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If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*¹ has adopted and the President has proclaimed the following Law:

Consumer Rights Protection Law

Chapter I General Provisions

Section 1. Terms Used in this Law

The following terms are used in this Law:

1) **directions for use** – instructions of the manufacturer or service provider through compliance with which goods or services retain their operational (utilisation) characteristics and adequate quality, and do not pose a threat to the property, health and life of the consumer and to the environment;

2) **service** – performance of a consumer's order or such fulfilment of a contract entered into with a consumer, for remuneration or free of charge, within the scope of the economic activity of a person as a result of which an article is leased, a new article is produced, an existing article or its characteristics are improved or altered, or work is performed, or intangible result of work is achieved;

2¹) **durable medium** – any instrument which enables the consumer to store information addressed personally to him so as to ensure the accessibility, use and reproduction thereof in an unchanged form for a period of time necessary for the provision of such information;

3) **consumer** – a natural person who expresses a wish to purchase, purchases or might purchase, or use goods or a service for a purpose, which is not related to his or her economic or professional activity;

4) **service provider** – a person who within the scope of his or her economic or professional activity provides a service to a consumer;

5) **trader** – a person (also an importer) who within the scope of his or her economic or professional activity offers or sells goods to consumers, as well as a person who acts in the name of the trader or at his or her instruction;

6) **goods** – any article offered or sold to consumers; and

7) **manufacturer** – a person who within the scope of his or her economic or professional activity manufactures or renovates goods for sale, or identifies itself as the

¹ The Parliament of the Republic of Latvia

manufacturer by indicating (labelling) on the goods or the packaging thereof, or in the technical documentation of the goods, its name (firm name), given name, surname, trademark or other distinguishing mark.

[22 November 2001; 27 October 2005; 19 June 2008; 28 October 2010]

Section 2. Purpose of this Law

The purpose of this Law is to ensure that consumers are able to exercise and protect their lawful rights when entering into contracts with manufacturers, traders or service providers.

Section 3. Violation of Consumer Rights

Consumer rights are violated, if:

1) upon purchase of goods or receipt of a service, freedom of choice and the expressed will of the consumer are not observed;

2) the principle of equality of the contracting parties is not observed and the terms of the contract are unfair;

3) the possibility to receive comprehensive and complete information regarding the goods, or the service or the price of the service is not ensured;

4) unsafe goods, or goods that do not conform to the provisions of the contract, or unsafe services or services that do not conform to the provisions of the contract are sold to the consumer;

5) the payment for the purchase or the weight or measure is not correctly determined and no opportunity is provided to check it;

6) contractual obligations are not adequately performed;

7) no opportunity is provided to a consumer to exercise the right of withdrawal, revocation of a contract entered into, alteration of conditions of a contract entered into, or other lawful or contractual rights; or

8) a document that confirms the transaction is not issued.

[22 November 2001]

Section 3.¹ Prohibition of Differential Treatment

(1) Differential treatment based on sex, race, ethnic belonging or disability of a consumer is prohibited when offering goods or a service, selling goods or providing a service.

(2) Differential treatment to a consumer shall be allowed, if offering of goods or a service, selling of goods or provision of a service only or mainly to persons of a particular sex, race or ethnic belonging or persons with disability is objectively substantiated with a legal purpose, for the achievement of which proportional means are chosen. Differential treatment to a consumer based on disability shall be allowed, if it is objectively substantiated with a legal purpose for the achievement of which proportional means are chosen, or if ensuring of equal treatment imposes disproportionate load on a trader or service provider.

(3) The prohibition of differential treatment shall not affect the freedom of entering into contracts, except for the case when the choice of a contracting party is substantiated with sex, disability, race or ethnic belonging of the person.

(4) If the prohibition of differential treatment is violated, a consumer may protect his or her rights according to the procedures specified by the Ombudsman Law, as well as by applying to court according to the procedures specified by the Civil Procedure Law.

(5) If in the case of a dispute a consumer refers to conditions that may serve as the basis for his or her direct or indirect discrimination based on sex, disability, race or ethnic belonging,

the trader or provider of a service has a duty to prove that the prohibition of differential treatment is not violated.

(6) Direct discrimination is such attitude towards a person, which on the basis of his or her sex, disability, race or ethnic belonging in a comparable situation is, was and could be less favourable than towards another person. Indirect discrimination is a seemingly neutral provision, criterion or practice that creates or could create an unfavourable outcome on the basis of sex, disability, race or ethnic belonging of a person, except for the case when such provision, criterion or practice is objectively substantiated with a legal purpose, for the achievement of which proportional means are chosen.

(7) Offence to a person or an instruction to discriminate him or her shall be considered as discrimination as well.

(8) Offence shall be the exposure of a person on the basis of his or her sex, disability, race or ethnic belonging to such action that is unfavourable from the point of view of this person (including action of sexual nature), the purpose or the result of which is the violation of the person's honour and the creation of an intimidating, hostile, derogatory or degrading environment.

(9) A less favourable attitude towards a woman during the period of pregnancy or during the period following childbirth up to one year, but if the woman is breastfeeding – during the whole period of breastfeeding, shall be considered as discrimination on the basis of sex as well.

(10) It is prohibited to cause directly or indirectly an unfavourable outcome to a customer, if he or she protects the rights thereof according to the procedures specified in this Section.

(11) If the prohibition of differential treatment or prohibition to create an unfavourable outcome is violated, a consumer has the right to request the fulfilment of the contract, as well as a compensation of losses and a compensation of emotional distress. In the case of a dispute, the amount of the compensation of emotional distress shall be determined by court at its discretion.

[19 June 2008; 28 October 2010]

Section 4. Freedom of Choice and Will of the Consumer

(1) When entering into contractual obligations with a manufacturer, trader or service provider, the consumer shall be provided an opportunity to fully exercise his or her choice and will, purchasing exactly the type of goods or receiving exactly the service the consumer wishes, except for restrictions prescribed by law. It is the duty of a manufacturer, trader or service provider to respect such will. Choice and will shall be expressed in the terms of contract, or it shall be apparent from the circumstances.

(2) Before a consumer purchases goods or receives a service, he or she shall be provided an opportunity to evaluate the fitness and conformity of the relevant goods or the service. The consumer shall receive complete information regarding the goods or services, procedure for settlement of accounts, contract performance and liability if contractual obligations are breached.

(3) A consumer shall not be obliged to accept goods or services and to pay the price for the goods or services if the goods are supplied or the services provided without an order being made by the consumer.

Section 4.¹ Application of Certain Provisions of Law

(1) The provisions of Chapters III and IV of this Law shall be applicable to such legal relations, which are founded between a manufacturer, trader or service provider and a consumer, as well as any other right-holder who expresses a wish to purchase, purchases or

may purchase goods or utilise services for a purpose which is not related to such right-holder's economic or professional activity.

(2) The provisions of Sections 5 and 6 of this Law shall also be applicable to such legal relations, which on the basis of a contract are established between a natural person and a manufacturer, trader or service provider in accordance with the contract entered into with a consumer, including regarding the provision of the fulfilment of contractual obligations of the consumer with a pledge or guarantee, if the establishment of such relations is not related to economic or occupational activities of the referred to natural person.

[27 October 2005; 21 May 2009]

Section 4.² Provisions for Application of Legal Norms of Different States

(1) Contracting parties are entitled to agree that the legal norms of a state other than a European Economic Area Member State are applicable in discussing the legal relations, if both of the following provisions are observed:

1) the performance of the contractual obligations or other contractual provision is directly related to any European Economic Area Member State; and

2) the applicable legal norms provide for more favourable rights protection for a consumer than this Law.

(2) Where the legal norms applicable to legal relations are the legal norms of a state other than a European Economic Area Member State, a consumer shall not lose the rights specified in this Law and other regulatory enactments in relation to a contract on the right of long-term use of a holiday accommodation, a contract on long-term holiday services, a resale contract on the right of long-term use of a holiday accommodation or a resale contract on long-term holiday services and an exchange contract on the right of long-term use of a holiday accommodation if:

1) the relevant immovable property is situated within the territory of any of the European Union Member States; or

2) the trader pursues commercial or professional activity in a European Union Member State or directs the referred to activity to a European Union Member State and the contract falls within the scope of such activity.

[26 November 2009; 28 October 2010]

Chapter II Contracts

Section 5. Legal Equality of the Contracting Parties

(1) Contracts entered into between a consumer and a manufacturer, a trader or a service provider, shall provide for equal rights of both contracting parties.

(2) Contract terms shall be deemed to be in contradiction with the principle of legal equality of the contracting parties if the terms:

1) reduce the liability of the parties prescribed by law;

2) restrict the rights of the consumer to enter into contracts with third parties;

3) stipulate privileges to the manufacturer, trader or service provider, and restrictions to the consumer;

4) stipulate that the consumer is waiving his or her lawful rights; or

5) put the consumer in a disadvantageous position and are contrary to the requirements of good faith.

Section 6. Unfair Contractual Terms

(1) A manufacturer, trader or service provider may not offer such contractual terms as are in contradiction with the principle of legal equality of the contracting parties, this Law or other regulatory enactments.

(2) Contractual terms shall be expressed in plain and comprehensible language.

(2.¹) Ambiguous and imprecise terms of a written contract shall be interpreted in favour of the consumer.

