

Govt finalises draft norms for direct selling industry

PTI | Jul 29, 2016, 08.42 PM IST

New Delhi, Jul 29 () The Consumer Affairs Ministry today finalised draft guidelines for the Rs 72,000 crore direct selling industry with a view to safeguarding interest of consumers by differentiating genuine schemes from money-swindling ponzi ones. The draft guidelines will now be sent to the Prime Minister's Office which will take a final call in consultation with the Cabinet Secretary.

In a meeting with industry stakeholders held here today, Consumer Affairs Minister Ram Vilas Paswan discussed the draft guidelines prepared by the inter-ministerial panel and took their final views.

'We have taken final inputs from the industry and the draft guidelines for the direct selling industry are almost in the final shape,' a senior government official told after the meeting.

The proposed guidelines define clearly legitimate direct selling and differentiates it from ponzi schemes, the official said. It also defines the functions of direct selling companies which will help investigating agencies to differentiate between genuine and fraudulent players, the official added. According to sources, the draft guidelines would be notified after getting clearance from the PMO.

Industry bodies Ficci, CII, Assocham, Indian Direct Selling Association and representatives from companies like Amway, Oriflame among others were present in the meeting.

The guidelines are being framed as direct selling industry is facing problems in the absence of clear legislation that defines the regulatory framework. According to sources, the industry players have urged the ministry to notify the guidelines at the earliest.

They have suggested to give legal sanctity by notifying the guidelines on direct selling as part of rules under the new Consumer Protection Bill.

The bill, which has been introduced in the Lok Sabha and is being vetted by the Parliamentary Standing Committee, has provisions to protect the interest of consumers buying on e-commerce and direct selling platforms.

Source & Courtesy – Times of India – 30th July 2016 – online edition

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