

## **FICCI Condemns the Arrest of CEO, Amway India**

**New Delhi, May 28, 2013:** The Direct Selling (DS) industry, which took root in India in the early 90's, today is a thriving industry of over Rs 6,000 crores with over 60 lakh persons are distributors, or selling agents or representatives of DS companies – almost 70% of whom are women. Therefore, understanding the potential of this industry FICCI formed a sub group for the Direct Selling Industry. For the past one year the group has been working relentlessly to bring a clear difference between the legitimate and illegitimate business runners. Our plea is that the direct selling companies should be excluded from Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (PCMCS). As per our understanding, there is no financial circulation undertaken by these direct selling companies often also referred as multi-level marketing companies.

The arrest of Amway India CEO William Scott Pinckney under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (PCMCS) is inappropriate. FICCI feels that this arrest is unwarranted since there is no criminality involved and this case should have been handled as a consumer redressal also. This arrest will give an inappropriate missive to the global business community and might also have adverse impact on Indo-US Business Relationships. Hence, **FICCI Secretary General Dr A Didar Singh has written to the Chief Secretary of the State of Kerala requesting for a re-look into the matter.**

Early in the month of April, FICCI has conducted a global deliberation on the legislative requirements for the Direct Selling Industry in India whereat a report titled **“Direct selling in India: Appropriate Regulation Is the Key”** authored by **Dr. Bibek Debroy, Chief Economic Consultant, FICCI** was discussed. We are hopeful that the authorities would reconsider the entire legal structure governing the Direct Selling Industry in India so that such instances do not recur in future.

**Web link: FICCI Report on Direct Selling Industry in India - <http://ficci.com/spdocument/20237/report-mark.pdf>**

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