



The translation of this document is outdated.  
Translation validity: 23.02.2024.–04.06.2024.  
Amendments not included: 30.05.2024.

Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

- 22 November 2001 [shall come into force on 26 December 2001];
- 16 April 2003 [shall come into force on 1 February 2004];
- 29 April 2004 [shall come into force on 26 May 2004];
- 27 October 2005 [shall come into force on 25 November 2005];
- 22 March 2007 [shall come into force on 11 August 2007];
- 17 May 2007 [shall come into force on 12 June 2007];
- 19 June 2008 [shall come into force on 23 July 2008];
- 21 May 2009 [shall come into force on 23 June 2009];
- 26 November 2009 [shall come into force on 24 December 2009];
- 28 October 2010 [shall come into force on 1 January 2011];
- 20 December 2010 [shall come into force on 1 January 2011];
- 9 June 2011 [shall come into force on 22 June 2011];
- 19 September 2013 [shall come into force on 1 January 2014];
- 24 April 2014 [shall come into force on 28 May 2014];
- 18 September 2014 [shall come into force on 25 September 2014];
- 19 February 2015 [shall come into force on 1 March 2015];
- 28 May 2015 [shall come into force on 1 January 2016];
- 18 June 2015 [shall come into force on 9 July 2015];
- 9 June 2016 [shall come into force on 1 August 2016];
- 4 October 2018 [shall come into force on 1 January 2019];
- 21 November 2019 [shall come into force on 24 December 2019];
- 15 April 2021 [shall come into force on 23 June 2021];
- 20 May 2021 [shall come into force on 15 June 2021];
- 17 February 2022 [shall come into force on 15 March 2022];
- 15 June 2023 [shall come into force on 15 July 2023];
- 14 September 2023 [shall come into force on 15 October 2023];
- 6 December 2023 [shall come into force on 1 January 2024];
- 15 February 2024 [shall come into force on 23 February 2024].

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*<sup>1</sup> 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 the 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, an existing article or its characteristics are improved or altered, or work is performed, or intangible result of work is achieved;

2<sup>1</sup>) **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, a service, digital content, or a digital service for the purpose not related to his or her economic or professional activity;

4) **the service provider** - any natural person or any legal person who within the scope of his or her economic or professional activity provides a service to a consumer, also including through any other person acting in his name or on his behalf;

5) **trader** - any natural person or any legal person (also an importer) who within the scope of his economic or professional activity offers or sells goods to a consumer, also including through any other person acting in his or her name or on his or her behalf;

6) **goods** - any item offered or sold to a consumer, except for the item sold by way of execution of a court ruling or resolution of a judge or in accordance with recording, assessment, sale, transfer free of charge, destruction of property under the jurisdiction of the State and inclusion of sale income into the State budget, or in accordance with the laws and regulations governing a commercial pledge. Water, gas, and electricity shall be considered as goods where they are offered or put up for sale in a limited volume or a set quantity. Digital content, together with a material medium, and any material movable objects which include digital content or a digital service, or are interconnected thereto in a way that non-existence of the abovementioned digital content or digital service would not allow the goods to fulfill their functions shall be deemed goods (hereinafter - the goods with digital elements);

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 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, trade mark or another distinguishing mark;

8) **digital content** - data which are produced and supplied in digital form;

8<sup>1</sup>) **digital service** - a service which enables the consumer to prepare, process, and store data or access them in digital form or a service which enables to share data or interact with data otherwise in digital form provided that the consumer or other users of the abovementioned service have uploaded or created such data;

8<sup>2</sup>) **digital environment** - hardware, software, or any network connection which is used by the consumer to use or access the digital content or digital service;

9) **total costs of the credit to a consumer** - all costs, including interest, commission, fees, and any other payments, which must be paid by the consumer in relation to the credit agreement and which are known to the creditor (except for the costs of a sworn notary). The total costs of the credit shall also include costs for additional services in relation to the credit agreement, including insurance premiums, if conclusion of an additional services contract is a mandatory precondition in order to receive credit or in order to receive it on the terms and conditions offered. If the credit repayment is secured with an immovable property or the objective of the credit is to obtain or retain the right to an immovable property, the total costs of a credit to a consumer shall also include the costs of the property valuation, if such valuation is necessary for the receipt of the credit, but shall not include the fee which is related to the recording of the immovable property and the corroboration of the rights related thereto in the Land Register;

10) **credit intermediary** - a natural or legal person who does not act as a creditor, but who, in the framework of its economic or professional activity, acts for a fee which may take a pecuniary form or any other form of financial consideration under the concluded agreement, and performs any of the following activities:

a) presents or offers credit agreements to consumers;

b) concludes credit agreements with consumers on behalf of the creditor;

c) provides assistance to consumers by carrying out the preparation work related to credit agreements (if the credit repayment is secured with an immovable property, also other pre-contractual administrative work);

11) **representative of a credit intermediary** - a natural or legal person who fulfils obligations of a credit intermediary, acts on behalf of only one credit intermediary, and assumes full liability for it;

12) **staff** - a natural person:

- a) who is employed by a creditor or a credit intermediary and who is contacting consumers or performs activities which are subject to the laws and regulations governing consumer credit;
- b) who is working for the benefit of a credit intermediary and is contacting consumers, performing such activities which are subject to the laws and regulations governing consumer credit;
- c) who directly manages or supervises the natural persons referred to in Sub-clauses "a" and "b" of this Clause;

13) **online interface** - the online interface referred to in Article 3(15) of Regulation (EU) 2017/2394 of the European Parliament and of the Council of 12 December 2017 on cooperation between national authorities responsible for the enforcement of consumer protection laws and repealing Regulation (EC) No 2006/2004 (hereinafter - Regulation No 2017/2394);

14) **compatibility** - the ability of the goods, digital content, or digital service to function with hardware or software which is usually used with the same type of goods, digital content, or digital services, without the need to modify such goods, digital content, digital services, hardware, or software;

15) **functionality** - the ability of the goods, digital content, or digital service to fulfil their functions, taking into account the purpose for which they are designed;

16) **interoperability** - the ability of the goods, digital content, or digital service to operate with hardware or software which is different from that which is usually used with the same type of goods, digital content, or digital services;

17) **durability** - the ability of the goods to maintain the necessary functions and performance during normal use;

18) **integration** - the linkage of the digital content or digital service with components of digital environment of the consumer and the inclusion of the digital content or digital service in such components in order to use the digital content or digital service in accordance with the requirements of this Law.

[22 November 2001; 27 October 2005; 19 June 2008; 28 October 2010; 24 April 2014; 28 May 2015; 9 June 2016; 20 May 2021; 17 February 2022]

## **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, and also to protect the collective interests of consumers.

[24 April 2014 / The new wording of the Section shall come into force on 13 June 2014. See Paragraph 22 of Transitional Provisions]

### **Section 2.<sup>1</sup> Scope of Application of this Law**

(1) The provisions of this Law shall be applied, unless otherwise provided for in the special norms governing consumer rights protection.

(2) The provisions of this Law shall not affect contractual relations especially validity of a contract, concluding and consequences, unless otherwise provided for in this Law.

(3) The trader or the service provider is entitled to offer such provisions of a contract that ensure higher consumer rights protection than determined in this Law.

(4) This Law shall also be applied in the cases where the trader or service provider supplies or undertakes to supply the digital content or digital service to the consumer and the consumer provides or undertakes to provide the trader or service provider with personal data, except for the case where the personal data provided by the consumer is only processed by the trader or service provider in order to supply the digital content or digital service in accordance with this Law or in order for the trader or service provider to comply with the requirements imposed on them by laws and regulations, and where the trader or service provider does not process the abovementioned data for any other purposes.

(5) This Law shall also be applied in the cases where the digital content or digital service has been developed according to the specifications of the consumer.

(6) The provisions of this Law in respect of any personal data in contracts according to which the trader or service provider supplies or undertakes to supply the digital content or digital service to the consumer and the consumer pays or undertakes to pay the price or provides or undertakes to provide the personal data shall be applicable unless it has been laid down otherwise in the special provisions governing personal data protection.

[24 April 2014; 17 February 2022]

### **Section 3. Violation of Consumer Rights**

Consumer rights are violated if:

- 1) upon purchase of goods or receipt of a service, digital content, or digital service, the freedom of choice of the consumer and the will expressed by him or her are not respected;
- 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 on the goods, the service, the digital content, or the digital service or the price of the goods, the service, the digital content, or the digital service is not provided;
- 4) unsafe goods or goods not conforming to the provisions of the contract, or unsafe service, digital content, or a digital service, or a service, digital content, or a digital service not conforming to the provisions of the contract has been provided 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 concluded, alteration of conditions of a contract concluded, or other lawful or contractual rights;
- 8) a document that confirms the transaction is not issued.

[22 November 2001; 17 February 2022]

### **Section 3.<sup>1</sup> Prohibition of Differential Treatment**

- (1) Differential treatment based on sex, race, ethnic origin, or disability of the consumer is prohibited when offering goods, a service, digital content, or a digital service, selling goods, or providing a service, digital content, or a digital service.
- (2) Differential treatment of the consumer shall be allowed if offering of goods, a service, digital content, or a digital service, selling of goods, or provision of a service, digital content, or a digital service only or mainly to persons of a one sex, particular race or ethnic origin or persons with disabilities is objectively substantiated with a legal purpose for the achievement of which the selected means are proportionate. 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 the trader or the service provider.
- (3) The prohibition of differential treatment shall not affect the freedom of conclusion of 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 infringed, a consumer may protect the rights thereof in accordance with the procedures laid down in the Ombudsman Law, and also by applying to court in accordance with the procedures laid down in 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 direct or indirect discrimination based on sex, disability, race, or ethnic belonging, the trader or provider of a service has an obligation to prove that the prohibition of differential treatment is not violated.
- (6) Direct discrimination is such attitude towards a person who on the basis of his 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 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 the customer, if he or she protects the rights thereof in accordance with the procedures laid down 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, and also a compensation of losses and compensation for moral injury. In the case of a dispute, the amount of compensation for moral injury shall be determined by court at its discretion.

[19 June 2008; 28 October 2010; 17 February 2022]

#### **Section 4. Freedom of Choice and Will of the Consumer**

(1) When establishing a contractual relationship with the trader or service provider, the consumer shall be provided with a possibility to fully exercise his or her choice and will by purchasing exactly the type of goods or receiving exactly the service, the digital content, or the digital service which the consumer wishes, except for the restrictions laid down in the law. The trader or the service provider has an obligation 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 the consumer purchases goods or receives a service, digital content, or a digital service, the consumer shall be provided a possibility to evaluate the fitness and conformity of the relevant goods, service, digital content, or digital service. The consumer shall receive complete information on the goods, service, digital content, or digital service, the procedure for settlement of accounts, the contract performance and liability if contractual obligations are breached.

(3) The consumer does not have an obligation to accept goods, a service, digital content, or a digital service and to pay the price or other payment for the goods, service, digital content, or digital service if the goods have been supplied or the service, digital content, or digital service has been provided without an order being made by the consumer. If the consumer does not reply to such order, it does not mean that he or she has agreed to the order.

(4) Before concluding the contract, the trader or the service provider shall seek the express consent of the consumer to any extra payment in addition to the remuneration agreed upon for the main contractual obligation. If the trader or service provider has not obtained the consumer's express consent for such payment, but has obtained the consent by using previously activated choice options which the consumer is required to reject in order to avoid the additional payment, the consumer has the right to receive reimbursement of such additional payment.

(5) If during provision of the service the necessity to perform any additional work arises regarding which there was not agreement with a consumer, the service provider shall request a consumer's express consent for additional work. If the service provider has not received a consumer's express consent for such additional work, then the consumer has no obligation to pay for such additional work.

(6) The trader or the service provider has an obligation, when transferring the goods to a consumer, to ensure the possibility for him or her to see or inspect the goods. If such possibility is not ensured for the consumer, the trader or the service provider has an obligation to prove that at the time of transfer the goods have no defects.

[24 April 2014; 18 June 2015; 17 February 2022]

#### **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 established between the trader or the service provider and the consumer, and also any other legal subject who expresses a wish to purchase, purchases, or might purchase goods or use a service, digital content, or a digital service for the purpose not related to economic or professional activity of such legal subject.

(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 according to the contract concluded with a consumer, including for 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 professional activities of the abovementioned natural person.

(3) Section 4, Paragraph four, Sections 9, 10, 12 and Section 17, Paragraph one of this Law shall not be applied to:

1) package tourism services;

2) contracts on the right of long-term use of a holiday accommodation, contract on long-term holiday services, resale contracts on the right of long-term use of a holiday accommodation or resale contracts on long-term holiday services and exchange contracts on the right of long-term use of a holiday accommodation;

3) passenger transport services (except for Section 4, Paragraph four and Section 31.<sup>2</sup>, Paragraphs one, two, and three of this Law);

4) contracts on the supply of the foodstuffs, beverages or other goods intended for current consumption in the household, and which are physically supplied by the trader on frequent and regular rounds to the consumer's home, residence, or workplace;

5) contracts concluded by means of automatic vending machines or automated commercial premises;

6) contracts concluded with an electronic communications merchant through public payphones for the use of a public payphone or concluded for the use of a single connection by telephone or internet established by the consumer;

7) financial services (except for Section 10 and Section 12, Paragraph one of this Law);

8) contracts for the acquisition of immovable property or transfer of rights related to immovable property;

9) contracts for the construction of new buildings, the substantial conversion of existing buildings and for rental of accommodation for residential purposes;

10) contracts prepared by a notary, bailiff, or other person comparable to a public official;

11) gambling;

12) health care services;

13) social services.

(3<sup>1</sup>) The provisions of this Law regarding digital content and digital services shall not be applicable to the following:

1) provision of services other than digital services, irrespective of whether the trader or service provider uses digital means to create the result of the service or pass it to the consumer;

2) electronic communications services, except for interpersonal communications services without using numbering;

3) health care services;

4) gambling services;

5) financial services;

6) software which is offered by the trader or service provider under a free open source licence for which the consumer does not pay and in relation to which the trader or service provider processes the personal data provided by the consumer only for the purpose of improving safety, compatibility, or interoperability of this specific software;

7) the supply of digital content if the digital content is made available to the general public otherwise than through a signal transmission within the scope of a performance or an organised event;

8) digital content provided by State administration institutions.

(4) Section 14.<sup>1</sup> of this Law shall be applied to services as a result of which movable tangible property or its properties are improved or altered.

(5) Within the framework of Sections 13, 14, 16, 17, 19, 20, 21, 27, 28, 30, and 33 of this Law, a movable tangible property shall be considered as the goods, and also a movable tangible property produced as a result of the provision of a service.

(6) The provisions of this Law on services shall be applied to contracts for the supply of water, gas and electricity where water, gas or electricity are offered or put up for sale in a limited volume or a set quantity, and also to contracts for the district heating, insofar it is not otherwise provided for in the laws and regulations governing public utilities or consumer rights protection.

(7) The provisions of this Law which govern provision of a service shall be applied to a digital content which is not supplied in a tangible medium, unless it is otherwise provided for in the norms governing consumer rights protection.

(8) The provisions of this Law shall not be applicable to the goods which are sold by a law enforcement institution enforcing a court decision or otherwise.

(9) The provisions of this Law applicable to the digital content or digital service, except for Sections 16.<sup>3</sup> and 30.<sup>2</sup> of this Law, shall also apply to a material medium which only operates as a medium of digital content.

(10) The provisions of Chapter VI.<sup>5</sup> of this Law shall apply to class actions of consumers, including the cases of cross-border violations, also if the aforementioned violations have been ceased prior to the submission or examination of a consumer class action or the administrative proceedings for the elimination of the violation have been terminated.

[27 October 2005; 21 May 2009; 24 April 2014; 18 September 2014; 9 June 2016; 17 February 2022; 14 September 2023]

#### **Section 4.<sup>2</sup> Provisions for the Application of Legal Norms of Different Countries**

(1) [9 June 2016]

(2) Where the legal norms applicable to legal relations are the legal norms of a country other than a European Economic Area Member State, a consumer shall not lose the rights specified in this Law and other laws and regulations 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;

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; 9 June 2016]

## **Chapter II Contracts**

#### **Section 5. Legal Equality of the Contracting Parties**

(1) Contracts concluded between a consumer and a manufacturer, the trader or the service provider, shall provide for equal rights to 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 right of the consumer to conclude contracts with third parties;

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

4) [24 April 2014 / See Paragraph 22 of Transitional Provisions];

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

[24 April 2014 / See Paragraph 22 of Transitional Provisions]

#### **Section 6. Unfair Contractual Terms**

(1) In draft contracts drawn up in advance, 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 laws and regulations.

(1<sup>1</sup>) A contractual term providing that a consumer withdraws from his or her lawful rights shall be regarded as unfair and not in effect.

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

(2<sup>1</sup>) Ambiguous and imprecise terms of a written contract shall be interpreted in favour of the consumer.

(2<sup>2</sup>) The provisions of this Section shall not apply to such contractual terms which define the subject-matter and price of a contract or adequacy of the remuneration for the goods, the service, digital content, or digital service if they are expressed in plain and comprehensible language.

