

AUSTRALIAN CAPITAL TERRITORY

PYRAMID SELLING ORDINANCE 1973

EXPLANATORY MEMORANDUM

No. 56 of 1973

The proposed Pyramid Selling Ordinance 1973 will prohibit the practice of pyramid selling in the A.C.T.

Under the proposed Ordinance a promoter or participant in a pyramid selling scheme is prohibited from obtaining or seeking to obtain payments from participants or would-be participants by means of certain inducements.

A person who commits an offence under the Ordinance is liable to a fine not exceeding \$10,000, if a corporation, or a fine not exceeding \$5,000 or six months imprisonment, if an individual.

Where a person has been convicted of an offence under the Ordinance persons financially disadvantaged by their participation in a pyramid selling scheme will be able to obtain compensation.

The proposed Ordinance is similar to the pyramid selling provisions of the Trade Practices Bill currently before the Parliament and is to be an interim measure only pending the introduction of the Trade Practices legislation.

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Minister's Initials