

NOTIFICATION

Dated Kohima, the 23rd May, 2025.

No.LM/CP-8/7/2016/152: - WHEREAS, section 94 of the Consumer Protection Act, 2019 (Central Act 35 of 2019) provides that for the purpose of preventing unfair trade practices in e-commerce, direct selling and also to protect the interest and rights of consumers, the Central Government may take such measures in the manner as may be prescribed.

WHEREAS, in exercise of the powers conferred by clause (zg) of sub-section (2) of section 101 read with the said section 94 of the said Act, the Central Government have made the Consumer Protection (Direct Selling) Rules, 2021;

WHEREAS, rule 11 of the said Consumer Protection (DirectSelling) Rules, 2021 provides that for ensuring compliance of these rules by direct selling entity and direct sellers, every State Government shall set up a mechanism to monitor or supervise the activities of direct sellers and direct selling entity.

NOW, THEREFORE, under the said rule11 of the Consumer Protection (Direct Selling) Rules, 2021, the Government of Nagaland hereby set up the following mechanism:

MONITORING MECHANISM TO MONITOR OR SUPERVISE THE ACTIVITIES OF DIRECT SELLING ENTITY AND DIRECT SELLERS, 2025

These are guiding principles/mechanism for the Monitoring Authority set up by the State Government for supervising or monitoring the activities of direct sellers and direct selling entities as stipulated in the Consumer Protection (Direct Selling) Rules, 2021 and to prevent fraud and protecting the legitimate rights and interests of consumers. The Nodal Department to deal with the issues related to direct selling will be the Department of Legal Metrology & Consumer Protection in the State.

1. Objectives of the Monitoring Authority. –

- (i) To regulate the business of direct selling as per the Consumer Protection (Direct Selling) Rules, 2021;
- (ii) To prohibit all forms of Pyramid Schemes or enroll/participate any person to such scheme or participate in such arrangement in any manner what so ever in the garb of doing direct selling business;
- (iii) To prohibit all forms of money circulation scheme or enroll/participate any person to such scheme in the garb of doing direct selling business;
- (iv) To prohibit all forms of unfair trade practices across all models of direct selling;
- (v) To monitor or supervise the activities of Direct Sellers, Direct Selling Entities regarding compliance of the Consumer Protection Act, 2019 and the Consumer Protection (Direct Selling) Rules, 2021.

2. **Composition of Monitoring Authority.** - The Monitoring Authority shall consist of the following members, namely:

1	The Secretary to Government, Legal Metrology & Consumer Protection Department	Chairman & Convener
2	The Secretary to Government, Finance Department or any other officer nominated by him not below the rank of Deputy Secretary to Government	Member
3	The Secretary to Government, Law Department or any other officer nominated by him not below the rank of Deputy Secretary to Government	Member
4	The Commissioner of Taxes or any other officer nominated by him not below the rank of Deputy Commissioner of Taxes	Member
5	The Controller of Legal Metrology & Consumer Protection or any other officer nominated by him not below the rank of Deputy Controller	Member
6	A Police officer dealing with economic offences and not below the rank of DIGP	Member
7	Registrar, Nagaland State Consumer Disputes Redressal Commission	Member
8	A subject matter expert to be nominated by the State Government	Member

3. Responsibilities of the Monitoring Authority- The Monitoring Authority shall,

- (i) provide facilities for the enrolment of Direct Selling Entities for carrying out their direct selling business in the State of Nagaland;
- (ii) provide appropriate platform for receiving complaints from the Consumers/Direct Sellers including general public against the violation of Consumer Protection (Direct Selling) Rules, 2021 by the Direct Selling Entities;
- (iii) inform respective enforcement authorities regarding the unethical and unlawful practice, if any, carried out by direct selling entities/direct sellers including non-compliance of monitoring mechanism/evasion of tax laws, noticed by the Monitoring Authority;
- (iv) provide Policy inputs to the Central Government for appropriate modifications in the Consumer Protection (Direct Selling) Rules, 2021, if warranted, from time to time.

4. Enrolment formalities for carrying out the direct selling business in the State of Nagaland-

(1) No Direct Selling Entity or such other person shall engage in a direct selling business in the State of Nagaland unless such Entity has enrolled with the Monitoring Authority by filing an application in the format given in the Annexure. The Profile of the Promoters/Directors/Partners of the applicant Direct Selling Entity and the required permits/licenses/ general and tax particulars along with the self-declaration shall be furnished in Part A of the application and the Notary attested affidavit shall be furnished in the prescribed format given in Part B of the application, and other documents if required by authority.

