

HKDSA Code of Conduct

GENERAL

Preface

This Code contains guidance on the interaction between:

1. DSA member Companies and their existing and prospective sales representatives;
2. DSA member Companies and their sales representatives and Consumers of the Company's Products;
3. Member Companies as they compete in the marketplace; and
4. Individual Complainants, the DSA Code Administrator, and DSA member Companies.

1.1 Scope

The Code contains sections entitled "Conduct For the Protection of Consumers", "Conduct Between Companies and Direct Sellers", and "Conduct Between Companies." These three sections address the varying interactions across the spectrum of direct sales. The Code is designed to assist in the satisfaction and protection of Consumers, promote fair competition within the framework of free enterprise and enhance the public image of Direct Selling.

1.2 Glossary of Terms

For the purposes of the Code, capitalized terms have the following meaning:

Code Administrator: The independent person or body appointed by DSA to monitor a Company's compliance with the Code and to resolve complains under the Code.

Company: A business entity that (i) utilizes a Direct Selling distribution system to market its Products, and (ii) is a member of DSA.

Consumer: Any person who purchases and consumes Products from a Direct Seller or a Company.

Direct Seller: A person or entity that is entitled to buy and/or sell the Products of a Company and that may be entitled to recruit other Direct Sellers. Direct Sellers generally market consumer products directly to Consumers away from a permanent, fixed retail location, usually through the explanation or demonstration of products and services. 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 Company.

Order Form: A printed or written document confirming details of a Consumer order and providing a sales receipt to the Consumer. In the case of Internet purchases, a form containing all terms of the offer and purchase provided in a printable or downloadable format.

Product: Tangible and intangible consumer goods and services.

Recruiting: Any activity conducted for the purpose of assisting a person to become a Direct Seller.

1.3 Companies

Companies pledge to adopt and enforce a code of conduct that incorporates the substance of the provisions of this Code as a condition of admission and continuing membership in the DSA. Companies also pledge to publicize this Code, its general terms as they apply to Consumers and Direct Sellers, and information about where Consumers and Direct Sellers may obtain a copy of this Code.

1.4 Direct Sellers

Direct Sellers are not bound directly by this Code, but, as a condition of membership in the Company's distribution system, shall be required by the Company with whom they are affiliated to adhere to rules of conduct meeting the standards of this Code.

1.5 Self-Regulation

This Code is not law, but its obligations require a level of ethical behavior from Companies and Direct Sellers which conforms with or exceeds applicable legal requirements. Non-observance of this Code does not create any civil law responsibility or liability. With termination of its membership in DSA, a Company is no longer bound by this Code. However, the provisions of this Code remain applicable to events or transactions that occurred during the time a Company was a member of DSA.

1.6 Local Regulations

Companies and Direct Sellers must comply with all requirements of law in any country in which they do business. Therefore, this Code does not restate all legal obligations; compliance by Companies and Direct Sellers with laws that pertain to Direct Selling is a condition of acceptance by or continuing membership in DSA.

1.7 Extraterritorial Effect

Every national DSA pledges that it will require each member as a condition to admission and continuing membership in the DSA to comply with the WFDSA World Codes of Conduct for Direct Selling with regard to direct selling activities outside of its home country, unless those activities are under the jurisdiction of Codes of Conduct of another country's DSA to which the member also belongs.

CONDUCT FOR THE PROTECTION OF CONSUMERS

2.1 Prohibited Practices

Direct Sellers shall not use misleading, deceptive or unfair sales practices. Direct Sellers shall not promote, operate or participate in a "Pyramid Scheme" as defined and prohibited under the Pyramid Schemes Prohibition Ordinance (Cap. 617 of the laws of Hong Kong) and any amendments and / or re-enactments thereof for the time being.

2.2 Identification

At the initiation of a sales presentation, Direct Sellers shall, without request, truthfully and clearly identify themselves; the identity of their Company; the nature of their Products; and the purpose of their solicitation to the prospective Consumer.

