



Door-to-Door Sales (Multi-Level Marketing)

With the KFTC's shift to consumer protections as opposed to regulating cartels and business groups, the Act on Door-to-Door Sales has come into greater focus in recent years. Administrative fines for violations of the Door-to-Door Sales Act have increased dramatically in recent years to billions of Korean Won a year, along with substantially increased referrals for criminal indictments.

Shin & Kim's antitrust & competition team has vast experience and a significant track record for successfully representing clients in KFTC investigations for violations of the Door-to-Door Sales Act and in advising corporate clients on door-to-door sales. We have achieved successful outcomes representing many multi-level sales businesses in the investigation stage as well as clients facing administrative and criminal proceedings.

In particular, with strict regulations on multi-level sales currently in place and the Supreme Court's rigid notion of multi-level sales, a preliminary legal assessment of potential violations of the Door-to-Door Sales Act is essential in developing a viable business structure and sales strategy. To this end, Shin & Kim's antitrust and competition team provides practical guidance and solutions to avoid potential violations of the Door-to-Door Sales Act.

Key Services

Shin & Kim provides the following services to the client for door-to-door (multi-level) sales cases:

- Assessing businesses and sales practices for potential violations of the Door-to-Door Sales Act
- Advising clients with requests and orders issued by the KFTC for information and on-site investigations during investigations
- Representing clients in hearings before the KFTC and submitting opinions on the examiner's report
- Defending clients in administrative lawsuits, civil and criminal proceedings resulting from violations of the Door-to-Door Sales Act
- Assisting in developing business structures and sales strategies to minimize risk of violating the Door-to-Door Sales Act

Experiences

- The largest multi-level marketing company in Korea, in responding to the KFTC investigation for violations of the Door-to-Door Sales Act
- Major multi-level marketing company in the KFTC investigation, appeal, prosecutorial investigation and criminal litigation for violations of the Door-to-Door Sales Act;
- The largest household appliance rental company in Korea, in the KFTC investigation for violations of the Door-to-Door Sales Act
- A major conglomerate, for possible violations by a potential acquisition target of the Door-to-Door Sales Act and subsequent advice to develop its business structure post-acquisition
- A financing company of a foreign automobile manufacturer, regarding a possible violation of the Door-to-Door Sales Act
- A major social commerce company, on the applicability of the Door-to-Door Sales Act and structure advice on its sales network.

Awards and Rankings

- Ranked Band 1 Law Firm for Competition/Antitrust
Chambers Asia 2016-2017
- Ranked Elite Law Firm
GCR 100 2017
- Ranked Band 1 Law Firm for Antitrust and Competition
Asia Pacific Legal500 2017
- Named "Regional Firm of the Year – Asia-Pacific, Middle East & Africa"
GCR100 2016

Key Contacts

Chang-Young Cho

Partner

+82-2-316-4631

cycho@shinkim.com

Daeyong Baek

Partner

+82-2-316-4630

dybaek@shinkim.com