(2) Upon receipt of the application in the prescribed format with the required particulars, certificates and documents, the Monitoring Authority shall,

- (i) enroll the applicant entity in the Register maintained by it or

(ii) refuse to grant enrolment if any violation of the Consumer Protection (Direct selling) Rules, 2021 is noted prima-facie or for the non-furnishing / non-filing of required particulars, certificates and documents:

Provided that at any time after receiving an application and before it is disposed of, the Monitoring Authority may issue notice, in writing, demanding the applicant entity to provide additional information or documents. Where the corrected application or any additional information or document required is not provided within the time specified in the said notice or any extension thereof granted by the Monitoring Authority, the application shall be rejected.

(3) Enrolment of a direct selling entity with the Monitoring Authority would be made purely on the basis of the particulars furnished by the Applicant in the application which do not confer any legal right on the enrolled entity to represent themselves as Government approved agencies. The purpose of such enrolment is to enable the Monitoring Authority to carry out its objectives in an effective manner.

5. Powers of Monitoring Authority –The Monitoring Authority shall be vested with the following powers:

- a. to grant enrolment to the Direct Selling Entities upon the receipt of application in the prescribed format along with required documents and enclosures;
- b. to take appropriate action against the violation or non-compliance or partial compliance of the directives of Monitoring Mechanism by any Direct Selling Entities/Direct Sellers either Suo-motu or on the basis of any complaint received in this regard, from any stake holders;
- c. to engage one or more persons from any of the enforcement departments within this Monitoring Authority to make an inquiry in relation to the alleged complaints and affairs of any Direct Selling Entity;
- d. to call upon the books of accounts, registers, audited statement of Accounts, Income Tax and Good and Service Tax monthly/annual returns, certified copies of mandatory registration certificates as per the Consumer Protection (Direct selling) Rules, 2021 and such other documents necessary for scrutiny and verification.
- e. to cancel such enrolment or black list those Direct Selling Entities violating the regulations of the monitoring mechanism repeatedly even after show cause notices and warnings from the Monitoring Authority;
- f. to issueshow cause notice to stop the business of such non-compliances with immediate effect;
- g. to refer the contravention or violation of the Consumer Protection (Direct Selling) Rules, 2021, to the Central Consumer Protection Authority or such other Authorities as envisaged in Sections 17 to 23 of the Consumer Protection Act, 2019. (Central Act 35 of 2019);
- h. to refer the contravention or violation of other laws and rules to the law Enforcement Authorities concerned under the provisions of such Acts and Rules;

6. Mandatory maintenance of records. –Every direct selling entity shall maintain at its registered office, either manually or electronically, all such documents as are required under any law for the time being in force, including the following documents or records, as may be applicable, as per rule 4 of the Consumer Protection (Direct selling) Rules, 2021, namely:-

- (i) Certificate of Incorporation;
- (ii) Memorandum of Association and Articles of Association;
- (iii) Permanent Account Number and Tax Deduction and Collection Account Number;
- (iv) Goods and Services Tax registration and Goods and Services Tax Returns;
- (v) Income Tax Returns;
- (vi) Balance Sheet, Audit Report and such other relevant reports;
- (vii) Register of direct sellers;
- (viii) Certificate of Importer-Exporter code (in case of imported goods)
- (ix) License issued under the Food Safety and Standards Act, 2006 (Central Act 34 of 2006) for the purposes of manufacture or sale of food items.
- (x) License and Registration Certificate issued under the Drugs and Cosmetics Act, 1940 (Central Act 23 of 1940) for the purposes of manufacturer or sale of drugs, including Ayurvedic, Siddha and Unani drugs and Homoeopathic medicines.

7. Procedure of disposal of Complaints. –

(1) The complaints received from a direct seller or a consumer or any member of the general public will be entertained only if such complaint is not resolved in the grievance redressal mechanism of the Direct Selling Entity in the manner as envisaged in sub-rule (7) of rule 5 of the Consumer Protection (Direct Selling) Rules, 2021. In order to resolve such complaints or grievances, the Government shall designate officers at district level to receive such unresolved complaints. The designated officer who has received such a complaint shall forward the same to the direct selling entity with a direction to redress the complaint within ten days of its receipt and to intimate the complaint redressal report to the designated officer immediately. If the designated officers do not receive the complaint redressal report within fifteen days of its receipt by the direct selling entity, he shall file non-compliance report before the Monitoring Authority.

(2) Where the contents of the non-compliance report received from the designated officer against direct selling entity or a direct seller or any other person who is part of the network of direct selling is found to be genuine and true, the Monitoring Authority may take such action as the Monitoring Authority deems appropriate as mentioned in paragraph 5 above including due intimation to the enforcement authorities for their appropriate action as per the applicable provisions of the relevant Acts as provided in paragraph 11 below.

