



The Direct Selling Association of Hong Kong Limited

A member of the World Federation of Direct Selling Associations
www.hkdsa.org.hk

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Comment on the Pyramid Scheme Prohibition Bill to Legislative Council, HKSAR

Established in 1979, the Direct Selling Association of Hong Kong (abbreviated as HKDSA) is a trade association of person-to-person marketing companies in Hong Kong. Direct selling is the legitimate marketing of consumer goods and services directly to consumers generally in their homes or the homes of others, at their workplace and other places away from shops, usually through explanation or demonstration of the goods or services by a salesperson. This business model is a legitimate form of marketing in Hong Kong and other countries/territories around the world and has been long established and respected as a livelihood opening for the everyday public in Hong Kong. This business model allows the Hong Kong populace flexibility and greater choice in their employment options, and to-date, the member companies of the HKDSA represents a total of over 170,000 salespeople in Hong Kong. The legitimate direct selling businesses have therefore created greater job opportunities in Hong Kong, and this affirms Hong Kong as an entrepreneurial and self starter for businesses. This business model is an exemplary example of free enterprise and how it works to encourage a true manifestation of the Hong Kong spirit.

The current Pyramid Schemes Prohibition Ordinance was enacted in 1997, which was 14 years ago. As such, a review of the legislation and amendments to keep the law current is a welcome initiative. The Association is clearly aware of the proliferation of illegal trade practices from time to time. As an Association of legitimate direct selling businesses, we are in support of representing any initiative in this direction. A legislation which is directed towards such objectives, and representing an initiative to enable the Hong Kong public to benefit from clarity and recognition of what sets legitimate business such as direct selling companies apart from pyramid selling is to be encouraged and supported.

The Association is established to promote, establish and maintain a high standard of ethics in methods of distributing products and services by members of the Association. The Association looks forward to working together with the government, the legislature, the Consumer Council and applicable law enforcement agencies to support any such legislative endeavors.