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# PART I: SECTION (I) — GENERAL

# **Government Notifications**

L. D. B. 4/2011

Direction No. 89

# CONSUMER AFFAIRS AUTHORITY ACT, No. 9 OF 2003

**Special Direction under Section 10(1)(b)(II)** 

BY virtue of the powers vested in me under Sub-paragraph (ii) of Paragraph (b) of Subsection (1) of Section 10 of the Consumer Affairs Authority Act, No. 9 of 2003, I, Shantha Niriella, Chairman of the Consumer Affairs Authority, do hereby direct, for the protection of the consumer that any direct trader who offers for sale, displays for sale, advertises for sale, promotes for sale or undertakes orders for sale or sells the goods specified in the Schedule hereto, by way of having discussions or demonstrations shall-

- 1. (a) register himself as a trader with the Consumer Affairs Authority submitting the Business Name, Registration Number or the Company Registration Number, as the case may be, based on the residential address of such direct trader,
- (b) issue to a customer a receipt or bill in printed or electronic form containing the following details and the duplicate of such receipts shall be retained with him :-
  - (i) receipt or bill number;
  - (ii) nature of the transaction, whether retail or wholesale;
  - (iii) date of transaction;



- (iv) type of goods sold;
- (v) quantity of goods sold;
- (vi) value of a unit of the goods sold;
- (vii) total value of the goods sold;
- (viii) batch number, if any;
- (ix) guarantee number, if any;
- (x) name and address of consumer; and
- (xi) any other directions imposed under any written law in respect of issue of receipts by a trader.
- (c) when promoting and advertising the trade or requesting the consumers to purchase goods by being appeared, include in such promotion or advertisement, the business or trade name, name, address, telephone number and email address of the trader, the nature of the product, instructions for the use of such product, guarantee period, selling price, credit payments or payment in installments, directions on easy payments, directions on guarantees and after sales services;
- (d) not, when promoting and advertising the trade which is carried out through electronic, written or any other form, use any statement, address or details of address, demonstration, display, explanation, telephone number, email address, document, picture or video which deceits or misleads a consumer;
- (e) if an indexed form is given to a consumer or other person before sale, include in such indexed form clearly as readable and understandable, the conditions or a guarantee or a warrant, details and limits on after sale services, name and address of the guarantor, effective period of the guarantee, remedial measures for a consumer or other person, full name, permanent address, telephone number and email address of the company and the direct trader.
  - (f) ensure the right of a consumer to cancel any order made within seven days from such order.
  - 2. For the purpose of this special direction.
    - "direct trader" means, a person engaged in the sale of goods by way of mobile sale, by meeting customers and negotiates, exhibits, demonstrates or by way of other similar activities, and does not include a person -
      - (a) who collects money by any other means other than by engaging in the act of selling of goods;
      - (b) a person who is involved in a scheme under Section 83C of the Banking Act, No. 30 of 1988;

#### **SCHEDULE**

- (a) Solar lighting systems
- (b) Phones and accessories
- (c) Furniture
- (d) Cleaning agents
- (e) Shoes
- (f) Stationery
- (g) Kitchen utensils and accessories
- (h) Bed sheets and mattresses
- (i) Readymade garments

SHANTHA NIRIELLA, Chairman, Consumer Affairs Authority.

Colombo, 12th April, 2023.

EOG 04 - 0084/1

#### L. D. B. 4/2011

Direction No. 90

## CONSUMER AFFAIRS AUTHORITY ACT, No. 9 OF 2003

### **Special Direction under Section 10(1)(b)(II)**

BY virtue of the powers vested in me under Sub-paragraph (ii) of Paragraph (b) of Subsection (1) of Section 10 of the Consumer Affairs Authority Act, No. 9 of 2003, I, Shantha Niriella, Chairman of the Consumer Affairs Authority, do hereby direct, for the protection of the consumer that any company or entity engaged in network marketing, who offers for sale, displays for sale, advertises for sale, promotes for sale or undertakes orders for sale or sells any goods by having with the consumer, discussions or demonstrations or similar act, shall-

- 1. (a) register himself as a trader with the Consumer Affairs Authority on payment of an annual fee of twenty-five thousand rupees submitting the Business Name, Registration Number or the Company Registration Number, as the case may be, based on the residential address of such direct trader,
- (b) issue to a customer a receipt or bill in printed or electronic form containing the following details and the duplicate of such receipts shall be retained with him:-
  - (i) receipt or bill number;
  - (ii) nature of the transaction, whether retail or wholesale;
  - (iii) date of transaction:
  - (iv) type of goods sold;
  - (v) quantity of goods sold;
  - (vi) value of a unit of the goods sold;
  - (vii) total value of the goods sold;
  - (viii) batch number, if any;
  - (ix) guarantee number, if any;
  - (x) name and address of consumer; and
  - (xi) any other directions imposed under any written law in respect of issue of receipts by a trader.
- (c) when promoting and advertising the trade or requesting to purchase goods by being appeared, include in such promotion or advertisement, the business or trade name, name, address, telephone number and email address of the trader, or other person, nature of the product, instructions for the use of such product, guarantee period, selling price, credit payments or payment in installments, directions on easy payments, directions on guarantees and after sales services;
- (d) not, when promoting and advertising the trade use any statement, address or details of address, demonstration, display, explanation, telephone number, email address, document, picture or video which deceits or misleads a consumer;
- (e) if an indexed form is given to a consumer before sale, conditions on a guarantee or a warrant, details and limits on after sale services, name and address of the guarantor, effective period of the guarantee, remedial measures for a consumer or other person, full name, permanent address, telephone number and email address of the trader enagaged in network marketing, include in such indexed form clearly as readable and understandable.
  - (f) ensure the right of a consumer or other person to cancel any order made within seven days from such order.
  - 2. For the purpose of this special direction-

"network marketing" means selling of goods, by any person -

- (a) to a specific customer identified by such person; or
- (b) by engaging such specific customer as an agent or another independent agent who receive a commission from such person based on the value of the sales purchased by any new customer introduced by such specific customer or the agent, as the case may be, by building a sales network with new customers;

through sales promotions or user recommendation and advertising the products, by meeting such customer, face to face,

it does not include -

- (a) a person who collects money by any other means other than by engaging in the act of selling of goods;
- (b) a person who charges a fee to join a network.
- (c) a person who sells goods for a price exceeding the marked price of such goods while taking a number of commission; or
- (d) a person who is involved in a scheme under Section 83C of the Banking Act, No. 30 of 1988.

"trader engagd in network marketing" shall be construed in terms of the definition of the term "network marketing"

SHANTHA NIRIELLA, Chairman, Consumer Affairs Authority.

Colombo, 12th April, 2023.

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