(3) A contractual term which has not been mutually discussed by the contracting parties shall be deemed to be unfair, if it to the disadvantage of the consumer creates, and contrary to the requirements of good faith, substantial non-conformity with respect to the rights and duties of the contracting parties provided for by the contract. Contractual terms shall be deemed unfair if they:

1) are in contradiction with Section 5 of this Law;

2) reduce the liability of the manufacturer, trader or service provider, or release them from liability in cases where the consumer has incurred harm to health, or in a case of death of the consumer, resulting from an act or failure to act of the trader or the service provider;

3) restrict or exclude the possibility of the consumer to exercise his or her lawful right to claim if the manufacturer, trader or service provider has failed to perform contractual obligations, or have performed them partially, including also the extinguishing of the claim of the manufacturer, trader or service provider with a counterclaim from the consumer;

4) impose a disproportionately large contractual penalty or other compensation for non-performance or unacceptable performance of the contractual obligations upon a consumer who fails to perform the contractual obligations or performs them unacceptably in comparison to losses caused by the non-performance or unacceptable performance of the contractual obligations or taking into account other conditions;

5) provide for determination of the price of goods or services at the moment of supply, or permit the manufacturer, trader or service provider to increase the price and do not give the consumer the right to revoke the contract if the final price is unreasonably high in comparison with the price on which the contracting parties agreed when entering into the contract;

6) restrict the duty of the manufacturer, trader or service provider to perform obligations undertaken by their representative, or subject such obligations to formalities;

7) exclude or hinder the right of the consumer to apply to consumer rights protection institutions or to the court, and provide for adjudication of disputes only in arbitration court;

8) permit a manufacturer, trader or service provider to unilaterally withdraw from a contract, except in the case when such a possibility is ensured also for the consumer, or permit a manufacturer, trader or service provider to terminate an unlimited contract without warning;

9) provide for the automatic extension of the term of a contract if the consumer does not inform regarding the non-extension of the contract, and determines an unjustifiably short time for the consumer to provide such information;

10) permit a manufacturer, trader or service provider to retain the amount paid by a consumer if the consumer withdraws from the contract, but does not provide for the same possibility for a consumer, respectively, to receive an equivalent amount if the manufacturer, trader or service provider withdraws from the contract;

11) permit a manufacturer, trader or service provider to transfer further their rights and duties, thus reducing the amount of offered guarantees without the consent of the consumer;
or

12) permit a manufacturer, trader or service provider to unilaterally amend the provisions of a contract or the characteristics of the goods or services.

(4) In assessing contractual terms, the nature of the goods sold or services provided and all the circumstances under which the contract was entered into, as well as the provisions of the contract entered into and a contract associated therewith, shall be taken into account.

(5) A contractual term shall always be deemed to be not mutually discussed if the contract was prepared in advance and the consumer wherewith did not have an opportunity to influence the terms of the relevant contract.

(6) If specific contractual terms or relevant aspects of certain contractual provisions have been discussed, it may not therefore be deemed that other contractual provisions have also been mutually discussed.

(7) If a manufacturer, trader or service provider maintains that the contract terms have been mutually discussed with the consumer, it is his or her duty to prove it.

(8) Unfair terms included in a contract entered into between a manufacturer, trader or service provider and a consumer shall not be in force from the moment of entering into contract, but the contract shall remain effective if it may continue functioning also after exclusion of the unfair provisions.

(9) [19 June 2008]

(10) If a dispute regarding whether the terms included in the contract are unfair arises between a manufacturer, trader or service provider and a consumer, any of the contracting parties has the right to apply to court, but the consumer has the right to apply to the Consumer Rights Protection Centre.

(10¹) If losses are caused to a consumer due to unfair contractual terms, the consumer is entitled to bring an action to court for the protection of his or her lawful rights and interests.

(11) Upon resolving a dispute or carrying out other procedural actions arising from the contract entered into between a manufacturer, trader or service provider and a consumer, the court shall evaluate the terms of the contract and for the resolution of the dispute shall not apply the unfair terms provided for in the contract in relation to the consumer.

[22 November 2001; 19 June 2008; 21 May 2009; 28 October 2010]

Section 7. Contracts in Which the Consumer is a Third Person

(1) In contracts by which a manufacturer or trader undertakes to supply goods or a service provider undertakes to provide services for the benefit of the consumer as a third person, it shall be the duty of the contracting party which has received such promise to familiarise the consumer with the contract entered into, and to provide him or her with an opportunity to join therein within a specified period of time, so that the consumer obtains an independent right to require performance of such contract from the manufacturer, trader or service provider, and compensation for losses in case of inappropriate performance or delay.

(2) A manufacturer, trader or service provider may not refuse to enter into a contract, or refuse to perform a contract entered into, regarding supply of goods or provision of services to the consumer as a third person only because other previous obligations have not been settled with the person who has received the promise.

Section 8. Consumer Credit

(1) In accordance with a consumer credit contract, the person who is engaged in consumer crediting (hereinafter – a creditor) shall grant or promise to grant credit to a consumer as a deferred payment, loan or other financial agreement. A contract for the provision on a continuing basis of services or for the supply of goods shall not be considered as a consumer credit agreement within the meaning of this Law, if a consumer performs pays for the services or goods during an operation of the contract by means of instalments.

(1¹) A credit service may be provided to a consumer by a capital company which has received a special permit (licence) for the provision of a consumer credit service [hereinafter – a special permit (licence)]. This requirement shall not be applied to:

1) a capital company which is to be considered a credit institution in accordance with the regulatory enactments regulating operation of credit institutions;

2) a manufacturer, trader or service provider who offers to pay for the acquisition of goods or services by means of a deferred payment, loan or other similar financial agreement, not involving financing of the third person;

3) a merchant, which in accordance with the contract entered into between a manufacturer, trader or service provider, offers to enter only in such consumer credit contracts for the acquisition of goods or services, in accordance with which the interest or other additional payments are not paid; and

4) a savings and loan company.

(1²) A capital company shall pay a State fee for the issue of a special permit (licence) for the provision of consumer credit services and for the re-registration thereof.

(1³) The procedures for the issue, re-registration, cancellation and suspension of the operation of a special permit (licence), the requirements to which a capital company shall comply with in order it could receive a special permit (licence), including the requirements regarding own capital of the capital company and equity capital of a capital company, as well as the requirements in relation to members of the council and board of a capital company, the amount of a State fee and procedures for payment thereof shall be determined by the Cabinet.

(2) A consumer credit contract shall be drawn up in writing (on paper or on other durable medium), and each contracting party shall be given one copy of such contract. The payment for goods or services shall be specified in cash.

(3) A consumer has the right to perform his or her obligations fully or partly at any time prior to the time period specified in the consumer credit contract. In such case, the consumer has the right to fair reduction of the total cost of the credit, which consists of interest and other costs during the remaining time period of the contract. The referred to consumer rights shall not apply to credit contracts referred to in Section 12.¹, Paragraph eight, Clauses 2 and 4 of this Law.

(4) The content and procedures for the provision of the information to be provided prior to entering into a consumer credit contract, the requirements to be set for a consumer credit contract and the information to be included therein, the method for calculation of the annual interest rate, informing of a consumer during the term of operation of a credit contract, pre-term payment of a credit and fair reduction of the total cost of credit, the requirements to be applied for certain types of credit contracts and the duties of credit intermediaries, as well as legal regulation for consumer crediting against movable property pledge shall be determined by the Cabinet.

(4¹) Prior to entering into of a consumer credit contract, the creditor shall assess the consumer's creditworthiness on the basis of sufficient information obtained from the consumer and, where necessary, on the basis of data from the databases established for processing of personal data in accordance with the regulatory enactments (hereinafter – database) regarding person's income and performance of payment obligations, which is obtained in accordance with the procedures specified by the regulatory enactments regarding personal data protection and access to databases. If the refusal to issue a credit is based on the data acquired from the database, the creditor shall inform the consumer immediately and without charge of the result of such consultation and of the particulars of the database consulted.

(4²) Before a consumer and a creditor agree on any significant increase in the total amount of credit during the term of operation of the credit contract, the creditor shall update the financial information at the disposal thereof concerning the consumer and assess repeatedly the consumer's creditworthiness. If the refusal to increase the total amount of credit is based on the data acquired from the database, the creditor shall inform the consumer immediately and without charge of the result of such consultation and of the particulars of the database consulted.

(4³) The duties specified in Paragraphs 4.¹ and 4.² of this Section shall not be applied to consumer credit contracts:

1) in accordance with which the credit amount may not exceed or does not exceed 100 lats;

2) in accordance with which a creditor grants the consumer the right to use funds which exceed the current balance in the consumer's current account (hereinafter – overdraft credit) and which must be repaid during a period of time that does not exceed one month;

3) in accordance with which a creditor has agreed through the silence thereof that a consumer uses funds which exceed the current balance in the consumer's current account or granted overdraft credit;

4) upon entering into which an item is to be deposited as security in the creditor's safe-keeping and in accordance with which the liability of the consumer is limited only to that pledged item;

5) which have been entered into between an employer and employee, if the credit is granted without interest or at annual interest rate lower than those prevailing on the market and which is not offered to the public generally and if issuing of credits is not the main activity of the employer;

6) which are entered into with investment companies or credit institutions for the purposes of allowing an investor to carry out a transaction relating to one or more of the instruments regulated in compliance with the regulatory enactments regarding financial instrument market, where the investment company or credit institution granting the credit is involved in such transaction;

7) which are the outcome of a settlement reached in court or another institution specified in regulatory enactments;

8) which are related to covering of a debt in the way of deferred payments, without paying the interest and any other additional charges;

9) which are related to loans granted, with a general interest purpose, to a restricted public in accordance with the procedures specified in regulatory enactments at lower interest rates than those prevailing on the market or without interest, or in accordance with other terms which are more favourable to the consumer than those prevailing on the market and at interest rates not higher than those prevailing on the market;

10) in accordance with which the credit is granted, without paying the interest rate and without any other additional charges; and

11) which provide that the consumer should repay the credit within a period of time which does not exceed three months and in accordance with which only insignificant additional charges are requested for use of the credit in comparison with the total amount of the credit and the time period of the operation of the credit contract.

(5) If the amount of credit is equal to 100 minimum monthly wages or higher, a creditor shall:

1) prior to the issuing of credit, request and receive a statement from the State Revenue Service regarding the income of the consumer or a statement with a similar content from another State tax administration. The referred to statement shall not be requested if the consumer is a State official and information regarding his or her income is publicly accessible;

2) prior to the issuing of credit to a consumer, documenting the measures performed, evaluate the capacity of the consumer to repay the credit, taking into account the documents referred to in Clause 1 of this Paragraph; and

3) ensure the storage of all documents associated with the issuing of credit for one year after the fulfilment of the obligations specified in the consumer credit contract.

(6) [19 June 2008]

(7) [28 October 2010]

(8) The Cabinet shall determine the statement issued by the State Revenue Service regarding the content of the income of the taker of the credit, as well as the procedures for the requesting and issuing of statements.

(9) The provisions of Paragraph five of this Section shall not be applicable to the crediting of such transactions, which are performed with financial instruments.