2.3 Explanation and Demonstration

Direct Sellers shall offer Consumers accurate and complete Product explanations and demonstrations regarding price and, if applicable, credit terms, terms of payment, a cooling-off period, including return policies; terms of guarantee; after-sales service; and delivery dates. Direct Sellers shall give accurate and understandable answers to all questions from Consumers. To the extent claims are made with respect to product efficacy, Direct Sellers shall make only those verbal or written product claims that are authorized by the Company.

2.4 Order Form

A written Order Form shall be delivered or made available to the Consumer at or prior to the time of the initial sale. In the case of a sale made via mail, telephone, the Internet, or similar non face-to-face means, a copy of the Order Form shall have been previously provided, or shall be included in the initial order, or shall be provided in printable or downloadable form via the Internet. The Order Form shall identify the Company and the Direct Seller and contain the full name, permanent address and telephone number of the Company or the Direct Seller, and all material terms of the sale. Terms of a guarantee or a warranty; details and limitation of after-sales service; the name and address of the guarantor; the duration of the guarantee; and the remedial action available to the Consumer shall be set out clearly in the Order Form or other accompanying literature provided with the Product. All terms shall be clear and legible.

2.5 Literature

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 Company and may include the telephone number of the Direct Seller.

2.6 Testimonials

Companies and Direct Sellers 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.

2.7 Comparison and Denigration

Companies and Direct Sellers shall not use comparisons which are misleading. Points of comparison shall be based on facts which can be substantiated. Companies and Direct Sellers shall not unfairly denigrate any Company, business or Product, directly or implication. Companies and Direct Sellers shall not take unfair advantage of the goodwill attached to the trade name and symbol of another Company, business or Product.

2.8 Cooling-off and Return of Goods

Whether or not it is a legal requirement, Companies and Direct Sellers shall offer a cooling-off period permitting the customer to withdraw from the order within a minimum of seven (7) days. Companies and Direct Sellers offering a right of return, whether conditioned upon certain events or whether unconditioned, shall provide it in writing.

2.9 Respect of Privacy

Direct Sellers shall make personal or telephone contact with Consumers only in a reasonable manner and during reasonable hours to avoid intrusiveness. A Direct Seller shall discontinue a demonstration or sales presentation immediately upon the request of the Consumer. Direct Sellers and Companies shall take appropriate steps to ensure the protection of all private information provided by a Consumer, a potential Consumer, or a Direct Seller.

2.10 Fairness

Direct Sellers shall respect the lack of commercial experience of Consumers. Direct Sellers shall not abuse the trust of individual consumers, or exploit a Consumer's age, illness, lack of understanding or unfamiliarity with a language.

2.11 Referral Selling

Companies and Direct Sellers shall not induce a person to purchase goods or services based upon the representation that a Consumer can reduce or recover the purchase price by referring prospective customers to the Direct Sellers for similar purchases, if such reductions or recovery are contingent upon some uncertain, future event.

2.12 Delivery

Companies and Direct Sellers shall fulfill Consumer orders in a timely manner.

CONDUCT TOWARDS DIRECT SELLERS

3.1 Direct Sellers' Compliance

Companies shall require their Direct Sellers, as a condition of membership in the Company's distribution system, to comply with the standards of this Code.

3.2 Recruiting

Companies shall not use misleading, deceptive or unfair recruiting practices in their interaction with prospective or existing Direct Sellers. Companies and Direct Sellers shall not promote, operate or participate in a "Pyramid Scheme" as defined and prohibited under the Pyramid Schemes Prohibition Ordinance (Cap. 617 of the laws of Hong Kong) and any amendments and / or re-enactments thereof for the time being. Companies and Direct Sellers shall not require a person to provide a financial or non-financial benefit ("Participation Payment") for joining as a Direct Seller if the making of such Participation Payment is entirely or substantially induced by the prospect held out to him / her that he / she will receive a financial or non-financial benefit ("Recruitment Payment") which is entirely or substantially derived from the introduction of a further new person to join as a Direct Seller. Companies and Direct Sellers shall refer to the Pyramid Schemes Prohibition Ordinance (Cap. 617 of the laws of Hong Kong) and any amendments and / or re-enactments thereof for the time being for the meaning of the terms "Participation Payment" and "Recruitment Payment" referred to above.

