Direct Selling Association of Singapore Code of Ethics

Preamble
The Direct Selling Association of Singapore [“DSAS’] recognizes that companies engaged in direct selling assume certain responsibilities towards consumers in their method of distributing their products and services, and sets forth the basic fair and ethical principles and practices to which Members shall be required to adhere in the conduct of their business.

1) Obligation
It is a condition of membership that every Member has to adhere to this Code of Ethics & Conduct and to ensure that every Direct Seller in its system of distribution has read and understood the full meaning of this Code of Ethics & Conduct. Direct Sellers are not bound directly by this Code of Ethics & Conduct, but as a condition of membership in the Member’s distribution system, shall be required by the Member with whom they are affiliated to adhere to rules of conduct meeting the standards of this Code of Ethics & Conduct.

Members that fail to adhere to this Code of Ethics & Conduct may be referred to the Disciplinary Committee, which, in the event of a continuing failure to comply, may recommend and enforce sanctions which may include (but are not limited to) the suspension or termination of their membership with the DSAS.

With termination of membership in DSAS, a Member is no longer bound by this Code of Ethics & Conduct. However, the provisions of this Code of Ethics & Conduct remain applicable to events or transactions that occurred at the time the Member was a member of DSAS.

All Members are required to comply with the requirements of the Consumer Protection (Fair Trading) Act (Cap. 52A), the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009, the Consumer Protection (Fair Trading) (Opt-Out Practices) Regulations 2009, the Multi-Level Marketing and Pyramid Selling (Prohibition) Act (Cap. 190), the Multi-Level Marketing and Pyramid Selling (Excluded Schemes and Arrangements)
Order, all other relevant regulations and any and all subsequent amendments to such legislation and subsidiary legislation.

2) Identification
Every Direct Seller shall, without being asked to do so, on initial contact with a prospective customer identify himself, the company he represents, the nature of his products and the purpose of his solicitation to the prospective customer. Every Direct Seller is encouraged to carry a DSAS Identification Card or such other identification which displays his particulars, his photograph and the validity date (if any) of such a card.

3) Prohibited Practices
No Direct Seller shall engage in sales or recruiting practices that are unfair, misleading or deceptive or otherwise not in compliance and accordance with the relevant Singapore laws. No Direct Seller shall, in particular, take advantage of a consumer’s lack of commercial experience, age, illness, or lack of understanding or unfamiliarity with a language. In addition, no Direct Seller shall induce or mislead a customer into using a product with the intention of depriving the customer of his right to cancel an order or contract under the “7-day Cooling-off period” Statement.

4) Products or Services
The offer of products or services for sale and any product explanations and demonstrations by a Direct Seller shall be accurate, truthful and complete as to the price, grade, credit terms, quality, make, value, performance, currency of the model, availability, cooling-off period, return policies, terms of guarantee, after sales service and delivery dates (as may be appropriate in each case). Direct Sellers shall give accurate and understandable answers to all questions from consumers. Where claims are made with respect to product efficacy, Direct Sellers shall make only those verbal or written product claims that are authorized by the Member. Members and Direct Sellers shall fulfill consumer orders in a timely manner.
5) Order Form
A written Order Form shall be made available to the consumer at the time of the sale or prior to that, regardless of the mode in which the order is made. The order form shall identify the Member or Direct Seller and contain the full name, permanent address and telephone number of the Member or Direct Seller and all material terms of the sale. All terms shall be clear and legible. There shall be no hidden costs to the consumer.

6) 7-Day "Cooling-off period" Statement
A 7-Day "cooling-off period" statement (excluding Saturdays, Sundays and all public holidays), during which customers may, on reasonable commercial terms, cancel an order or contract and receive a full refund of their money, is to be printed legibly in at least 12 point font and positioned in the contract or order form immediately above the space for the signature of the customer. The contact details and particulars of the relevant Customer Service department or personnel should be given for the customer to invoke this statement if required.

The spirit of this statement shall be upheld and shall not be circumvented deliberately.

7) Payment of Deposit on Customer's Behalf
Prior to the delivery of a product, the initial deposit to be collected from the customer shall not exceed ten percent of the cash price of that product. No Direct Seller shall pay the initial deposit on behalf of the prospective customer.

8) Promotional Literature, Advertising and Testimonials
Every claim made by a Direct Seller whether orally or in writing shall be substantiated by acceptable documentary evidence when requested. A Direct Seller shall not use any testimonial or endorsement that is unauthorized, untrue, obsolete or otherwise inapplicable, unrelated to the offer or used in any way likely to mislead the consumer. Where applicable, product claims and product registration shall be in compliance with the requirements of the Health Sciences Authority, Ministry of Health, the Advertising Standards Authority of Singapore and or any other authorities where appropriate. Promotional literature, advertisements and mailings shall
not contain product descriptions, claims, photos or illustrations that are deceptive or misleading. Promotional literature shall contain the name and address or telephone number of the Member and may include the telephone number of the Direct Seller.

9) Other Materials
Members shall prohibit Direct Sellers from marketing or requiring others to purchase any materials that are inconsistent with the Member’s policies and procedures.