(10) Credit, the amount of which is equal to 100 minimum monthly wages or higher and for which repayment is ensured with an immovable property mortgage, shall be issued in an amount of not more than 90 per cent of the market value of the relevant immovable property.

(11) The provisions of Paragraphs five and nine shall not be applied to consumer credit contracts, which have been entered into with inhabitants of another state if the purpose of the granting of the credit is not the acquisition or utilisation of immovable property or other property registrable in the public registers of the Republic of Latvia.

[17 May 2007; 19 June 2008; 28 October 2010; 20 December 2010; 9 June 2011]

Section 8.¹ Special Provisions with Respect to Credits for which Repayment is Ensured with an Immovable Property Mortgage

(1) A grantor of credit is not entitled to request from a consumer who has not made any significant violation of the contract:

1) additional security of the granted credit on the basis of reduction of the value of immovable property in the credit security due to the changes in the immovable property market;

2) any costs for revaluation of mortgage credit security during the term of the contract;
or

3) the pre-term repayment of the credit granted;

(2) If a consumer who has not committed any significant violation of the contract asks to do it, the grantor of credit has the duty to examine the proposal of the consumer regarding extension of the period of time for credit repayment or change of the currency of the credit. In case of refusal the grantor of credit shall, within 30 days, issue a motivated reply to the consumer.

(3) The changes in contract provisions referred to in Paragraph two of this Section may not be less favourable for a consumer in comparison with the existing market conditions at the time when the changes to be made in the contract are offered. The consumer is entitled to request the making of changes referred to in Paragraph two of this Section not less than once a year. The grantor of credit is not entitled to request any compensation for making of such changes, except a justified and reasonable payment for administrative expenditures of the service.

(4) Within the meaning of this Law, significant violation of the contract shall be considered:

1) delay of repayment of credit or interest payment for more than 60 days or more than three times a year for more than 30 days each time; or

2) the use of credit for the purpose other than specified in the contract.

[21 May 2009]

Section 9. Contracts Entered Into Outside the Permanent Location of Sale or Provision of Services

(1) In accordance with a contract entered into outside the permanent location of sale or provision of services, the trader shall, on his or her own initiative or at an explicit request of the consumer, supply goods, or the service provider shall provide services to the consumer by visiting the consumer at his or her home, place of work or another location where he or she may be found.

(2) The information to be included in a contract that has been entered into outside the permanent location of sale or provision of services, as well as the time period and procedures

for exercising the right of withdrawal provided for in Section 12 of this Law, shall be regulated by Cabinet Regulations.

(3) Upon entering into a contract outside the permanent location of sale, a person who enters into the contract on behalf of the trader or the service provider or in representing the trader or the service provider and the interests thereof, shall present the following documents upon the request of the consumer:

1) a personal identification document;

2) a certificate, on which a photograph shall be present, as well as the position, the name of the trader (firm name), the registration number of the trader in the Enterprise Register or taxpayer register of the State Revenue Service and the legal address shall be indicated;

3) an authorisation agreement (if necessary); and

4) a certificate regarding registration of the trader or service provider in the Enterprise Register or a copy thereof or a taxpayer registration certificate of the State Revenue Service or a copy thereof.

(4) The manufacturer or trader, who sells the goods using automatic goods-vending machine, shall indicate the name (firm name) of the manufacturer or trader, the registration number in the Enterprise Register or in the taxpayer register of the State Revenue Service and the legal address on the automatic goods-vending machine.

[27 October 2005; 21 May 2009]

Section 10. Distance Contracts

(1) A distance contract is an agreement between a consumer and a trader or service provider on the basis of an offer by the trader or service provider through directed or non-directed printed matter, model letter, catalogue, advertisement published in periodicals to which an order form is attached, telephone, facsimile, internet, electronic mail, television, radio and other means of communication or transmission of information.

(2) Facsimiles, automatic answering machines and distance communication techniques, utilisation of which involves individual contact with the consumer, may be utilised by a manufacturer, trader or service provider only if explicit consent from the consumer has been received.

(3) A distance contract shall be performed not later than within 30 days from the day when the manufacturer, trader or service provider received the order from the consumer, unless otherwise agreed by the contracting parties.

(4) The information included in a distance contract, separate contractual performance conditions, as well as the application, time period and procedures for exercising the right of withdrawal provided for in Section 12 of this Law shall be regulated by Cabinet regulations.

[22 November 2001]

Section 11. Contract on the Right of Long-term Use of a Holiday Accommodation, Contract on Long-term Holiday Services, Resale Contract on the Right of Long-term Use of a Holiday Accommodation or on Long-term Holiday Services and Exchange Contract on the Right of Long-term Use of a Holiday Accommodation

(1) A contract on the right to long-term use of a holiday accommodation (hereinafter in this Section – a contract on the right of use of accommodation) means a contract which has been entered into for a duration of more than one year and in accordance with which a consumer, for consideration, acquires the right to use one or more holiday accommodations for more than one period during the operation of the contract.

(2) A contract on long-term holiday services (hereinafter in this Section – a contract on holiday services) means a contract which has been entered into for a duration of more than one year and in accordance with which a consumer, for consideration, acquires the right to

obtain discounts or other benefits in respect of accommodation services, in isolation or together with travel or other services.

(3) A resale contract on the right of long-term use of a holiday accommodation or on long-term holiday services (hereinafter in this Section – a resale contract) means a contract in accordance with which a trader, for consideration, assists a consumer to sell or buy the right of temporary use of a holiday accommodation or the right to receive other holiday service.

(4) An exchange contract on the right of long-term use of a holiday accommodation (hereinafter in this Section – exchange contract) means a contract in accordance with which a consumer, for consideration, joins an exchange system which gives the right for the consumer to use a holiday accommodation or other holiday service in exchange for a permission of such consumer to other persons to use the rights provided for in his or her contract on the right of use of accommodation.

(5) An ancillary contract means a contract in accordance with which the consumer acquires a service related to a contract on the right of use of accommodation or a contract on holiday services from a service provider or a third party with which the service provider has entered into a contract.

(6) Prior entering into a contract on the right of use of accommodation, a contract on holiday services, a resale contract and an exchange contract, the information referred to in Paragraph thirteen of this Section shall be provided in the language of the European Union Member State in which the consumer is resident or a national, provided that it is an official language of the European Union.

(7) A contract on the right of use of accommodation, a contract on holiday services, a resale contract and an exchange contract shall be entered into writing (on paper or on another durable medium) and one copy of such contract shall be issued to the consumer at the time of entering into the contract.

(8) A contract on the right of use of accommodation, a contract on holiday services, a resale contract and an exchange contract shall be entered into in the language of the European Union Member State in which the consumer is resident or a national, at the choice of the consumer, provided that it is an official language of the European Union.

(9) In calculating the duration of a contract on the right of use of accommodation or a contract on holiday services, the provisions of the contract regarding extension, also regarding tacit renewal of the term of operation of the contract, shall be taken into account.

(10) When entering into a contract on the right of use of accommodation, a contract on holiday services or an exchange contract, it is prohibited to demand advance payments, provision of guarantees, explicit acknowledgement of debt or any other consideration to the trader or to any third party by the consumer, as well as reservation of money on account of the consumer is prohibited before the end of the period during which the consumer may use the right of withdrawal.

(11) When entering into a resale contract, it is prohibited to demand advance payments, provision of guarantees, explicit acknowledgement of debt or any other consideration to the trader or to any third party by the consumer, as well as reservation of money on account of the consumer is prohibited before he or she has sold his or her right of temporary use of holiday accommodation or the right to receive a holiday service or the resale contract is terminated.

(12) A consumer may use the right of withdrawal and to withdraw unilaterally from a contract on the right of use of accommodation, a contract on holiday services, a resale contract or an exchange contract without provision of any substantiation.

(13) Prior to entering into a contract on the right of use of accommodation, a contract on holiday services, a resale contract and an exchange contract, clear information regarding significant provisions of the contract shall be provided to the consumer. The content of the information to be provided prior entering into a contract and to be included in a contract, the procedures for the provision thereof, the time period and procedures for exercising the right of withdrawal, the withdrawal form and the effects of exercising the right of withdrawal, as well

as the special requirements to be observed upon entering into the relevant contract, shall be determined by the Cabinet.

[28 October 2010]

Section 12. Right of Withdrawal

(1) The right of withdrawal is the right of a consumer to withdraw unilaterally from a contract within a specified time period (to withdraw an order) without payment of penalties, interest or compensation for losses.

(2) A consumer may exercise the right of withdrawal in order to withdraw from:

1) a contract entered into outside the permanent location of sale or provision of services;

2) a distance contract; or

3) *[28 October 2010]*.

(3) A manufacturer, trader or service provider shall submit to the consumer, at the moment of entering into the contracts referred to in Paragraph two of this Section, or at the moment of selling goods or providing a service, a written withdrawal form indicating the name (firm name), given name, surname and address of the manufacturer, trader or service provider, as well as providing a description of the right of withdrawal.

(4) The consumer shall address the written withdrawal to the person whose name (firm name), given name, surname and address is indicated on the withdrawal form. If the written withdrawal form is not issued to the consumer, he or she shall address the written withdrawal to the manufacturer, trader or service provider with whom the contract has been entered into. Sending of the withdrawal within a specified period of time shall terminate the contract and release the consumer from any contractual obligations, except payments related to the return of goods or article to the manufacturer, trader or service provider.

(5) The consumer has a duty to return the goods or article to the manufacturer, trader or service provider within seven days after sending of the written withdrawal (if goods or articles have been received). The manufacturer, trader or service provider has a duty, immediately, but not later than within 30 days after the day of receipt of the written withdrawal of the consumer, to repay the consumer the amount of money, which has been paid for the goods, article or services up to the time of termination of the contract. The manufacturer, trader or service provider is entitled not to repay the consumer the amount of money paid by him or her for the goods or article while the consumer has not returned the goods or article or has not submitted the documents confirming the return or sending of the goods or article.

(6) A consumer shall be liable for maintenance of the quality and safety of the goods during the time period for exercising the right of withdrawal.

