the provision of the Consumer Protection Act 1986;
- 3. All complaints received over phone, email, website, post and walk-in should have a complaint number for tracing and tracking the complaint and record time taken for redressal;
- 4. Every Direct Selling company shall constitute a Grievance Redressal Committee whose composition, nature of responsibilities shall include but not limited to :
  - a) The Grievance Redressal Committee shall consist of at least three officers of the Direct Selling entity;
  - b) The Grievance Redressal Committee shall address complaints and inform complainants of any action taken;
  - c) Complaints may be made by any member of the general public against a Direct Seller of the company, an employee or any other officer of the entity;
  - d) All such grievances will be resolved directly by the Direct Selling Entity;
- 5. The direct selling entity shall provide information to the consumer upon purchase which shall contain :
  - a) The name of the purchaser and seller;
  - b) The delivery date of goods or services;
  - c) Procedures for returning the goods; and
  - d) Warranty of the goods and exchange / replacement of goods in case of defect. Provided that no Direct Seller shall, in pursuance of a sale, make any claim that is not consistent with claims authorized by the Direct Selling Entity.
- 6. Any person who sells or offers for sale, including on an e-commerce platform / marketplace, any product or service of a Direct Selling Entity must have prior written consent from the respective Direct Selling Entity in order to undertake or solicit such sale or offer.

**Clause 8: Prohibition of Pyramid Scheme & Money Circulation Scheme:**

- 1. No person or entity shall promote a Pyramid Scheme, as defined in Clause 1(11) or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the grab of doing Direct Selling business.
- 2. No person or entity will participate in Money Circulation Scheme, as defined in Clause 1 (12) in the grab of Direct Selling of Business Opportunities.

**Clause 9: Appointment of Monitoring Authority:**

- 1. The nodal department to deal with the issues related to Direct Selling in the State of West Bengal will be Secretary/ Principal Secretary/ACS of the Department of Consumer Affairs, in the state.
- 2. The nodal officer for issues relating to Direct Selling in the Department would be any Joint Secretary/Sp Secretary/ Additional Secretary of the Consumer Affairs Department.
- 3. The nodal officer would be responsible for coordination with other Departments on issues relating to proper implementation of these guidelines.



4. Each direct selling entity conducting direct selling activities in the State of West Bengal shall submit an undertaking and a filled up prescribed proforma stating compliance with these guidelines, online(in the portal) or in hard copy to the Deptt
5. Direct selling entities shall also provide such detail of its information & other business details as may be notified from time to time.
6. Such undertaking and proforma needs to be submitted to the department annually.
7. In case of any queries, the nodal officer would be the coordinating officer for the purpose, for all the direct selling entities.

**Clause 10: Power of entry & search and seizure into direct selling entity/direct seller premises**

1. If any violation of guidelines take place the enforcement authority as defined in the guidelines may with a view to securing compliance with this order or to satisfy himself/herself that this order has been complied with:
  - (a) Inspect or cause to be inspected
  - (b) Require any person to give any information in his possession about the goods/ services of the direct selling entity/ direct seller;
  - (c) Stop & search forthwith, with such aid & assistance as may be necessary.
  - (d) Enter & search, with such aid & assistance as may be necessary.
  - (e) The enforcement officer shall submit the enquiry report before SDM of the concerned district or Joint Municipal Commissioner of the Municipality/Municipal Corporation concerned.
2. The provision of the Code of Criminal Procedure 1973 relating to search shall so far as may be, apply to searches under this order.

**Clause 11. Appeal.**

Any person aggrieved by any order passed by SDM/Joint Municipal Commissioner may within 15 days from the date of receipt of order by him or her appeal against such order to the appellate authority, which is the District Magistrate/Municipal Commissioner.

**Clause 12. Review.**

Any person aggrieved by an order passed by DM may within 30days from the date of communication of such order to him or her prefer a review to the Secretary / Principal Secretary/ACS of the Commerce & Industries Department.

By Order of the Governor,  
NEELAM MEENA  
Secretary to the Govt. of West Bengal.



**DECLARATION BY DIRECT SELLING ENTITIES/COMPANIES  
PROFORMA  
PART - A**

|   |                                                                                                                                                                                                                                                                                                                                                                                            |  |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1 | (i) Name of the Company (As Registered)<br>(ii) CIN No.<br>(iii) Name and address of Directors on Board (Enclosed details)<br>a. director 1 - name, address, mobile/phone no, DIN no and email<br>b. director 2 - name, address, mobile/phone no, DIN no and email<br>(as many as Board members)                                                                                           |  |
| 2 | <b>DETAILS OF REGISTRATION (WITH JURISDICTION)</b><br><br>(a) Address of Registered Office in the State (Enclosed copy of Registration Certificate) :<br>(b) Email :<br>(c) Telephone Nos :<br>(d) Company Website :<br>(e) Details of other registration (with jurisdiction), if any (Attach copy of Registration Certificate)<br>(f) Type of Entity (Private, Public, Trust, Ltd. Etc .) |  |
| 3 | <b>HEAD OFFICE</b><br><br>(a) Address<br>(b) Email :<br>(c) Details of Key Management Personnel as per registration under the Companies Act :<br>(d) Details of Regional Offices :<br>(e) Nodal Officer for interaction with D/o Consumer Affairs;<br>(Name, designation, Tel No., e-mail, Fax, mobile No.)                                                                                |  |
| 4 | Whether anyone from the Management was convicted by any court in the past. If so, the details thereof :                                                                                                                                                                                                                                                                                    |  |
| 5 | Whether direct selling is of Products or services or both?                                                                                                                                                                                                                                                                                                                                 |  |
| 6 | Details of License(s), Trade Mark or Principal Brand which identifies the company :                                                                                                                                                                                                                                                                                                        |  |
| 7 | i. Address / Telephone Nos. / e-mails etc. of Customer Care & Grievance Redress Cells (HQ & Branches);<br>ii. Details of <b>Grievance Redress Committee</b> as per guidelines :<br>a. Member Name, Phone/mobile no. and email :<br>b. Member Name, Phone/mobile no. and email :<br>c. Member Name, Phone/mobile no. and email :                                                            |  |



