



DIRECT SELLING AUSTRALIA

DIRECT SELLING AUSTRALIA'S CODE OF PRACTICE



Creating an ethical marketplace for consumers by holding Members and direct sellers accountable for their actions.

Compliance with the Code of Practice is an on-going requirement of Direct Selling Australia (DSA) membership. The Code establishes ground rules for dealings with consumers and potential direct sellers which promotes informed decision-making in an environment of increased confidence and transparency. The Code complements the Australian Consumer Law (ACL) and offers additional protection and assurance for purchases.

WHEN SELLING...



The direct seller **must**:

- Only contact customers at specified times.
- Identify themselves and their purpose.
- Provide appropriate information about the product.
- Issue a sales agreement which is ACL compliant.
- In the event of a delay, offer a range of remedies including the right to cancel at specified intervals.
- Offer a cooling off period for all transactions of up to 10 business days.
- Protect customer privacy.



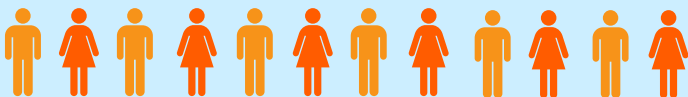
The direct seller **must not**:

- Make false or misleading claims about a product.
- Encourage a purchase on the promise that the cost can be recovered by referring others.



WHEN RECRUITING...

- The purpose of any presentation and identity of the parties should be clearly stated.
- In presenting the opportunity, the Member and direct seller must not engage in deceptive, misleading or unfair conduct nor make exaggerated or unrealistic earnings claims.
- An agreement between a Member and direct seller must detail termination rights, any anti-competitive provisions and financial obligations.
- Fees payable for joining, training or renewing should be appropriate and represent reasonable value.



WHEN BUYING STOCK...



- The Member must not permit the direct seller to hold an unreasonable volume of inventory having regard to that direct seller's past performance, the marketability of the stock and attempts to qualify for commissions solely by 'inventory loading'.
- If the direct seller leaves, the Member must repurchase any marketable inventory returned on reasonable terms.

ADMINISTERING THE CODE...



- Members must have a complaints handling system as well as a nominated point of contact for any matters relating to the administration of the Code.
- The Code is enforced by an independent Code Administrator who will investigate and determine a complaint.
- The Code Administrator may request a member's register of complaints at any time as part of a business ethics review.
- The Code Administrator may order a Member to repair or replace or to make a payment to the complainant and may also recommend disciplinary action to the Board.

AND FINALLY...



- The Code imposes consumer protection standards above those required by law and provides greater assurance to consumers who purchase from a DSA Member.