

**Chain-gift schemes**

- (1) A person commits an offence if he—
  - (a) invites another to join a chain-gift scheme, or
  - (b) knowingly participates in the promotion, administration or management of a chain-gift scheme.
- (2) An arrangement is a “chain-gift” scheme if—
  - (a) in order to participate in the arrangement a person must make a payment to one or more other participants (a “joining fee”), and
  - (b) each person who participates in the arrangement—
    - (i) is required or invited to invite others to participate, and
    - (ii) is encouraged to believe that he will receive the joining fees, or part of the joining fees, of other participants, to an amount in excess of the joining fee paid by him.
- (3) For the purposes of subsection (2)—
  - (a) “payment” means a payment of money or money’s worth, but does not include the provision of goods or services, and
  - (b) it is immaterial whether a payment is made directly or through a person responsible for managing or administering the scheme.
- (4) A person guilty of an offence under this section shall be liable on summary conviction to—
  - (a) imprisonment for a period not exceeding 51 weeks,
  - (b) a fine not exceeding level 5 on the standard scale, or
  - (c) both.