

# *The Direct Sellers Regulations, 1997*

*being*

[Chapter D-28 Reg 2](#) (effective July 1, 1997) as amended by Saskatchewan Regulations [78/2004](#), [73/2010](#) and [40/2015](#).

**NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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### **Appendix**

## CHAPTER D-28 REG 2

### *The Direct Sellers Act*

#### **Title**

- 1 These regulations may be cited as *The Direct Sellers Regulations, 1997*.

#### **Interpretation**

- 2 In these regulations:

- (a) “**Act**” means *The Direct Sellers Act*;
- (b) “**buyer**” means the buyer or purchaser under a direct sales contract;
- (c) “**population**” means the population as determined by the most recent Statistics Canada census.

27 Jne 97 cD-28 Reg 2 s2.

#### **Non-application of Act**

- 3 The Act does not apply to:

- (a) a person carrying on a business where the person is required to be licensed or registered pursuant to:

- (i) *The Agricultural Implements Act*;
- (ii) *The Electrical Licensing Act*;
- (iii) *The Fisheries Act (Saskatchewan), 1994*;
- (iv) *The Motor Dealers Act*;
- (v) *The Private Vocational Schools Regulation Act, 1995*;
- (vi) *The Cemeteries Act*;
- (vii) *The Prepaid Funeral Services Act*;
- (viii) *The Sale of Training Courses Act*;
- (ix) *The Saskatchewan Insurance Act*;
- (x) *The Real Estate Act*;
- (xi) *The Securities Act, 1988*; or

- (b) direct sales of individual private storage units for the storage of insurable crops as defined in *The Crop Insurance Act*.

27 Jne 97 cD-28 Reg 2 s3.

**Licensing exemption of salesperson**

4(1) Subject to subsection (2), a salesperson is exempt from complying with the licensing requirements of the Act and these regulations if:

- (a) the total price of the goods or services on an average sale to any one purchaser by the vendor is less than \$500; and
- (b) the registrar is satisfied that it is not prejudicial to the public interest to exempt the salesperson from the licensing requirements of the Act and these regulations.

(2) Subsection (1) does not apply if a salesperson acts for or on behalf of a direct sales contractor.

27 Jne 97 cD-28 Reg 2 s4.

**Licence fee**

5(1) Subject to subsection (3), the annual fee payable to the registrar for a vendor's licence is:

- (a) if the vendor's salespersons are exempt from licensing pursuant to section 4, \$550;
- (b) if no salesperson acts or will act for or on behalf of the vendor, \$125; or
- (c) in the case of any other vendor, \$300.

(2) The annual fee payable to the registrar for a salesperson's licence is \$125.

(3) Effective April 1, 2018, the fee mentioned in clause (1)(a) is \$600.1

8 May 2015 SR 40/2015 s2.

**Identification card**

6(1) Subject to subsection (2), a vendor shall provide an identification card containing its issue date to every salesperson acting for or on behalf of the vendor.

(2) Subsection (1) does not apply to a vendor whose salespersons are required to be licensed.

27 Jne 97 cD-28 Reg 2 s6.

**Written direct sales contract required**

7 A direct sales contract is to be in writing where the direct sale exceeds \$100.

27 Jne 97 cD-28 Reg 2 s7.

**Contents of a written direct sales contract**

8 A written direct sales contract is to clearly set out the following:

- (a) the name and address of the purchaser;
- (b) the name, business address, telephone number and, where applicable, facsimile number of the vendor;

- (c) the name of the salesperson printed or signed in a legible manner to allow the salesperson's name to be determined by the purchaser;
- (d) the date on which the direct sales contract is signed and the place in which the direct sales contract is made;
- (e) a detailed description of the goods or services that readily identifies the goods or services sold to the purchaser;
- (f) a statement of cancellation rights that conforms with the requirements set out in section 9;
- (g) an itemized purchase price for the goods or services;
- (h) the total amount payable under the direct sales contract;
- (i) the terms and conditions of payment;
- (j) in the case of a direct sales contract for the future supply of goods or the future supply of services or both:
  - (i) the supply date for the goods or the commencement date for the supply of services or both; and
  - (ii) the completion date for the supply of services or the supply of services and goods;
- (k) where credit is extended or arranged by a direct seller:
  - (i) a statement of any security taken for securing payment of the purchaser's debt obligations; and
  - (ii) the cost of credit, in accordance with *The Cost of Credit Disclosure Act* and the regulations made pursuant to that Act;
- (l) where goods are accepted as a trade-in, a description of and the value of the trade-in;
- (m) the signatures of the purchaser and the direct seller;
- (n) where the vendor is a direct sales contractor:
  - (i) a detailed description of the quality and type of materials to be used under the contract; and
  - (ii) the services and work to be carried out under the contract.