8. Action against violations or non-compliance of the directives of Monitoring Mechanism.

- (1) The violations or non-compliance or partial compliance of the directives of Monitoring Mechanism by any Direct, Selling Entities or Direct Sellers will be treated seriously. The Monitoring Authority in such cases, either suo-motu or on the basis of any complaint received in this regard from any stake holders, may
- (i) engage one or more persons from any of the enforcement departments within this Monitoring Authority to make an inquiry in relation to the alleged complaints and affairs of any Direct Selling Entity;

- (ii) Call upon the books of accounts, registers, audited statement of Accounts, Income Tax and Goods and Services Tax monthly or annual returns, certified copies of mandatory registration certificates as per the Consumer Protection (Direct Selling) rules, 2021 or such other documents necessary for scrutiny and verification;
 - (iii) cancel such enrolment or black list those direct selling entities violating the regulations of the monitoring mechanism repeatedly even after show cause notices and warnings by the Monitoring Authority;
 - (iv) issue show cause notice to stop the business of such non-compliances with immediate effect; and
 - (v) refer the matter to the Central Consumer Protection Authority or such other Authorities as envisaged in sections 17 to 23 of the Consumer Protection Act, 2019 (Central Act 35 of 2019).
- (2) The Monitoring Authority may, before initiating the action proposed in item Nos. (iii) and (iv) above, may issue notice to the Direct Selling Entity and give them an opportunity of being heard for seeking their explanation to the action so proposed.

9. Action against violation of provisions of Consumer Protection Act, 2019 Consumer Protection (Direct Selling) Rules, 2021 and other Laws applicable to Direct Selling.

- (1) The direct selling entities and the direct sellers shall follow the relevant provisions of the Consumer Protection Act, 2019 (Central Act 35 of 2019) and the Consumer Protection (Direct Selling) Rules, 2021 including other Laws applicable to direct selling meticulously. The compliance of the provisions and rules of these Acts and Rules will be monitored under this Monitoring Mechanism.
- (2) Any contravention or violation of the Consumer Protection (Direct Selling) Rules, 2021 shall be dealt with the appropriate provisions of the Consumer Protection Act, 2019 (Central Act 35 of 2019) including product liability under Chapter VI and offences and penalties under Chapter VII of the said Act. However, the violation of other laws and rules shall be appropriately dealt by the law Enforcement Authorities under the provisions of the appropriate Acts & Rules, which may include the following:
- (i) Violation relating to any activity leading to money circulation or pyramid schemes to be dealt with by the Police Authorities under Prize Chits and Money Circulation Scheme (Banning) Act, 1978, (Central Act 43 of 1978) including criminal case under the provisions of Indian Penal Code;
 - (ii) Violation relating to any activity leading to tax evasion, to be dealt with by the respective Taxation Authorities under the respective Taxation Statutes.
 - (iii) Violation of any other applicable laws to be complied by direct selling entity as provided in the Consumer Protection (Direct Selling) Rules, 2021 shall be dealt with by the respective Authorities under such respective Statutes; and
 - (iv) Violation relating to any activity leading to the breach of contract, appropriate civil remedy can be evoked before the Court of Law having appropriate jurisdiction.

Sd/-

SOTSULA, IAS

Commissioner & Secretary to the Govt. of Nagaland

ANNEXURE - A**APPLICATION FOR ENROLMENT***(See para 4)***(To be submitted by the Direct Selling Entities)**

<i>Sl. No.</i>	<i>Particulars</i>	<i>To be filled by Direct Selling Entity</i>
	COMPANY PROFILE	
1.	Name of the Direct Selling Entity (As Registered).	
2.	CIN No./Reg. No.	
3.	Principal place of Business	
4.	ADDRESS FOR COMMUNICATION (i)Head Office: (With PIN Code, e-Mail id, mobile phone, Telephone with STD Code and Company Website)	
	(ii)Branch office in Nagaland (with PIN Code, e-Mail id, mobile phone, Telephone with STD Code and Company Website)	
5.	TAX PARTICULARS OF COMPANY a. Income Tax Registration No.(PAN)	
	(ii)Income Tax TDS Registration. No.(TAN)	
	(iii)GST Registration No.(GSTIN)	
6.	Name and Contact details	
	(i)Name and contact address of the Directors/partners of the Entity (With PIN code, email id, phone No.)	
	(ii)Name and contact address of key Management Personnel with their e Mail id & Mobile phone No.	
	(iii)Name and contact address of Nodal Officer responsible for monitoring the compliance of the Consumer Protection Rules, 2021 (With PIN code, e-mail id, mobile phone No.)	
	Name and address of Grievance Redressal Officer responsible for redressing the complaint (With PIN code, e-Mail id, mobile phone No.)	