(3) A contractual term which has not been mutually discussed among the contracting parties shall be deemed to be unfair, if contrary to the requirements of good faith it creates substantial non-conformity with the rights and obligations of the contracting parties provided for by the contract which is to the disadvantage of the consumer. 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) unjustifiably restrict or exclude the possibility for the consumer to exercise his or her lawful right to claim if the manufacturer, trader or service provider has failed to fulfil contractual obligations, or have fulfilled 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 the non-fulfilment or unacceptable fulfilment of the contractual obligations upon a consumer who fails to fulfil the contractual obligations or fulfils them unacceptably in comparison to losses caused by the non-fulfilment or unacceptable fulfilment of the contractual obligations or taking into account other conditions;

5) provide for the determination of the price of goods, a service, digital content, or a digital service 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 concluding the contract;

6) restrict the obligation of the manufacturer, trader, or service provider to fulfil the commitments undertaken by their representative, or subject such commitments to formalities;

7) exclude or hinder the right of the consumer to apply to consumer rights protection institutions or to the court or to use rights protection means, especially those providing for the examination of disputes only in arbitration court, unjustifiably restrict the use of proof available for a consumer or impose a burden of proof on a consumer which in accordance with the laws and regulations is an obligations of other contractual party;

8) permit a manufacturer, trader, or service provider to unilaterally withdraw from a contract, except for the case when such a possibility is ensured also for the consumer;

8<sup>1</sup>) permit a manufacturer, trader, or service provider to terminate an unlimited contract without warning, except for the case when it has a justified reason;

9) provide for the automatic extension of the limited contract if the consumer does not inform of the non-extension of the contract, and determines an obligation for the consumer to provide such information unjustifiably early before the end of the term of the contract;

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 their rights and obligations to another person if thus the amount of commercial guarantee provided to a consumer may be reduced without the consent of the consumer;

12) permit a manufacturer, trader, or service provider to unilaterally amend the contractual terms, except for the case when it has a justified reason provided for in the contract;

13) permit a manufacturer, trader, or service provider to unilaterally change the characteristics of the goods or service without a justified reason;

14) permit the trader or the service provider to keep the amount of money paid by the consumer for a service not yet provided, if the trader or the service provider withdraws from the contract;

15) make binding on a consumer a contract where the sale of goods or provision of service is subject to the term the performance of which depends only on the will of the manufacturer, trader or service provider itself;

16) make binding on a consumer such contractual term with which the consumer did not have any real possibility to become familiar with before concluding the contract;

17) provide a manufacturer, trader, or service provider the right to unilaterally determine whether the goods supplied or services provided comply with the contractual terms, or provide a manufacturer, trader, or service provider exclusive rights to interpret any provisions of the contract;

18) impose an obligation on a consumer to fulfil all contractual commitments, but a manufacturer, trader, or service provider fails to fulfil its contractual commitments.

(3<sup>1</sup>) The condition of Paragraph three, Clause 5 of this Section shall not apply to provisions which provide a lawful

price indexation if the methodology for determining changes in price is clearly provided for in the contract.

(3<sup>2</sup>) The condition of Paragraph three, Clause 8.<sup>1</sup> of this Section shall not apply to provisions of contract for financial services in accordance with which the service provider is entitled to terminate an unlimited contract without a warning, if there is a justified reason for it and if the service provider complies with an obligation to inform a consumer immediately of the termination of the contract.

(3<sup>3</sup>) The conditions of Paragraph three, Clause 12 of this Section shall not apply to:

1) the terms of a contract for financial services in accordance with which the service provider is entitled to change without a warning the interest rates which must be paid by a consumer or disbursed to a consumer, or other payments for financial services, if there is a justified reason for it and the service provider complies with an obligation to inform a consumer thereof as soon as possible, and also the right to terminate a contract immediately is intended for the consumer;

2) provisions according to which the trader or service provider is entitled to unilaterally amend the terms of an unlimited contract, if the trader or service provider complies with an obligation to duly inform the consumer thereof and the consumer is entitled to withdraw from the contract.

(3<sup>4</sup>) The conditions of Paragraph three, Clauses 5, 8.<sup>1</sup>, and 12 of this Section shall not apply to transactions with transferable securities, financial instruments and other products or services the price of which is related to fluctuations in exchange price or exchange price index or financial market rate, which the trader or the service provider does not influence, and also to contracts for the purchase or sale of foreign currency, traveller's cheques or international money transfers in foreign currency.

(4) In assessing contractual terms, the nature of the goods sold or the service, digital content, or digital service provided and all the circumstances under which the contract was concluded, and also the provisions of the concluded contract 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 has been drawn up in advance and therefore the consumer did not have an opportunity to influence the content of the relevant contract; especially it applies to standard contracts prepared in advance.

(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, its obligation is to prove it.

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

(9) [19 June 2008]

(10) [18 June 2015]

(10<sup>1</sup>) If losses are incurred by 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 concluded 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; 24 April 2014; 18 June 2015; 17 February 2022]

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

(1) In contracts by which the manufacturer or trader undertakes to supply goods or the service provider undertakes to provide services, digital content, or digital services for the benefit of the consumer as a third person, the contracting party which has received such promise has an obligation to familiarise the consumer with the contract concluded and to provide him or her with a possibility to join thereto within a specified time period so that the consumer would obtain an independent right to request performance of such contract from the manufacturer, trader, or service provider and compensation for losses in case of inappropriate performance or delay.

(2) The manufacturer, trader, or service, digital content, or digital service provider may not refuse to conclude a contract or refuse to perform a contract concluded for the supply of goods or for the provision of a service, digital content, or a digital service to the consumer as a third person only because other previous obligations have not been

settled with the person who has received the promise.

[17 February 2022]

## **Section 8. Consumer Credit**

(1) According to a consumer credit agreement, the person who is engaged in consumer crediting (hereinafter - the creditor) shall grant or promise to grant credit to a consumer as a deferred payment, loan, or other financial agreement. A contract for the long-term provision of services, digital content, or digital services or for the supply of goods shall not be deemed a consumer credit agreement within the meaning of this Law if the consumer pays for the goods or services, digital content, or digital services over duration of the contract by paying in instalments.

(1<sup>1</sup>) 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 - the special permit (licence)) and the minimum amount of equity capital to be payable of which is EUR 425 000. This requirement shall not be applied to:

1) a capital company which is to be considered a credit institution in accordance with the laws and regulations governing operation of credit institutions;

2) a manufacturer, trader, or service provider who offers to pay for the acquisition of goods, services, digital content, or digital services by means of a deferred payment, loan, or other similar financial agreement, without involving financing of a third person;

3) a merchant which, according to the contract concluded between the manufacturer, trader, or service provider for the acquisition of goods or services, digital content, or digital services, offers to conclude only such consumer credit agreements according to which no interest or other additional payments are paid;

4) a savings and loan company;

5) an administrator in accordance with the Covered Bonds Law;

6) a securitisation entity and a servicer if the servicer is an initiator which conformed to Clause 1, 2, 3, or 4 of this Paragraph prior to the alienation of the assets to the securitisation entity.

(1<sup>2</sup>) A capital company shall pay a State fee for the issuance of the special permit (licence) for the provision of consumer credit services, and also for the supervision of the operation of a provider of credit services.

(1<sup>3</sup>) The special permit (licence) is issued for an indefinite period of time. The procedures for issuing, cancelling, and suspending the operation of the special permit (licence), the requirements to which a capital company must conform to in order for it to receive the special permit (licence), including the requirements for equity capital, and also the requirements in relation to members of the supervisory board and executive board of a capital company, the amount of a State fee for the issuance of the special permit (licence) and the amount of the annual State fee for supervision of the operation of the provider of credit services, and the procedures for payment shall be determined by the Cabinet.

(1<sup>4</sup>) Also such services within the framework of which a consumer's property is accepted for sale or storage from the consumer and the payment for the property is made at the time of transfer of the property, if the right of the consumer to withdraw from the contract is provided for in the contract intending fee for it, shall be considered to be consumer credit services.

(2) A consumer credit agreement shall be drawn up in writing (on paper or on other durable medium), and each contracting party shall be given one copy of such agreement. Payment for goods, a service, digital content, or a digital service shall be specified in cash.

(2<sup>1</sup>) It is prohibited to conclude a consumer credit agreement in the time period from 23.00 o'clock to 7.00 o'clock, unless more strict restrictions for the provisions of the consumer credit service are provided for in the laws and regulations regarding consumer credit.

(2<sup>2</sup>) The costs of a consumer credit agreement shall be commensurate and corresponding to fair transaction practice. The total costs of the credit to a consumer shall be calculated in accordance with the procedures laid down in the laws and regulations regarding consumer credit.

(2<sup>3</sup>) Such total cost of the credit to a consumer shall be considered as not corresponding to the requirements referred to in Paragraph 2.<sup>2</sup> of this Section which exceed 0.07 per cent of the credit amount per day. Restriction of the total costs of the credit to a consumer shall not be applied to such consumer credit agreements upon the conclusion of which an item is to be deposited as security in the creditor's safe-keeping and according to which the liability of the consumer is limited only to that pledged item.

(2<sup>4</sup>) The amount of any expenses related to credit in any consumer credit agreement providing for that a consumer must repay the credit within a time period not exceeding three months, including the sum of interest, late interest, contractual penalties, commission fee, payments related to postponing the time period and other payments related to the fulfilment of the credit agreement, shall not exceed the sum of the credit issued. This provision shall not apply to:

1) consumer credit agreements upon the conclusion of which an item is to be deposited as security in the creditor's safe-keeping and according to which the liability of the consumer is restricted only to that pledged item;

2) contract with overdraft;

3) contracts, according to which the 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.

(2<sup>5</sup>) If a consumer credit agreement has been concluded, using distance communication techniques, credit shall be repaid in parts in proportion to the term of the agreement, and also the interest amount and the principal amount not less than once a month, except for consumer credit agreements:

1) the credit repayment term of which is not more than one month;

2) upon the conclusion of which the creditor grants an overdraft credit to the consumer or such credit for the receipt of which a payment card issued by the creditor should be used.

(2<sup>6</sup>) The provision of a consumer credit agreement that provides for a possibility to request late interest from the consumer shall not be in effect if the amount of such interest exceeds 36 percent points above the loan rate per year. This conditions does not apply to such consumer credit agreement in which repayment of credit is ensured by an immovable property mortgage or which has been concluded by the legal subject referred to in Section 4.<sup>3</sup>, Clause 10 of this Section.

(2<sup>7</sup>) It is prohibited to determine promissory notes as the means for the settlement of accounts in consumer credit.

(2<sup>8</sup>) In the consumer credit agreement which has been concluded for a period of up to 30 days and which provides for the repayment of the credit in one payment:

1) the amount of the loan may not exceed 50 per cent of the amount of the minimum monthly salary specified in the State. This provision shall not apply to credit agreements upon the conclusion of which an item is to be deposited as security in the creditor's safe-keeping and according to which the liability of the consumer is restricted only to that pledged item;

2) it is prohibited to extend the term for the repayment of the credit more than twice. This provision shall not apply to cases when such payment schedule is offered according to which the principal amount of the credit must be repaid in instalments.

(3) A consumer has the right to fulfil his or her obligations fully or partly at any time prior to the time period specified in the consumer credit agreement. 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 abovementioned consumer rights shall not apply to credit contracts referred to in Section 12.<sup>1</sup>, Paragraph eight, Clauses 2 and 4 of this Law.

(4) The Cabinet shall determine the following:

1) the content of the information to be provided prior to concluding a consumer credit agreement and the procedures for providing it;

2) the conditions for the provision of additional services;

3) the requirements to be brought forward for the consumer credit agreement and the information to be included therein;

4) the method for calculating the annual interest rate;

5) the conditions for a foreign currency credit and a variable interest rate credit;

6) informing of a consumer during the term of operation of the credit agreement;

7) early repayment of a credit and fair reduction of the total costs of the credit;

8) the requirements to be applied to certain types of credit agreements;

9) the requirements to be set for giving advice;

- 10) the obligations of credit intermediaries and representatives of credit intermediaries;
- 11) the legal framework for a consumer crediting against movable property pledge;
- 12) the procedures and terms for the implementation of the mortgage recrediting process.

(4<sup>1</sup>) Prior to concluding a consumer credit agreement, the creditor shall evaluate 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 the processing of personal data in accordance with the laws and regulations (hereinafter - the database) regarding person's income and fulfilment of payment commitments, which is obtained in accordance with the procedures laid down in the laws and regulations 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.

(4<sup>2</sup>) Before a consumer and the creditor agree on any significant increase in the total amount of credit during the term of operation of the credit agreement, the creditor shall update the financial information at the disposal thereof concerning the consumer and repeatedly assess 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.

(4<sup>3</sup>) The obligations specified in Paragraphs 4.1, 4.2, 4.4, and 4.7 of this Section shall not be applied to consumer credit agreements:

- 1) [24 April 2014 / See Paragraph 21 of Transitional Provisions];
- 2) in accordance with which the creditor grants the consumer the right to use funds which exceed the current balance in the consumer's current account (hereinafter - the overdraft credit) and which must be repaid during a period of time that does not exceed one month;
- 3) in accordance with which the 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 the conclusion of 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 concluded 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 concluded with investment companies or credit institutions for the purposes of allowing an investor to make a transaction relating to one or more of the instruments governed in conformity with the laws and regulations 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 laws and regulations;
- 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 laid down in laws and regulations 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) which are concluded by a manufacturer, trader, or service provider for the purchase of goods or services in the way of deferred payments, loan or other similar financial agreements and according to which the credit is granted, without paying the interest rate and without any other additional charges;
- 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 the use of the credit in comparison with the total amount of the credit and the time period of the operation of the credit agreement;
- 12) which have been concluded as part of a mortgage recrediting if the monthly payment for the consumer does not change or decreases.

(4<sup>4</sup>) When fulfilling the obligation laid down in Paragraphs 4.1 and 4.2 of this Section, a creditor has an obligation to request, acquire and evaluate information regarding a consumer's income and expenses for the fulfilment of the obligation in adequate amount. The consumer has an obligation, upon a request of the creditor, to provide information regarding his or her income and expenses. The creditor may base on information which has been received only from

the consumer if it is sufficient and documentarily justified. The creditor is entitled to grant a credit only after it has evaluated the consumer's creditworthiness and the evaluation attests that the credit liabilities will, most likely, be fulfilled according to the provisions of the contract. If the credit application is rejected, the creditor shall, without delay, inform the consumer of such rejection and, in the relevant case, also of the automation of the decision-making process.

(4<sup>5</sup>) If the creditor grants a credit to a consumer without evaluating the consumer's creditworthiness, the creditor is not entitled to request that the consumer would pay more than the lawful interest for the money use allocation granted in a credit agreement and apply means of reinforcement of obligations or compensation to the consumer. That referred to in this Paragraph shall apply to such means of reinforcement of obligations or compensation related to delay in payments, if a reason for delay is the consumer's creditworthiness that has not been assessed in compliance with the requirements of this Section at the time of granting of the credit. That referred to in this Paragraph shall not release the consumer from the obligation to pay the remaining total amount of a credit in accordance with the credit agreement.

(4<sup>6</sup>) A claim for the reduction in interest payment of the credit agreement in accordance with Paragraph 4.<sup>5</sup> of this Section shall be brought to the court within three years from the day of concluding the credit agreement or substantial increase in the total amount of the credit in accordance with the procedures laid down in the Civil Procedure Law. In the claims for money recovery in which the application is submitted by a creditor, a consumer has the right to request the court to reduce a credit agreement interest payment in conformity with Paragraph 4.<sup>5</sup> of this Section. In the case of dispute it shall be considered that the creditor has not fulfilled the obligation laid down in Paragraphs 4.<sup>1</sup>, 4.<sup>2</sup> and 4.<sup>4</sup> of this Section to evaluate the consumer's creditworthiness, unless the creditor proves the contrary.

(4<sup>7</sup>) For the creditors to be able, in accordance with the requirements of this Law, to evaluate the consumer's creditworthiness in cases when the information submitted by the consumer is not sufficient and documentarily justified, and also the ability of the guarantor to fulfil the liabilities arising from the guarantee contract, the creditors have an obligation to mutually exchange information, with the intermediation of credit bureaus, regarding the consumer or guarantor, their liabilities, and the course of fulfilment of the liabilities to the extent which is sufficient for the performance of the evaluation.

(4<sup>8</sup>) So that, upon fulfilling the obligations specified in Paragraphs 4.<sup>1</sup>, 4.<sup>2</sup>, and 4.<sup>4</sup> of this Section, the creditor would have access to the information which is included in the databases of all credit bureaus, the credit bureau with which the creditor has concluded a contract shall, upon a request of the creditor, request under its assignment and receive the information from the databases of other credit bureaus regarding the consumer or guarantor, their liabilities, and the course of fulfilment of the liabilities.

