



IDSA welcomes Sikkim State Direct Selling Guidelines 2017

- Becomes the second state after Chhattisgarh to issue Direct Selling Guidelines as advised by Department of Consumer Affairs, Govt. of India
- Guidelines to bring interim relief for Direct Selling in the state

Gangtok, November 8, 2017

The Government of Sikkim notified the 'Sikkim State Direct Selling Guidelines 2017,' becoming only the second state after Chhattisgarh, 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.

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.

"This is a second good news in as many weeks for the Direct Selling Industry. Indian Direct Selling Association (IDSA) welcomes the Sikkim State Direct Selling Guidelines on Direct Selling. We take this opportunity to thank the Government of Sikkim for such a positive step. We also appreciate and thank the state Food, Civil Supplies and Consumer Affairs Department for their efforts to notify the guidelines, which will bring immediate relief for the Direct Selling Industry at the regulatory front. These Guidelines also define 'Pyramid Schemes', hence distinguish between legitimate Direct Selling business and Fraudulent Schemes," 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.

"A very welcome development for the Direct Selling Industry. It is very encouraging that the Government of Sikkim has made a decision to provide regulatory backing to Direct Selling Industry. IDSA acknowledges the support of the Government of Sikkim and conveys heartiest thanks for giving stability to the Direct Selling in the state," said **Amit Chadha, Secretary General, IDSA**.

The Department of Consumer Affairs, Government of India, stressed upon the need of a strong and exhaustive Consumer Protection Mechanism, during the recently concluded two-day international conference on Consumer Protection for East, South, Southeast and Asian nations. Prime Minister Narendra Modi said that the Government will soon enact a new Consumer Protection Act, keeping in view business practices and requirements of the country. The proposed Act, which will replace the Consumer Protection Act, 1986 lays great emphasis on consumer empowerment and is in line with the revised UN guidelines on consumer protection.



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.