

# **Multi-Level Marketing and Pyramid Selling (Prohibition) (Amendment) Bill**

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**Bill No: 14/2000**

*Read the first time: 25th April 2000*

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## **Multi-Level Marketing and Pyramid Selling (Prohibition) (Amendment) Bill**

**Bill No. 14/2000**

*Read the first time on 25th April 2000.*

An Act to amend the Multi-Level Marketing and Pyramid Selling (Prohibition) Act (Chapter 190 of the 1985 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

### **Short title and commencement**

1. This Act may be cited as the Multi-Level Marketing and Pyramid Selling (Prohibition) (Amendment) Act 2000 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

### **Amendment of section 2**

2. Section 2 of the Multi-Level Marketing and Pyramid Selling (Prohibition) Act (referred to in this Act as the principal Act) is amended —

(a) by inserting, immediately before the definition of “commodity”, the following definition:

“ “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;”;

(b) by deleting the words “sale or lease” in the definition of “commodity” and substituting the words “a sale, lease or licence”;

(c) by deleting the definition of “pyramid selling scheme or arrangement” and substituting the following definition:

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

(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)).”; and

(d) by inserting, immediately after subsection (1), the following subsection:

“(1A) In this Act, “pyramid selling scheme or arrangement” shall be taken not to include such schemes or arrangements for the sale, lease, licence or other distribution of a commodity, or any class of such schemes or arrangements, as the Minister may by order prescribe, subject to such terms or conditions as may be specified in the order.”.

### **Amendment of section 3**

3. Section 3(2) of the principal Act is amended by deleting “\$30,000” and substituting “\$200,000”.

### **Amendment of section 4**

4. Section 4(2) of the principal Act is amended by deleting “\$30,000” in the penultimate line and substituting “\$200,000”.

### **Amendment of section 6**

5. Section 6(2) of the principal Act is amended by deleting “\$30,000” in the penultimate line and substituting “\$200,000”.

### **Repeal and re-enactment of section 11 and new section 11A**