[22 November 2001; 27 October 2005; 21 May 2009; 28 October 2010]

Section 12.¹ Right of Withdrawal in Relation to Consumer Credit Contract

(1) A consumer shall have a period of 14 calendar days in which to withdraw from the consumer credit contract without giving any reason. The period of withdrawal shall begin from the day of entering into a consumer credit contract, or from the day on which the consumer receives the information specified in the regulatory enactments regarding a consumer credit contract, contractual terms and conditions, if they are received after the day of entering into the credit contract.

(2) The consumer shall notify the creditor regarding exercising of the right of withdrawal in writing in accordance with the consumer credit contract. The deadline shall be deemed to have been met if the consumer sends the creditor a notification regarding exercising of the right of withdrawal (on paper or on another durable medium that is available to the creditor) before the deadline specified in Paragraph one of this Section expires.

(3) The consumer has a duty to pay to the creditor the amount of the credit received and for the use of the credit from the day of receipt of the credit until the day on which it is repaid, the interest accrued, without any undue delay, not later than 30 calendar days after the despatch by him or her to the creditor of notification of the withdrawal. The interest shall be calculated on the basis of the borrowing rate specified in the credit contract.

(4) If the consumer exercises the right of withdrawal in accordance with this Section, the creditor is not entitled to any other compensation from the consumer, except compensation for any non-returnable charges paid by the creditor to any public person.

(5) If the consumer exercises the right of withdrawal in accordance with this Section and an ancillary service contract relating to the consumer credit contract has been entered into, which is provided by the creditor or by a third party on the basis of an agreement between the third party and the creditor, the ancillary service contract shall not take effect.

(6) If the consumer has the right of withdrawal in accordance with this Section, the regulatory enactments regarding a distance contract on provision of financial services and the regulatory enactments regarding a contract entered into outside a permanent location of sale or place for provision of services shall not be applied in relation to the period of time, procedures and effects of exercising of the right of withdrawal.

(7) Exercising of the right of withdrawal in accordance with this Section shall not affect the validity of the contract on purchase of goods or services, if a consumer credit contract has been entered into for the purchase of goods or service.

(8) The requirements of this Section shall not apply:

1) to consumer credit contracts in accordance with which the credit amount may not exceed or does not exceed 100 lats;

2) to consumer credit contracts in accordance with which a creditor grants the consumer the overdraft credit which must be repaid upon request or within a period time which does not exceed three months;

3) to consumer credit contracts which have been entered into in order to purchase immovable property or repayment of which is secured by an immovable property mortgage;

4) to consumer credit contracts in accordance with which a creditor has agreed through the silence thereof that a consumer uses funds which exceed the current balance in the consumer's current account or granted overdraft credit;

5) to consumer credit contracts upon entering into which an item is to be deposited as security in the creditor's safe-keeping and in accordance with which the liability of the consumer is limited only to that pledged item;

6) to consumer credit contracts which have been entered into between an employer and employee, if the credit is granted without interest or at annual interest rate lower than those prevailing on the market and which is not offered to the public generally and if issuing of credits is not the main activity of the employer;

7) to consumer credit contracts which are entered into with investment companies or credit institutions for the purposes of allowing an investor to carry out a transaction relating to one or more of the instruments regulated in compliance with the regulatory enactments regarding financial instrument market, where the investment company or credit institution granting the credit is involved in such transaction;

8) to consumer credit contracts which are the outcome of a settlement reached in court or another institution specified in regulatory enactments;

9) to consumer credit contracts which are related to covering of a debt in the way of deferred payments without the paying interest and any other additional charges;

10) to consumer credit contracts which are related to loans granted, with a general interest purpose, to a restricted public in accordance with the procedures determined in regulatory enactments and at lower interest rates than those prevailing on the market or without interest, or in accordance with other terms which are more favourable to the consumer

than those prevailing on the market and at interest rates not higher than those prevailing on the market;

11) to such hiring or leasing contracts where an obligation to purchase the object of the contract is not stipulated, if such obligation is not provided for also in other contracts entered into;

12) to consumer credit contracts in accordance with which the credit is granted without interest and any other additional charges;

13) to consumer credit contracts which provide that the consumer should repay the credit within a period of time which does not exceed three months and in accordance with which only insignificant additional charges are requested for the use of the credit in comparison with the total amount of the credit and the time period of the operation of the credit contract; and

14) to consumer credit contracts in which the creditor and the consumer agree on repayment procedures, if the consumer has not fulfilled the obligations of the initial credit contract and such procedures would be likely to avert the possibility of legal proceedings concerning non-fulfilment of obligations specified in the consumer credit contract and the consumer would not thereby be subject to terms less favourable than those laid down in the initial consumer credit contract.

[28 October 2010]

Chapter III

Conformity of Goods or Services to Provisions of a Contract

[22 November 2001]

Section 13. Duty of a Manufacturer, Trader or Service Provider to Ensure the Conformity of Goods or Services to the Provisions of a Contract

(1) It is the duty of a manufacturer, trader or service provider to ensure the conformity of goods or services to the provisions of a contract. Goods and services shall conform to the information provided by the manufacturer, trader or service provider (especially information contained in advertisements and labelling) regarding such goods and services.

(2) The manufacturer, trader or service provider shall be liable regarding any non-conformity with the provisions of the contract, which exists on the day of the purchase of the goods or of providing of the service.

(3) If the non-conformity of the goods or services to the provisions of the contract is discovered within six months after the purchase of the goods or provision of the service, it shall be deemed that such non-conformity existed on the day of the purchase of the goods or of provision of the service, except in the case where an expert-examination organised by the manufacturer, trader or service provider according to the procedures specified in regulatory enactments proves the opposite.

[22 November 2001; 19 June 2008]

Section 14. Goods or Services that do not Conform to Provisions of a Contract

(1) Goods shall not conform to the provisions of a contract if:

1) they do not conform to the requirements specified in regulatory enactments or technical specification documents, as well as normally expected requirements – they do not have the inherent characteristics and performance which normally are inherent in the same type of goods and which a consumer may justifiably expect taking into account the nature of the goods;

2) they are not fit for the purposes provided for in the technical specification documents or the technical certificate, but if such documents do not exist – for the purposes for which goods of similar name and description are generally utilised;

3) they are not fit for the purposes for which the consumer has chosen the goods and which he or she has directly or indirectly communicated to the trader when entering into contract, except in cases where the trader could not comprehend such specific purposes at the time of selling and the consumer had no valid reasons to rely on the competence and judgement of the trader;

4) upon entering into contract or expressing an offer, they do not conform to the characteristics, or their assemblage does not conform to the assemblage, demonstrated by the trader through sample or model goods;

5) they are not packaged, but packaging is necessary in order to protect the goods from damage or deterioration;

6) misleading, false, incomplete or ambiguous (illegible) information is provided regarding the goods, or no information is provided at all, as a result of which the goods cannot be used for the purpose intended, or they cause or may cause, danger to the property, health, life of the consumer or to the environment; or

7) they are counterfeit goods.

(2) A service shall not conform to the provisions of a contract if:

1) upon it being provided, the requirements of regulatory enactments or technical specification documents have not been complied with, or it has other defects; or

2) misleading, false, incomplete or ambiguous (illegible) information is provided regarding the service, or no information is provided at all, as a result of which the service cannot be utilised for the purpose intended or it causes, or may cause, danger to the property, health, life of the consumer or to the environment.

(3) Goods or services shall not be deemed to be in non-conformity with the provisions of a contract if prior to entering into the contract the consumer has received in writing a warning regarding the inappropriate quality of the goods or services, or the reasons for the inappropriate quality of the materials supplied to the consumer, except in the case where the service provider as a professional should have known this and warned the consumer in writing.

[22 November 2001]

Section 15. Exception With Respect to Offering and Selling of Goods, or Provision of Services, of Inadequate Quality [22 November 2001]

Section 16. Guarantee

(1) A guarantee is a free of charge promise by the manufacturer or trader to repay the amount of money paid for the goods or articles, to exchange the goods or articles for conforming goods or articles, to eliminate any non-conformity of the goods or articles free of charge or perform other activities if the goods or articles fail to comply with the characterisation provided for in the advertisement.

(2) The guarantee shall be given in writing and it shall clearly set out conditions for the submission of a claim with respect to the guarantee and the period of guarantee – the period of time to which the guarantee applies, as well as the name (firm name), or given name, surname and address of the guarantor. It shall be indicated in the guarantee that the consumer has specific rights in accordance with regulatory enactments, and that the guarantee does not affect such rights. If the guarantee does not conform to these provisions, it shall not influence the validity of the guarantee and the consumer is entitled to request that the guarantee be fulfilled.

(3) The guarantee shall be binding to the issuer thereof in conformity with the conditions of the guarantee document and the information included in the relevant advertisement.
[22 November 2001; 27 October 2005; 21 May 2009]

Chapter IV

Information Regarding Goods and Services

Section 17. Provision of Information

(1) It is the duty of a manufacturer, the authorised representative thereof, trader or service provider to acquaint the consumer with true and complete information regarding the quality, safety, price, guarantee and the possibilities for guarantee service, directions regarding use, the name (firm name), given name, surname and address of the manufacturer, trader or service provider regarding the goods or services offered, indicating such information in the labelling, the attached instructions for use, the technical certificate or in other written information in respect of such goods or services.

(2) A consumer has the right to demand that additional information be provided orally.

(3) The procedures for indicating the selling price and the unit measurement price of the goods offered to the consumer, as well as the procedures for indicating the price of services, shall be regulated by Cabinet regulations.

[29 April 2004]

Section 18. Information Regarding Manufacturer

[21 May 2009]

(1) In order to identify the manufacturer, the name of the location of the manufacturer and the name (firm name) of the manufacturer shall be indicated on the labelling of the goods, on the packaging or on the attached label. If such indication is not possible, the name of the location of the manufacturer and the name (firm name) of the manufacturer shall be indicated on the external packaging, the accompanying documents or at the location of sale.

(2) The trader is prohibited to offer or sell counterfeit goods or goods, the manufacturer of which cannot be identified. This provision shall not apply to the selling of second-hand goods.

(3) *[21 May 2009]*

[22 November 2001; 21 May 2009]

Section 19. Information Regarding Specific Characteristics of Goods

Technically complicated goods, as well as goods which contain dangerous substances or the use of which requires specific skills, shall be supplied by the manufacturer with directions for use and warning signs or symbols. If the information included in the directions for use is in a foreign language, a translation of the information into the official language shall be attached.

