



Province of Alberta

## CONSUMER PROTECTION ACT

# **DIRECT SELLING BUSINESS LICENSING REGULATION**

### **Alberta Regulation 190/1999**

With amendments up to and including Alberta Regulation 245/2020

Current as of November 27, 2020

### Office Consolidation

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(Consolidated up to 245/2020)

**ALBERTA REGULATION 190/99**

**Consumer Protection Act**

**DIRECT SELLING BUSINESS LICENSING REGULATION**

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**Definitions**

**1** In this Regulation,

- (a) “Act” means the *Consumer Protection Act*;
- (b) “direct selling business” means the business designated as the direct selling business under the *Designation of Trades and Businesses Regulation*;
- (b.1) “energy audit” means an inspection, survey or assessment of the energy usage or efficiency of a home or any of its components;
- (c) “licence” means the direct selling business licence established by this Regulation

AR 190/99 s1;198/2016;56/2019

**Licence**

- 2(1)** The class of licence to be known as the direct selling business licence is established.
- (2)** A person who holds a direct selling business licence is authorized to engage in the direct selling business.
- (3)** The Director may specify in a licence the class of goods or services that may be sold under the licence.
- (4)** No licensee may engage in the direct selling business in respect of a class of goods or services unless that class is specified in the licensee's licence.

**Replacement licence**

- 3** If a licensee intends to engage in the direct selling business in respect of a class of goods or services not specified in the licensee's licence, the licensee must apply to the Director for a replacement licence that adds the class to the licence that is being replaced.

**Security**

- 4(1)** The Director may, if the Director considers it appropriate, require an applicant for a licence, a replacement licence or the renewal of a licence, to submit to the Director a security that is in a form and in an amount approved by the Director.
- (2)** The Director may, if the Director considers it appropriate, increase the amount of the security that is to be provided by a licensee before the term of the licence expires.

**Term**

- 5(1)** The term of a licence expires on the last day of the 24th month after it is issued or renewed.
- (2)** The term of a replacement licence expires when the licence it replaces would have expired.

**Fees**

- 6(1)** The fee for a licence is \$120.
- (2)** The fee for a replacement licence is \$30.

**Fee exemption**

- 7(1)** If an applicant for a licence suffers from any bodily defect, injury or incapacity, the Minister may, on the recommendation of the municipality in which the applicant is currently residing,

authorize the Director to issue to the applicant a licence without fees, and the licensee may act as a direct seller in the manner specified in the licence.

(2) The licence mentioned in subsection (1) may specify the area or areas in Alberta to which the licence applies.

### **General Licensing and Security Regulation**

**8** The *General Licensing and Security Regulation* applies to the direct selling business.

### **Duty to provide identification card**

**9(1)** Every licensee must provide every individual who engages in direct selling business on behalf of the licensee with an identification card that

- (a) shows the individual's name and the name, address and licence number of the licensee on whose behalf the individual is acting, and
- (b) is signed by the signing authority appointed by the licensee.

(2) An individual who has been given an identification card must produce it when requested to do so by

- (a) a customer or potential customer,
- (b) an inspector or the Director, or
- (c) a peace officer as defined in the *Provincial Offences Procedure Act*.

(3) An individual who ceases to act on behalf of a licensee must as soon as is reasonably possible after ceasing to act return the identification card to the licensee.

### **Prohibited practices**

**9.1(1)** A direct selling business shall not solicit, negotiate or conclude a consumer transaction in person at a consumer's home for the following goods and services:

- (a) furnaces;
- (b) air conditioners;
- (c) water heaters;

- (d) windows;
- (e) energy audits.

**(2)** Subsection (1) does not apply if the consumer invites a direct selling business to attend at the consumer's home and the invitation complies with subsection (3).

**(3)** An invitation by a consumer must be

- (a) express,
- (b) made
  - (i) by phone, e-mail, text or other electronic communication,
  - (ii) through the direct selling business's website, or
  - (iii) in person at the direct selling business's normal place of business or at such other place where the direct selling business is conducting business,

and

- (c) made before the direct selling business attends at the consumer's home.

**(4)** A direct selling business who has been invited to attend in person at a consumer's home to perform an energy audit shall not solicit, negotiate or conclude a consumer transaction for the supply of any of the goods and services referred to in subsection (1) while attending in person at the consumer's home.

**(5)** For the purpose of this section, a direct selling business is attending in person at a consumer's home if any employee, representative, agent or contractor of the direct selling business attends at the consumer's home.

AR 198/2016 s1

### **Offences**

**10** A contravention of section 2(4), 9 or 9.1(1) or (4) is, for the purposes of section 162 of the Act, an offence.

AR 190/99 s10;198/2016

### **Unfair practice**

**10.1** A contravention of section 9.1(1) or (4) is an unfair practice.

AR 198/2016 s1

**Transitional**

**11** A licence under the *Direct Selling Business Licensing Regulation* (AR 315/82) is continued as a licence under this Regulation.

**Repeal**

**12** The *Direct Selling Business Licensing Regulation* (AR 315/82) is repealed.

**Expiry**

**13** For the purpose of ensuring that this Regulation is reviewed for ongoing relevancy and necessity, with the option that it may be repassed in its present or an amended form following a review, this Regulation expires on June 30, 2023.

AR 190/99 s13;108/2002;70/2012;74/2015;245/2020

Coming into force

**14** This Regulation comes into force on September 1, 1999.



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