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Proactive Self-Regulatory Council for the Direct Selling Industry Launches in January



Last month, the Direct Selling Association (DSA) launched the Direct Selling Self-Regulatory Council (DS-SRC), a new enforcement agency charged with policing the direct selling industry.

The DS-SRC will be administered by the Advertising Self-Regulatory Council, which operates under the Council of Better Business Bureaus. Direct selling companies use independent sellers to market and sell products and services, typically outside of a fixed retail establishment. One form of direct selling that has received significant scrutiny from the Federal Trade Commission (FTC) is multilevel marketing (MLM), which distributes products or services through a network of independent salespeople who earn income from their own retail sales and from retail sales made by their direct and indirect recruits. While the DSA has had a reactive, self-regulatory program for its members for many years, the creation of the DS-SRC appears to be in direct response to FTC commissioners' comments encouraging further self-regulation in the industry and the industry's sometimes negative public perception. The January 4, 2019 launch of the DS-SRC coincided with the FTC issuing [guidance](#) to assist the MLM industry in evaluating their business practices for compliance with the FTC Act. For more information about how the DS-SRC will work, see the [DS-SRC Frequently Asked Questions](#).

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