(5) In order to evaluate the consumer's creditworthiness or the ability of the guarantor to fulfil the liabilities arising from the guarantee contract in accordance with Paragraph 4.<sup>4</sup> of this Section, a creditor has the right to request and, with the intermediation of the credit bureau in accordance with the procedures laid down in laws and regulations, to receive:

1) a statement from the State Revenue Service on the income of the consumer or guarantor;

2) the information at the disposal of the State Social Insurance Agency on the pension, allowance, and remuneration disbursed to the consumer or guarantor.

(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, and also the procedures for the requesting and issuing of statements.

(8<sup>1</sup>) The Cabinet shall determine the content and extent of the information of the State Social Insurance Agency specified in Paragraph five, Clause 2 of this Section on the pension, benefit, and remuneration disbursed to the consumer or guarantor, the period for which the information is provided, the procedures for requesting and issuing it, and also the amount of the payment fee and the payment procedures.

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

(10) A credit, the amount of which is equal to 100 minimum monthly wages or higher, shall be issued as follows:

1) in the amount of not more than 90 per cent of the market value of the relevant immovable property, if its repayment is ensured with an immovable property mortgage;

2) in the amount of not more than 95 per cent of the purchase transaction amount or planned construction costs of the relevant immovable property, if its repayment is ensured with an immovable property mortgage and a State

guarantee in conformity with the State assistance for the purchase or construction of a housing laid down in the law On Assistance in Solving Apartment Matters.

(10<sup>1</sup>) Consumer credit agreements in accordance with which the purchase of a particular good is financed for the amount exceeding EUR 1400, a credit shall be issued in the amount of not more than 90 per cent of the price of the relevant good. The provisions of this Paragraph shall not be applied to consumer credit agreements for a credit repayment of which is ensured with an immovable property mortgage.

(11) The provisions of Paragraphs five and nine shall not be applied to consumer credit agreements which have been concluded 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 to be registered in the public registers of the Republic of Latvia.

(12) If such credit agreement is concluded upon the conclusion of which a consumer shall transfer some property for storage by a creditor as a security and according to which the liability of the consumer is limited only by the pledged property, the creditor shall acquire the right to the sale of the pledge not bought out for the discharge of the consumer's credit commitments on the seventh day after the end of the term for repayment of the credit indicated in the credit agreement.

(13) If the pledge referred to in Paragraph twelve of this Section is not bought out until the end of the term for repayment indicated in the credit agreement, a consumer has the right to buy it out until the time when a creditor sells the abovementioned property for the discharge of the debt commitments. The fee requested for the buying out of the pledge after the end of the term for buying out laid down in the credit agreement for the use of the credit or administrative expenses (if any have been provided for in the credit agreement concluded by the parties) shall not exceed the fee or expenses which were applied during the term of operation of the credit agreement.

(14) After the sale of the pledged property referred to in Paragraph thirteen of this Section a creditor's right to claim against a consumer shall terminate also in the case when the income from the sale of the property is not sufficient for covering of the consumer's credit obligations.

(15) Upon developing consumer credit services, granting credits, providing credit intermediation services, giving advice, providing additional services in relation to the credit services to consumers, or fulfilling the liabilities referred to in the credit agreement, the creditor, credit intermediary, or representative of a credit intermediary shall act fairly, justly, transparently, and professionally, taking into consideration the rights and interests of the consumer. In the laws and regulations governing consumer credit, giving of an advice shall mean the provision of individual recommendations to the consumer regarding one transaction or several transactions which are related to the credit agreement and which are an activity separated from the activities of granting a credit and credit intermediation.

(16) The institutions shall, according to their competence and within the scope of the budget resources assigned, in cooperation with consumer rights protection associations promote educating of consumers in the field of consumer credit, particularly in issues regarding responsible borrowing and management of debt liabilities.

*[17 May 2007; 19 June 2008; 28 October 2010; 20 December 2010; 9 June 2011; 19 September 2013; 24 April 2014; 18 September 2014; 28 May 2015; 18 June 2015; 9 June 2016; 4 October 2018; 20 May 2021; 15 April 2021; 17 February 2022; 15 June 2023; 15 February 2024]*

### **Section 8.<sup>1</sup> Special Provisions in Relation to Credits the Repayment of Which is Secured by an Immovable Property Mortgage or the Objective of Which is to Acquire or Retain the Right to Immovable Property**

(1) The activities referred to in Section 8, Paragraph fifteen of this Law must be based on information regarding the circumstances and needs of a consumer of which the consumer has informed the creditor and on justified assumptions on the potential risks which might occur for the consumer during the term of operation of the credit agreement.

(2) The way in which the creditor is remunerating its staff and credit intermediaries, and also the way in which the credit intermediary is remunerating its staff and representatives of the credit intermediary may not be an obstacle for the conformity with the obligation referred to in Section 8, Paragraph fifteen of this Law.

(3) Upon developing and applying the remuneration policy to the staff which evaluates the consumer's creditworthiness, the creditor shall, according to the amount of activities, internal work organisation, nature and complexity of the activity of the creditor, ensure that:

1) the remuneration policy promotes justified and efficient risk management and is compatible with it, and also does not encourage undertaking of risks which exceed the limit of the admissible risk of the creditor;

2) the remuneration policy conforms to the operational strategy, objectives, values, and long-term interests of the creditor and includes measures for the prevention of conflicts of interests and corruption risks, particularly providing for that the remuneration does not depend on the number or proportion of the credit applications accepted.

(4) If creditors, credit intermediaries, or representatives of credit intermediaries give advice to a consumer, the

structure of the remuneration of the staff involved in giving advices shall not prejudice the ability thereof to act in the interests of consumers and does not particularly depend on the sales objectives.

(5) Prior to concluding a consumer credit agreement, the credit intermediary or representative of the credit intermediary is prohibited from requesting any payments from the consumer which are directly related to the conclusion of the consumer credit agreement.

(6) The creditor, the credit intermediary, and the representative of the credit intermediary have an obligation to maintain the level of knowledge and competence of the staff corresponding to the obligations thereof in relation to:

- 1) the development, offering, or granting of consumer credit agreements;
- 2) the performance of credit intermediation activities, if applicable;
- 3) the giving of an advice to the consumer, if applicable;
- 4) additional services, if the conclusion of the consumer credit agreement includes an additional service.

(7) The creditor, credit intermediary, or representative of the credit intermediary shall develop the policy for the maintenance of the level of knowledge and competence of the staff thereof, ensuring the professional qualification of the staff with requirements in relation to the education of the staff, the staff training programmes, or regular examinations of competencies. At least the following knowledge must be included in the requirements referred to in Paragraph six of this Section in relation to the level of knowledge and competence:

- 1) regarding credit services and, if necessary, additional services which are usually offered together with them;
- 2) regarding consumer rights protection and other legal acts applicable to consumer credit agreements;
- 3) regarding the process of acquisition of an immovable property, the evaluation of the security, the recording of the immovable property, and the corroboration of the rights related thereto in the Land Register;
- 4) regarding the credit market;
- 5) regarding ethics of economic activity;
- 6) regarding the process by which the consumer's creditworthiness is assessed, or in the particular case - the competence for the evaluation of the consumer's creditworthiness;
- 7) regarding financial and economic issues.

(8) The creditor which has received a credit application from a consumer has an obligation to offer him or her a choice of at least two different credit agreement provisions one of which foresees that the immovable property for the purchase of which a credit is taken serves as a sufficient security to allow full settlement of the liabilities against the creditor.

(9) In addition to the requirements referred to in Section 8, Paragraphs 4.1 and 4.4 of this Law to assess the consumer's creditworthiness, the creditor shall also take into account other factors which are essential for ascertaining the ability of the consumer to fulfil the liabilities arising from the credit agreement, including the information provided by the consumer to the credit intermediary or representative of the credit intermediary in the process of credit application, and also the ability of the guarantor to fulfil the liabilities arising from the guarantee contract. The creditor shall duly check the obtained information, including, if necessary, using information that can be checked in an independent manner. The credit intermediary or representative of the credit intermediary shall submit the information received from the consumer which is necessary to assess the consumer's creditworthiness to the relevant creditor.

(10) Prior to concluding a consumer credit agreement, the creditor shall indicate in a clear and comprehensible manner what information and evidence that can be checked in an independent manner must be submitted by the consumer to assess his or her creditworthiness, and the time limit for the submission of such information. The request for such information shall be commensurable and shall not exceed that necessary for the duly performance of the abovementioned assessment. The creditor may request adjustments in relation to the information received from the consumer if it is necessary to assess the consumer's creditworthiness. The creditor, the credit intermediary, and the representative of the credit intermediary shall warn the consumer that credit will not be granted if the consumer's creditworthiness cannot be assessed due to incompleteness of the submitted information.

(11) Prior to concluding a guarantee contract, the creditor shall inform the guarantor of the consumer credit agreement of the amount and nature of the liabilities of the guarantee and of the consequences thereof which shall set in if the guarantor (principal debtor) does not fulfil the liabilities arising from the consumer credit agreement.

(12) The creditor has an obligation to develop, document, and store procedures and information on which the assessment on the consumer's creditworthiness is based. The assessment may not be based only on the value of an immovable property which exceeds the amount of the credit or on an assumption that the value of an immovable property will increase. The assessment may be based on an assumption that the value of an immovable property will

increase if the objective of the consumer credit agreement is to carry out construction work in the immovable property.

(13) The assessment of an immovable property may be performed by an appraiser of immovable property certified in accordance with the procedures laid down in laws and regulations. The appraiser of immovable property has an obligation to ensure an independent and objective assessment of an immovable property. The assessment of an immovable property shall be stored on paper or on a durable medium. The documentation shall be stored by the creditor.

(14) The creditor is not entitled to request from a consumer who has not committed 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 the re-assessment of the security of a mortgage credit during the term of operation of the contract, except when the credit has been granted on the basis of an assumption that the value of the immovable property in security will increase;

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

(15) Paragraph fourteen of this Section shall not be applied in cases when, according to a court ruling in effect, a recovery has been brought against the security of the issued credit in favour of third persons.

(16) If a consumer who has not committed any significant violation of the contract asks to do it, the creditor has an obligation 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 creditor shall, within 30 days, issue a motivated reply to the consumer.

(17) The changes in contractual terms referred to in Paragraph sixteen 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 agreement are offered. The consumer is entitled to request the making of the changes referred to in Paragraph sixteen of this Section not less than once a year. The creditor is not entitled to request any compensation for making of such changes, except for a justified and reasonable payment for administrative expenditures of the service.

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

1) delay of the 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;

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

3) intentional provision of false information for the receipt of credit.

(19) The guarantor of the consumer credit agreement has the right to request and the creditor has an obligation to provide information regarding the payments made by the consumer according to the consumer credit agreement, the term, payment schedule, and the amount of the remaining debt liabilities.

(20) Prior to termination of the consumer credit agreement and initiation of the alienation of immovable property, the creditor, if possible, shall offer solutions to the consumer which would allow continuation of the fulfilment of the liabilities arising from the consumer credit agreement, and also inform the guarantor of the debt of the consumer, the possibility for the guarantor to pay it or to take over the liabilities of the consumer.

(21) The creditor has an obligation to store information on the types of immovable property which are used as the security, and also on the policies and procedures applied for the assessment of credit risk.

[9 June 2016]

## **Section 8.<sup>2</sup> Procedures for the Registration of a Credit Intermediary and a Representative of a Credit Intermediary which Offer Credit to a Consumer the Repayment of which is Secured with an Immovable Property Mortgage or the Objective of which is to Obtain or Retain the Right to Immovable Property**

(1) When offering a consumer credit the repayment of which is secured with mortgage on an immovable property or the objective of which is to obtain or retain the right to an immovable property, services of a credit intermediary and a representative of a credit intermediary may be provided to a consumer by credit intermediaries and representatives of credit intermediaries registered in the Register of Credit Intermediaries and Representatives of Credit Intermediaries or in the register of competent institutions of another European Union Member State. A person who only directly or indirectly introduces the consumer with the creditor or credit intermediary shall not be considered a credit intermediary.

(2) The Register of Credit Intermediaries and Representatives of Credit Intermediaries shall be maintained by the Consumer Rights Protection Centre.

(3) The procedures by which credit intermediaries and representatives of credit intermediaries are registered in the Register and deleted from the Register, the amount of information to be included in the Register and the procedures for updating it, the conditions for professional indemnity insurance, the amount of the State fee for registration and the State fee for annual supervision and the procedures for payment thereof, the procedures for the cooperation with the competent institutions of other European Union Member States, and also the requirements for credit intermediaries and representatives of credit intermediaries shall be determined by the Cabinet.

*[9 June 2016 / Paragraph one shall come into force on 1 March 2017. Paragraphs two and three shall come into force on 1 January 2017. See Paragraphs 32 and 33 of Transitional Provisions]*

### **Section 8.<sup>3</sup> Restrictions on Consumer Credit Advertising**

(1) Credit services may not be advertised, except when:

- 1) it is implemented by the creditor or credit intermediary in premises where it is performing economic activity;
- 2) it is implemented on the Internet website or online system of the creditor or credit intermediary which, after authentication, is used by the creditor for the receipt of services;
- 3) it is implemented on the mobile application of the creditor or credit intermediary which, after authentication, is used by the consumer for the receipt of services of the creditor;
- 4) it is implemented by addressing the potential customer in person or by telephone if the consumer agrees to it;
- 5) it is implemented via postal or electronic consignments to a consumer if beforehand the consumer has unequivocally agreed to receive them;
- 6) in an advertisement of goods, a service, digital content, or a digital service not related to credit, except for an advertisement in television or radio, a person other than a creditor or credit intermediary provides information on a possibility of financing the payment via a credit contract.

(2) Paragraph one of this Section shall not apply to an advertisement of the trade mark of a creditor and a credit intermediary. An advertisement of the trade mark (including sponsorship) of a creditor and a credit intermediary is prohibited in projects implemented in television or radio within the scope of public order which are funded from the resources of State or local government budget.

(3) Paragraph one of this Section shall not apply to:

- 1) the study loan and the student loan referred to in the Law on Higher Education Institutions;
- 2) a credit secured by an immovable property mortgage or for the purpose of acquiring or retaining rights to an immovable property, construction of immovable property, or improvement of energy efficiency.

*[4 October 2018; 20 May 2021; 17 February 2022; 15 February 2024]*

### **Section 8.<sup>4</sup> Mortgage Credit Borrower Protection Fee**

(1) This Section provides for a necessary, targeted compensation of interest on credits for mortgage credit borrowers for the purchase or construction of housing in accordance with the principle of a socially responsible State in order to protect the public welfare, taking into account the significant cost burden on households caused by the increase in credit payments and consumer prices resulting from the rise in the EURIBOR rate and inflation.

(2) The fee shall be paid for the credits issued to consumers (natural persons - borrowers) the repayment of which is secured by an immovable property mortgage located in Latvia (hereinafter in this Section - the mortgage credit).

(3) The fee shall be paid by credit institutions and capital companies registered in Latvia which have received a special permit (licence) to provide consumer credit services in accordance with Section 8, Paragraph 1.<sup>1</sup> of this Law and also by permanent representative offices (branches) in Latvia of credit institutions and capital companies of other countries which have received a special permit (licence) to provide consumer credit services (hereinafter in this Section - the fee payers) in accordance with Section 8, Paragraph 1.<sup>1</sup> of this Law.

(4) The fee shall be payable for each quarter of the calendar year and shall be determined on quarterly basis in the amount of 0.5 per cent of the total outstanding mortgage credit balances issued by the fee payer as of 31 October 2023. The mortgage credit borrower protection fee shall not be calculated and paid for mortgage credits issued at a fixed interest rate throughout the entire repayment period of the mortgage credit.

(5) The fee payer shall submit a fee declaration for each quarter of the calendar year via the Electronic Declaration System of the State Revenue Service, not later than by the twentieth day of the first month of the reporting quarter, indicating the number of mortgage credits issued by the fee payer and the outstanding mortgage credit balances as of

31 October 2023 for which the fee is calculated in accordance with Paragraph four of this Section, and the amount of the fee calculated.

(6) The fee payer shall pay the amount of the fee calculated in Paragraph four of this Section into the revenue account of the State basic budget specially created for this purpose by the twenty-third day of the first month of the reporting quarter.

(7) The fee shall be administered by the State Revenue Service. While controlling the completeness and accuracy of the information indicated in the declaration referred to in Paragraph five of this Section, the State Revenue Service may carry out a tax administration inspection. If after the tax administration inspection it is established that the calculation of the fee does not correspond to the provisions of this Section, the State Revenue Service shall take the decision on the adjustment of the amount of the fee and calculate the amount of the fee to be paid into the budget and also the late payment charge in the amount determined in Section 29, Paragraph two of the law On Taxes and Fees for the period from the term of the payment of the fee until the day of the start of the tax administration inspection. The fee payer shall make the payments specified in the decision within 30 days from the date of notifying the decision. If the fee payer fails to make the payments specified in the decision within the aforementioned period, the State Revenue Service shall calculate the late payment charge specified in Section 29, Paragraph two of the law On Taxes and Fees as of the day following the payment deadline.

