



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](#).

Explore more in

[Consumer Protection](#)

Blog series

Consumer Protection Review

Consumer Protection Review helps businesses that market and sell to consumers navigate federal and state legal issues related to advertising, privacy, promotions, products liability, government investigations, unfair competition, class actions and general consumer protection. [Subscribe ?](#)

[View the blog](#)