3.3 Business Information

Information provided by Companies to prospective or existing Direct Sellers concerning the opportunity and related rights and obligations shall be accurate and complete. Companies shall not make any factual representation to a prospective Direct Seller that cannot be verified or make any promise that cannot be fulfilled. Companies shall not present the advantages of the selling opportunity to any prospective recruit in a false or deceptive manner

3.4 Remuneration and Accounts

Companies 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 the Direct Sellers. All monies due shall be paid and any withholdings made in a commercially reasonable manner.

3.5 Earnings Claims

Companies 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.

3.6 Relationship

Companies shall provide to their Direct Sellers either a written agreement to be signed by both the Company and the Direct Seller or a written statement, containing all essential details of the relationship between the Direct Seller and the Company. Companies shall inform their Direct Sellers of their legal obligations, including any applicable licenses, registrations and taxes.

3.7 Fees

Companies and Direct Sellers shall not require Direct Sellers or prospective Direct Sellers to assume unreasonably high entrance fees, training fees, franchise fees, fees for promotional materials or other fees related solely or substantially to the right to participate in the company's distribution system. Any fees charged to become a Direct Seller shall relate directly to the value of materials, products or services provided in return. Companies and Direct Sellers shall not require Direct Sellers or prospective Direct Sellers to provide a financial or non-financial benefit that is entirely or substantially induced by the prospect held out to them that they will be entitled to a financial or non-financial benefit which is derived entirely or substantially from the introduction of a further Direct Seller or prospective Direct Seller.

3.8 Termination

If requested upon termination of a Direct Seller's relationship with a Company, Companies shall buy back any unsold, resaleable Product inventory, promotional material, sales aids and kits, purchased within the previous twelve months and refund the Direct Seller's original cost, less a handling charge to the Direct Seller of up to 10% of the net purchase price. The Company may also deduct the cost of any benefit received by the Direct Seller based on the original purchase of the returned goods.

3.9 Inventory

Companies shall not require or encourage Direct Sellers to purchase Product inventory in unreasonably large amounts. Companies shall take reasonable steps to ensure that Direct Sellers who are receiving compensation for downline sales volume are either consuming or reselling the Products they purchase in order to qualify to receive compensation.

3.10 Other Materials

Companies shall prohibit Direct Sellers from marketing or requiring the purchase by others of any materials that are inconsistent with Company policies and procedures. Direct Sellers who sell company approved promotional or training literature, whether in hard copy or electronic form, shall

- (i) utilize only materials that comply with the same standards to which the Company adheres,
 - (ii) refrain from making the purchase of such sales aids a requirement of downline Direct Sellers,
 - (iii) provide sales aids at a reasonable and fair price, equivalent to similar material available generally in the marketplace, and
 - (iv) offer a written return policy that is the same as the return policy of the Company the Direct Seller represents.
- Companies Shall take diligent, reasonable steps to ensure that sales aids produced by Direct Sellers comply with the provisions of this Code and are not misleading or deceptive.

3.11 Direct Seller Training

Companies shall provide adequate training to enable Direct Sellers to operate ethically.

CONDUCT BETWEEN COMPANIES

4.1 Interaction

Member Companies of DSA shall conduct their activities in the spirit of fair competition towards other members.

4.2 Enticement

Companies and Direct Sellers shall not systematically entice or solicit Direct Sellers of another Company.

4.3 Denigration

Companies shall not unfairly denigrate nor allow their Direct Sellers to unfairly denigrate another Company's Products, its sales and marketing plan or any other feature of another Company.

CODE ENFORCEMENT

5.1 Companies' Responsibilities

The primary responsibility for compliance of the Company and its Direct Sellers with the Code shall rest with each Company. In case of any breach of this Code, Companies shall make every reasonable effort to satisfy the complainant.

5.2 Code Administrator

DSA shall appoint an independent person or body as Code Administrator. The Code Administrator shall monitor Companies' observance of this Code by appropriate actions and shall be responsible for complaint handling and a set of rules outlining the process of complaint resolution. The Code Administrator shall settle any unresolved complaints of Consumers based on breaches of this Code.