(8) If the fee payer fails to make the fee payment within the period prescribed by this Law, a late payment charge shall be calculated for the period of delay and recovery shall be made in accordance with the provisions of the law On Taxes and Fees.

(9) The State Revenue Service shall refund the amount of the fee overpaid as a result of an incorrect calculation according to a written request of the fee payer.

(10) For the purposes of this Section, an eligible mortgage credit borrower shall be a consumer with whom the fee payer has concluded a mortgage credit agreement, provided that both of the following conditions are met:

- 1) the mortgage credit agreement has been concluded until 31 October 2023;
- 2) the mortgage credit balance does not exceed EUR 250 000.

(11) The fee payer has the obligation to calculate for each eligible mortgage credit borrower a credit interest compensation equal to 30 per cent of the interest payments made during the quarter that shall be calculated in accordance with the relevant mortgage credit agreement, but not more than two percentage points of the interest rate (total borrowing rate) determined for the period. No credit interest compensation shall be calculated and paid to an eligible mortgage credit borrower for mortgage credits issued at a fixed interest rate throughout the entire repayment period of the credit.

(12) The fee payer has the obligation to submit via the Electronic Declaration System of the State Revenue Service, not later than the tenth day of the month following the reporting quarter, in the format published on the website of the State Revenue Service, the following information on each eligible mortgage credit borrower:

- 1) his or her given name, surname, personal identity number;
- 2) the payment account number of the mortgage credit borrower to which the credit interest compensation shall be disbursed;
- 3) the credit interest compensation calculated for the mortgage credit borrower in accordance with Paragraph eleven of this Section.

(13) The State Revenue Service shall, out of the revenue from the mortgage credit borrower protection fee, not later than by the thirtieth day of the month following the quarter, make a quarterly disbursement of the credit interest compensation calculated by the fee payer in accordance with Paragraph eleven of this Section and reported in accordance with Paragraph twelve of this Section into the payment account of the respective mortgage credit borrower as specified by the fee payer. Any disputes between the consumer and the fee payer concerning the calculation of credit interest compensation shall be settled in accordance with the procedures laid down in the Civil Procedure Law.

(14) The information received in accordance with the procedures laid down in Paragraph twelve of this Section shall be used solely for the purposes of the disbursement of the credit interest compensation calculated for the mortgage credit borrower. The credit interest compensation provided for in Paragraph thirteen of this Section shall not be subject to any charges, covering other payments or recovery of debts.

(15) The fee payer shall, not later than until the tenth day of the month following the reporting quarter, communicate to each eligible mortgage credit borrower the information which the fee payer has provided in accordance with Paragraph twelve of this Section to the State Revenue Service in respect of the relevant mortgage credit borrower. The fee payer shall send this information electronically to the relevant mortgage credit borrower via the usual means of communication of the fee payer with its clients.

## **Section 8.<sup>5</sup> Mortgage Recrediting**

(1) Mortgage recrediting shall mean a simplified transfer of such a credit issued to a consumer the repayment of which is secured by an immovable property mortgage (hereinafter in this Section - the mortgage credit) from one creditor (hereinafter in this Section - the former creditor) to another such creditor (hereinafter in this Section - the acquiring creditor) upon request of the consumer in accordance with the procedures laid down in this Section. Within the scope of the simplified transfer of a mortgage credit, when the consumer concludes a new mortgage credit agreement and a new pledge agreement with the acquiring creditor, the acquiring creditor shall take over the pledge right to immovable property registered in favour of the former creditor and this pledge right shall continue securing the claims of the acquiring creditor arising from the new mortgage credit agreement.

(2) When recrediting the mortgage credit, the consumer has the right to a simplified and standardised process.

(3) In the case of a mortgage recrediting, the acquiring creditor shall issue to the consumer a new mortgage credit which shall cover the relevant outstanding mortgage credit liabilities of the consumer to the former creditor. The former creditor has the obligation to cooperate and not to delay the mortgage recrediting process.

(4) In the case of a mortgage recrediting, the acquiring creditor has no obligation to comply with the ratio of the credit amount to the market value of the immovable property referred to in Section 8, Paragraph ten, Clause 1 of this Law and to reassess the subject of the pledge (immovable property) related to the mortgage credit if the transaction meets the criteria defined by the acquiring creditor in terms of the credit amount, the credit-to-security ratio and the availability of reliable information from external sources on the value of the security.

(5) In the case of a mortgage recrediting, the pledge right attached to the mortgage credit and the related prohibition record shall be amended in favour of the acquiring creditor. The basis for such an amendment of the pledge right shall be the new mortgage credit agreement and pledge agreement concluded between the consumer and the acquiring creditor, and also the consent of the former creditor to the amendment of the pledge right and the related prohibition record. No proof of the consent of the acquiring creditor shall be provided with the corroboration request.

(6) The mortgage credit agreement concluded between the consumer and the former creditor and related claims shall terminate after the former creditor has received payment in accordance with the procedures and within the period laid down in the laws and regulations governing consumer credit to cover the outstanding liabilities of the consumer arising from the relevant mortgage credit agreement.

(7) The former creditor is entitled to request the restoration of the pledge right and the related prohibition record to the state in which these existed before the amendment referred to in Paragraph five of this Section by mutual agreement between the parties or by way of a general action in court if the payment referred to in Paragraph six of this Section is not received from the acquiring creditor. In such a case, the pledge right and the related prohibition record amended in favour of the acquiring creditor can be removed only with the consent of the former creditor or on the basis of a court decision. In the case of delayed receipt of the payment referred to Paragraph six of this Section by the former creditor, resulting in an increase in the outstanding liabilities of the consumer arising from the relevant mortgage credit agreement, the former creditor cannot request the amendment of the pledge right and the related prohibition record in its own favour, but the acquiring creditor shall, upon request of the former creditor, immediately cover the resulting difference. The expenses for the amendment of the pledge right and the related prohibition record shall be borne by the acquiring creditor.

(8) The acquiring creditor has the obligation to reimburse the payments made by the consumer in relation to the conclusion of a new mortgage credit agreement and a new pledge agreement and issuing the mortgage credit, and to cover any other losses incurred by the consumer as a result of the actions of the acquiring creditor during the mortgage recrediting process if the acquiring creditor has not made the payment referred to in Paragraph six of this Section to the former creditor after the amendment of the pledge right and the related prohibition record, and the amended pledge right and the related prohibition record shall be restored to their previous state in accordance with the procedures laid down in Paragraph seven of this Section.

(9) The acquiring creditor is not entitled to refuse to make the payment referred to in Paragraph six of this Section if any of the records referred to in Section 45 of the Land Register Law has been registered in the Land Register in respect of the immovable property to which the pledge right has been registered after the amendment of the pledge right and the related prohibition record in favour of the acquiring creditor.

(10) A subsequent contestation of the mortgage credit agreement concluded between the consumer and the former creditor or of the pledge right shall not constitute grounds for contesting the mortgage credit agreement or pledge agreement concluded between the consumer and the acquiring creditor, nor shall it constitute grounds for contesting and removing the pledge right of the acquiring creditor registered in the Land Register.

(11) The former creditor is not entitled to charge a fee for the mortgage recrediting, even if such a fee is provided for in the mortgage credit agreement or pledge agreement, and is not entitled to require the consumer to compensate them for any expenses incurred in relation to the mortgage recrediting, except where the loan has a fixed rate and the

former creditor is entitled to receive fair and objectively substantiated compensation for possible expenses directly related to the early repayment of the credit.

(12) In the mortgage recrediting process, the fee for drawing up the new mortgage credit agreement or issuing the credit shall not exceed one per cent of the new mortgage credit amount. Such a fee may not be higher than the fee charged by the acquiring creditor at that time for issuing new mortgage credits unrelated to recrediting. The consumer is entitled to divide the fee into three instalments.

(13) If the former creditor receives the immovable property insurance compensation after having received the payment referred to in Paragraph six of this Section in the mortgage recrediting process, it shall transfer it to the acquiring creditor. If the acquiring creditor receives the immovable property insurance compensation before the former creditor receives the payment referred to Paragraph seven of this Section and does not issue the mortgage credit to the consumer, the acquiring creditor shall transfer the received insurance compensation to the former creditor.

[15 February 2024]

### **Section 9. Contract Concluded Outside the Permanent Location of Economic or Professional Activity**

(1) A contract between a consumer and trader or service provider is concluded outside the permanent location of economic or professional activity, if it is concluded:

1) in the physical presence of the consumer and trader or service provider at the location other than the permanent location of economic or professional activity of the trader or the service provider;

2) upon invitation expressed by the consumer to the trader or the service provider at the location other than the permanent location of economic or professional activity of the trader or the service provider;

3) at the permanent location of economic or professional activity of the trader or the service provider or using means of distance communication immediately after the trader or the service provider has personally and individually addressed to the consumer at the place other than the permanent location of economic or professional activity of the trader or the service provider, by a physical presence of the consumer and trader or service provider;

4) during an excursion organised by the trader or service provider to promote popularity of or demand for the goods, services, digital content, or digital services and to sell the goods or provide the services, digital content, or digital services to the consumer.

(2) The Cabinet shall determine the content of the information to be provided prior concluding a contract and to be included in a contract, the procedures for the provision thereof, the time periods and procedures for exercising the right of withdrawal provided for in Section 12 of this Law, the rights and obligations of a consumer and trader or service provider in the case of use of the right of withdrawal, and also a sample form of withdrawal and exceptions in relation to informing of consumers and use of the right of withdrawal.

(3) [24 April 2014 / See Paragraph 22 of Transitional Provisions]

(4) The trader which sells the goods using automatic goods-vending machine shall indicate the name (firm name) of the 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.

(5) A permanent location of economic or professional activity shall be:

1) any immovable retail premises where the trader or the service provider performs its activities on a permanent basis;

2) any movable retail premises where the trader or the service provider performs its activities on a usual basis.

[27 October 2005; 21 May 2009; 24 April 2014; 9 June 2016; 17 February 2022]

### **Section 10. Distance Contract**

(1) A distance contract is an agreement between a consumer and the trader or the service provider that they have concluded without the simultaneous physical presence at the same location, with the exclusive use of one or more means of distance communication up to and including the time at which the contract is concluded, and also to organise sales of goods, digital content or digital services or service provision scheme. A phone, web, electronic mail, television, catalogue, advertisements published on press, to which an order coupon is attached, and other distance means for information sending and transmission shall be regarded as means of distance communication.

(2) The Cabinet shall determine the content of the information to be provided prior to concluding a contract and to be included in a contract, the procedures for the provision thereof, the requirements for the provision of information to online marketplaces, the periods and procedures for exercising the right of withdrawal provided for in Section 12 of this Law, the rights and obligations of a consumer and trader or service provider in the case of use of the right of withdrawal, and also a sample form of withdrawal and exceptions in relation to the use of the right of withdrawal.

[24 April 2014; 17 February 2022 / The new wording of Paragraph one and the supplementation of Paragraph two after the words "the procedures for the provision thereof" with the words "the requirements for the provision of information to online marketplaces" shall come into force on 28 May 2022. See Paragraph 41 of Transitional Provisions]

**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 - the contract on the right of use of accommodation) means a contract which has been concluded for a duration of more than one year and according to 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 - the contract on holiday services) means a contract which has been concluded for a duration of more than one year and according to 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 - the resale contract) means a contract in accordance with which the 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 - the 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 contract on the right of use of accommodation.

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

(6) Prior concluding a contract on the right of use of accommodation, a contract on holiday services, a resale contract, and an exchange contract, the information according to choice of a consumer 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 concluded in writing (on paper or on another durable medium) and one copy of such contract shall be issued to the consumer at the time of concluding 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 concluded 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 concluding 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, and also 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 concluding 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, and also reservation of money on account of the consumer is prohibited before he or she has sold his 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 concluding a contract on the right of use of accommodation, a contract on holiday services, a resale contract, and an exchange contract, clear information on significant provisions of the contract shall be provided to the consumer. The content of the information to be provided prior concluding 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, and also the special requirements to be observed upon concluding the relevant contract, shall be determined by the Cabinet.

[28 October 2010; 24 April 2014]

## **Section 12. Right of Withdrawal in Respect of a Distance Contract and Contract Concluded Outside Location of Economic or Professional Activity**

(1) The consumer may use the right of withdrawal within a specified time period and, without giving any reason, withdraw from a distance contract and contract concluded outside permanent location of economic or professional activity.

(2) Before expiry of the withdrawal period, the consumer shall inform the trader or the service provider of his decision to withdraw from the contract, by submitting withdrawal form or notification regarding the use of the right of withdrawal. The deadline shall be deemed to have been met if the consumer sends a withdrawal form or notification regarding the use of the right of withdrawal to the trader or the service provider before expiry of the withdrawal period. The consumer has an obligation to prove the use of the right of withdrawal.

(3) The trader or service provider is entitled to ensure the option to the consumer to electronically fill in and submit either the withdrawal form or a notification regarding the use of the right of withdrawal on the trader's or service provider's website. In such case the trader or the service provider shall communicate to the consumer an acknowledgement of receipt of such a withdrawal on a durable medium (including electronic mail) without delay.

(4) Sending of a withdrawal form or notification regarding the use of the right of withdrawal within the deadline shall terminate a contract and release a consumer from any contractual obligations arising from the distance contract or contract concluded outside location of economic or professional activity, or from obligations to conclude such contracts, if the offer is expressed by the consumer.

(5) The consumer shall send back the goods to the trader or the service provider or hand them over to the trader or the service provider or to his person authorised to receive the goods, without undue delay and in any event not later than 14 days from the day on which he has sent a withdrawal form or notification regarding use of the right of withdrawal to the trader or the service provider. The deadline shall be deemed to have been met if the goods are sent back before the period of 14 days has expired. This requirement shall not apply to the cases when the trader or the service provider himself or herself has offered to take the goods back.

(6) The trader or the service provider shall reimburse all payments received from the consumer, including the costs of delivery paid by the consumer without undue delay and in any event not later than 14 days from the day on which he is informed of the consumer's decision to withdraw from the contract in accordance with Paragraph two of this Section. The trader or the service provider shall carry out the reimbursement referred-to amount of money using the same means of payment as the consumer used for the initial transaction, unless the consumer has expressly agreed to other means of payment and provided that the consumer does not incur any fees as a result of use of such means of payment.

(7) If a consumer has expressly opted for a type of delivery other than the least expensive type of standard delivery offered by the trader or the service provider, the trader or the service provider shall not be required to reimburse the supplementary costs.

(8) The trader or the service provider is entitled to withhold the reimbursement of the amount of money paid by the consumer in accordance with a purchase contract until the trader or the service provider has received the goods back, or until the consumer has supplied evidence of having sent back the goods to the trader or the service provider, whichever is the earliest. Such right shall not apply to the cases when the trader or the service provider has offered to take the goods back by himself.

(9) The consumer shall bear the direct costs of returning the goods, except for the cases when the trader or the service provider has agreed to bear such costs or has not informed the consumer that the costs have to be covered by the consumer.

(10) If in accordance with the contract concluded outside location of economic or professional activity the goods have been delivered to the consumer's place of residence at the time of concluding the contract, in the case of exercising of the right of withdrawal the trader or the service provider shall collect the goods free of charge if, by their nature, those goods cannot normally be returned by post.

(11) The consumer shall be liable for any diminished value of the goods resulting from the handling of the goods other than what is necessary to establish the nature, characteristics and functioning of the goods. The consumer shall in any event not be liable for diminished value of the goods where the trader or the service provider has failed to provide notice of the right of withdrawal in accordance with the procedures laid down in the laws and regulations governing consumer rights protection.

(11<sup>1</sup>) If the consumer has exercised the right of withdrawal, he or she shall not use the digital content or digital service and shall not provide third persons with such a possibility.

(12) If the consumer exercises the right of withdrawal during the period of exercising thereof and, in relation to a distance contract or a contract been concluded outside the permanent location of economic or professional activity, another additional contract is concluded according to which the consumer obtains goods or services in relation to a distance contract or a contract concluded outside the premises of the undertaking and the abovementioned goods are delivered by the trader or the abovementioned services are provided by the service provider or third party, on the basis of a mutual agreement between the relevant third party and the trader or service provider, such additional contract is terminated and the consumer does not have an obligation to cover any other costs, except for the costs referred to in Paragraphs seven, nine, and eleven of this Section.

(13) In the case of exercising the right of withdrawal, the trader or service provider shall not use any content which is not personal data and which the consumer has provided or created by using the digital content or digital service supplied by the trader or service provider, except for the content:

- 1) that cannot be used without any linkage to the digital content or digital service supplied by the trader or service provider;
- 2) that only refers to activity of the consumer when using the digital content or digital service supplied by the trader or service provider;
- 3) that has been aggregated with other data by the trader or service provider and that is not separable or can only be separated involving disproportionate efforts;
- 4) that is jointly created by the consumer and other persons and other consumers may continue to use this content.

(14) In the case of exercising the right of withdrawal, the trader or service provider shall, upon request of the consumer, make available to the consumer any content which is not personal data and which the consumer has provided or created by using the digital content or digital service supplied by the trader or service provider, except for the cases referred to in Paragraph thirteen, Clauses 1, 2, and 3 of this Section. The consumer is entitled to retrieve the abovementioned digital content free of charge without any barriers created by the trader or service provider within a commensurate period and in commonly used machine readable form.

