



DEPARTMENT OF CONSUMER AFFAIRS

(Ministry of Consumer Affairs, Food & Public Distribution,
Krishi Bhavan, New Delhi, Government of India)



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Direct Selling

In the absence of any separate guidelines/ business strategies, all Direct Selling/ Multi Level Marketing business come under the purview of the Price Chits Money Circulation Scheme (B) Act administered by D/o Financial Services. However as it is a banning Act there is no provision under the Act to differentiate genuine direct selling business from banned pyramid/money circulation schemes and this had resulted in alleged harassment/ criminal action against the industry.

To resolve the problem, the D/o Financial Services had considered the possibility of introducing guidelines as part of the ongoing amendment to PCMCS(B) Act. They however have come to the conclusion that any such new provision in the PCMCS(B) Act will only add to the confusion and therefore the D/o Consumer Affairs on its own may examine the need for a separate legislation for the sector. Based on the above decision, an Inter-Ministerial Committee under the chairmanship of Secretary (CA) was constituted on 12th Nov, 2014.

So far the committee has held four meetings and matter is under examination. The Committee's term has been extended up to 18th May, 2016.

[Advisory to State Governments /Union Territories on Model Guidelines on Direct selling](#)  0

[DECLARATION BY DIRECT SELLING ENTITIES/COMPANIES](#) 

 [1.144 MB Advisory to State Governments /Union Territories: Model Framework for Guidelines on Direct selling](#)

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