5.3 Remedies

The Code Administrator may require the cancellation of orders, return of Products purchased, refund of payments or other appropriate actions, including warnings to Direct Sellers or Companies, cancellation or termination of Direct Sellers' contracts or other relationships with the Company, and warnings to companies.

5.4 Complaint Handling

DSA and the Code Administrator shall establish, publicize and implement complaint handling procedures to ensure prompt resolution of all complaints. Companies shall also establish, publicize and implement complaint handling procedures under their individual complaint handling processes to ensure prompt resolution of all complaints.

5.5 Publication

All Companies are required to publicize DSA's Code of Ethics to their Direct Sellers and consumers.

香港直銷協會商德守則

總則

序言

本守則對以下各方面的交往進行了規範性引導：

- 1, 直銷協會會員公司與其現有銷售代表和潛在銷售代表；
- 2, 直銷協會會員公司與其銷售代表和公司產品消費者；
- 3, 市場中彼此競爭的會員公司；以及個人申訴人、直銷協會守則督導人，以及直銷協會會員公司。

1.1 範圍

本守則包含以下章節內容：「消費者保護行為」、「直銷公司和直銷商之間的行為」以及「直銷公司之間的行為」。前述三章內容說明了直銷範圍間的互動。本守則旨在提高消費者的滿意度以及維護消費者權益，促進自由企業框架下的公平競爭，以及增強直銷模式的公眾形象。

1.2 專門用語

商德守則中之專門用語闡釋如下：

守則督導人： 系指由直銷協會任命的個人或組織，以督導直銷公司遵守本守則，以及依據本守則處理各類投訴案件。

公司： 系指企業實體，該實體(1)利用直銷體系銷售其產品，以及(2)為直銷協會會員。

消費者： 系指向直銷商或直銷公司購買產品並進行消費的任何人員。

直銷商： 系指有權購買和/或銷售公司產品及可能有權招募其他直銷商的個人或實體。直銷商一般遠離永久的、固定的零售點，而是通常通過解說或示範產品和服務的方式直接向消費者推銷消費性產品。直銷商可能是獨立的商業代理商、獨立的承包人、獨立的零售商或經銷商、受他人僱傭或自營的銷售代表、或任何其他類似的公司銷售代表。

訂單： 包括印刷或手寫訂單，用以確認消費者訂單詳情並向消費者提供銷售數據。如果是網上交易，則訂單內容包含任何提供和購買方面的各項條款，同時可列印或下載此類訂單。

產品： 系指有形或無形的消費品或服務。

招募活動： 系指介紹他人成為直銷商的任何活動。

1.3 直銷公司

作為被允許加入，並保持直銷協會會員身份的前提條件，直銷公司應保證採取並實行包含本守則實質內容的行為規範。同時，直銷公司還應承諾公告本守則內容，公告本守則中適用於消費者和直銷商的基本條款，以及公告消費者和直銷商從何處可以獲得本守則複製件的資訊。

1.4 直銷商

直銷商並不直接受本守則約束，但作為保留公司直銷體系會員身份的條件，其須按直銷公司要求遵守符合本守則內容的行為規則。

1.5 自律

儘管本守則不是法律，其所要求的準則是一種超乎法律所要求的商業道德。不遵守本守則並不引起任何民事責任或義務的後果。在終止其直銷協會會員資格後，該直銷公司將不再受本守則約束。但本守則的規定對於發生在直銷公司擔任會員期間的活動或交易仍將適用。

1.6 地方法規

直銷公司和直銷商必須遵守經營所在國的全部法律要求。因此，本守則沒有重申全部法律義務。直銷公司和直銷商遵守與直銷相關的法律，是其被直銷協會接納為會員並繼續保持其直銷協會會員資格的前提條件。

1.7 域外效力

各國直銷協會保證，其將要求各會員遵守《世界直銷協會聯盟之世界直銷商德守則》有關在母國外進行直銷活動的規定，並將各會員遵守此規定作為接納該會員以及保留該會員直銷協會會員資格的前提條件，但此等直銷活動如受其他國家直銷協會商德守則管轄且該會員亦屬該國直銷協會則屬除外。