(15) In the case of exercising the right of withdrawal, the trader or service provider is entitled to prevent the consumer from using the digital content or digital service, including refusing the consumer further access to the digital content or digital service or disabling user account of the consumer, except for the rights of the consumer referred to in Paragraph fourteen of this Section.

*[24 April 2014; 18 June 2015; 9 June 2016; 17 February 2022 / Paragraphs 13, 14, and 15 shall come into force on 28 May 2022. See Paragraph 41 of Transitional Provisions]*

## **Section 12.<sup>1</sup> Right of Withdrawal in Relation to Consumer Credit Agreement**

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

(2) The consumer shall notify the creditor regarding exercising of the right of withdrawal in writing in accordance with the consumer credit agreement. 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 agreement.

(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 the 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 in relation to the consumer credit agreement and ancillary contract for a service which is provided by the creditor or by a third party on the basis of an agreement concluded by and between the third party and the creditor has been concluded, the ancillary service contract is terminated.

(6) If the consumer has the right of withdrawal in accordance with this Section, the laws and regulations regarding a distance contract on provision of financial services and the laws and regulations regarding a contract concluded 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 agreement has been concluded for the purchase of goods or service.

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

1) to consumer credit agreements according to which the credit amount may not exceed or does not exceed EUR 140;

2) to consumer credit agreements 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) [9 June 2016];

4) to consumer credit agreements 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 agreements upon concluding which an item is to be deposited as security in the creditor's safe-keeping and according to which the liability of the consumer is limited only to that pledged item;

6) to consumer credit agreements which have been concluded 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 agreements which are concluded 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 governed in accordance with the laws and regulations regarding financial instrument market, where the investment company or credit institution granting the credit is involved in such transaction;

8) to consumer credit agreements which are the outcome of a settlement reached in court or another institution specified in laws and regulations;

9) to consumer credit agreements 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 agreements which are related to loans granted, with a general interest purpose, to a restricted public in accordance with the procedures laid down in laws and regulations 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 concluded;

12) to consumer credit agreements according to which the credit is granted without interest and any other additional charges;

13) to consumer credit agreements which provide that the consumer should repay the credit within a period of time which does not exceed three months and according to 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 agreement;

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

(9) If a consumer credit agreement for the acquisition of an immovable property or an agreement the repayment of which is secured with an immovable property mortgage has been concluded, the parties to the consumer credit agreement may agree that the period of exercising the right of withdrawal ends at the moment when the ownership rights or mortgage has been registered in the Land Register or the amount of credit has been transferred to the third party indicated in the consumer credit agreement.

[28 October 2010; 19 September 2013; 9 June 2016]

## Chapter III

### Conformity of Goods and Service to Provisions of a Contract

*[24 April 2014 / The new wording of the title of this Chapter shall come into force on 13 June 2014. See Paragraph 22 of Transitional Provisions]*

#### **Section 13. Obligation of the Trader or Service Provider to Ensure the Conformity of Goods and Service with the Provisions of a Contract**

(1) The trader and the service provider have an obligation to ensure that the goods and service conform with the provisions of a contract.

(2) The trader or the service provider shall be responsible for any non-conformity of goods on the day of supply which is discovered within two years from the day of supply of the goods. If continuous supply of digital content or digital service is intended for goods with digital elements over a specific period of time, the trader or service provider shall also be responsible for the non-conformity of the digital content or digital service which is discovered within two years from the moment of supply of such goods.

(3) If non-conformity of goods with the provisions of a contract is discovered within a year after supply of the goods, it shall be deemed that it was already present at the moment when the goods, including goods with digital elements, were supplied, except for the case where such assumption is in contradiction with the nature of goods or type of non-conformity. If continuous supply of digital content or digital service is intended for goods with digital elements over a specific period of time, the trader or service provider has an obligation to prove that the digital content or digital service has been conforming throughout this period of time.

*[17 February 2022]*

#### **Section 14. Conformity of Goods with the Provisions of a Contract**

(1) Goods shall be deemed conforming to the provisions of a contract if they:

1) conform to the description of the goods provided by the trader or service provider, the indicated type, quantity, and quality of the goods, and also to the functionality, compatibility, interoperability, and other characteristics thereof;

2) are fit for the purposes for which the consumer has chosen the goods and which he or she has indicated to the trader or service provider not later than at the moment of concluding the contract, and the trader or service provider has confirmed fitness of the goods for such purposes;

3) have been supplied with all the indicated accessories and instructions for use, including those regarding installation;

4) are supplied together with any updates provided for in the contract;

5) are fit for the purposes for which such goods are usually used by taking into account, where applicable, the existing laws and regulations, standards or, if none, the applicable codes of good practice of the relevant fields;

6) where applicable, prior to concluding a contract, conform to the description and quality of the sample of goods provided by the trader or service provider;

7) have been supplied with such accessories, packaging, and instructions that can be reasonably expected by the consumer;

8) are in the specified quantity and have the characteristics and performance, including in respect of durability, functionality, compatibility, and safety, which are normally inherent in the same type of goods and which can be reasonably expected by the consumer, taking into account the nature of the goods and any public statements made by the trader, service provider, or other performer of economic activity involved in the supply chain, in particular in the advertising or on the labelling of the goods.

(2) The public statements referred to in Paragraph one, Clause 8 of this Section shall not be binding on the trader or service provider if he or she proves the following:

1) he or she did not know and justifiably could not have known regarding the statements provided;

2) the statement has been corrected with the same or equivalent statement prior to concluding the contract;

3) the statement could not affect the decision of the consumer to buy the goods.

(3) As regards the goods with digital elements, the trader or service provider shall ensure that the consumer is informed and the goods are supplied to him or her with such updates, including safety updates, which are necessary to maintain conformity of the goods over a specific period of time:

1) and which can be reasonably expected by the consumer, taking into account the type of the goods and digital elements, the purpose for which they are intended, and also the circumstances and substance of the contract if the contract provides for single supply of digital content or digital service;

2) in accordance with Section 13, Paragraph two of this Law, if the contract provides for continuous supply of digital content or digital service over a specific period of time.

(4) If the consumer fails to install the updates referred to in Paragraph three of this Section within a reasonable period of time, the trader or service provider shall not be responsible for non-conformity which is only caused by the absence of the relevant update provided that the following conditions are met at the same time:

1) the trader or service provider had informed the consumer of availability of the update and the consequences of the failure to install it;

2) the failure of the consumer to install the update or incorrect instalment thereof was not caused by shortcomings in the installation instructions provided to the consumer.

(5) The goods shall not be deemed as not conforming to Paragraph one, Clauses 5, 6, 7, and 8 and Paragraph three of this Section if, at the moment of conclusion of the contract, the consumer was informed of a specific deviation from the nature and characteristics of the goods and he or she has clearly and unambiguously agreed to that.

[17 February 2022]

#### **Section 14.<sup>1</sup> Conformity of Service with the Provisions of a Contract**

(1) It is the duty of the service provider to provide service in conformity with the provisions of a contract.

(2) A service shall be considered conforming to the provisions of a contract, if:

1) the content of the service, type of performance and result conforms to the agreed upon;

2) the service is provided with professional diligence taking into account the interests of the consumer;

3) the service conforms to the requirements that are justifiably set out for such services.

(3) A service shall not be considered to be in non-conformity with the provisions of a contract if upon concluding the contract the consumer was aware of or could not be uninformed regarding non-conformity of the service to the provisions of the contract or a reason of non-conformity is materials supplied by the consumer.

[24 April 2014 / Section shall come into force on 1 January 2016. See Paragraph 23 of Transitional Provisions]

#### **Section 15. Exception With Respect to Offering and Selling of Goods, or Provision of Services, of Inadequate Quality**

[22 November 2001]

#### **Section 16. Commercial Guarantee**

(1) A commercial guarantee is a promise made by the manufacturer, trader, or service provider to repay the consumer the amount of money paid for the goods, to exchange the goods for conforming goods, to eliminate any non-conformity of the goods free of charge, to perform activities related to the maintenance of the functions thereof by any means if the goods do not conform to specifications, or to carry out any other activities if the goods do not conform to the description provided in the commercial guarantee or advertising which is available at the moment of conclusion of the contract or prior to conclusion of the contract.

(2) The consumer shall be provided with the commercial guarantee in a durable medium not later than at the moment of the supply of goods in plain and comprehensible language, and it shall clearly set out conditions for the submission of a claim in respect of the commercial guarantee, the period of the commercial guarantee - the period of time to which it applies, the name (firm) or the given name, surname, and address of the commercial guarantor, and also the names of the goods to which the commercial guarantee applies. It shall be indicated in the commercial guarantee that the consumer has specific rights in accordance with laws and regulations and that the commercial guarantee does not affect such rights. If the commercial guarantee does not conform to these provisions, it shall not affect the validity of the commercial guarantee and the consumer is entitled to request the fulfilment of the commercial guarantee.

(3) The commercial guarantee shall be binding on its guarantor according to the conditions of the commercial guarantee document and the information provided in the relevant advertising which is available at the moment of conclusion of the contract or prior to conclusion of the contract.

(4) If the manufacturer has issued a commercial guarantee for the goods in respect of their durability over a specific period, the manufacturer has an obligation to guarantee to the consumer the elimination of non-conformity of the goods or exchange of the goods in accordance with Section 28 of this Law throughout this period of time. The manufacturer may offer more favourable conditions to the consumer.

(5) If conditions of the commercial guarantee are less favourable to the consumer than those indicated in the related advertising, the commercial guarantee shall be binding according to the conditions specified in the advertising, except for the case where the related advertising has been corrected with the same or equivalent advertising prior to concluding the contract.

[17 February 2022]

## **Chapter III.<sup>1</sup>** **Conformity of Digital Content and Digital Service with the Provisions of a Contract**

[17 February 2022]

### **Section 16.<sup>1</sup> Obligation of the Trader or Service Provider to Ensure the Conformity of Digital Content and Digital Service with the Provisions of a Contract**

(1) The trader or service provider has an obligation to ensure that the digital content or digital service conforms with the provisions of a contract.

(2) The trader or service provider has an obligation to prove that the digital content or digital service has been supplied. The trader or service provider shall be responsible for the failure to supply the digital content or digital service in accordance with Section 16.<sup>3</sup> of this Law.

(3) If a contract for the supply of digital content or digital service provides for single supply or several individual supplies, the trader or service provider shall be responsible for a non-conformity of the digital content or digital service on the day of supply which is discovered within two years from the day of supply of the digital content or digital service. If a non-conformity of the digital content or digital service is discovered within a year after the day of supply, the trader or service provider has an obligation to prove that the digital content or digital service has been conforming on the day of supply.

(4) If the contract provides for continuous supply of digital content or digital service over a specific period of time, the trader or service provider shall be responsible for a non-conformity of the digital content or digital service which is discovered within this period of time. If a non-conformity of the digital content or digital service is discovered within this period of time, the trader or service provider shall bear the burden of proving that the digital content or digital service has been conforming to the provisions of the contract during this specific period of time.

(5) The burden of proof provided for in Paragraphs three and four of this Section shall not be binding on the trader or service provider if it proves that the digital environment of the consumer is not compatible with the technical requirements for the digital content or digital service and if the trader or service provider has clearly and unambiguously informed the consumer of such requirement prior to concluding the contract.

(6) The consumer has an obligation to cooperate with the trader or service provider to the extent it is possible and necessary in order to clarify whether the cause of the non-conformity of the digital content or digital service within the time periods referred to in Paragraphs three and four of this Section has been related to the digital environment of the consumer. The cooperation obligation is limited to the technical means available to the consumer. If the consumer fails to cooperate and the trader or service provider has clearly and unambiguously informed the consumer of such requirements prior to concluding the contract, the burden of proof in respect of whether the non-conformity was present shall lie with the consumer.

[17 February 2022]

### **Section 16.<sup>2</sup> Conformity of Digital Content or Digital Service**

(1) Digital content or digital service shall be deemed conforming to the provisions of a contract provided that it:

1) conforms to the description of the digital content or digital service provided by the trader or service provider, the indicated quantity and quality, and also to the functionality, compatibility, interoperability, and other characteristics thereof;

2) is fit for the purposes for which the consumer has chosen it and which he or she has indicated to the trader or service provider not later than at the moment of concluding the contract, and the trader or service provider has confirmed fitness of the digital content or digital service for such purposes;

3) has been supplied with all the indicated accessories and instructions for use, including those regarding installation;

4) has been updated, as specified in the contract;

5) is fit for the purposes for which such digital content or digital service is usually used, taking into account, where applicable, the existing laws and regulations, standards or, if none, the applicable codes of good practice of the relevant fields;

6) is in the specified quantity and has the characteristics and performance, including in respect of functionality, compatibility, availability, continuity, and safety which are normally inherent in the same type of digital content or digital service and which can be reasonably expected by the consumer, taking into account the nature of the digital content or digital service and any public statements made by the trader, service provider, or other performers of economic activity involved in the supply chain, in particular those made in advertising or labelling, except for the cases referred to in Paragraph two of this Section;

7) has been supplied with such accessories and instructions that can be reasonably expected by the consumer;

8) conforms to a pilot version or preview of the digital content or digital service which the trader has made available prior to concluding the contract.

(2) The public statements referred to in Paragraph one, Clause 6 of this Section shall not be binding on the trader or service provider if he or she proves the following:

- 1) he or she did not know and justifiably could not have known regarding the statements provided;
- 2) the statement has been changed before the moment of concluding the contract;
- 3) the statement could not have affected the decision of the consumer to buy the digital content or digital service.

(3) The trader or service provider shall ensure that the consumer is informed of and supplied with such updates of digital content or digital service, including safety updates, which are necessary to maintain conformity of the digital content or digital service over a specific period:

1) within which the digital content or digital service is to be supplied according to the contract if the contract provides for continuous supply over a specific period of time;

2) and which can be reasonably expected by the consumer, taking into account the type of the digital content or digital service, the purpose for which they are intended, the circumstances, and the substance of the contract if the contract provides for single supply or several individual supplies.

(4) If the consumer fails to install the updates referred to in Paragraph three of this Section within a reasonable period of time, the trader or service provider shall not be responsible for non-conformity which is only caused by the absence of the relevant update provided that the following conditions are met at the same time:

- 1) the trader or service provider had informed the consumer of availability of the update and the consequences of the failure to install it;
- 2) the failure of the consumer to install the update or incorrect instalment thereof was not caused by shortcomings in the installation instructions provided to the consumer.

(5) If the contract provides for continuous supply of digital content or digital service over a specific period of time, the trader or service provider shall be responsible for ensuring conformity of the digital content or digital service throughout this period of time.

(6) The digital content or digital service shall not be deemed as not conforming to Paragraph one, Clauses 5, 6, 7, and 8 and Paragraph three of this Section if the consumer has been informed, at the moment of conclusion of the contract, of a specific deviation from the nature and characteristics of the digital content or digital service and he or she has clearly and unambiguously agreed to that.

(7) The digital content or digital service shall be supplied in its latest version available at the moment of conclusion of the contract, unless parties have agreed otherwise.

[17 February 2022]

### **Section 16.<sup>3</sup> Supply of Digital Content or Digital Service**

(1) The trader or service provider shall supply the digital content or digital service to the consumer after conclusion of the contract without any undue delay, unless the parties have agreed otherwise.

(2) It shall be deemed that the trader or service provider has supplied the digital content or digital service if:

- 1) the digital content or means to access or download the digital content have been made available to the consumer or his or her selected physical or virtual equipment;
- 2) the digital service has been made available to the consumer or his or her selected physical or natural equipment.

[17 February 2022]

#### **Section 16.4 Incorrect Integration of Digital Content or Digital Service**

If incorrect integration of the digital content or digital service in the digital environment of the consumer has led to non-conformity with the provisions of a contract, the digital content or digital service shall be deemed non-conforming to the provisions of the contract in the following cases:

- 1) the digital content or digital service has been integrated by the trader or service provider;
- 2) it was intended that the digital content or digital service would be integrated by the consumer, and integration was performed incorrectly due to shortcomings in the integration instructions provided by the trader or service provider.

[17 February 2022]

#### **Section 16.5 Modification of Digital Content or Digital Service**

(1) If it is provided for in a contract that the digital content or digital service is to be supplied or made available to the consumer in a specific period of time, the trader or service provider may modify the digital content or digital service to the extent exceeding that which is necessary to maintain the digital content or digital service conforming, provided that the following conditions are met at the same time:

- 1) the contract permits to carry out modification and provides reasonable grounds for carrying out such modification;
- 2) such modification is provided without any additional costs to the consumer;
- 3) the consumer is clearly and unambiguously informed of the modification;
- 4) in the cases referred to in Paragraph two of this Section, the consumer is informed in a durable medium in due time of the characteristics of the modification and the time, and also the right to withdraw from the contract unilaterally in accordance with Paragraph two of this Section or of the possibility to save the digital content or digital service without such modification in accordance with Paragraph three of this Section.

