

Bills Committee on Pyramid Schemes Prohibition Bill

List of follow-up actions arising from the discussion at the meeting on 24 June 2011

At the meeting on 24 June 2011, the Administration was requested to provide written information in response to the following concerns/requests –

1. provide pointers, with illustration by local or overseas past cases / examples, for the differentiation of pyramid schemes as defined under the Bill from legitimate multi-level direct marketing schemes;
2. provide information on the government department / public authority / enquiry hotline (if any) to which members of the public may make direct enquiries as to whether a scheme would be considered a pyramid scheme or otherwise;
3. provide the Code of Ethics / Code of Conduct / Practice Guidelines issued by The Direct Selling Association of Hong Kong which stipulate the standards and procedures to be observed by member companies / firms in conducting their respective marketing activities;
4. provide information about the elimination of pyramid selling activities in Macao and relevant enforcement activities undertaken by the Macao authorities subsequent to the amendment of the Proibição da venda «em pirâmide» by the Macao government; and
5. provide details of past cases of unsuccessful prosecution of pyramid selling activities due to insufficient evidence and/or difficulties in establishing constituent elements of "pyramid selling scheme" and/or the offence under the Pyramid Selling Prohibition Ordinance (Cap. 355).