



Government Gazette

REPUBLIC OF SOUTH AFRICA

Vol. 482 Pretoria 24 August 2005 No. 27940



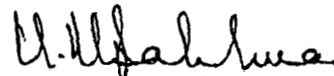
AIDS HELPLINE: 0800-0123-22 Prevention is the cure

GENERAL NOTICE

NOTICE 1613 OF 2005

DEPARTMENT OF TRADE AND INDUSTRY
CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES) ACT,
1988

I, Mandisi Mpahlwa, MP, Minister of Trade and Industry, do hereby, in terms of section 10(3) of the Consumer Affairs (Unfair Business Practices) Act, 1988 (Act No. 71 of 1988, the Act), publish the arrangement dated 19 July 2005 entered into between the Consumer Affairs Committee and KMD Electronics CC and its members.


M B M MPAHLWA

MINISTER OF TRADE AND INDUSTRY

AGREEMENT

Background

KMD Electronics CC t/a KMD Office Supplies (CK98/01678/23) and members of this close corporation, Devan Soobramoney Naidoo (ID: 700113 5176 080) and Sivalingam Soobramoney Naidoo (ID: 620808 5149 089) (members), repairs printers, **faxes**, computers and also supply computer cartridges, printer ribbons and toners (**products**) to customers. It has been alleged by certain consumers that these products have been supplied to them without their unequivocal authorisation. The practice of **supplying goods and services** to consumers without their unequivocal authorization is known as inertia selling.

We have been informed that the Consumer Affairs Committee (the Committee), after undertaking a section 4(1)(c) investigations in terms of the Consumer Affairs (Unfair Business Practices) Act, 71 of 1988 (the Act), found that the business practices as applied by us, were likely to have the effect of (a) harming the relations between us and the clients (the consumers); (b) unreasonably prejudicing the consumers; (c) deceiving the consumers and (d) unfairly affecting the Consumers. In the opinion of the Committee, we were therefore involved in an unfair business practices as defined in the Act.

Although we deny that we were involved in inertia selling, we however acknowledge that it may be that some of our branches may have been involved in inertia selling. We have since initiated a process whereby our clients (a consumer) must authorize their order before delivery.

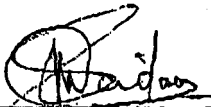
We have been informed that in terms of section 9 of the Act, the Committee may, at any time, negotiate with any person with the view to making an arrangement which, in the opinion of the Committee, will ensure discontinuance of an unfair business practice which exists or may come into existence and which is the subject of an investigation. We are therefore prepared to negotiate with the representatives of the Committee and to make an arrangement regarding our future conduct.

Undertaking: In view of the above we, Devan Soobramoney Naidoo and Sivalingam Soobramoney Naidoo undertake:

- (a) not to directly or indirectly, apply inertia selling;
- (b) to ensure that all our branches comply with the system of waiting for authorization from our clients before making any deliveries;
- (c) not to forward products with invoices to clients in the absence of a written request from clients for specific products

- (d) not to make **any** representations to clients which are **untrue**
- (e) **to inform** prospective clients **prior** to the **delivery of** the products about:
- (i) the unit **price** of the **products** as well as the total number of products which are **offered for sale**;
 - (ii) the discount **applicable to** the **bulk sale** of products, if any;
 - (iii) **that we will** only deliver the products once **we have received** a confirmed order from **a prospective** client, which order must be in writing
- (f) **cease to have any interest** in a business or type of business which applies inertia selling or **to derive any income therefrom** and to refrain from at **any time obtaining any interest** in or **deriving any** income from a business or type of business applying inertia selling

We further understand that any contravention of this undertaking shall immediately and without further notification or discussion lead to an investigation in terms of section 8(1)(a) of the Act.



DEVAN SOOBARAMONEY NAIDOO

19/7/05

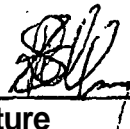
DATE



SIVALINGAM SOOBARAMONEY NAIDOO

19/7/05

DATE



Signature

Witness (1)

Name & Surname in block letters

Address

KURENDRAN PILLAY
9 BILSAM FLATS, 72 GEMSBOX
AVE, EXT. 1, LENASIA

Signature

Witness (2)

Name & Surname in block letters

Address

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