(2) The consumer is entitled to withdraw from the contract unilaterally in the case where the modification has a negative impact on the access of the consumer to the digital content or digital service, or the use thereof, except for the case where such negative impact is minor. In this case, the consumer has the right to withdraw from the contract unilaterally free of charge within 30 days from the moment information is received or from the moment when the trader has modified the digital content or digital services, whichever comes later.

(3) The provisions regarding the right to withdraw from the contract unilaterally in accordance with Paragraph two of this Section shall not be applicable if the consumer is provided with the possibility to store unmodified digital content or digital service without additional fee and the digital content and digital service remain conforming.

[17 February 2022]

## **Chapter IV Information on Goods, Services, Digital Content, and Digital Services**

[17 February 2022]

#### **Section 17. Provision of Information**

(1) Before the consumer is bound by a contract or any corresponding offer, the trader or the service provider shall provide the consumer with the following information in a clear and comprehensible manner, if that information is not already apparent from the context:

- 1) the main characteristics of the relevant goods or service to the extent appropriate to the type of provision of the information and the goods or services;

2) the data of the trader or the service provider, including his trading name, the address and telephone number;

3) the final price of the goods, service, digital content, or digital service, including taxes or fees. The price of the digital content or digital service shall mean an amount of money or a digital value equivalent which is payable for the supply of the digital content or digital service. Where the characteristics of goods, a service, digital content, or a digital service are such that the price cannot reasonably be calculated in advance, the manner in which the price is calculated shall be indicated;

4) where applicable, delivery or postal charges. Where those charges cannot be calculated in advance, the fact that such additional charges may be payable shall be notified;

5) where applicable, the arrangements for payment, delivery of goods or performance of a service, the time by which the goods shall be delivered or the service performed, and complaint handling policy;

6) information on lawful rights of the consumer if the goods, service, digital content, or digital service does not conform to the provisions of the contract, and also information on the commercial guarantee, the conditions thereof, and after-sales services, where applicable;

7) in the relevant case, the term of the contract or the conditions for the termination of the contract if the contract has been concluded for an indefinite period or has been extended automatically;

8) functionality of goods with digital elements, digital content, and digital service, including applicable technical protection measures, where applicable;

9) information on compatibility and interoperability of goods with digital elements, digital content, and digital services with hardware and software (standard hardware and software environment with which the digital content is compatible, for example, main features of the hardware, operating system, and versions thereof) if the trader or service provider is aware of it or can reasonably be expected to have been aware of it, where applicable.

(2) The consumer has the right to demand that additional information is also provided orally.

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

(4) Paragraph one of this Section shall not apply to:

1) contracts that are related to everyday transactions and are performed immediately at the moment of concluding it;

2) contracts that are concluded outside permanent location of economic or professional activity;

3) distance contracts.

[29 April 2004; 24 April 2014; 18 June 2015; 9 June 2016; 17 February 2022]

## **Section 18. Information on Manufacturer**

[24 April 2014 / See Paragraph 22 of Transitional Provisions]

## **Section 19. Information on Specific Characteristics of Goods**

Technically complicated goods, and also 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 19.<sup>1</sup> Information on Out-of-court Settlement of Disputes**

(1) The trader or service provider shall inform the consumer of one or several solvers of disputes who are included in the list of out-of-court solvers of disputes published on the website of the Consumer Rights Protection Centre and who solve disputes in the respective area, indicating also the website address of the out-of-court solvers of disputes.

(2) The trader or the service provider shall provide the information referred to in Paragraph one of this Section in clear, comprehensible and easily accessible way on its website (if any) or include in the provisions of a contract (if any).

(3) If during examination of a dispute the trader or service provider refuses to satisfy the claim of the consumer, it shall provide the information referred to in Paragraph one of this Section to the consumer in writing or using other durable medium.

(4) That laid down in this Section shall not concern the requirements laid down in other laws and regulations for

informing of consumers.

[18 June 2015]

#### **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 laws and regulations governing 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 laws and regulations.

(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, and also 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.<sup>1</sup> Sales and Prices Reductions**

[24 April 2014]

## **Chapter IV.<sup>1</sup> Procedures for Organising of Trade and Provision of Services**

[21 May 2009]

#### **Section 21.<sup>2</sup> 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.

#### **Section 21.<sup>3</sup> Information on Trader or Service Provider**

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

#### **Section 21.<sup>4</sup> 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;

2) the trader's name and registration number in the Enterprise Register or in the taxpayer register of the State Revenue Service.

#### **Section 21.<sup>5</sup> 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.

[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 laws and regulations 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 conformity 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;
- 2<sup>1</sup>) receive from the manufacturer, trader, or service provider information and documents which are required for examining consumer complaints or detecting possible violations;
- 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;
- 5) [14 September 2023].

[22 November 2001; 27 October 2005; 20 May 2021; 14 September 2023]

## Chapter V.<sup>1</sup> Qualified Authority and Single Contact Point

[14 September 2023]

### Section 23.<sup>1</sup> Granting and Revoking the Status of a Qualified Authority

(1) The association referred to in Section 22 of this Law or another association, if one of the purposes of its activities is to protect the interests of consumers, including the association which also has members from another European Union Member State, if it wishes to obtain the status of a qualified authority, shall make a submission to the Consumer Rights Protection Centre with a request to be granted the status of a qualified authority permanently or for a specific consumer class action and shall certify its conformity with the following criteria:

- 1) it is a legal person which can demonstrate 12 months of actual public activity in the field of consumer protection prior to making the submission for granting the status of a qualified authority;
- 2) the aim defined in its articles of association includes the protection of consumers' interests;
- 3) its activities are not of a profit-making nature;
- 4) it is not the subject of insolvency proceedings and has not been declared insolvent;
- 5) it is independent and not influenced by manufacturers, traders or service providers, or other persons with an economic interest in bringing a representative action;
- 6) in the event that it receives funding from third parties, it has established procedures to prevent third party influence and conflicts of interest between the association and its funders;

7) it publishes (on its website, if any, or elsewhere) information demonstrating that it meets the criteria referred to in Clauses 1 and 5 of this Paragraph and information on its sources of funding, its organisational, management, and membership structure, the aim defined in its articles of association, and its activities.

(2) The Consumer Rights Protection Centre shall, at least once every five years, assess whether the qualified authorities meet the criteria referred to in Paragraph one of this Section and shall examine any objections of manufacturers, traders, or service providers concerning the conformity of the qualified authority with the criteria referred to in Paragraph one of this Section.

(3) If the Consumer Rights Protection Centre establishes or a European Union Member State or the European Commission provides information on possible non-conformity of a qualified authority included in the list of Latvian qualified authorities with the criteria referred to in Paragraph one of this Section, the Consumer Rights Protection Centre shall inform the qualified authority thereof and request it to eliminate the non-conformities immediately.

(4) If the qualified authority fails to eliminate the established non-conformities within the period determined by the Consumer Rights Protection Centre, the Consumer Rights Protection Centre shall take the decision to revoke the status of a qualified authority.

(5) The Consumer Rights Protection Centre shall take the decision on granting or revoking the status of a qualified authority in accordance with the procedures laid down in the Administrative Procedure Law.

[14 September 2023]

### **Section 23.<sup>2</sup> List of Latvian Qualified Authorities**

(1) The Consumer Rights Protection Centre shall publish the information on Latvian qualified authorities on its website.

(2) The list of Latvian qualified authorities shall include the following information:

- 1) the name, contact details, and website address of the qualified authority;
- 2) the aim defined in the articles of association of the qualified authority.

(3) The qualified authority shall, without delay, notify the Consumer Rights Protection Centre of any changes in the information referred to in Paragraph two of this Section.

[14 September 2023]

### **Section 23.<sup>3</sup> List of Permanent Qualified Authorities Compiled by the European Commission**

The list of permanent qualified authorities compiled and published by the European Commission shall constitute evidence of the right of the relevant qualified authority to bring a cross-border consumer class action which the qualified authority approved in one country brings before a court of another European Union Member State, or to make a submission to a supervisory and control institution for the prevention of cross-border violations. This is without prejudice to the right of the court or supervisory or control institution before which such an action is brought to examine whether the aim defined in the articles of association of the qualified authority justifies the fact that it brings an action or makes a submission to the supervisory or control institution in the particular case.

[14 September 2023]

### **Section 23.<sup>4</sup> Single Contact Point**

(1) The Consumer Rights Protection Centre shall be the single contact point for communication with the European Commission.

(2) The Consumer Rights Protection Centre shall communicate to the European Commission the list of Latvian qualified authorities that shall include the information referred to in Section 23.<sup>2</sup>, Paragraph two of this Law and shall immediately communicate any changes in the list of qualified authorities or in the information referred to in Section 23.<sup>2</sup>, Paragraph two of this Law if the qualified authority has informed it of the changes.

(3) The Consumer Rights Protection Centre shall indicate on its website the address of the website of the European Commission where the list of permanent qualified authorities compiled by the European Commission is available.

[14 September 2023]

### **Section 23.<sup>5</sup> Rights and Duties of the Qualified Authority**

(1) The qualified authority has the right:

1) to submit the submission for the elimination of the violation of consumer rights in accordance with Section 26.<sup>15</sup> of this Law to the Consumer Rights Protection Centre or a supervisory and control institution responsible for the supervision and control in the relevant field;

2) to bring consumer class actions before a court;

3) to examine complaints and proposals of consumers, provide the required assistance to consumers in cases where their rights have been violated;

4) to conclude a settlement with the manufacturer, trader, or service provider in favour of the consumers whose participation in the consumer class action has been approved in accordance with the procedures laid down in Section 26.<sup>23</sup> of this Law and who have given explicit consent to the conclusion of the settlement agreement.

(2) In the submission for the elimination of the violation of consumer rights, the qualified authority shall substantiate the existence of the alleged violation of consumer rights and also enclose the documents on the established facts and other available evidence.

(3) The supervisory and control institution responsible for the supervision and control in the relevant field shall examine the submission for the elimination of the violation of consumer rights submitted by the qualified authority as a matter of priority within 90 days and shall inform the qualified authority whether it intends to take actions for the elimination of the violation in accordance with Section 26.<sup>15</sup> of this Law or other laws and regulations, and shall provide justification for the respective decision.

(4) The qualified authority shall not be required to obtain the consent of the consumers to carry out the actions referred to in Paragraph one, Clause 1 of this Section and shall neither be required to prove damage to individual consumers affected by the violation which may cause harm to the collective interests of consumers, nor to prove bad faith or gross negligence of the manufacturer, trader, or service provider.

(5) The qualified authority which has been granted the status of a permanent qualified authority may also bring an action before the court of another European Union Member State or turn to the relevant supervisory and control institution.

(6) The qualified authority which has been granted the status of a permanent qualified authority in another European Union Member State for cross-border consumer class actions may also bring the aforementioned action before a court of the Republic of Latvia or submit the submission for the elimination of the violation to the relevant supervisory and control institution.

(7) If the violation of European Union law affects or may affect consumers in more than one European Union Member State, the consumer class action may be brought before the relevant court or the submission for the elimination of the violation of consumer rights to a supervisory and control institution may be made jointly by several permanent qualified authorities from different European Union Member States.

[14 September 2023]

### **Section 23.<sup>6</sup> Informing Consumers of the Activities of the Qualified Authority**

The qualified authority shall, in particular on its website, provide information on:

1) the consumer class actions that it has decided to bring before a court and the submissions on the elimination of the violations that it has decided to submit to a supervisory and control institution;

2) the consumer class actions that it has already brought before a court and the submissions on the elimination of the violation that it has already submitted to a supervisory and control institution, their status and the outcome of the proceedings.

[14 September 2023]

## **Chapter VI Supervision and Control of Consumer Rights Protection**

### **Section 24. Supervisory and Control Institutions**

(1) The supervision and control of consumer rights protection determined in this Law and other laws and regulations 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.

(2) The supervision and control of the conformity with the requirements referred to in Section 8.<sup>1</sup>, Paragraphs six and seven of this Law in relation to creditors which are participants of the financial market supervised by Latvijas Banka shall be performed by Latvijas Banka.

[9 June 2016; 17 February 2022 / The new wording of Paragraph two shall come into force on 1 January 2023. See Paragraph 39 of Transitional Provisions]

## **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 for the sectors where in accordance with laws and regulations 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, and also 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 the settlement of disputes with traders or service providers;

4<sup>1</sup>) to assess submissions and complaints received regarding infringements of the laws and regulations regarding consumer rights protection, taking into account the significance of the possible infringements and potential harm to the collective interests of consumers;

4<sup>2</sup>) to organise the operation of the Commission for Settlement of Consumer Disputes (carrying out of the functions of the secretariat of the commission);

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

6) to supervise conformity with consumer rights regarding draft contracts and contracts concluded between consumers and manufacturers, traders or service providers, also the performance of activities provided for in laws and regulations 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;

6<sup>1</sup>) 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;

6<sup>2</sup>) to issue a special permit (licence) for the provision of consumer credit services;

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.

(6<sup>1</sup>) 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) [20 May 2021]

(8<sup>1</sup>) [20 May 2021]

(8<sup>2</sup>) [20 May 2021]

(8<sup>3</sup>) [20 May 2021]

(8<sup>4</sup>) [20 May 2021]

(8<sup>5</sup>) [20 May 2021]

(8<sup>6</sup>) 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) [20 May 2021]

(10) [20 May 2021]

(10<sup>1</sup>) The decisions of the Consumer Rights Protection Centre may be appealed to a court in accordance with the procedures laid down 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 used 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, and also 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; 18 June 2015; 20 May 2021]

### **Section 25.<sup>1</sup> Decision of the Consumer Rights Protection Centre on Interim Measure**

[20 May 2021]

### **Section 25.<sup>2</sup> Case Management and Dangerous Equipment Registration System of the Consumer Rights Protection Centre**

The Cabinet shall determine the procedures for creating, maintaining, and updating the Case Management and Dangerous Equipment Registration System of the Consumer Rights Protection Centre, the procedures for submitting information, the content of the system, and the procedures for the circulation of the information entered therein.

[14 September 2023]

### **Section 26. Examination of Complaints and Submissions of Consumers and Consulting of Consumers**

(1) Complaints, submissions, and information on possible violations of the consumer rights protection laws and regulations shall be submitted to the institution within the competence of which is the supervision and control of the relevant sector. Upon receipt of a submission of a person regarding a violation of the laws and regulations regarding consumer rights protection, the Consumer Rights Protection Centre or another institution which has supervision and control of the relevant field within its competence shall provide the necessary assistance to the consumer for solving a dispute, information or consultation, and also such information shall be taken into account during planning and performance of supervision work.

(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 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) [18 June 2015 / See Paragraph 27 of Transitional Provisions]

(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 or another institution within the competence of which is the supervision and control of the relevant field is entitled to send a reply only to the abovementioned electronic mail address, except for the case when the consumer has specified that he or she would like to receive a reply in paper form or the official electronic address account has been activated for the consumer. The activities referred to in this Section shall be performed within a month starting from the day of receipt of the submission.

(6) [18 June 2015 / See Paragraph 27 of Transitional Provisions]

(7) [18 June 2015 / See Paragraph 27 of Transitional Provisions]

(8) If a consumer has asked assistance in solving a dispute, 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 of the receipt of the submission and activities performed not later than within one month from 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) [18 June 2015 / See Paragraph 27 of Transitional Provisions]

[28 October 2010; 24 April 2014; 18 June 2015; 20 May 2021]

## **Chapter VI.<sup>1</sup>**

### **Procedures for Settling Disputes between the Consumer and the Trader or Service Provider**

*[18 June 2015 / This Chapter shall come into force on 1 January 2016. See Paragraph 27 of Transitional Provisions]*

#### **Section 26.<sup>1</sup> Settlement of Disputes with the Trader or Service Provider**

(1) Any dispute arising between a consumer and the trader or service provider shall be settled by negotiation, upon the parties trying to reach an agreement.

(2) If it is not possible to settle a dispute between a consumer and a trader or service provider by negotiation, the consumer shall submit a written submission to the trader or service provider, indicating therein:

- 1) his or her given name, surname, address of the place of residence and contact information;
- 2) the date of submitting the submission;
- 3) the essence of the dispute, his or her claim and its justification.

(3) An electronically submitted submission shall not require a signature.

(4) Copies of documents confirming the transactions, and also other documents justifying the submission (if possible) shall be appended to the submission.

(4<sup>1</sup>) A trader or service provider, upon receipt of a written submission of the consumer, is entitled to request that the consumer presents or hands over the goods subject to the dispute.

(5) The trader or service provider shall, within 15 working days from the day of receipt of the submission, provide a written reply to the consumer to the submission and inform of the potential way of carrying out the claim or solving the dispute, if an agreement regarding carrying out of the claim or alternative way of carrying out the claim has not been reached in the abovementioned time period.

(6) If due to objective reasons it is not possible to provide a reply to the submission of the consumer within the time period referred to in Paragraph five of this Section, the trader or service provider shall inform the consumer thereof in writing without delay, indicating a reasonable time period, within which the reply will be provided, and also shall justify the necessity for such extension.