Section 20. General Requirements for Labelling of Goods

(1) The information provided on the labelling shall be clearly visible and comprehensible, and it shall objectively reflect the safety or harmlessness and the quality of the goods. The information provided on the labelling shall not attribute such characteristics to the goods as they do not possess, or lead the purchaser to think that the goods possess certain specific characteristics, if all goods of the relevant type have such characteristics.

(2) The labelling shall be indelible. The information provided on the labelling shall be clear, and other written information, picture or sticker shall not cover it.

- (3) The manufacturer or the trader shall ensure that the information included in the labelling of goods is provided to the consumer in compliance with the regulatory enactments regulating the use of the official language.
- (4) It is prohibited for the trader to offer and sell goods with such information on their labelling, or with such presentation of labelling, as fails to meet the requirements of this Law and other regulatory enactments.
- (5) The general requirements for the labelling of goods shall not apply to selling of second-hand goods.

Section 21. Specific Labelling of Goods

(1) Goods and groups of goods that require specific labelling, as well as the procedures for labelling of the goods and groups of goods referred to, shall be determined by the Cabinet.

(2) [22 March 2007]

[22 November 2001; 22 March 2007]

Section 21.¹ Sales and Prices Reductions

(1) The word “izpārdošana” [sale] or words of a similar meaning when offering goods is permitted to be used only when all of the following conditions are observed:

- 1) it relates to a sale of all goods or a sale of an indicated part thereof;
- 2) the sale takes place in a restricted and indicated time period; and
- 3) the prices are lower than the normal prices of the relevant goods or services.

(2) The words “atlaide” [discount], “pazeminātas cenas” [reduced prices] or words of a similar meaning when offering goods are permitted to be used only when all of the following conditions are observed:

- 1) it relates to the selling of such goods or the providing of such services with which the trader or service provider is permanently engaged;
- 2) such trade takes place within a restricted time period; and
- 3) the prices are lower than the normal prices of the relevant goods or services.

(3) After a public announcement of reduced prices, discounts or a sale, the initial price and the price after reduction of the goods and services shall be clearly indicated.

(4) A sale shall be publicly announced at least five days before its commencement by placing notices in the place of trade.

(5) [28 October 2010]

(6) [28 October 2010]

[22 November 2001; 28 October 2010]

Chapter IV¹

Procedures for Organising of Trade and Provision of Services

[21 May 2009]

Section 21.² Observation of the Principles of Good Commercial Practice

In organising the selling of goods or provision of services, professional diligence and honesty with respect to consumers shall be observed.

[21 May 2009]

Section 21.³ Information Regarding Trader or Service Provider

The information regarding the trader or service provider [name (firm name)] and working hours shall be indicated at the location of permanent sale or service provision.

[21 May 2009]

Section 21.⁴ Arrangement of Location of Provision of Service and Sale

(1) The location of service provision and sale shall be arranged and prepared so as to identify the service provider or trader and the goods owned by him or her.

(2) If several traders are trading in the trade territory, building or room, the manager shall approve the plan, indicating the following:

- 1) the layout and number of buildings, premises or locations of trade to be rented; and
- 2) the trader's name and registration number in the Enterprise Register or in the taxpayer register of the State Revenue Service.

[21 May 2009]

Section 21.⁵ Organising of Trade at Trade Locations to be Agreed upon with Local Government

The Cabinet shall issue regulations, by which the types of trade to be agreed upon with a local government are specified and the procedures for organising of trade are regulated. The Cabinet is entitled to authorise in such regulations a local government council to issue the binding regulations of the local government, which would regulate certain issues of the procedures for organising of trade in more detailed way.

[21 May 2009; 28 October 2010]

Chapter V

Associations for Consumer Rights Protection

[27 October 2005]

Section 22. Formation of Associations for Consumer Rights Protection

Consumers are entitled to voluntarily unite in associations, the purpose of which is to protect consumer rights and which organisations act in accordance with regulatory enactments and articles of association of the relevant public organisation for consumer rights protection.

[27 October 2005]

Section 23. Rights of Associations for Consumer Rights Protection

Associations for consumer rights protection have the right to:

- 1) participate, together with supervisory and control institutions for consumer rights protection, in inspections related to compliance with the quality requirements of the goods to be manufactured and sold and the services to be provided;
- 2) examine complaints and proposals of consumers, provide necessary assistance to consumers in cases where their rights have been violated;
- 3) submit statements of claim to a court regarding the protection of consumer rights and interests, and to represent the interests of consumers in court;

4) purchase goods and order services in order to perform comparative examinations of goods, services and manufactured articles; and

5) submit proposals to the Consumer Rights Protection Centre for the performance of the activities referred to in Section 25, Paragraph eight of this Law.

[22 November 2001; 27 October 2005]

Chapter VI

Supervision and Control of Consumer Rights Protection

Section 24. Supervisory and Control Institutions

The supervision and control of consumer rights protection determined in this Law and other regulatory enactments shall be implemented by the Consumer Rights Protection Centre, and other competent and authorised State institutions in co-operation with local governments and associations for consumer rights protection.

[27 October 2005]

Section 25. Consumer Rights Protection Centre

(1) The Consumer Rights Protection Centre shall be subject to the control of the Ministry of Economics, which shall be implemented in the form of supervision.

(2) The Director of the Consumer Rights Protection Centre shall be appointed to and released from office by the Cabinet on the recommendation of the Minister for Economics.

(3) The purpose of the Consumer Rights Protection Centre shall be to ensure the effective protection of consumer rights and interests.

(4) The main functions of the Consumer Rights Protection Centre shall be the following:

1) to supervise and control the trade of non-food products and the sector of provision of services, except the sectors where in accordance with regulatory enactments the market supervision and control are within the competence of other institutions;

2) to specify the correct determination of the weights and measures of food and non-food products, as well as the supervision of correct calculation of payment for purchases;

3) to organise and co-ordinate the co-operation of non-government organisations for consumer rights protection and the supervisory and monitoring institutions for consumer rights protection involved in implementation of the State policy;

4) to provide assistance to consumers in resolving conflicts with respect to manufacturers, traders or service providers, to require compliance with the lawful claims of consumers;

4¹) to assess submissions and complaints received regarding violations of consumer rights protection regulatory enactments, taking into account the significance of the possible violation and potential harm to the collective interests of consumers;

5) to provide legal assistance to consumers regarding issues of consumer rights protection;

6) to supervise compliance with consumer rights regarding draft contracts and contracts entered into between consumers and manufacturers, traders or service providers, also the performance of activities provided for in regulatory enactments in order that the manufacturer, trader or service provider make changes in draft contracts or discontinue performance of the contract terms if unfair or ambiguous contract provisions are determined in the draft contract;

6¹) to supervise unfair commercial practice and advertising, except the field of medicinal products and veterinary medicinal products, in order to ensure the observance of consumer rights and economic interests;

6²) to issue a special permit (licence) for the provision of consumer credit services; and

7) to perform functions specified in other laws and regulatory enactments.

(5) [27 October 2005]

(6) When defending consumer rights and lawful interests, the Consumer Rights Protection Centre shall have the right to submit a statement of claim or application to a court or to provide an opinion on the matter.

(6¹) Officials of the Consumer Rights Protection Centre, in performing market supervision and consumer rights supervision, are entitled at any time (also without prior notification) to arrive at the manufacturer, trader or service provider.

(7) The requirements set and instructions given by officials of the Consumer Rights Protection Centre, within the scope of their competence as determined by laws and other regulatory enactments, shall be binding on the manufacturer, trader and service provider in each particular case.

(8) If a violation of the consumer rights has been determined, which affects group consumer interests (collective interests of consumers) and it may cause losses or harm to consumers, as well as to a particular consumer, the Consumer Rights Protection Centre, having evaluated the nature and essence of the violation, as well as other aspects, is entitled to carry out one or several following activities:

1) to propose that the manufacturer, trader or service provider makes a commitment in writing to rectify the violation within the specified time period;

2) to take a decision, by which the manufacturer, trader or service provider is required to cease the violation, and to perform specific activities in order to rectify the impact thereof and which determine the time period for the implementation of such activities; and

3) to publish the decision taken either fully or partially on the home page of the Consumer Rights Protection Centre and in the newspaper *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia] (the costs associated with the publication shall be covered by the manufacturer, trader or service provider).

(8¹) The Consumer Rights Protection Centre shall perform the activities referred to in Paragraph eight of this Section:

1) upon its own initiative;

2) on the basis of a submission of the association for consumer rights protection;

3) on the basis of the information provided by such institution within the competence of which is the supervision and control of the relevant sector; and

4) on the basis of a submission of such institution of the European Union Member State which is included in the list referred to in Article 4(3) of Directive 2009/22/EC of the European Parliament and of the Council of 23 April 2009 on injunctions for the protection of consumers' interests.

(8²) If a manufacturer, trader or service provider in accordance with the provisions of Paragraph eight, Clause 1 of this Section has signed a commitment in writing, it shall be considered that the manufacturer, trader or service provider has acknowledged his or her guilt in the determined violation, and in such case the Consumer Rights Protection Centre shall not take the decision referred to in Paragraph eight, Clause 2 of this Section. If the commitment is not fulfilled, the Consumer Rights Protection Centre shall take the decision referred to in Paragraph eight, Clause 2 of this Section and the manufacturer, trader or service provider shall be held to liability specified by regulatory enactments.

(8³) Upon taking the decision referred to in Paragraph eight, Clause 2 of this Section, the Consumer Rights Protection Centre shall not apply the condition specified in Section 6, Paragraph 2.² of this Law regarding ambiguous and imprecise interpretation of the terms of the contract.

(8⁴) Upon receipt of a person's submission regarding unfair contract provisions or the violation of other regulatory enactments of consumer rights protection, the Consumer Rights

Protection Centre shall evaluate whether a violation of consumer rights, which has caused or could have caused significant harm to collective interests of consumers, has been committed. If it does not arise from the information provided for in the submission or the materials attached thereto that a violation of consumer rights, which has caused or could have caused significant harm to collective interests of consumers, has been committed, the Consumer Rights Protection Centre is entitled not to initiate administrative matter. In such case the Consumer Rights Protection Centre shall prepare a reply to this person.

