



THE STATUTES OF THE REPUBLIC OF SINGAPORE

MULTI-LEVEL MARKETING AND PYRAMID SELLING (PROHIBITION) ACT 1973

2020 REVISED EDITION

This revised edition incorporates all amendments up to and including 1 December 2021 and comes into operation on 31 December 2021.

Prepared and Published by

THE LAW REVISION COMMISSION
UNDER THE AUTHORITY OF
THE REVISED EDITION OF THE LAWS ACT 1983

Multi-Level Marketing and Pyramid Selling (Prohibition) Act 1973

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An Act to prohibit the registration of businesses that are designed to promote multi-level marketing schemes or arrangements or pyramid selling schemes or arrangements in relation to the distribution and sale of commodities; to prohibit the incorporation or registration of companies which propose to promote multi-level marketing schemes or arrangements or pyramid selling schemes or arrangements in relation to the distribution and sale of commodities and to make it unlawful for any person to promote such schemes or arrangements and to provide for matters connected therewith.

[28 September 1973]

Short title

1. This Act is the Multi-Level Marketing and Pyramid Selling (Prohibition) Act 1973.

Interpretation

2.—(1) In this Act, unless the context otherwise requires —

“benefit” includes any gratuity, commission, cross commission, bonus, refund, discount, dividend and any other payment, service or advantage of whatever description, but does not include —

- (a) the purchase of a sample of a commodity furnished at a price not exceeding the cost of the sample and which is not for resale; and
- (b) time and effort spent in pursuit of sales, distribution or recruiting activities;

“commodity” means any goods, service, right or other property, whether tangible or intangible, capable of being the subject of a sale, lease or licence;

“company” means a company as defined in the Companies Act 1967 and includes a corporation as defined in that Act;

“multi-level marketing scheme or arrangement” has the same meaning as “pyramid selling scheme or arrangement” in this Act;

“promote” includes to manage, form, operate, carry on, engage in or otherwise to organise;

“pyramid selling scheme or arrangement” means any scheme or arrangement for the distribution or the purported distribution of a commodity by which —

- (a) a person may in any manner acquire a commodity or a right or a licence to acquire the commodity for sale, lease, licence or other distribution;
- (b) that person receives any benefit, directly or indirectly, as a result of —

- (i) the recruitment, acquisition, action or performance of one or more additional participants in the scheme or arrangement; or
- (ii) the sale, lease, licence or other distribution of the commodity by one or more additional participants in the scheme or arrangement; and
- (c) any benefit is or may be received by any other person who promotes, or participates in, the scheme or arrangement (other than a person referred to in paragraph (a) or an additional participant referred to in paragraph (b)).

(2) In this Act, “pyramid selling scheme or arrangement” does not include any schemes or arrangements for the sale, lease, licence or other distribution of a commodity, or any class of such schemes or arrangements, that the Minister may by order prescribe, subject to any terms or conditions specified in the order.

(3) Any reference in this Act to the winding up of a company includes, in the case of a foreign company, a reference to the winding up of the affairs of a foreign company so far as the assets of the foreign company within Singapore are concerned.

Unlawful to promote or participate in, or hold out that person is promoting or participating in, pyramid selling scheme or arrangement

3.—(1) It is unlawful for any person to promote or participate in a multi-level marketing scheme or arrangement or a pyramid selling scheme or arrangement or to hold out that the person is promoting or participating in such a scheme or arrangement.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding 5 years or to both.