(7) If the trader or service provider is of the opinion that the claim of the submitter is not justified, or is ready to

offer another solution to the dispute to the consumer, it shall inform the consumer thereof in writing within the time period referred to in Paragraph five of this Section. The trader or service provider has an obligation to justify refusal to the claim of the consumer.

(8) If the consumer is satisfied by the solution offered by the trader or service provider, the dispute shall be deemed as solved.

(9) If the trader or service provider does not provide a reply to the submission of the consumer within the time period specified in Paragraph five or six of this Section, it shall be deemed that the trader or service provider refuses to satisfy the claim of the consumer.

(10) If the trader or service provider refuses to satisfy the claim of the consumer or the consumer is not satisfied with the solution offered by the trader or service provider, the consumer is entitled to turn to:

1) the Consumer Rights Protection Centre in order to receive assistance in solving the dispute, including when solving it in the Commission for Solving the Consumer Disputes;

2) an out-of-court solver of consumer disputes, if such has been established in the relevant field;

3) [20 May 2021];

4) the court.

[20 May 2021]

### **Section 26.<sup>2</sup> Assistance of the Consumer Rights Protection Centre in Solving a Dispute**

(1) Having received a submission from a customer regarding a dispute with a trader or service provider, the Consumer Rights Protection Centre depending on the circumstances referred to in the submission shall provide assistance to the consumer in solving the dispute, if necessary, carrying out negotiations with the trader or service provider.

(2) The Consumer Rights Protection Centre shall examine a submission of the consumer regarding a dispute with the trader or service provider, if all of the following conditions are conformed to:

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

2) the submission of the consumer regarding a dispute with a trader or service provider is submitted not later than within a year from the day when the complaint or submission of a consumer is submitted to the trader or service provider;

3) written materials and other proofs substantiating the existence of the dispute and subject-matter of the dispute have been appended to the submission.

## **Chapter VI.<sup>2</sup> Commission for Solving the Consumer Disputes**

*[18 June 2015 / This Chapter shall come into force on 1 January 2016. See Paragraph 27 of Transitional Provisions]*

### **Section 26.<sup>3</sup> Commission for Solving the Consumer Disputes and Its Competence**

(1) The Commission for Solving the Consumer Disputes (hereinafter - the Commission) is an independent collegial decision-making body which on the basis of a submission of a consumer solves a dispute between the consumer and the trader or service provider. The work of the Commission shall be ensured by the Consumer Rights Protection Centre.

(2) The Commission is the out-of-court solver of disputes in accordance with the Law on Out-of-Court Solvers of Consumer Disputes.

(3) Chairperson and members of the Commission shall be independent and objective in examining a dispute and taking a decision and are not subject to order or other influence.

(4) In examining disputes, the Commission shall apply the procedures laid down in this Law.

(4<sup>1</sup>) The Commission shall examine the dispute if the assistance provided by the Consumer Rights Protection Centre in solving the dispute has not ensured a result and it is possible to convene the Commission in the relevant

field for examining the dispute.

(5) The Commission shall not examine a dispute, if:

- 1) the consumer has not turned to the trader or service provider in order to solve the dispute by negotiation;
- 2) the dispute is insignificant or vexatious;
- 3) the dispute is currently being examined or has been examined by an out-of-court dispute resolution body or a court;
- 4) the dispute is regarding goods or service the price of which does not exceed EUR 20, or regarding goods or service the price of which exceeds EUR 14 000;
- 5) solving of the dispute would cause serious disturbances in efficient operation of the Commission;
- 6) the dispute is regarding health care services;
- 7) the dispute is regarding legal services;
- 8) the dispute is regarding services related to the use of residential premises;
- 9) the dispute is regarding losses, moral injury, payment documents, or debt recovery;
- 10) insolvency of the trader or service provider has been declared;
- 11) the dispute is regarding the insurance service of civil legal liability of vehicle owners of motor vehicles;
- 12) since the day when the complaint or submission was submitted to the trader or service provider, more than a year has passed.

[9 June 2016; 20 May 2021]

#### **Section 26.<sup>4</sup> Composition of the Commission**

(1) The Commission shall consist of the chairperson and members of the Commission. Members of the Commission shall be the representatives and specialists of the consumer rights protection associations referred to in Section 22 of this Law and associations of merchants in the field in which the dispute is examined, or they have corresponding experience in the resolution of such disputes.

(2) The associations referred to in Paragraph one of this Section have the right to delegate a representative for participation in the Commission, informing the Consumer Rights Protection Centre thereof, which shall draw up and update the list of members of the Commission.

(3) Upon proposal of the director of the Consumer Rights Protection Centre the list of chairpersons of the Commission shall be drawn up and updated by the Minister for Economics.

(4) An employee of the Consumer Rights Protection Centre may fulfil the duties of a member of the Commission, if he or she is included in the list referred to in Paragraph two of this Section and if in the field, in which the dispute is examined, it is not possible to invite a representative of the consumer rights protection association in the composition of the Commission.

#### **Section 26.<sup>5</sup> Requirements to be Brought Forward to the Candidates of Chairpersons and Members of the Commission**

(1) The following person may be the chairperson of the Commission:

- 1) who has the necessary knowledge and skills in out-of-court solving of consumer disputes or solving of disputes in the court, and also general knowledge regarding law and higher education in social sciences;
- 2) who is proficient in the Latvian language;
- 3) who has good reputation;
- 4) who has not been punished for intentional criminal offences or has been rehabilitated, or whose criminal record has been removed or extinguished;
- 5) who is not a member of the consumer rights protection associations referred to in Section 22 of this Law or of associations of merchants.

(2) The following person may be a member of the Commission:

- 1) who has secondary vocational education or higher education and experience in the represented sector or in the field of consumer rights protection;
- 2) who is proficient in the Latvian language;
- 3) who has not been punished for intentional criminal offences or has been rehabilitated, or whose criminal record has been removed or extinguished.

#### **Section 26.<sup>6</sup> Expenses Related to Examination of Disputes and Operation of the Commission**

- (1) Solving of disputes at the Commission is free of charge.
- (2) The chairperson of the Commission shall receive remuneration for participation in the Commission. The amount of the remuneration for the participation of the chairperson of the Commission in a meeting of the Commission and the procedures for disbursing such remuneration shall be determined by the Cabinet.
- (3) The consumer rights protection associations referred to in Section 22 of this Law may be financed for the participation in solving of consumer disputes and for the promotion of the use of mechanisms for out-of-court solving of consumer disputes from the resources from the State budget assigned for such purpose to the Consumer Rights Protection Centre in the current year. The conditions for assigning the financing for participation in solving of consumer disputes and for the promotion of the use of mechanisms for out-of-court solving of consumer disputes, and also the procedures for supervising the utilisation of such financing shall be determined by the Cabinet.
- (4) Expenses related to the operation of the Commission are covered from the resources assigned for such purpose in the budget of the Consumer Rights Protection Centre.

### **Chapter VI.<sup>3</sup>** **Procedures for Examining Disputes at the Commission for Solving the Consumer Disputes**

*[18 June 2015 / This Chapter shall come into force on 1 January 2016. See Paragraph 27 of Transitional Provisions]*

#### **Section 26.<sup>7</sup> Submission Regarding Examination of a Dispute**

- (1) A consumer shall submit a submission regarding examination of a dispute to the Consumer Rights Protection Centre in writing.
- (2) The consumer shall include the following information in the submission regarding examination of a dispute:
  - 1) his or her given name, surname, address of the place of residence and contact information;
  - 2) contact information of the trader or service provider (for a natural person - the given name, surname and address; for a legal person - the name, registration number and legal address);
  - 3) the essence of the dispute, his or her claim and its justification;
  - 4) information confirming that measures have been taken for solving the dispute, upon agreement with the trader or service provider;
  - 5) a confirmation that the dispute regarding the issue referred to in the submission is not currently being examined and has not been examined by another out-of-court dispute resolution body, if such has been established in the relevant field, or a court.
- (3) The consumer shall append such documents to the submission which justify the request, including a copy of the document confirming the transaction (cheque or another payment confirmation), and also a copy of the complaint or submission submitted to the trader or service provider and of the reply received (if possible).
- (4) An electronic submission shall not require a signature.
- (5) If the submission of the consumer does not conform to the requirements of Paragraphs two and three of this Section or all the necessary documents have not been appended thereto, the consumer shall be informed of deficiencies and a time period for their elimination shall be determined. If deficiencies are not eliminated within the specified time period, the consumer shall be informed in writing that the dispute will not be examined. If the information referred to in Paragraph two and the documents referred to in Paragraph three of this Section have already been submitted to the Consumer Rights Protection Centre, they need not be re-submitted.
- (6) If examination of the dispute is not within the competence of the Commission in accordance with Section 26.<sup>3</sup>,

Paragraph three of this Law, the consumer shall be informed thereof not later than within three working days from the day when a submission of the consumer regarding examination of a dispute has been received.

[9 June 2016; 20 May 2021]

#### **Section 26.<sup>8</sup> Preparation for Examination of a Dispute**

(1) Upon receipt of a submission for the examination of a dispute, a copy of the submission shall, without delay, but not later than within 10 working days, be sent to the trader or service provider.

(2) The trader or service provider shall, within 15 days from the day of receipt of the copy of the submission referred to in Paragraph one of this Section, provide a reply regarding the information referred to in the submission of the consumer and inform regarding the potential solution to the dispute (if any) or provide a justification for refusal of carrying out the claim.

(3) A copy of the reply of the trader or service provider shall be, without delay, but not later than within 10 working days from the day of receipt of the reply, sent to the consumer if the trader or service provider has offered a solution to the dispute therein.

(4) If the consumer is satisfied by the solution to the dispute offered by the trader or service provider, the dispute shall be deemed as solved.

(5) If the consumer is not satisfied by the solution to the dispute offered by the trader or service provider or if the trader or service provider has not provided a reply within the specified time period, the parties to the dispute are informed of transfer of examination of the dispute to the Commission.

(6) If the Consumer Rights Protection Centre has received a submission of the consumer in which examination of the dispute in the Commission is requested, the Consumer Rights Protection Centre shall initially provide assistance in solving the dispute. If the assistance provided by the Consumer Rights Protection Centre has not ensured a result, the parties to the dispute shall be informed that the dispute is transferred for examination to the Commission.

[9 June 2016; 20 May 2021]

#### **Section 26.<sup>9</sup> Inviting of the Composition of the Commission for Examination of a Particular Dispute**

(1) The Commission the composition of which shall include the persons from the list referred to in Section 26.<sup>4</sup>, Paragraph two of this Law shall be established for examination of a particular dispute (also several equivalent or similar disputes).

(2) The composition of the Commission for examination of a particular dispute shall include not less than three persons, one of whom is the chairperson of the Commission, and representatives of consumer rights protection associations and associations of merchants in equal amount.

(3) The chairperson or a member of the Commission shall, without delay, inform of circumstances which affect or may affect his or her independence or impartiality.

(4) In the case referred to in Paragraph three of this Section the respective chairperson or member of the Commission is not included in the composition of the Commission.

#### **Section 26.<sup>10</sup> Time Period for Examination of a Dispute**

(1) The Commission shall examine a dispute and take a decision not later than within 90 days from the day when all the documents necessary for taking of a decision have been received.

(2) In case of a complex dispute, the chairperson of the Commission is entitled to extend the abovementioned time period for up to one year, informing the parties to the dispute of the reasons for extension and the expected time that will be necessary to complete the examination of the dispute.

[9 June 2016]

#### **Section 26.<sup>11</sup> Examination of a Dispute**

(1) The Commission shall examine a dispute at its meeting without the presence of parties to the dispute and decide on the dispute on the basis of information submitted by the parties to the dispute (written procedure).

(2) If it is not possible to solve the dispute without oral explanations of the parties or it is more efficient and quicker to examine it upon the parties to the dispute being present, the Commission may decide on inviting the parties to the dispute to its meeting (oral procedure). Parties to the dispute are informed regarding the meeting of the Commission not later than two weeks in advance.

(3) Both parties to the dispute have equal rights to become acquainted with the case materials, express their opinion and defend their rights.

(4) The parties are entitled to attract specialists during examination of the dispute or to use representation or assistance of a third party as they deem necessary and on their own account.

(5) During examination of a dispute any party to the dispute may invite an expert for provision of an opinion or propose that other activities are performed, the purpose of which is to obtain evidence. If any of the parties to the dispute wish to invite an expert or to perform other activities, the purpose of which is to obtain evidence, then this party shall also cover the respective expenses.

(6) If until the moment when the decision of the Commission is taken the parties to the dispute agree on a solution to the dispute, examination of the dispute shall be considered terminated.

[20 May 2021]

### **Section 26.<sup>12</sup> Decision of the Commission**

(1) After examining the dispute the Commission shall take a decision in its meeting with a simple majority of votes. The member of the Commission who has participated in examination of the dispute is not entitled to refrain from voting.

(<sup>1</sup>) The Commission may decide that expenses of the expert-examination shall be reimbursed to the consumer by the trader or service provider if the Commission satisfies the claim of the consumer in the decision or the trader or service provider has agreed to settle the claim of the consumer, or the consumer is satisfied by the solution offered by the trader or service provider.

(<sup>2</sup>) The Commission may decide on an alternative solution to the dispute if the claim brought forward by the consumer does not conform to the laws and regulations or is disproportionate.

(2) The Commission shall take a decision to terminate the dispute, if it is not possible to solve the dispute due to objective reasons or because of lack of evidence in the case.

(3) Information regarding the consumer and the trader or service provider, the essence of the dispute, the decision taken, its justification and legal norms applied shall be indicated in the decision of the Commission.

(4) The decision of the Commission shall be sent to the parties to the dispute within five working days after taking thereof.

(5) The decision of the Commission shall be of recommendatory nature, and it shall not be subject to contestation or appeal.

(6) The decision of the Commission shall enter into effect upon notification thereof. The decision shall be deemed notified:

1) on the eighth day, counting the time period from the day when it was registered as the document to be sent, if the decision was sent in the form of a simple postal item;

2) on the seventh day after handing it over at the postal office, if the decision was sent in the form of a registered postal item;

3) on the second working day after sending thereof, if the decision was sent by electronic mail or to the official electronic address.

(7) The decision of the Commission shall be carried out voluntarily within 30 days after the day of entering into effect thereof, except the case when a longer time period for carrying out is specified in the decision of the Commission. If the trader or service provider is assigned, in the decision of the Commission, to perform the activities necessary for execution of the request of the consumer, the consumer shall inform of the performance thereof.

(8) The current information regarding decisions of the Commission not being carried out may be posted on the website of the Consumer Rights Protection Centre. Upon request of the trader or service provider information on continuation of examination of a dispute in the court shall be appended to the information posted on the website.

[9 June 2016; 20 May 2021]

## **Chapter VI.<sup>4</sup> Supervision of Collective Interests of Consumers**

[20 May 2021]

## **Section 26.<sup>13</sup> Supervisory Institution of Collective Interests of Consumers**

(1) Supervision of collective interests of consumers according to the competence shall be performed by the Consumer Rights Protection Centre.

(2) The Consumer Rights Protection Centre shall perform supervision of collective interests of consumers according to the specified priorities of supervision, assessing the impact of an existing or potential violation on the collective interests or consumers. Supervision shall be performed:

1) upon its own initiative;

2) on the basis of the information provided by such institution the competence of which includes the supervision and control of the relevant field;

3) on the basis of the submission for the elimination of the violation of consumer rights submitted by the qualified authority;

4) on the basis of the request for mutual assistance of the competent authority in accordance with Chapter III of Regulation No 2017/2394.

(3) When assessing the conformity of the activity of the manufacturer, trader, or service provider with the collective interests of consumers, the Consumer Rights Protection Centre is entitled:

1) to request and receive all the documents, information, and other evidence from the manufacturer, trader, or service provider and other natural and legal persons which are necessary for ascertaining the substance of the case regardless of the type or format and regardless of the storage medium or place of their storage, and also oral explanations;

2) to arrive at any manufacturer, trader, or service provider, including without a prior warning, for the carrying out of an inspection and to visit any buildings, premises, and territories thereof without a special permit, payment, or other restrictions and without hindrance, and also to access vehicles and other movable and immovable objects which are used for economic or professional activity. During a visit, officials of the Consumer Rights Protection Centre have the right:

a) to access all documents, data, or information which apply to the violation, including information containing a trade secret, regardless of the type or format and regardless of the storage medium or the place of their storage;

b) to remove any documents, data, or information, including information containing a trade secret, regardless of the type or format and regardless of the storage medium or the place of their storage;

c) to request and receive written or oral explanations regarding documents, data, information, or facts from the manufacturer, trader, or service provider, including from the members of the board, participants, procurators, representatives, and employees thereof, and also to record replies;

3) to request and receive from the electronic communications merchant the following traffic data:

a) the name (firm name) and registration number if the end user is a legal person;

b) the given name, surname, and personal identity number if the end user is a natural person;

c) the telephone numbers and Internet Protocol (IP) addresses assigned to the end user according to the electronic communications services contract, and his or her contact information;

4) to request and receive the information at the disposal of the top level domain registry or the domain name registrar on the user of the domain name and the domain name registration contract;

5) to request and receive information from the account register;

6) to make the necessary control purchases or orders, including without disclosing the fact of inspection and the identity of the performer of the inspection or using another identity of the performer of the inspection;

7) to request and receive information from persons, including the non-disclosable data at the disposal of the payment service providers which is necessary to trace financial flows, the identity of the persons involved in financial flows, or to ascertain the information of payment accounts;

8) on the basis of a decision of a judge, to request and receive information from providers of electronic communications services and other persons which is necessary to trace data flows and to ascertain the identity of the persons involved in data flows, including the data to be retained in accordance with the procedures laid down in the Electronic Communications Law, if such information is at the disposal of the electronic communications merchant.