(8⁵) Upon examining a person's submission regarding violations of consumer rights, which apply to or could be applied to collective interests of consumers, the Consumer Rights Protection Centre shall perform supervision measures in order of priority, taking into account the following:

- 1) the supervision priorities specified in the working plan for the current year;
- 2) the utmost efficient use of financial resources granted for the institution;
- 3) the number of submissions received regarding a particular person and particular violation;
- 4) the possible harm or harm committed to the collective interests of consumers;
- 5) the nature and duration of the violation; and
- 6) the particular market sector.

(8⁶) The Consumer Rights Protection Centre shall compile and analyse the data regarding the complaints and submissions received and use this information for the development of subsequent supervision and control programmes. The Consumer Rights Protection Centre shall inform the higher institution responsible for the relevant sector regarding current complaints and the tendencies thereof on regular basis.

(9) The decision referred to in Paragraph eight, Clause 2 of this Section shall be in effect on the day when the addressee becomes aware of it. The manufacturer, trader or service provider may appeal the referred to decision in accordance with the procedures specified in the Administrative Procedure Law. The appeal of the decision shall not suspend the operation thereof.

(10) Before of the end of the specific time period in the decision referred to in Paragraph eight, Clause 2 of this Section, the manufacturer, trader or service provider shall inform the Consumer Rights Protection Centre regarding the implementation of the specified activities. If the manufacturer, trader or service provider has not implemented the specified activities by the end of the specified time period, or has not informed the Consumer Rights Protection Centre regarding the implementation thereof, the Consumer Rights Protection Centre shall apply the administrative penalty provided for the relevant violation according to the procedures specified by law.

(10¹) The decisions of the Consumer Rights Protection Centre may be appealed to a court in accordance with the procedures specified in the Administrative Procedure Law.

(11) The Consumer Rights Protection Centre, in recovering expenses in respect of the laboratory or other type of expert-examination of goods purchased or services utilised by consumers, shall be released from the payment of court costs.

(12) The Consumer Rights Protection Centre is entitled to establish a consultative council, including therein representatives of State institutions, consumer rights protection associations, manufacturer, trader and service provider organisations, as well as to issue recommendations in respect of consumer rights protection issues.

[22 November 2001; 29 April 2004; 27 October 2005; 19 June 2008; 21 May 2009; 28 October 2010]

Section 25.¹ Decision of the Consumer Rights Protection Centre Regarding Interim Measure

(1) If the Consumer Rights Protection Centre has a reason to believe that a violation of consumer rights has been or may be committed and it may cause immediate and significant harm to the economic interests of the particular consumer group, it is entitled to take as interim measure one or several decisions, by which:

1) an obligation to terminate the violation immediately is imposed upon the manufacturer, trader or service provider; or

2) prohibits the action of the manufacturer, trader or service provider, which may cause the violation, if it has not been committed yet but is likely to be committed.

(2) The decision regarding interim measure shall be valid from the time of notification thereof until the time when it is cancelled or amended by the decision of the Consumer Rights Protection Centre or when the final decision of the Consumer Rights Protection Centre comes into effect.

(3) The decision of the Consumer Rights Protection Centre regarding the interim measure may be appealed by the manufacturer, trader or service provider, in respect of which the interim measure has been issued, to a district administrative court within 10 days after the day of entering into effect thereof. The appeal of the decision shall not suspend the operation thereof.

(4) The court shall adjudicate by written procedure the application regarding the decision of the Consumer Rights Protection Centre regarding the interim measure within 14 days.

(5) The decision of the court referred to in Paragraph four of this Section cannot be appealed and shall come into effect upon the adoption thereof.

[21 May 2009; 28 October 2010]

Section 26. Examination of Complaints and Submissions Submitted by Consumers Regarding the Violations of the Consumer Rights Protection Regulatory Enactments and Provision of Assistance to Consumers in Resolving Conflicts with Manufacturers, Traders or Service Providers

(1) Complaints, submissions and information regarding possible violations of the consumer rights protection regulatory enactments shall be submitted to the institution within the competence of which is the supervision and control of the relevant sector.

(2) A complaint or a submission of a person regarding possible administrative violation in the field of consumer rights protection shall not be considered an application or materials in an administrative violation matter.

(3) If the Consumer Rights Protection Centre or other institution, within the competence of which is the supervision and control of the relevant field, upon examining the received complaint of the person regarding the violation of the individual rights thereof, has any reasonable doubts that the submitter of the complaint is not a consumer within the meaning of this Law because he or she has acted within the scope of his or her economic or occupational activity in the relevant situation, the relevant institution is entitled to request that he or she provides the necessary information within the specified period of time (the data regarding the obligations of the submitter of the complaint existing in the credit register, the information regarding transactions performed, etc.), which attests that he or she has acted as a consumer in the relevant situation. If the submitter of the complaint has not provided the requested information, the institution is entitled to terminate examination of the complaint.

(4) The Consumer Rights Protection Centre or other institution within the competence of which is the supervision and control of the relevant sector is entitled to specify a time period for the manufacturer, trader or service provider, by which a written reply should be provided

regarding the circumstances referred to in the complaint of the consumer and a decision taken in relation to the claim of the consumer.

(5) Upon receipt of a submission of the consumer in which information or consultation is requested regarding the consumer rights, the Consumer Rights Protection Centre and other institution, within the competence of which is the supervision and control of the relevant field, shall prepare a reply providing the necessary information. If a phone number is specified in the submission by which it is possible to contact the consumer, the Consumer Rights Protection Centre and other institution, within the competence of which is the supervision and control of the relevant field, are entitled to provide the information or consultation via phone or to offer the receipt thereof in person, if the consumer agrees thereto. If an electronic mail address is specified in the submission by which it is possible to contact the consumer, the Consumer Rights Protection Centre and other institution, within the competence of which is the supervision and control of the relevant field, are entitled to send a reply only in electronic form, signing it with a secure electronic signature, unless the consumer has specified that he or she would like to receive a reply in writing. The activities referred to in this Section shall be performed within a month starting from the day of receipt of the submission.

(6) Upon receipt of a submission of the consumer regarding a conflict with a manufacturer, trader or service provider, the Consumer Rights Protection Centre or other institution, within the competence of which is the supervision and control of the relevant field, depending on the circumstances referred to in the submission, shall provide the information and consultation regarding the consumer rights and necessary activities or, where necessary, provide assistance to the consumer in resolving the conflict by carrying out negotiations with the manufacturer, trader or service provider or performing other activities specified in the consumer rights protection regulatory enactments.

(7) Upon receipt of a complaint or a submission of a consumer regarding a conflict between a manufacturer, trader or service provider and the consumer as regards the fact whether certain provisions included in the contract entered into are unfair, the Consumer Rights Protection Centre shall prepare a reply in which opinion may be expressed regarding the compliance of the relevant provisions with the requirements of regulatory enactments.

(8) If a consumer has asked assistance in his or her submission in respect of resolving conflict with the manufacturer, trader or service provider, or information or consultation for the provision of which it is necessary to perform additional activities, the institution shall perform such activities within four months after the day of receipt of the submission, informing the submitter regarding receipt of the submission and activities performed not later than within one month of the day of receipt of the submission. If it is not possible to observe the time period of four months, the head of the institution may extend it up to one year, notifying the submitter thereof.

(9) The Consumer Rights Protection Centre or other institution, within the competence of which is the supervision and control of the relevant field, shall examine a complaint or submission of a consumer regarding resolving conflict with a manufacturer, trader or service provider, if both of the following conditions are observed:

1) the consumer has turned with the complaint or submission to the manufacturer, trader or service provider at first and tried to resolve conflict via reconciliation; and

2) written materials and other proofs substantiating the existence of the conflict and subject of the conflict have been appended to the complaint or submission..

[28 October 2010]

Chapter VII

Prevention of Violations of Consumer Rights

Section 27. Consumer Claims Regarding Goods and Services not in Conformity with the Provisions of a Contract

(1) A consumer is entitled to submit a claim to the manufacturer, trader or service provider in respect of the non-conformity of goods or services with the provisions of a contract within a period of two years of the day of purchase of the goods or receipt of the services. Such date shall be considered as the date of the supply of goods when the manufacturer or trader has delivered and the consumer has received the relevant goods.

(2) If a manufacturer or trader of goods or the service provider has issued a guarantee for the goods or the services, the consumer is entitled, after the end of the time period referred to in Paragraph one of this Section, to submit a claim with respect to the all of the remaining period of the guarantee in accordance with the conditions indicated in the guarantee document.

(3) The procedures for the submission of a consumer claim regarding the non-conformity of goods or services with the provisions of a contract, as well as the organisation of expert-examination of the goods or services shall be determined by the Cabinet.

[22 November 2001; 19 June 2008]

Section 28. Consumer Rights, if Goods not in Conformity with the Provisions of a Contract Are Sold or Given for Use to Consumers

(1) A consumer to whom goods not in conformity with the provisions of a contract are sold or given for use is entitled to require the performance of one of the following actions by the manufacturer or trader:

- 1) appropriate reduction of the price of the goods;
- 2) rectification of the non-conformity of the goods with the provisions of the contract, or compensation for the expenses of the consumer for the elimination of the non-conformity;
- 3) exchange of the goods for the same goods or equivalent goods with which conformity with the provisions of the contract is ensured; or
- 4) revocation of the contract and repayment to the consumer of the amount paid for the goods.

(2) The goods shall be exchanged or their non-conformity with the provisions of the contract shall be rectified free-of-charge (including without compensation for consignment of the goods, work, materials and other costs) and within a reasonable time period, without creating inconvenience to the consumer and taking into account the nature of the goods, as well as the intended purpose of use thereof.

(3) If the non-conformity of the goods with the provisions of the contract is discovered later than six months after the sale of the goods, the consumer is entitled to:

- 1) firstly request that the manufacturer or trader free of charge rectify the non-conformity of the goods with the provisions of the contract or compensate the expenses of the consumer for rectification of the non-conformity, or exchange the goods for the same goods or equivalent goods with which conformity with the provisions of the contract is ensured (except in the case where this is not possible); and

- 2) in the case where the manufacturer or trader cannot exchange the goods or in a reasonable time period rectify the non-conformity of the goods with the provisions of the contract without causing inconvenience to the consumer – request that the manufacturer or trader reduce the price of the goods or revoke the contract and repay the consumer the amount of money paid for the goods in proportion to the depreciation of the goods as determined by an expert-examination organised according to the procedures specified in regulatory enactments.

