

RELEASE OF WHITE PAPER ON DIRECT SELLING INDUSTRY IN INDIA

September 11, 2015: Tamarind Hall: India Habitat Center, New Delhi

School of Corporate Law at IICA recently conducted a study on the Direct Selling Industry in India the findings of which were also presented by DG & CEO, IICA before the Hon'ble Committee on Finance, Parliament of India.

The paper was publicly released for use of various stakeholders on September, 11, 2015. Dr. Vijay Kumar Singh, Associate Professor and Head of School of Corporate Law did the research with knowledge support from PLR Chambers. The study has suggested the urgent need for drafting clear definition of direct selling so that law enforcement agencies could easily differentiate between legitimate direct selling activities and the illegitimate Ponzi/pyramid schemes. The main thrust of the Whitepaper is to ensure that Ponzi/pyramid schemes are detected and prosecuted swiftly. As a spillover benefit, the regulation of the direct selling industry will contribute towards economic growth and higher participation of women in the work force. Dr. Moolchand Sharma, former member of the Law Commission of India, while releasing the paper stated that unchecked growth of Ponzi/pyramid schemes at the cost of legitimate direct selling business, would also harm the objectives of public policy initiatives such as Make in India, Skill India, and Digital India.

The Whitepaper, with inputs from TARI, New Delhi and an exposure draft of a Bill prepared by Sh. K. N. Chaturvedi, former Law Secretary, Government of India, has also recommended a mandatory registration process, on the lines of the mandatory SEBI registration for all schemes soliciting investments, for all direct selling entities operating in the country.

The paper release was followed by a panel discussion moderated by Prof. Harpreet Kaur, NLU Delhi who also happens to be the expert reviewer of the study. Industry leaders like Ms. Chavi Hemanth, IDSA, Ms. Shilpa Gupta, FICCI, Rajat Banerji, and Bejon Mishra, consumer activist participated in the panel.

Dr. Singh presented the vote of thanks.