**PART B**  
**(Direct Selling Business Details)**

|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                 |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 1 | Details of Products / Services offered (Give link of websites)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                 |
| 2 | <p>Please confirm the following about your direct selling scheme :-</p> <p>(a) It has no provision that a Direct Seller will receive remuneration or incentives for the recruitment / enrolment of new participants</p> <p>(b) It provide that direct sellers will receive remuneration derived only from the sale of goods or services.</p> <p>(c) It does not require a participant to purchase goods or services :</p> <p>i. for an amount that exceeds an amount for which such goods or services can be expected to be sold or resold to consumers;</p> <p>ii. for a quantity of goods or services that exceeds an amount that can be expected to be consumed by, or sold or resold to consumers;</p> <p>(d) It does not require a participant to pay any entry / registration fee, cost of sales demonstration equipment and materials or other fees relating to participation;</p> <p>(e) It provides a participant with a written contract describing the “material terms” of participation;</p> <p>(f) It allows or provides for a participant a reasonable cooling-off period to participate or cancel participation in the scheme and receive a refund of any consideration given to participate in the operations;</p> <p>(g) It allows or provides for a buy-back or repurchase policy for “currently marketable” goods or services sold to the participant at the request of the participant at reasonable terms;</p> <p><b>Note: 1. Give details in regard to the above in an enclosure</b><br/> <b>2. In case any of the answers in this para is ‘No’, please provide full details with reasons in an enclosure.</b></p> | <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> |
| 3 | <p>(a) Whether proper identity document(s) to all the Direct Sellers are issued.</p> <p>(b) Whether you maintain “Register of Direct Sellers” wherein relevant details of each enrolled Direct Seller is updated and maintained with details including verifiable proof of address, proof of identity and PAN as per the Income Tax Act.</p> <p>(c) What is the mechanism for payment of GST ? Give details.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>                                                                       |
| 4 | <p>(a) The website is proper and updated regularly with all relevant details, contact information, details pertaining to management, products, product information and complaint redress mechanism for direct sellers and consumers.</p> <p>(b) There are arrangement for registering consumer complaints online or otherwise and grievances are resolved within 45 days of date of making such complaints. Details to be provided.(c)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Yes/No</p> <p>Yes/No</p>                                                                                     |
| 5 | Notes / Remarks, if any.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                 |



**Part-C**  
**Direct Sellers**

|   |                                                                                                                                                                                                                                           |          |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 1 | Whether it has provided mandatory orientation session to all the prospective direct sellers.                                                                                                                                              | Yes / No |
| 2 | Whether written agreement has been executed between each direct sellers and direct selling entity.                                                                                                                                        | Yes / No |
| 3 | Whether authenticated identity card has been issued to the direct sellers under the entity or not.                                                                                                                                        | Yes / No |
| 4 | Whether the direct seller or the entity has enrolled in the portal or not                                                                                                                                                                 | Yes / No |
| 5 | Whether the direct seller has been informed about the grievance redressal committee of the direct selling entity or not.                                                                                                                  | Yes / No |
| 6 | Whether the direct seller has been informed about the reasonable cooling period / reasonable notice for termination of contract/buy back or repurchase policy of the entity/refund policy/penalty provision of the direct selling entity. | Yes / No |
| 7 | Whether direct seller has been informed about the provision of portal and mediation centers in the district and the State                                                                                                                 | Yes / No |



**Part – D**  
**(UNDERTAKING)**

I/We, ..... In the capacity of ..... of the

..... company / firm declare that we are compliant with the following :

- (a) We do not promote a Pyramid Scheme, as defined in Clause 1 (11) or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the grab of doing Direct Selling business.
- (b) We do not participate in Money Circulation Scheme, as defined in Clause 1 (12) in the grab of Direct Selling of Business Opportunities.
- (c) We are compliant with all the remaining aspects mentioned in the guidelines issued vide ..... dated ..... by the Department of Consumer Affairs and shall also provide such details as may be notified from time to time.

Place :

SEAL OF THE  
COMPANY

Sd/-

Name .....

Designation .....

Tel No .....

E-mail .....

**List of documents to be provided:**

1. Certificate of Registration / Bye-laws / Memorandum of Association
2. List of Board of Directors, with contact details including DIN numbers
3. Brief details of direct selling scheme and compensation plan.
4. Sample of contract with direct sellers / distributors