消費者保護行為

2.1 禁止行為

直銷商不得有誤導、欺騙或不公平的銷售行為。

2.2 表明身份

在開始進行業務銷售時，直銷商應主動、真實、清楚地向潛在消費者表明身份、其代表的公司、產品的性質以及其拜訪目的。

2.3 說明及示範

直銷商應向消費者提供正確而完整的產品解說和示範，尤其是關於產品價格或分期付款(如適用)、付款方式、冷靜期及退貨政策、品質保證期、售後服務以及送貨日期等資訊。直銷商應對消費者的所有問題給予精確而容易理解的解答。對於與產品功效有關的描述，直銷商只能提供經公司授權的口頭或書面的產品描述。

2.4 訂單

須在開始銷售時或之前將書面訂單交付或提供給消費者。如通過郵件、電話、網路或其他類似的非面對面方式進行銷售，則應事先提供訂單複本，或將訂單複本包含在最初的訂單中，或通過網路提供可列印或下載的訂單。訂單中應確認直銷公司和直銷商的身份，並包括直銷公司或直銷商的全名、永久位址及電話號碼，以及全部重要銷售條款。須將保證或擔保條款、售後服務詳情或限制、保證人的姓名和地址、保證期限、以及提供給消費者的補救措施等內容明確地規定在訂單或其他隨產品同時提交的資料中。所有條款須清楚易讀。

2.5 刊物

宣傳刊物、廣告和信件均不得刊載誤導或不實的產品介紹、產品聲明、圖片或插圖。宣傳刊物中應包括公司名稱、地址或電話號碼，並可包含直銷商之電話號碼。

2.6 證明文件

直銷公司和直銷商不得引用任何未經授權、不實、過期或已作廢的證明書或擔保書來誤導消費者。

2.7 比較及詆毀

公司和直銷商不得使用具有誤導性的比較方式。各比較論點應建立在可被證明的事實基礎之上。直銷公司和直銷商不得以直接或影射方式來詆毀任何公司、業務或產品。直銷公司和直銷商不得冒用其他公司名稱或產品之商標，以獲取不當利益。

2.8 冷靜期及退貨

無論是否法律所要求，直銷公司和直銷商均應向客戶提供一個冷靜期，即允許客戶下訂單後在不少於七天內隨時撤銷買賣合約。直銷公司和直銷商應在訂單條款上清楚列明退貨權，無論是以特定退貨條件或者是無條件退貨。

2.9 尊重隱私權

為避免打擾對方，直銷商只能以合理的方式並在合理的時間內，進行個人或電話拜訪。在消費者提出要求時，直銷商須立即停止產品示範或業務介紹。直銷商和直銷公司須採取恰當的措施，以確保消費者、潛在消費者或直銷商所提供的全部私人資訊得到保護。

2.10 公平原則

直銷商應尊重缺乏商業經驗的消費者。直銷商不得利用個人消費者的信賴，或者利用消費者的年齡、疾病、不足之理解力或對個別語言的不熟悉。

2.11 推介式推銷

直銷公司及直銷商不得以介紹顧客給賣方即可享受折扣或折現方式，作為引誘顧客購買產品或服務，而此折扣或折現優待並無任何保障。

2.12 送貨

直銷公司和直銷商應確保顧客所訂購的產品能準時送達。

直銷商行為

3.1 直銷商合規

直銷公司須要求其直銷商遵守本商德守則，並以此作為加入公司的直銷體系為直銷商的條件。

3.2 招募活動

在同潛在或現有直銷商的交往過程中，直銷公司不得採用具有誤導性、欺詐性或者不公平的招募行為。

3.3 業務資訊

直銷公司提供給推薦對象或者現有直銷商關於直銷創業機會及其相關權利和義務的資訊必須詳盡且正確。直銷公司不得對推薦對象提出不實的言論或無法實現的承諾。直銷公司不得以錯誤或不實的方式，向推薦對象表示有關直銷創業的各種好處。

