



What Must My Direct Sales Contract Contain?

DIRECT SELLERS ACT

Before a vendor's licence can be issued under the Direct Seller's Act the applicant must submit a contract that meets a number of requirements prescribed by the regulation under the Act. These requirements are outlined below:

Excerpts from the Regulation under the *Direct Sellers Act*:

9(1)A direct sales contract shall contain the following information:

- (a)the purchaser's name and address;
- (b)the name of the direct seller or vendor, the business address, telephone number and, where applicable, the fax number;
- (c)where applicable, the salesman's name, in printed form;
- (d)the date and place the direct sales contract is made;
- (e)a description of the goods or services, or both, sufficient to identify them;
- (f)itemized prices of the goods or services, or both;
- (g)the total amount payable under the direct sales contract;
- (h)the terms of payment;
 - (i)in the case of a direct sales contract for the future delivery of goods or the future provision of services, or both,
 - (i)the delivery date for the goods or the commencement date for the provision of services, or both, and
 - (ii)the completion date for the provision of services or the provision of services and goods;
- (j)where credit is extended or arranged by the vendor or a salesman of the vendor,
 - (i)a statement of any security taken to secure payment, and
 - (ii)the cost of credit disclosed in accordance with the *Cost of Credit Disclosure Act*; and
- (k)where goods are taken in trade, a description of the goods and their value.

9(2)The direct sales contract shall include a statement of cancellation rights, in both official languages, that contains the wording set out in Schedule A and that shows

- (a)the heading “BUYER’S RIGHT TO CANCEL” in not less than 12 point bold type,
- (b)the statement of ten day cancellation rights in 12 point type, and
- (c)the remainder of the statement in not less than 10 point type.

9(3)Where the statement of cancellation rights does not appear on the face of the direct sales contract, there shall be a notice on the face of the direct sales contract, in both official languages, in not less than 12 point bold type, referring to the location of the statement of cancellation rights.

Schedule A

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 the [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 the 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 if this statement of cancellation rights is a document separate from the contract]***

* use “contract” in New Brunswick

** use “in this contract” in New Brunswick

*** not applicable in New Brunswick