(4) If the non-conformity of the goods with the provisions of the contract is minor and cannot substantially affect the possibility of the consumer utilising the goods, the consumer cannot require the manufacturer or the trader to revoke the contract and repay the amount paid for the goods. The non-conformity of the goods with the provisions of the contract is deemed to be minor if an expert-examination organised according to the procedures specified in regulatory enactments determines that the non-conformity of the goods does not reduce the quality of the fulfilment of the basic functions of the goods or characteristics of use, and it can be rectified without creating changes in the external appearance of the goods that can be visually determined.

(5) If the goods have become goods not conforming with the provisions of the contract as a result of incorrect or poor quality installation, but the installation of the goods has been performed by the trader or a third person in accordance with the contract entered into with the trader, as well as if the consumer has installed the goods in accordance with incorrect (imprecise) or the instructions for use have not been translated into the official language, then the goods are deemed to be not in conformity with the provisions of the contract and the consumer is entitled to require from the trader fulfilment of the requirements provided for in this Section.

(6) Exercising the rights referred to in Paragraph one of this Section shall not exclude the right of a consumer to demand compensation for losses or payment of a contractual penalty.

(7) Goods not conforming to the provisions of the contract of large size and goods weighing more than 10 kilograms shall be transported for the performance of an expert-examination, exchange, or revocation of contract by the manufacturer or trader at his or her expense. If the manufacturer or trader refuses to transport such goods, the consumer is entitled to transport the goods himself or herself, or with the assistance of a third person, but at the expense of the manufacturer or trader.

(8) If the consumer transports the goods, the manufacturer or trader shall, within three days of receipt of the document confirming the expenditures, compensate for the expenditures incurred by the consumer due to transportation of the goods.

[22 November 2001; 26 November 2009]

Section 29. Consumer Rights if Services not Conforming to the Provisions of a Contract Have Been Provided

(1) A consumer to whom a service not conforming to the provisions of the contract has been provided, is entitled to request that the service provider perform one of the following activities:

- 1) appropriate reduction of the price of the service;
- 2) rectification of the non-conformity of the service provided with the provisions of the contract free of charge or to reimburse the expenses of the consumer regarding rectification of the non-conformity;
- 3) manufacturing of another article from the same material or material of the same quality, or provision of service in conformity with the provisions of the contract; or
- 4) revocation of the contract and repayment to the consumer of the amount paid for the service.

(2) If the service provider loses or damages the material or product of the consumer, the consumer is entitled to require at his or her discretion:

- 1) performance of the order from the same or equivalent material; or
- 2) payment for the value of the material or product at its market price effective on the day of the request.

(3) If the non-conformity of the service with the provisions of the contract is discovered later than six months after the provision of the service, the consumer is entitled to:

1) firstly request that the service provider free of charge rectify the non-conformity of the service with the provisions of the contract or compensate the expenses of the consumer for rectification of the non-conformity, or manufacture another article of the same or of the same quality material, or provide service which conforms with the provisions of the contract (except in the case where this is not possible); and

2) in the case where the service provider cannot manufacture a new article, provide another service or in a reasonable time period rectify the non-conformity of the service with the provisions of the contract without causing inconvenience to the consumer – request that the service provider reduce the price of the service or revoke the contract and repay the consumer the amount of money paid for the service in proportion to the depreciation of the goods as determined by an expert-examination organised according to the procedures specified in regulatory enactments.

(4) If the non-conformity of the service with the provisions of the contract is minor and cannot substantially affect the possibility of the consumer utilising the service or article, the consumer cannot require the service provider to revoke the contract and repay the amount paid for the service or to manufacture another article. The non-conformity of the service with the provisions of the contract is deemed to be minor if an expert-examination organised according to the procedures specified in regulatory enactments determines that the non-conformity of the service does not reduce the quality of the fulfilment of the basic functions of the service or characteristics of use, and it can be rectified without creating changes in the external appearance of the article that can be visually determined.

(5) If the service provider refuses to rectify the non-conformity of the service with the provisions of the contract, the consumer is entitled to eliminate them himself or herself, or with the assistance of a third person, but at the expense of the provider of the service.

(6) Exercising the rights referred to in Paragraph one and two of this Section shall not exclude the right of a consumer to require compensation for losses or payment of a contractual penalty.

[22 November 2001; 27 October 2005]

Section 30. Consumer Rights if Goods are not Delivered or Service Is not Provided Within a Specified Period of Time

(1) If a manufacturer, trader or service provider fails to deliver goods or delivers them only partly within the period of time specified in the contract for reasons independent of the consumer or if a service provider fails to provide a service or provides it only partly within the period of time specified in the contract for reasons independent of the consumer, at first the consumer is entitled to request that the manufacturer, trader or service provider performs the contract, if more favourable conditions for the consumer are not provided for in the contract.

(2) If a manufacturer, trader or service provider upon the request of the consumer has failed to perform the contract within a reasonable period of time and, therefore, the consumer is no longer interested in the performance of the contract, the consumer is entitled to unilaterally withdraw from the contract, receive the advance payment he or she has made, and demand compensation for the losses caused. In such case the consumer has a duty to return without delay the goods already delivered or items manufactured in accordance with the contract to the manufacturer, trader or service provider.

(3) The consumer may not exercise the rights specified in Paragraph two of this Section to unilaterally withdraw from the contract if the goods have been delivered or the service has been partly provided and the consumer has already used a part of the goods delivered or the service provided or it is possible to use it independently, but due to objective circumstances it is not possible to return it to the manufacturer, trader or service provider or return thereof would cause disproportionate losses. In such case, if the parties fail to reach an agreement regarding performance of the contract, the manufacturer, trader or service provider has a duty

to repay the amount of money paid by the consumer in the amount of undelivered goods or part thereof or in the amount of part of service not provided.

(4) If the manufacturer, trader or service provider and the consumer agree regarding extension of the period of time for the performance of the contract, the consumer is entitled to exercise the rights specified in Paragraph two of this Section to unilaterally withdraw from the contract only in the case where the manufacturer, trader or service provider fails to perform the contract even within the extended period of time for the performance of the contract.

(5) The provisions of this Section shall not be applied to contracts:

- 1) on the provision of such service, the outcome of which is non-materialised;
- 2) which regulate construction legal relations; and
- 3) which regulate legal relations of purchase of immovable property.

[28 October 2010]

Section 31. Consumer Claims in Relation to Consumer Credit or Purchase of Services

(1) A consumer is entitled to unilaterally withdraw from the consumer credit contract if he or she exercises the right of withdrawal provided for in Section 12 of this Law and payment for the goods or the service is to be made, in part or in full, by means of a consumer credit contract. In such case, the creditor may not require the consumer to pay a contractual penalty or compensation for losses related to revocation of the consumer credit contract.

(2) In order to withdraw from a consumer credit contract in accordance with the provisions of Paragraph one of this Section, the consumer shall notify the creditor in writing on the fact that he or she exercises the right to withdraw from a contract on purchase of goods or service and regarding return or sending of the relevant goods or item to the manufacturer, trader or service provider fulfilling the duty specified in Section 12, Paragraph five of this Law and append proofs to a notification regarding return or sending of the goods or item. The consumer credit contract shall be terminated on the day when the creditor has received the aforementioned notification and proofs of the consumer regarding return or sending of the goods or item.

(3) Upon termination of a consumer credit contract the manufacturer, trader or service provider respectively shall immediately, not later than within 30 days from the day of termination of the consumer credit contract, repay the amounts of money received in accordance with the contract. The duty of the consumer is to pay the interest and other payments only for the period of time until the day of termination of the consumer credit contract.

(4) If the consumer has the right to exercise the rights referred to in Section 28, Paragraph one, Clause 4, Section 29, Paragraph one, Clause 4 and Section 30, Paragraph two of this Law to request repayment of the amount of money paid for the goods or service, but he or she, performing the activities specified in regulatory enactments, cannot achieve that the manufacturer, trader or service provider fulfils lawful requests thereof, the consumer has the right to bring an action against a creditor within six months from the day of receipt of the goods or service or the day when the consumer should have received the goods or service in accordance with the contract. The creditor has a duty to examine the consumer's claim within 30 days.

(5) The provisions of this Section shall be applied to such consumer credit contracts which are intended only for the financing of the contract, in part or in full, on delivery of particular goods or provision of a particular service, if both referred to contracts actually form a commercial unit. A consumer credit contract and a contract on delivery of particular goods or provision of a particular service form a commercial unit in the following cases:

- 1) a manufacturer, trader or service provider grants a credit to the consumer;
- 2) a third person grants a credit to the consumer and a creditor uses the services of the manufacturer, trader or service provider in relation to entering into or preparation of the credit contract; and

3) a third person grants a credit to the consumer, and particular goods or particular service is clearly specified in the credit contract.

(6) The provisions of this Section shall not be applied for consumer credit contracts referred to in Section 12.¹, Paragraph eight, Clauses 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 of his Law.

(7) If such hiring or leasing contract is entered into with a consumer in which the obligations to purchase a contract object are not provided for and such obligations are not provided for in other contracts entered into, the consumer, in the case referred to in Section 30, Paragraph two of this Law in relation to a leasing object, is entitled to unilaterally withdraw from the hiring or leasing contract. Upon termination the consumer hiring or leasing contract, the manufacturer, trader or service provider respectively and the creditor shall immediately, not later than within 30 days after the day of termination of the hiring or leasing contract, repay the amounts of money received in accordance with the contract.

[28 October 2010]

Section 31.¹ Rights of a Consumer if His or Her Payment Card has been Used Illegally

(1) If a consumer's payment card has been illegally used, he or she has the right to request the payment service provider, which has issued the payment card to the consumer, to revoke the relevant payment or to repay the illegally debited amount.

(2) If the consumer asserts that he or she has not authorised a fulfilled payment, and that his or her payment card has been used illegally and if the payment service provider, which has issued the payment card to the consumer, cannot prove that the relevant payment was verified with an identification code or that the consumer has acted negligently or acted intentionally (directly), it shall repay the illegally debited amount.