27 Jne 97 cD-28 Reg 2 s8.

**Statement of cancellation rights**

**9(1)** A statement of cancellation rights is to:

- (a) contain the words specified in the "Buyer's Right to Cancel" in the Appendix;
- (b) show the heading "Buyer's Right to Cancel" in not less than 12-point bold type;

- (c) show the statement of 10-day cancellation rights in not less than 12-point type; and
  - (d) show the remainder of the information in not less than 10-point type.
- (2) Where a statement of cancellation rights mentioned in subsection (1) is not located on the first page of the written contract, there is to be a notice on the first page of the written contract in not less than 12-point bold type, directing the purchaser to the location of the statement of cancellation rights.
- (3) Where a statement of cancellation rights is located in a separate document from the written contract, it is to include the business name, business address, telephone number and, where applicable, facsimile number of the vendor.
- (4) Where a written contract is not required pursuant to section 7, the direct seller shall provide in a document a statement of cancellation rights that complies with subsection (1), and the document is to include the name, business address, telephone number and facsimile number, where applicable, of the vendor.

27 Jne 97 cD-28 Reg 2 s9.

**Gifts and premiums not prohibited**

**10** A direct seller who conducts home party plan sales in a personal residence is exempt from the prohibition set out in subsection 6(7) of the Act respecting home party plan sales.

27 Jne 97 cD-28 Reg 2 s10.

**Municipal fees**

**11(1)** Subject to subsection (2), the maximum fee payable in each year by a person carrying on the business of a direct seller intending to sell goods or services, where the total price of the goods or services on an average sale to any one purchaser is, has been or will be:

- (a) \$100 or more, is:
  - (i) in the case of a city with a population of 50,000 or more, \$75;
  - (ii) in the case of a city with a population of 20,000 or more but less than 50,000, \$50;
  - (iii) in the case of a city with a population of less than 20,000, \$30;
  - (iv) in the case of a town, \$30;
  - (v) in the case of a village, \$30;
  - (vi) in the case of a rural municipality, \$30;
- (b) less than \$100, is:
  - (i) in the case of a city with a population of 50,000 or more, \$50;
  - (ii) in the case of a city with a population of 20,000 or more but less than 50,000, \$35;
  - (iii) in the case of a city with a population of less than 20,000, \$20;

- (iv) in the case of a town, \$20;
  - (v) in the case of a village, \$20;
  - (vi) in the case of a rural municipality, \$20.
- (2) Subject to subsections (3) and (4), a person responsible for collecting a fee pursuant to this section may reduce the fee where the person considers it appropriate having regard to:
- (a) the nature, selling price, type and normal marketing season of the product being sold;
  - (b) the place of residence of the salesperson;
  - (c) the manner in which the product is being sold;
  - (d) the expected term of selling by the salesperson;
  - (e) whether the vendor or a salesperson of the vendor has a recognized place of business in that municipality with respect to which the vendor or the salesperson pays a business tax.
- (3) Where a person responsible for collecting a fee reduces the fee pursuant to clause (2)(d) by having regard to the salesperson's expected term of selling and the salesperson's term of selling is greater than expected, the person responsible for collecting the fee may:
- (a) review the reduced fee set in accordance with clause (2)(d); and
  - (b) increase the fee to the appropriate maximum fee set in subsection (1), if the person considers it suitable.
- (4) The minimum fee payable in each year pursuant to this section is \$5.
- (5) Where a person claims to be eligible to pay a fee pursuant to clause (1)(b), the person shall provide proof satisfactory to the person responsible for collecting the fee to show that the total price on an average sale to any one purchaser is, has been or will be less than \$100.

27 Jne 97 cD-28 Reg 2 s11.

**R.R.S. c.D-28 Reg 1 repealed**

**12** *The Direct Sellers Regulations* are repealed.

27 Jne 97 cD-28 Reg 2 s12.

### Appendix

The following is to appear in each statement of cancellation rights:

#### BUYER'S RIGHT TO CANCEL

You may cancel this contract from the day you enter the contract until 10 days after you receive a copy of this [*contract/statement of cancellation rights*].\* You do not need a reason to cancel.

If you do not receive the goods or services within 30 days of the date stated in the contract, you may cancel this contract within one year of the contract date. You lose that right if you accept delivery after 30 days. There are other grounds for extended cancellation. For more information, you may contact your provincial/territorial consumer affairs office.

If you cancel this contract, the seller has 15 days to refund your money and any trade-in, or the cash value of the trade-in. You must then return the goods.

To cancel, you must give notice of cancellation at the address [*below/in this contract*].\*\* You must give notice of cancellation by a method that will allow you to prove that you gave notice, including registered mail, fax, or by personal delivery.

[Address for Notice - include name, business address, phone and, if applicable, fax number of the vendor]\*\*

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- \* Use "contract", in the case of a written contract; use "statement of cancellation rights" if a written contract is not required.
- \*\* Where a written contract is not required, you must include this information in a statement of cancellation rights.

27 Jne 97 cD-28 Reg 2.