



## **IDSA welcomes Andhra Pradesh State Direct Selling Guidelines Order 2017**

- Guidelines Order having strong focus on Consumer Protection
- Provides regulatory clarity to Direct Selling in the state

### **Vijayawada, December 11, 2017**

The Government of Andhra Pradesh has issued Government Order to bring 'Andhra Pradesh Direct Selling Guidelines Order 2017,' becoming the fourth state after Chhattisgarh, Sikkim and Telangana to adopt the Central Guidelines. These Guidelines provide a definitional clarity for Direct Selling, paving way for a much-needed statutory push for the Industry.

While the Andhra Pradesh Guidelines Order emphasize on strong Consumer Protection mechanism, the Guidelines also have provisions for Appeal and Revision to be monitored by designated authorities.

The Department of Consumer Affairs, Government of India had notified the Direct Selling Guidelines in 2016, a model framework on guiding principles for state governments to consider regulating Direct Selling and Multi-Level-Marketing. Government of India had advised the state governments to adopt the Guidelines to strengthen existing regulatory mechanism on Direct Selling and Multi-Level-Marketing, for preventing frauds and protecting the legitimate rights and interests of consumers.

"Southern Region is a very big market for Direct Selling Industry with a 23% market share and Andhra Pradesh is a very important state for most of the Direct Selling Entities. It is a very positive step from the Government of Andhra Pradesh to bring Direct Selling under the ambit of regulatory framework. Andhra Pradesh has become the second state after Telangana in the southern region to issue these guidelines which can encourage other states in the region to also adopt them. IDSA extends its gratitude to the Government of Andhra Pradesh for issuing the Guidelines, which will further strengthen the position of Direct Selling in the state. I extend my gratitude to Hon'ble Chief Minister of Andhra Pradesh, Shri. Chandrababu Naidu for entrusting his faith on Direct Selling and providing a legal framework for the Industry. This is a huge encouragement for the Direct Selling Industry, said **Vivek Katoch, Chairman Indian Direct Selling Association.**

These Guidelines lay foundation for consumer protection and safety; a prime concern for the Direct Selling Industry too. In the absence of proper policy or guidelines, numerous fraudulent players have taken advantage of the situation, duping money from consumer in the guise of Direct Selling in the past. However, the state Guidelines shall address the concerns of the Industry and provide tremendous motivation.

"It is another heart-warming development for the Direct Selling Industry. It is very encouraging that the Government of Andhra Pradesh has made a decision to provide regulatory backing to Direct Selling Industry. At the same time, the Guidelines Order also have a strong 'Consumer Protection' mechanism, to protect consumer interest. A special mention of the state Food, Civil Supplies and Consumer Affairs Department for their efforts to bring the Guidelines Order. The Guidelines Order has clear definition of 'Pyramid Schemes', hence distinguish between legitimate Direct Selling business and Fraudulent Schemes.," said **Amit Chadha, Secretary General, IDSA.**



**About IDSA:** Incorporated in 1996 and headquartered in Delhi, IDSA is an autonomous, self-regulatory body for the Direct Selling industry in India. The Association acts as an interface between the industry and policy-making bodies of the Government facilitating the cause of Direct Selling Industry in India. IDSA has played a proactive role in raising the voice for the Direct Selling Industry for policy reforms which can nurture growth and facilitate the trade of Direct Selling Industry in India with the Central and State Governments. It is affiliated to World Federation of Direct Selling Association, which was established in 1978, currently having 63 Direct Selling Associations across the world as its members. WFDSA is a non-government voluntary organization, representing Direct Selling Industry globally as a federation worldwide.