(3) A payment service provider, which has issued the payment card to the consumer, shall be liable for bad faith, as well as negligence allowed thereby in providing service in relation to the payment card issued to the consumer.

[28 October 2010]

Section 32. Determination of Compensation for Losses

Compensation for losses shall be determined in accordance with the Civil Law, taking into account that:

1) the consumer does not have specific knowledge regarding the characteristics and description of the goods purchased or the services provided; and

2) a statement by a trader that the information provided by the manufacturer regarding the goods is false, shall not release the trader from liability.

Section 33. Liability of Manufacturers, Traders and Service Providers

(1) Civil, administrative or criminal liability shall apply to violations of consumer rights determined in this Law and other regulatory enactments on consumer rights protection.

(2) A trader or service provider, who has compensated a consumer for losses caused to the consumer or repaid the amount of money paid for the goods or services, has a right of subrogation against the person from whom the goods or materials were purchased.

(3) If the manufacturer, trader or service provider agrees with a third person on elimination of the defects of the goods or the services, such agreement shall not release the manufacturer, trader or service provider from direct liability towards the consumer.

(4) If the non-conformity of goods and services to the provisions of the contract has been caused due to the actions or inaction of the manufacturer, trader, distributor, or other person,

the trader or service provider is entitled bring a subrogation action against the relevant persons.

[22 November 2001]

Section 34. Release of Manufacturers, Traders or Service Providers from Performance of Guarantee Obligations and Compensation for Losses

[22 November 2001]

Section 35. Liability for Failure to Eliminate Defects of Goods or Services within the Specified Period of Time

If the manufacturer, trader or service provider has not eliminated the defects of the goods or the service within 30 days from the day when the consumer submitted a claim regarding the defects of the goods or services, or within the time period specified by appropriately authorised supervisory and monitoring institutions, it is his or her duty to compensate all losses caused to the consumer due to the delay.

Chapter VIII

Liability of Supervisory and Control Institutions

Section 36. Compensation of Losses Caused by Unjustified Action of Supervisory and Monitoring Institutions

(1) If it is determined that the goods were unjustifiably confiscated, their manufacturing, offering or sale was unjustifiably suspended, a prohibition to manufacture, offer and sell goods or provide services was unjustifiably set, or if other violations of the powers of supervisory and control institutions are determined resulting in losses to the manufacturer, trader or service provider, the manufacturer, trader or service provider has the right to bring an action in court regarding compensation for losses and lost profits.

(2) [16 April 2003]

[16 April 2004]

Transitional Provisions

1. With the coming into force of this Law, the Law On Consumer Rights Protection (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1992, No. 46/47/48; *Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1998, No. 5) is repealed.

2. Within three months from the day of coming into force of this Law, the Cabinet shall approve the by-laws of the Consumer Rights Protection Centre.

3. Within three months from the day of coming into force of this Law, the Cabinet shall issue regulations that regulate:

- 1) the conditions of the consumer credit contracts referred to in Section 8 of this Law;
- 2) the conditions of contracts entered into outside the permanent location of sale or provision of services of the undertaking (company) referred to in Section 9 of this Law;
- 3) the conditions of distance contracts referred to in Section 10 of this Law; and
- 4) the conditions of contracts regarding obtaining the right of temporary use to a residential building or a part thereof, referred to in Section 11 of this Law.

4. The rights regulated by Section 31 of this Law shall apply only after the Cabinet regulation on consumer credit contracts has come into force.

5. The right of withdrawal, regulated by Section 9 of this Law, shall apply only after the Cabinet regulation on contracts entered into outside the permanent location of sale or provision of services of the undertaking (company) has come into force.

6. The right of withdrawal, regulated by Section 10 of this Law, shall apply only after the Cabinet regulation on distance contracts has come into force.

7. The right of withdrawal, regulated by Section 11 of this Law, shall apply only after the Cabinet regulation on contracts regarding obtaining the right of temporary use to a residential building or a part thereof, has come into force.

8. Amendments to Section 27, Paragraph one; Section 28, Paragraph three; Section 29, Paragraph three and Section 31, Paragraph two of this Law shall come into force on 1 January 2003. Up to 1 January 2003 a consumer is entitled to submit a claim to a manufacturer, trader or service provider regarding the non-conformity of goods or services with the provisions of the contract within one year after the purchase of the goods or receipt of the services.

9. The Cabinet shall issue the regulations referred in Section 10, Paragraph four and Section 27, Paragraph three of this Law by 1 June 2002.

10. Until the issue of the Cabinet regulations referred to in Paragraph 9 of these Transitional Provisions, but not later than 1 June 2002 the following Cabinet Regulations are in force to the extent that they are not in contradiction to this Law:

1) Regulation No. 299 of 24 August 1999, Procedures for the Submission of Consumer Claims regarding Inappropriate Quality Goods or Services and the Conduct of Expert-examination of Goods or Manufactured Articles;

2) Regulation No. 316 of 7 September 1999, Regulations regarding Distance Contracts;

3) Regulation No. 29 of 23 January 2001, Regulations on the Labelling of Household Washing Machines, Clothes Dryers and Combined Washing and Clothes Drying Machines;

4) Regulation No. 30 of 23 January 2001, Regulations on the Labelling of Household Refrigerators and Freezers;

5) Regulation No. 31 of 23 January 2001, Regulations on the Labelling of Household Ovens;

6) Regulation No. 32 of 23 January 2001, Regulations on the Labelling of Household Dishwashing Machines; and

7) Regulation No. 33 of 23 January 2001, Regulations on the Labelling of Household Light Bulbs.

11. Section 8, Paragraph five of this Law shall come into force on 10 July 2007.

12. The Cabinet shall by 3 July 2007 issue the regulations referred to Section 8, Paragraph eight of this Law.

[22 November 2001; 17 May 2007]

13. The Cabinet shall by 1 September 2008 issue the regulations referred to in Section 8, Paragraph four of this Law where the information to be included in the consumer credit contract, the methods for calculation of the annual interest rate, fair reduction of the total cost of credit, as well as conditions when the requirements of consumer credit contract need not be applied shall be provided for. Until the issuance of these regulations, Cabinet Regulation No. 257 of 13 July 1999, *Regulations regarding Consumer Credit Agreements*, shall be applied.

[19 June 2008]

14. Until 1 July 2009 the Cabinet Regulation No. 312 of 31 August 1999, *Procedures for Organising of Wholesale Trade and Retail Trade*, issued in accordance with Section 14, Paragraph one, Clause 3 of the Law On the Structure of the Cabinet, shall be in force.

[21 May 2009]

15. Paragraphs 8.³, 8.⁴ and 8.⁵ of Section 25 of this Law shall come into force on 1 July 2009 and these provisions shall be applicable in examining the complaints received after 30 June 2009.

[21 May 2009]

16. Section 25, Paragraph 10.¹ of this Law shall come into force on 1 July 2009. The decisions of the Consumer Rights Protection Centre, which have been appealed until 30 June 2009 by submitting a submission to the Ministry of Economics, shall be examined in accordance with those regulatory enactments which were in force on the day when the Consumer Rights Protection Centre took the relevant decision.

[21 May 2009]

17. Section 8, Paragraphs 1.² and 1.³ of this Law shall come into force on 1 March 2011, but Section 8, Paragraph 1.¹ of this Law – on 1 November 2011.

[28 October 2010; 20 December 2010]

18. The Cabinet shall issue:

1) until 31 December 2010 – the regulation referred to in Section 8, Paragraph four of this Law which provides for the content and procedures for the provision of the information to be provided for entering into a consumer credit contract, the requirements to be set for a consumer credit contract and the information to be included therein, the method for calculation of the annual interest rate, informing of a consumer during the term of operation of a credit contract, pre-term payment of a credit and fair reduction of the total cost of credit, the requirements to be applied for certain types of credit contracts and the duties of credit intermediaries, as well as the legal regulation for consumer crediting against movable property pledge; and

2) until 28 February 2011 – the regulation referred to in Section 8, Paragraph 1.³ of this Law which provides the procedures for the issue, re-registration, cancellation, suspension of the operation of a special permit (licence) for the provision of a consumer credit service, the requirements with which a capital company shall comply so that it could receive a special permit (licence), as well as the amount of a State fee and the payment procedures thereof.

[28 October 2010; 20 December 2010]

19. The new revision of Section 11 of this Law and deletion of Section 12, Paragraph two, Clause 3 of this Law shall come into force on 23 February 2011.

[28 October 2010]

20. Until 1 February 2011 the Cabinet shall issue the regulation referred to in Section 11, Paragraph thirteen of this Law, which provides for the time periods and procedures for

exercising the right of withdrawal, the withdrawal form and the effects of exercising of the right of withdrawal, as well as the special requirements to be observed upon entering into the contract on the right of long-term use of a holiday accommodation, a contract on long-term holiday services, a resale contract on the right of long-term use of a holiday accommodation or on long-term holiday services and an exchange contract on the right of long-term use of a holiday accommodation.

[28 October 2010]

Informative Reference to European Union Directives

This Law contains legal norms, which arise from:

1) Council Directive 85/577/EEC of 20 December 1985 to protect the consumer in respect of contracts negotiated away from business premises;

2) Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC;

3) Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts;

4) Directive 94/47/EC of the European Parliament and the Council of 26 October 1994 on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis;

5) Directive 97/7/EC of the European Parliament and of the Council of 20 May 1997 on the protection of consumers in respect of distance contracts;

6) Directive 2009/22/EC of the European Parliament and of the Council of 23 April 2009 on injunctions for the protection of consumers' interests;

7) Directive 1999/44/EC of the European Parliament and of the Council of 25 May 1999 on certain aspects of the sale of consumer goods and associated guarantees;

8) Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC;

9) Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin;

10) Council Directive 2004/113/EC of 13 December 2004 implementing the principle of equal treatment between men and women in the access to and supply of goods and services; and

11) Directive 2008/122/EC of the European Parliament and of the Council of 14 January 2009 on the protection of consumers in respect of certain aspects of timeshare, long-term holiday product, resale and exchange contracts.

[27 October 2005; 19 June 2008; 28 October 2010]

This Law has been adopted by the *Saeima* on 18 March 1999.

President

G. Ulmanis

Rīga, 1 April 1999