

What Is This?

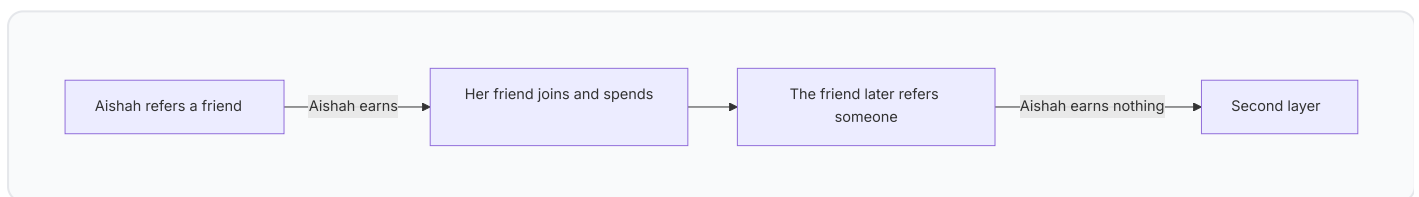
Some business owners ask whether our referral program counts as multi-level marketing, or whether it needs a direct-selling licence. This article explains how the program is built, so you understand exactly what your customers can and cannot earn. It helps you decide, with your own advisor, how to run it.

How It Works

The referral program is single-tier. A customer refers a friend, and only that one direct referrer earns a reward. There is no chain of earnings that runs down through many layers of people.

Your customers can earn in two ways. They get a one-time reward when their friend joins or makes a first purchase. You can also switch on an ongoing commission, which gives the referrer a percentage of what their friend spends, as credit, with a monthly cap.

The important part is what does not happen. When a friend later refers someone else, your original customer earns nothing from that second layer. Rewards are funded by your own sales, and joining costs your customers nothing.



Real-Life Example

Aishah loves her local cafe and refers her friend Ahmad. When Ahmad joins and makes his first purchase, Aishah gets her reward. Later, Ahmad refers his own friend Siti. Aishah earns nothing from Siti, because rewards only ever reach the one direct referrer. Ahmad is now the referrer for Siti, and only he can earn from her.

Good to Know

- **Single-tier only.** Earnings never pass down through multiple layers of people.
- **No joining fee.** Customers get a referral link for free, and you fund the rewards from your own sales.
- **Licensing is your decision.** Whether a referral program needs a direct-selling licence under the Direct Sales and Anti-Pyramid Scheme Act 1993 (Act 500), administered by the Ministry of Domestic Trade and Cost of Living (KPDN), depends on how you market and run it. Pixalink does not provide legal advice, so please confirm with your own legal advisor or KPDN.
- **Watch how you position it.** If you promote it as a paid "shareholder" scheme where people put money in and earn from recruiting, that carries higher legal risk, so get advice first.

Need Help?

If you are unsure how your referral setup is configured, reach out to our support team through live chat or email and we will walk you through it.

What's Next?

- [How the Referral Program Works](#) — the full walkthrough of invites and rewards
- [How to Set Up Referrals](#) — turn the program on and set the rewards
- [How to Set Referral Rewards with Claim Conditions](#) — control when a reward is earned