



Changes to GST collection mechanism to benefit thousands in Canada's \$2 billion direct selling industry

Toronto, March 4, 2010 - The Direct Sellers Association of Canada applauded the federal government for the extension of the GST/HST collection mechanism currently used by thousands of small businesses across Canada and for continued measures to create jobs for Canadians.

“The amendments to the GST/HST collection rules for direct sellers announced in the federal budget confirm this government is committed to creating an environment where entrepreneurial activity can grow and jobs can be created,” said Ross Creber, President of the Direct Sellers Association of Canada (DSA). “The changes Minister Flaherty announced today will benefit thousands of independent sales contractors in the direct selling industry.”

The current Alternate Collection Mechanism (ACM) for direct sellers allows for the pre-collection of GST/HST by direct selling companies thus removing the burden of GST registration for many of the independent sales contractors (ISCs) of direct selling companies. The result is administrative savings to both the ISCs' operating costs and to the CRA in administering the GST.

“Without the changes announced today, the benefits of the ACM were unavailable to the 20 - 25% of the direct selling industry which operates on a sales agent, as opposed to buy-resale, basis,” Mr. Creber said.

The DSA also applauded the government for the recent establishment of EI Special Benefits for the self-employed. “The direct selling industry is uniquely positioned to provide both full and part-time income opportunities for thousands of Canadians,” Mr. Creber said. “The creation of EI Special Benefits for the self-employed removes one barrier for many who may be contemplating self-employment.”

During the economic downturn, the direct selling industry continued to create self-employment opportunities for Canadians. During the past year, close to 1.3 million individual Canadian women and men were engaged as ISCs, operating their own direct selling businesses with more than \$2 billion of sales. Of these, 88% were women and 56% have full-time jobs – using this business opportunity to earn extra income. Additionally, 11% of ISCs were unemployed prior to entering the industry.

The Direct Sellers Association of Canada is a national trade association representing close to 50 direct selling companies, including Avon, Mary Kay, Tupperware, Amway, PartyLite Gifts, Cutco/Vector, Regal, Nature's Sunshine, Usana and Unicity.

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