7.	Details of Consumer Grievance Redressal mechanism as per the Consumer Protection (Direct Selling) Rules, 2021.	
8.	Total number of Direct Sellers working within the State (as on March 1 st of the previous financial Year)	
9.	Details of Products/Services Offered (enclose product brochure with price break-up) (i) Details of own products or service with Trade mark or Service Mark as the case may be (ii) Details of products or services dealt in, the capacity of holder or licensee of a trade mark or service mark or other identification marks which identifies the company and its products	
10.	Modes of Direct Selling (i) Marketing plan adopted: (ii) Remuneration plan adopted: (iii) Whether e-commerce platform adopted:	

VERIFICATION

The contents of the above application are true and correct and no material has been concealed by me/us there from.

Verified by me/us at.....on this day of.....

Name

Applicant

Designation.....

Tel. No.....

E-mail

Place and date.....

Seal of the company

ANNEXURE - B**(NOTARY ATTESTED AFFIDAVIT/DECLARATION)**

I / We,..... in the capacity of of the.....

..... Company / firm declare that we, including our duly appointed Direct Sellers, shall be compliant with the following:

1. I/We shall be compliant with all the provisions of the Consumer Protection (DirectSelling)Rules, 2021 notified by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, New Delhi, vide Notification No.GSR 889(E) dated 28/12/2021.

2.I/We shall be compliant with all the applicable provisions of Consumer Protection (E-Commerce) Rules 2020 and the rules framed thereunder as provided in Rule 9 of Consumer Protection (Direct Selling) Rules, 2021, if applicable

3.I/We shall be compliant with all the applicable provisions of the Legal Metrology Act, 2009 (Act 1 of 2010) and the rules framed thereunder as provided in Rule 5 (4) and Rule 7 (1) (v) of Consumer Protection (Direct Selling) Rules, 2021, if applicable

4.I/We shall be compliant with all the applicable provisions of the Food Safety and Standards Authority of India Act 2006(34 of 2006) and the rules framed thereunder as provided in Rule 4 (j) of Consumer Protection (Direct Selling)Rules, 2021, if applicable.

5.I/We shall be compliant with all the orders, circulars, notifications as may be notified by the Department of Consumer Affairs, Governmentof India /or by the Department of Legal Metrology & Consumer Protection, Nagaland from time to time.

6.I/We shall set up an authorized office declared in Nagaland and shall maintain its office, either manually or electronically, all such documents/registers / books of accounts as are required under any law for the time being in force, as may be applicable for verification of the enforcement authorities under this monitoring mechanism, in addition to its maintenance of such records at its registered office as required as per Rule No. 4 of Consumer Protection (Direct selling) Rules, 2021.

7.I/We shall become a Partner in the convergence process of the National Consumer Helpline of the Central Government as provided in Rule 5(17) of the Consumer Protection (Direct Selling) Rules, 2021.

8.I/We shall not promote a Pyramid Scheme or enroll any person to such scheme or participate in such arrangement in any manner whatsoever in the garb of doing direct selling business as provided in Rule 10 (a) of the Consumer Protection (Direct Selling) Rules, 2021.

9.I/We shall not participate in money circulation scheme in the garb of doing direct selling business as provided in Rule 10 (b) of Consumer Protection (Direct Selling) Rules, 2021.

10.I/We shall not promote any misleading, deceptive or unfair trade practices or participate in such arrangement/schemes/trades in any manner whatsoever in the garb of doing direct selling business across all models of direct selling as provided in Rule 5(3) r/w Rule 2 (1) (d) of the Consumer Protection (Direct selling) Rules, 2021.

Deponent

DEPONENT VERIFICATION

The contents of the above Affidavit cum Declaration are true and correct and no material has been concealed by me/us there from.

Verified by me/us at on this day of.....

Deponent

Name..... Designation..... Tel No.....

E-mail:.....

Place & Date Seal of the Company

Notary attestation

CORRIGENDUM

Dated Kohima, the 17th June, 2024.

No. ED/ GHSS/F/PERS-120/2014-15/439 :: In pursuance to the Government approval vide No. DSE/ESTT/PIMS/1-59/2023/588, dated 22-05-2024 and P&AR Department clearance vide U.O No. 172, dated 20-05-2024 the name of Smti Imtinaro Lusang, PGT (History), GHSS Longkhim under School Education Department is hereby rectified as mentioned below:-

Sl. No.	NAME ENTERED AS	DESIGNATION	NAME RECTIFIED AS
1.	Smti Imtinaro Imtinaro Aonok	PGT (History)	Smti Imtinaro Lusang
2.	Father's Name Alemkhaba In the PIMS No. EDN/01985		Alemkaba

Sd/-

RAZOUSEYI VESE

Additional Director (HS)