## **World Codes of Conduct**



DSAS and its member companies pledge to adopt a Code of Ethics based on the World Federation of Direct Selling Associations - World Codes of Conduct.

 $\frac{https://wfdsa.org/download/resources/resources\_for\_dsas\_and\_member\_companies/Code-of-Ethics-Booklet-2017.pdf$ 

The WFDSA World Codes of Conduct are the cornerstone of the global direct selling industry's commitment to ethical business practices and consumer service. Every national DSA and its member companies pledge to adopt a Code of Ethics based on the World Codes and their individual country Codes of Ethics. The codes are a condition of admission and continuing membership in WFDSA. The World Codes also apply in countries where no DSA exists or a local DSA has not yet adopted a local Code of Ethics This is known as the "extra-territoriality" provision of the Codes

## Key provisions of the WFDSA Codes include:

- Cooling-Off Period and Return of Goods under the Codes, companies and direct sellers must ensure that order forms contain a cooling-off clause that permits the customer to withdraw from the order within a specified period of time. Cooling-off periods vary from country to country. In the United States, the Federal Trade Commission Cooling-off Rule allows the consumer three (3) business days from the contract date to cancel an order. Many member companies of the US Direct Selling Association have a longer cooling-off period for customers. Some companies have an unconditional money-back guarantee. Longer cooling-off periods are provided in many European countries and under the European Union's Doorstep Selling Directive.
- Inventory Loading to eliminate inventory loading, all Direct Selling Association (DSA) member companies should not require or encourage direct sellers to purchase product inventory in unreasonably large amounts. Some country DSAs require their member companies to provide at least 90 percent refund of net cost of all inventory and sales aids that were purchased within the specified period of time (three months, six, months, etc.)
- Fees companies and direct sellers are prohibited from using misleading, deceptive or unfair recruiting practices. Unreasonably high fees are prohibited, including high entrance fees, training and promotional fees.
- Exaggerated Earnings Claims under the WFDSA World Codes of Conduct, companies and direct sellers are prohibited from misrepresenting the actual or potential sales or earnings of their direct sellers. Any earnings or sales representations must be based upon documented facts.
- National DSA Code of Ethics

Individual country DSA Codes of Ethics are enforced by an independent Code Administrator who is not connected with any member company. The Code Administrator will do everything possible to resolve any complaint to the satisfaction of everyone involved and has the power to decide on remedies. All member companies have agreed to honor the Code Administrator's decisions. If you have a complaint against a direct selling company that is a member of any affiliated DSA for any business practice you believe is unethical or illegal and a possible violation of the Codes, we recommend following this complaint process:

- First, contact the salesperson immediately and explain your concerns;
- Second, if the salesperson cannot or will not correct the problem to your satisfaction, call or write the company and explain the situation and outline the steps you would like to see taken.
- If the company does not resolve your problem and it is a member of a <u>country DSA affiliated with the WFDSA</u> you may wish to file a complaint with the <u>DSA Code Administrator</u>. If the company does not belong to the WFDSA affiliated DSA in the country in which it has done business with you, but it belongs to a DSA in its home country, file a complaint with that <u>Code Administrator</u>. Please note, however, that DSAs can only take action against DSA member companies.