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FSSAI eases rules for agents & distributors of direct selling firms

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NEW DELHI: Agents and distributors of direct selling companies like Herbalife and Amway will no longer need to have storage facility or premises for registering with the Food Safety and Standards Authority of India (FSSAI).

Companies involved in direct selling can also get bulk registration on behalf of their direct sellers on its own instead of each direct sellers getting individual registrations. Direct selling is a form of retail in which products are marketed directly to consumers through a network of agents.

“It has been observed that these direct sellers do not have premises/storage facility and therefore find it difficult to obtain registration as direct sellers from Registering Authority. The Direct Selling Agents are attached to Direct Selling Entities (DSE) which are responsible for safe storage and transportation of food products,” the FSSAI said in the latest order.



Last year, FSSAI had issued guidelines for direct selling companies, bringing their agents under its ambit which hampered business. “All food business operators will need to take relevant FSSAI licenses, to be updated on a quarterly basis, along with details and identities of the sales force. Companies will need to take undertakings of their agents and be liable to sampling and checks by the authorities,” the earlier notification from the authority had said.

The direct sellers will also have to be required to submit lesser number of documents for registration. “...Registration of such mobile direct sellers could be done by respective registering authority on production and verification of their identity certification/authorisation issued by Direct Selling Entities along with personal identity proof...” the latest order said.

An extremely popular self employment model across the world, the direct selling industry in India has almost doubled since 2011 to reach ₹12,620 crore in 2016 and is expected to grow at a compounded annual growth rate (CAGR) of about 4.8% to reach Rs 15,930 crore in 2021, according to a study undertaken by industry body Assocham.