3.4 獎金及獎金清單

直銷公司應提供一份週期性的各項頒發清單予直銷商，比如銷售、購買、所得細目、佣金、獎金、折讓、運費、取消訂單以及其他相關的事項。並應根據直銷公司和直銷商之間的安排，所有應付款項應準時支付，且不得有不合理的扣留。

3.5 收入聲明

直銷公司及直銷商不得誇大直銷商實際或可能達到的銷售業績及收入。若提及任何收入或銷售業績，均須有事實及文件作為根據。

3.6 契約關係

直銷公司應提供其直銷商一份須經過雙方簽署的合約書或聲明書，此合約書或聲明書應詳列雙方基本的權利義務關係。直銷公司應告知直銷商其應負的法律責任，如營業執照、註冊登記及稅務等問題。

3.7 費用

直銷公司和直銷商不得要求現有直銷商或者推薦對象承擔明顯不合理的高額參加費、培訓費用、經銷權費、業務推廣資料費用或者任何有關加入直銷業之費用等。因接納成為直銷商而收取的任何費用必須直接與之後所提供的資料、產品或服務的價值相關聯。

3.8 終止契約

終止直銷商契約時，直銷公司應接受直銷商退回在前十二個月內買入的任何仍可供再銷售的存貨，並包括業務推廣資料、輔銷器材及創業資料袋，並依據原先購買金額，退還直銷商原先的成本淨額，可扣除最高百分之十的手續費。公司同時可扣除直銷商所收到的根據先前購買的貨物而取得的任何收益。

3.9 存貨

公司不得要求或鼓動直銷商購買過量存貨，公司應採取合理的措施，以確保接受下線銷售量報酬的直銷商能夠消耗或再次將其購買的產品銷售，以便於此等直銷商有資格接受此等報酬。

3.10 其他資料

公司應禁止直銷商銷售或要求其他人員購買與公司政策和制度不一致的任何資料。直銷商在出售經直銷公司批准的宣傳資料或培訓資料時，不管是拷貝還是電子格式，均應：

- (1) 僅使用遵守公司所堅持標準的資料；
- (2) 不得要求下線直銷商購買此等銷售輔助資料；
- (3) 按等同於市場價格的合理公正價格提供銷售輔助資料；以及
- (4) 提供與公司給予直銷商相同的書面退貨政策。

公司應採取積極、合理的措施去確保直銷商製作的銷售輔助資料符合本守則的規定，且不具有誤導性和欺騙性。

3.11 直銷商訓練

直銷公司應提供直銷商適當的訓練，以其以誠信的方式經營。

直銷公司之間的經營守則

4.1 互動

直銷協會會員公司與其他會員之間的活動應本著公平競爭的精神進行。

4.2 勸誘

直銷公司和直銷商不得有組織、有計劃地慫恿其他公司的直銷商離開或勸誘其加入自己的公司或組織

4.3 詆毀

直銷公司不得且不得允許其直銷商不公平地詆毀其他公司的產品、業務計劃或該公司的任何其他事項。

守則施行

5.1 直銷公司之職責

直銷公司之首要職責乃遵守本商德守則。若有違反商德守則的情況發生，直銷公司應在合理的範圍內盡其所能滿足投訴者之要求。

5.2 商德守則督導人

直銷協會應指派一位獨立個人或組織擔任守則督導人。守則督導人應採取適當的措施督導公司遵守本守則，並負責進行申訴處理及制定出解決申訴的程序規則。守則督導人應解決因違反本守則而發生的任何未決消費者申訴案件。

5.3 處分

商德守則督導人可以採取取消訂單、退回已購產品、退款或其他適當的處分，包括告誡直銷商或直銷公司、取消或終止直銷商合約或與直銷公司間的其他關係，並對直銷公司進行警告。

5.4 申訴之處理

直銷協會和商德守則督導人應建立、公開和執行投訴處理程序，以確保迅速解決所有投訴。直銷公司亦應根據他們各自的申訴處理步驟建立、公開和執行申訴處理程序，以確保迅速解決所有申訴。

5.5 商德守則之推廣

所有直銷公司均應向其直銷商和消費者宣傳本《直銷協會商德守則》。

本商德守則由世界直銷協會聯會制訂，並由香港直銷協會實施及遵守。