

Countering illegal multilevel marketing assignment

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Find -?? and study -?? the company's track record 2. Learn about the product . Ask questions 4. Understand any restrictions 5. Talk to other distributors (beware of skills) 6. Consider using a friend or adviser as a neutral sounding board or for a gut check 7. Take your time 8. Think about whether this plan suits your talents and goals 1. 2 Vietnam In Vietnam, ML has been recognized as a legal form of business since the adoption of The Law on Competition in 2004. However, illegal ML is prohibited.

According to Article 48, Law on Competition, which addresses the Illegal multi-level selling of goods: Enterprises shall be prohibited from conducting the following acts aimed at obtaining illegal profit from recruitment of new participants to a multi-level sales network: 1 . Requiring persons who wish to participate to pay a deposit, to purchase an Minimal fixed quantity of goods, or to pay an amount of money in order to have the right to participate in multi-level selling of goods; 2. Failing to undertake to re-acquire the goods sold to participants for resale at least ninety (90) per cent of their original price; 3.

Allowing participants to receive commissions, bonuses, and/or other economic benefits essentially only from enticing other persons to participate in the multi-level sales network; 4. Providing untruthful Information about the benefits of participation In the multi-level sales network or untruthful Information about the quality and use purpose of goods in order to entice other persons to participate. 2. Responsibilities of customers as Illegal ML potential victims between an illegal pyramid scheme and a legitimate multi-level marketing opportunity.

However, there are certain warning signs and tips that you can take into account when considering taking part in a multi-level sales network.

2. 1 Market Saturation

Although pyramid promoters claim that the possibility to earn is endless, this usability cannot materialize due to market saturation. For example, if a program begins with one person who recruits two people, each one of whom recruits two more people, and so on, practically not before long the entire population would be involved.

Hence, when investigating a multi-level marketing opportunity, you should ask about market saturation and determine the saturation levels in your area of distribution. Legitimate companies do not have too many distributors in one area.

2. 2 Use Common Sense and Consider These Tips

Avoid any program that focuses more on recruitment of new people rather than the sale of a product or service to an end-user consumer. Be skeptical of plans that claim you will make money through continued growth of the commissions on sales made by new distributors you recruit rather than through your own sales of products.

Be cautious about specific income or earnings claims. Many programs boast about the incredibly high earnings of a few top performers (“thousands per week” or a “six figure income”). Beware when presented with “testimonies” from other distributors. These “success” stories rarely reflect reality. Be cautious about participating in any program that asks distributors to purchase expensive inventory. There are horror stories of people with a basement or garage full of merchandise that no one will buy.

Make sure the product or service offered by the company is something you would buy without the income opportunity and the product or service is competitively priced. Illegal pyramid schemes often sell products at prices well above retail or sell products that are difficult to value, such as health and beauty aids, new inventions or “miracle” cures. Never sign a contract or pay any money to participate in a multi-level marketing program, or any business opportunity, without taking your time and reading all of the paperwork.