



Government Gazette

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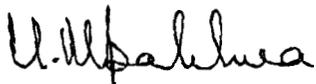
AIDS HELPLINE: 0800-0123-22 Prevention is the cure

GENERAL NOTICE

NOTICE 1618 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 **6 July 2005** entered into **between the Consumer Affairs Committee and Sprigg Investment 117 CC and its members.**

**M B M MPAHLWA****MINISTER OF TRADE AND INDUSTRY**

UNDERTAKING

UNDERTAKING BY MIKE ROSSON, SOLE MEMBER OF SPRIGG INVESTMENTS 117 CLOSE CORPORATION TRADING AS GLOBAL INVESTMENT IN TERMS OF SECTION 9 OF THE CONSUMER AFFAIRS (UNFAIR BUSINESS PRACTICES) ACT, 71 OF 1988

I, Mike Russon, in my capacity as the sole member of Sprigg Investments 117 Close Corporation trading as Global Investments, am aware that:

1. the Consumer Affairs Committee (the Committee) are currently conducting an investigation in terms of section 4(1)(c) of the Consumer Affairs (Unfair Business Practices) Act, 71 of 1988 (the Act);
2. whilst there is a perception by the Committee that a cooling off period is required, in the light of the provisions of the New National Consumer Credit Bill, the electricity savings device once installed constitutes a non - returnable product, and as such, in the circumstances, any cooling off period would, *strictu sensu*, not be applicable.
3. the Committee used the provisions of the Consumer Code on Direct Selling, which is administered by the Direct Selling Association, as guideline to acceptable practices in so far as the provisions of a cooling off period in the direct marketing industry is concerned. While my company is not a member of the Direct Selling Association, we have no objection in general to the principles contained in the Code.
4. in terms of section 9 of the Act, the Committee may at any time negotiate with any person, with a view to making an arrangement which in the opinion of the committee will ensure the discontinuance of an unfair business practice which exists or may come into existence and which is the subject of an investigation

This undertaking is provided without admitting liability or prejudice to our rights and on the basis that it is founded on the spirit, purport and wording of the Consumer Code on Direct Selling.

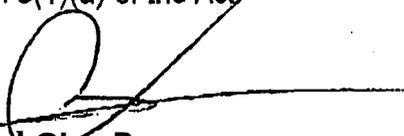
In view of the above, I, Mike Russon, in my capacity as sole member undertake to ensure that the company, Sprigg Investment 117 Close Corporation trading as Global Investments:

- (a) Shall immediately and truthfully identify itself to prospective customers. by identifying the company, the product and the purpose of the approach;
- (b) Shall instruct the distributors to provide accurate and complete explanation and demonstration of the product called "Electrosmart", in particular the cash price, credit price, interest rate, terms of payment, cooling off period, terms of guarantee and after sales service;



- (c) **Shall** ensure as far as **possible**, that the order **forms containing** a cooling off **clause permitting** the customer to withdraw **from the order** within a specified period of time, which shall not **be less** than five (5) **days**, and to obtain reimbursement of any payment.
- (d) The electricity saving device will **be** installed after five days of signing Of the order form. Requests **for** installation **of the device** prior to **expiry** of such **period** shall **be made** by **the** consumer in writing. Both the company **and** the consumer shall retain **a** copy of the written request. The written request shall be regarded as express instruction **by the** consumer to install the **device** provided that **the** consumer is not put under **undue influence** or duress **by** the sales representatives and **provided** that the implications of installing the device before the **expiry** of the cool off period are properly explained to the **consumer**. Once **the electricity** savings **device** has been installed it will **be** regarded as a non-returnable item.
- (e) Shall ensure that advertisements of the product shall not contain any descriptions, claims or illustrations, which directly or by implication, are misleading about the effectiveness of the product;
- (f) **Shall** provide **comprehensive training** in the selling method and **product** knowledge to its distributors.

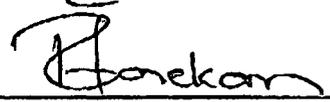
Sprigg Investments 117 Close Corporation trading as Global Investments furthermore **understand** that any contravention of this undertaking **may** immediately **and** without further notification or discussion lead to an investigation in terms of section 8(1) a) of the A section 8(1)(a) of the Act.


Michael Glen Russon,
 Being **duly authorized** thereto and
On behalf of Sprigg Investment 117 CC
 Trading as Global Investment

Signed on the 6th day of July 2005

1. Witness:  _____

Signed on the 6th day of July 2005

2. Witness:  _____

Signed on the 6th day of July 2005