

Meeting Minutes

AmCham Vietnam Direct Selling Committee Meeting – Tues, April 23rd, 2013

**Discussion on
the revision of Decree 110 and 2012-2013 update on Direct Selling/MLM**

Present:

MoIT-VCAD: Bach Van Mung – Head of VCA

Phan Duc Que – VCAD

AVDSC

Tram Ha – Oriflame Vietnam

Ong-ea – Nu Skin

Kim Chi – Nu Skin

Thang Nguyen – Herbalife

Cuu Nguyen – Herbalife

Thuy Hoang – Sophie Paris

Ms. Thuy – Amway

Thoa Le - BWL

Han Tran – Russin & Vecchi

Quang Trinh – ATIM

Binh Do – ATIM

Minh Hang – Baker & McKenzie

Hong Van – Tuperware

Amy Nguyen – AmCham Vietnam

Nga Nguyen – AmCham Vietnam

Regret:

Thanh Nguyen – Tahitian Noni

Thuy Hoang – Elken

I. Itinerary of New Law

- Mr. Mung:
 - i. New Law to be effective in 2014, Ministry of Industry and Trade to finish the first draft, then to the Ministry of Justice, after that the Government before the seminar for stakeholders discussion, posting in Website of Ministry of Industry and Trade, then voting for final decision.
 - ii. New Law to be effective after 45 days of issuance, Final draft to be declared to the Government in October 2013.
 - iii. Direct selling to be special kind of business with different regulation and sanction

- iv. Statutory capital to be altered with different deposit
 - v. Suggestions for New Law: enterprise to carry on business their own products, trading to be not allowed; change in licensing business registration, regular check and control in their activities, business registration recall in case of breaching or not complying the law.
 - vi. Notice to be given to enterprises whose licenses were recalled
 - vii. Public information, propaganda and training need to be controlled by enterprise, process to be standardized and clearly regulated.
 - viii. Direct selling in service to be allowed by few countries due to difficulties and unsoundness.
 - ix. About changing name to direct selling: to be related to regulation on Constitution and direct selling could not fully express Multi-Level Marketing
 - x. All petitions to be considered and investigated in drafting new Law.
- Mr. Que:
 - i. First draft to be finished and discussed with the Association on May 5
 - ii. The process, conditions of licensing to be changed, especially charter capital
 - iii. Statute of limitations to be considered, documentation needed for extension to be explained. The sales license to be recalled if breaching
 - iv. Market extension to be notified to local government with defined report and process
 - v. Seminars, training to be notified to the authority, target attendees to be changed, regulation on training to be adapted with the control responsibility to authority.
 - vi. To be banned: transfer of network, trading money rather than products, responsibility and limit to be controlled.

- vii. Monthly, quarterly, annually report to be sent to Ministry of Industry and Trade and local government
- viii. Amount of deposit to be modified with clear regulation about documentation of deposit and withdrawal process of enterprise.
- Mr. Thang:
 - i. To tighten stipulation, clearly stated provisions
 - ii. To study foreign Direct Selling Law for first order of attendees
 - iii. Authority and responsibility to be divided clearly for enterprise to avoid being examined 20 times/year.
 - iv. Definition about direct selling to be given on new Law
 - v. Training to be held for introducing new Law to local government
- Mr. Quang:
 - i. Selling price, commission rate to be regulated or not
 - ii. Propaganda and training responsibility to be defined
 - iii. Recruitment and alienation of distributors to affect benefits of distributors and enterprises.
 - iv. Condition for distributor to turn back purchase

II. Latest information

- First draft to be sent to enterprises: May 5 – May 10
- Meeting with Association of Direct Selling: May 5
- Suggestions to be discussed after receiving the first draft

End of Minutes