Direct Sellers who sell promotional or training literature approved by the Member, regardless of whether in hard copy or electronic form, shall (i) use only material that comply with the same standards that the Member adheres to; (ii) refrain from compelling the downline to purchase the literature; (iii) make available the sales aids at a reasonable price equivalent to similar material generally available at the marketplace; and (iv) offer a return policy that is the same as that of the Member. Sales aids must comply with the provisions of this Code of Ethics & Conduct and must not be misleading or deceptive.

10) Customer Complaints
Every Member shall put in place a proper and effective mechanism to deal with customer complaints in an efficient and expeditious manner with the objective of achieving customer satisfaction. In particular, Members shall ensure that the necessary telecommunications, internet or such other facilities are installed so as to be able to receive and process such customer complaints.

If a complaint appears to have been aggravated or the complainant has copied his letters to the Consumers Association of Singapore or any relevant government authority, the Member shall promptly forward copies of such letters to the Chairman of DSAS, who shall bring the matter to the attention of the Disciplinary Committee. The Disciplinary Committee may refer such disputes to the Code Administrator for resolution.

The Code Administrator may require the cancellation of orders, return of products purchased, refund of payments or other appropriate actions, including warnings to Members or Direct Sellers, cancellation or termination
of Direct Sellers’ contracts or other relationships with the Member, and warnings to Members.

The Code Administrator and Members shall establish, publicize and implement complaint handling procedures to ensure prompt resolution of all complaints.

11) Respect of Privacy
Every contact made with a prospective customer that is initiated by a Direct Seller shall be done during reasonable hours and any presentation or demonstration shall be discontinued promptly upon the request of the customer. Direct Sellers and Members shall take appropriate steps to ensure the protection of all private information provided by a consumer, a potential consumer, or a Direct Seller.

12) Education and Training
Members shall ensure that each of their Direct Sellers receives adequate education and business training in respect of their products, their obligations under this Code of Ethics & Conduct and to ensure their familiarity with the World Direct Selling Codes of Conduct, the Multi-Level Marketing and Pyramid Selling (Prohibition) Act and Multi-Level Marketing and Pyramid Selling (Excluded Schemes and Arrangements) Order, the Consumer Protection (Fair Trading) Act (Cap. 52A), the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009, the Consumer Protection (Fair Trading) (Opt-Out Practices) Regulations 2009, all other relevant regulations and any and all subsequent amendments to such legislation and subsidiary legislation.

13) Comparison and Denigration
Direct Sellers shall refrain from unfairly comparing or denigrating any firm, products, its sales and marketing plan, or any other feature of another Member, whether directly or by implication. Members and Direct Sellers shall also not use comparisons which are misleading. Points of comparison shall be based on facts which can be substantiated. Members and Direct Sellers shall not take unfair advantage of the goodwill attached to the trade name and symbol of another Member, business or product.
14) Inventory
Members shall not require or encourage Direct Sellers to purchase inventory in unreasonably large amounts.

15) Earnings Claims
Members and Direct Sellers shall not misrepresent the actual or potential sales or earnings of their Direct Sellers. Any earnings or sales representations made shall be based upon documented facts, in compliance with the relevant Singapore laws. Members shall provide Direct Sellers with periodic accounts concerning, as applicable, sales, purchases, details of earnings, commissions, bonuses, discounts, deliveries, cancellations and other relevant data, in accordance with the company’s arrangement with Direct Sellers. All monies due shall be paid and any withholdings made in a commercially reasonable manner.

16) Business Information
Information provided by Members to prospective or existing Direct Sellers on opportunity and related rights and obligations shall be accurate and complete. Members shall not make any factual representation that cannot be verified or make any promise that cannot be fulfilled. Members shall not represent information in a false or deceptive manner.

17) Referral Selling
Members and Direct Sellers shall not induce customers to purchase goods or services based upon the representation that customers can reduce or recover the purchase price by referring prospective customers to the sellers for similar purchases, if such reductions or recovery are contingent upon some uncertain, future event.

18) Privacy of Data
Members shall not sell, dispose, transfer (for profit or gain) or divulge personal data of their Direct Sellers or customers to any party, except with the prior consent of the Direct Sellers, or as required to comply with any laws or regulations.
19) Recruitment
Members shall not use misleading, deceptive or unfair recruiting practices in their interaction with prospective or existing Direct Sellers.

20) Relationship between Members and Direct Sellers
Members shall provide to their Direct Sellers either a written agreement to be signed by both the Member and the Direct Seller or a written statement, containing all essential details of the relationship between the Direct Seller and the Member.

21) Enticement
Members and their Direct Sellers shall not solicit other Member's Direct Sellers to join the former by active, targeted and systematic enticement.

Definitions
"Direct Sellers" include every person that is a participant in a system of distribution. A Direct Seller may be an independent commercial agent, independent contractor, independent dealer or distributor, employed or self-employed representative, or any other similar sales representative of a Member.

The "Disciplinary Committee" shall consist of such persons as may be appointed by the Members from amongst their number from time to time, and who shall have the power to recommend and enforce disciplinary action under this Code of Ethics & Conduct.

"Members" are member companies of the DSAS.