

## DSSRC Response to FTC Advisory Opinion Letter

“On March 15, 2024, the Federal Trade Commission (FTC) staff notified the Direct Selling Self-Regulatory Council (DSSRC) of their issuance of an Advisory Opinion letter concerning DSSRC’s Guidance on Income Disclosure Statements in the Direct Selling Industry (“Guidance”), published on October 13, 2023. The letter raised concerns regarding the Guidance's consistency with FTC law and its coverage of key concepts. While the DSSRC Guidance aims to offer a broad overview of issues for direct selling companies to consider in preparing an IDS and does not provide legal compliance advice, DSSRC acknowledges the importance of federal law compliance and consistency with FTC regulations.

In response to the FTC's recently revised Business Guidance Concerning Multilevel Marketing, DSSRC has updated its Guidance to better align with updated standards. Although DSSRC disagrees with the FTC staff’s characterizations of the Guidance, these modifications seek to clarify essential concepts while upholding transparency and consumer protection standards. DSSRC remains committed to enhancing industry standards and welcomes ongoing dialogue and collaboration with regulatory authorities to increase compliance and consumer trust in the direct selling industry.”