(4) The centre of the European Consumer Centres Network in Latvia and consumer rights protection associations registered in Latvia which, on the basis of their submission, shall be appointed by the Consumer Rights Protection Centre are entitled to issue the external alerts referred to in Article 27 of Regulation No 2017/2394. A consumer rights protection association may be appointed if it has experience in cooperation with the Consumer Rights Protection Centre or another institution which is responsible for execution of any legal act of the European Union listed in Annex to Regulation No 2017/2394.

(5) The Consumer Rights Protection Centre shall inform the European Commission of the list of the appointed legal subjects referred to in Paragraph four of this Section or of the changes therein.

[20 May 2021; 17 February 2022; 14 September 2023]

#### **Section 26.<sup>14</sup> Authorisation for Obtaining Information on Data Flows**

(1) A judge of a district (city) court on the basis of the legal address of the Consumer Rights Protection Centre shall take the decision on the authorisation to perform the activities referred to in Section 26.<sup>13</sup>, Paragraph three, Clause 8 of this Law.

(2) In the submission regarding the authorisation to perform the activities referred to in Section 26.<sup>13</sup>, Paragraph three, Clause 8 of this Law, the Consumer Rights Protection Centre shall indicate the manufacturer, trader, service provider, or another person on whom information is being requested, the objective of and justification of the necessity for such activities, and also shall indicate in which administrative matter, what information and in what amount will be requested and from which electronic communications merchant or person the information will be requested.

(3) A judge shall, within 72 hours, examine the submission of the Consumer Rights Protection Centre and other documents in which the necessity to perform the activities referred to in Section 26.<sup>13</sup>, Paragraph three, Clause 8 of this Law is justified and take the decision to authorise the activities or to refuse the performance of such activities. The decision of the judge shall be sent to the Consumer Rights Protection Centre within 24 hours from the moment of taking the decision.

(4) In the decision on the authorisation to perform the activities referred to in Section 26.<sup>13</sup>, Paragraph three, Clause 8 of this Law, the judge shall indicate the manufacturer, trader, service provider, or another person on whom information is being requested, the objective of and justification of the necessity for such activities, and also shall indicate in which administrative matter, what information and in what amount will be requested and from which electronic communications merchant or person the information will be requested and the time period for the execution of procedural activities.

[20 May 2021]

#### **Section 26.<sup>15</sup> Elimination and Termination of Violations**

(1) The Consumer Rights Protection Centre, when assessing the violation detected which may cause harm to collective interests of consumers, its nature and impact, and also other essential circumstances, is entitled:

1) to propose that the manufacturer, trader, or service provider ensures conformity of the activity with the requirements of the laws and regulations within the time period stipulated by the Consumer Rights Protection Centre;

2) to propose that the manufacturer, trader, or service provider commits to eliminate the detected violation in accordance with Section 26.<sup>16</sup> of this Law in writing within the time period stipulated by the Consumer Rights Protection Centre;

3) to take the decision to terminate the administrative matter by inviting the manufacturer, trader, or service provider to ensure the conformity with the requirements of the laws and regulations in its subsequent activities.

(2) The manufacturer, trader, or service provider shall, without delay, but not later than within three working days after expiry of the time period specified in the proposal referred to in Paragraph one, Clause 1 of this Section, inform the Consumer Rights Protection Centre of the execution of the proposal, appending evidence attesting thereto. If the conformity of the manufacturer, trader, or service provider with the requirements of the laws and regulations is not ensured within the specified time period, the Consumer Rights Protection Centre is entitled to take one or several decisions referred to in Paragraph four of this Section.

(3) In order to eliminate negative consequences of a violation, the Consumer Rights Protection Centre is entitled to post the information on a written commitment on its website, and to publish its decision in part or in full, including to post on its website and to publish in the official gazette *Latvijas Vēstnesis*. The expenses related to publishing shall be covered by the manufacturer, trader, or service provider.

(4) If a violation of collective interests of consumers is established, the Consumer Rights Protection Centre is entitled to take one or several decisions by which:

1) the manufacturer, trader, or service provider is imposed with the obligation to terminate the violation without delay or within a specific time period;

2) the action which may cause the violation, if it has not been committed yet but is likely to be committed, is prohibited;

3) the manufacturer, trader, or service provider is imposed with the obligation to publish a notification in corresponding means of communication in which such information, goods, or service is recalled regarding which a violation affecting the collective interests of consumers is detected.

(4<sup>1</sup>) If the Consumer Rights Protection Centre concludes that this is useful and necessary for reaching consumers, the Consumer Rights Protection Centre shall require that the manufacturer, trader, or service provider, at their own expense, inform consumers of the final decision by means appropriate to the circumstances of the case, including, where appropriate, by informing all relevant consumers individually. The manufacturer, trader, or service provider shall provide the information within the period determined in the decision of the Consumer Rights Protection Centre. Within the meaning of this Law, a final decision shall be a decision which has not been appealed, can no longer be appealed, or the appeal of which does not suspend its operation.

(5) If an online interface has been used for committing the violation and other effective means for achieving that the violation is terminated or prohibited are not available, the Consumer Rights Protection Centre or the Health Inspectorate in the field of medicinal products is entitled to take one or several decisions for the elimination of the risk of serious harm to the collective interests of consumers, assigning by the decision or decisions:

1) for the electronic communications merchant to restrict access for the online interface in the electronic communications network;

2) for the electronic communications merchant to redirect a user when he or she accesses the online interface to such website or another online resource which is used for warning consumers;

3) for the top level domain registry or the domain name registrar to ensure deactivation of the domain name;

4) for the top level domain registry or the domain name registrar to prohibit transfer of the rights of use of the domain name to other persons;

5) for the top level domain registry or the domain name registrar to transfer the rights of use of the domain name to the institution which takes such decision;

6) for the information society service provider (including a provider of hosting services) to remove, block, or restrict access to the online interface in online environment;

7) for the information society service provider to remove content from the online interface.

(6) The Consumer Rights Protection Centre is entitled to take the decisions referred to in Paragraph four or five of this Section according to the nature and impact of the violation committed also if it does not have evidence on the losses caused to consumers.

(7) The Health Inspectorate is entitled to take the decisions referred to in Paragraph five of this Section according to the nature and impact of the violation committed also if it does not have evidence on the losses caused to consumers.

(8) The Consumer Rights Protection Centre is entitled to determine in the decision the time period for the execution of decisions referred to in Paragraph four of this Section and the content, amount of the recall referred to in Paragraph four, Clause 3 of this Section, and also the way in which the recall will be distributed. The addressee of the decision shall, without delay, but not later than within three working days after expiry of the time period specified in the decision, inform the Consumer Rights Protection Centre of the execution of the decision, appending evidence attesting thereto.

(9) The addressee of Paragraph five of this Section shall not be responsible for the losses incurred by third parties due to the execution of the decision referred to in Paragraph five of this Section.

(10) The Cabinet shall determine the procedures by which the Consumer Rights Protection Centre and the Health Inspectorate prepare and send the decision referred to in Paragraph five of this Section to the electronic communications merchant, the top level domain registry or the domain name registrar, or to the information society service provider, and also the form of the request to be included in the decision, the way of sending the decision, the time period for the execution and operation of the decision.

[20 May 2021; 14 September 2023]

## **Section 26.<sup>16</sup> Written Commitment**

(1) A written commitment is a document which, upon proposal of the Consumer Rights Protection Centre, is drawn up and signed by the manufacturer, trader, or service provider, committing to eliminate the detected violation within a specific time period. The written commitment may include a commitment of the manufacturer, trader, or service provider:

1) not to perform specific activities;

2) to perform specific activities, including to reimburse the losses caused to consumers, to provide additional information necessary in order to ensure the conformity with the collective interests of consumers, to publish a notification in corresponding means of communication in which such information, goods, or service is recalled regarding which a violation affecting the collective interests of consumers is detected.

(2) By signing a written commitment in which the violation, and also the type and time period for the elimination thereof are indicated, the manufacturer, trader, or service provider shall recognise that he or she has committed the detected violation. The written commitment shall be deemed received (enter into effect) from the moment when the Consumer Rights Protection Centre has approved its acceptance, certifying in writing to the manufacturer, trader, or service provider that the relevant measures are sufficient for the elimination of the violation and its impact. The Consumer Rights Protection Centre shall notify acceptance of the written commitment in accordance with the procedures laid down in the Law on Notification. The time period for the elimination of the violation shall not exceed the time period necessary for the manufacturer, trader, or service provider to take the intended measures and to ensure the conformity with the collective interests of consumers, but not longer than three months, except for the cases when the nature of the intended measures justifies a longer time period.

(3) If the manufacturer, trader, or service provider, in accordance with Section 26.<sup>15</sup>, Paragraph one, Clause 2 of this Law, commits in writing to eliminate the detected violation and the written commitment has entered into effect, the Consumer Rights Protection Centre shall not take the decisions referred to in Section 26.<sup>15</sup>, Paragraph four or five of this Law and terminate the administrative matter in the part regarding the violation which the manufacturer, trader, or service provider commits to eliminate. If the Consumer Rights Protection Centre detects that the written commitment is not being carried out, it is entitled to take one or several of the decisions referred to in Section 26.<sup>15</sup>, Paragraph four or five of this Law.

(4) The manufacturer, trader, or service provider shall, without delay, but not later than within three working days after expiry of the time period specified in Section 26.<sup>15</sup>, Paragraph one, Clause 2 of this Law, inform the Consumer Rights Protection Centre of the execution of the commitment, appending evidence attesting thereto.

[20 May 2021]

### **Section 26.<sup>17</sup> Decision on Interim Measure**

(1) If the Consumer Rights Protection Centre has grounds for considering that the violation may cause an immediate and significant harm to the economic interests of a specific group of consumers, it is entitled to take the decision referred to in Section 26.<sup>15</sup>, Paragraph four or five of this Law as interim measure.

(2) If the Health Inspectorate has grounds for considering that the violation may cause an immediate and significant harm to the economic interests of a specific group of consumers, it is entitled to take the decision referred to in Section 26.<sup>15</sup>, Paragraph five of this Law as interim measure.

(3) The decision on 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 the Health Inspectorate or when the final decision of the Consumer Rights Protection Centre or the Health Inspectorate enters into effect.

[20 May 2021]

### **Section 26.<sup>18</sup> Appeal of a Decision**

(1) A person whose rights or lawful interests are restricted may appeal the decision of the Consumer Rights Protection Centre or the Health Inspectorate to the District Administrative Court in accordance with the procedures laid down in laws and regulations. The appeal of a decision shall not suspend the operation of the decision.

(2) A person whose rights or lawful interests are restricted may appeal the decision of the Consumer Rights Protection Centre or the Health Inspectorate on the interim measure within 10 days from the day of notifying it. The appeal of a decision shall not suspend the operation of the decision.

(3) The application regarding the decision of the Consumer Rights Protection Centre or the Health Inspectorate on the interim measure shall be examined by court in the written procedure within 14 days. The decision of the court shall not be subject to appeal and shall enter into effect on the day of the taking thereof.

[20 May 2021]

## Chapter VI.<sup>5</sup> Consumer Class Action

[14 September 2023]

### **Section 26.<sup>19</sup> Consumer Class Action and Establishing a Violation of the Collective Interests of Consumers**

(1) The qualified authority shall bring a consumer class action before a court as a claimant on behalf of consumers for the compensation for damage caused to them or for the establishment and termination of the violation of their rights, together with the compensation for damage caused to the consumers.

(2) A violation of the collective interests of consumers shall be established by a court, the Consumer Rights Protection Centre, or another relevant supervisory and control institution.

[14 September 2023]

### **Section 26.<sup>20</sup> Compensation for Damage**

(1) The qualified authority is entitled, for the benefit of those consumers who have suffered damage as a result of a particular violation of the collective interests of consumers, to seek and obtain a compensation for damage from the manufacturer, trader, or service provider, including reimbursement, repair, replacement, price reduction, cancellation of the contract or reimbursement of the paid amount of money.

(2) The compensation for damage referred to in Paragraph one of this Section shall be without prejudice to other claims of the consumer which are not covered by the particular consumer class action.

[14 September 2023]

### **Section 26.<sup>21</sup> Notification of Preparation for Bringing Consumer Class Action**

(1) The qualified authority shall publish information inviting consumers to apply for participation in a consumer class action. The qualified authority shall communicate the information on the published invitation to the Consumer Rights Protection Centre and the Consumer Rights Protection Centre shall publish it on its website and social networks.

(2) The qualified authority shall include at least the following information in the invitation:

- 1) the nature of the established violation;
- 2) the consumer group that may have been affected by the relevant violation;
- 3) the procedures by which consumers may apply;
- 4) registration fee if participation in the consumer class action is approved and such a fee is required;

5) a reference to the section on the website of the qualified authority where information is provided on the process of such an action and the consequences that result from the participation of a consumer in a consumer class action.

[14 September 2023]

### **Section 26.<sup>22</sup> Application for Participation in a Consumer Class Action**

(1) A consumer shall submit a signed application for participation in a consumer class action to the qualified authority. At least the following information shall be indicated in the application:

1) the given name, surname, personal identity number, address of the place of residence, contact details, and current account number of the consumer;

2) the basis for the entitlement of the consumer to compensation for damage and the claim;

3) a statement that the consumer has not turned to another qualified authority in respect of the dispute in the matter referred to in the application benefiting from the compensation for damage referred to in Section 26.<sup>20</sup>, Paragraph one of this Law, or that the dispute is not being and has not been examined in a court;

4) a consent for the qualified authority to represent the consumer, including entering into a settlement.

(2) The consumer shall enclose with the application the documents supporting the claim, including a copy of the

document certifying the transaction and payment (a receipt or other proof of payment), and other evidence supporting his or her right to compensation for damage in the particular consumer class action.

(3) The application of the consumer for participation in a consumer class action shall certify the authority of the qualified authority to take all actions provided for in this Law and in the Civil Procedure Law in relation to the respective consumer class action.

[14 September 2023]

### **Section 26.<sup>23</sup> Assessment of Consumer Applications**

(1) The qualified authority shall assess the received consumer applications within a commensurate period. In the case referred to in Section 26.<sup>27</sup> of this Law, the qualified authority shall assess consumer applications within the period determined in the decision of the judge which provides for filing of an updated claim statement with the court. Consumer applications submitted after expiry of the period determined by the qualified authority shall not be included in the consumer class action.

(2) The consumers who have given consent to be represented in the consumer class action cannot be represented in another consumer class action on the same grounds of action and against the same manufacturer, trader, or service provider, and also they may not bring an action individually on the same grounds of action and against the same manufacturer, trader, or service provider. This shall not apply to the consumers who have withdrawn from the consumer class action in accordance with Section 26.<sup>29</sup> of this Law. Consumers shall not receive compensation for damage on the same grounds of action from the same manufacturer, trader, or service provider more than once.

(3) If the application of the consumer does not conform to the requirements of Section 26.<sup>22</sup> of this Law or all the necessary documents have not been enclosed thereto, the consumer shall be informed of deficiencies of the application and the period for their elimination shall be determined. If the deficiencies are not eliminated within the determined period, the consumer shall be informed that participation in the consumer class action is refused.

(4) If the participation of the consumer in the consumer class action is approved, the qualified authority shall inform the consumer of the procedures for the payment of the registration fee if such a fee is required in the particular consumer class action.

(5) If the consumer fails to pay the registration fee for participation in the consumer class action within the set time period, the qualified authority shall inform the consumer that the participation in the class action is refused.

[14 September 2023]

### **Section 26.<sup>24</sup> Notice Before Action by the Qualified Authority and Settlement**

(1) After summarising the consumer applications, the qualified authority shall turn to the manufacturer, trader, or service provider with a claim for the termination of the violation and compensation for any damage caused to consumers or with a claim for the compensation for any damage caused to consumers and shall give a notice of bringing a consumer class action before a court if the claims are not satisfied.

(2) The qualified authority and the manufacturer, trader, or service provider may agree on a settlement and the provisions thereof. Such settlements shall be binding on the manufacturer, trader, or service provider and the individual consumers who enter into the settlement. At least the following information shall be included in the settlement:

1) a description of the consumer group;

2) the given name, surname, and personal identity number, if possible, of the consumers;

3) the obligations of the parties;

4) the period within which, after the information is published, consumers will be able to join the settlement and receive compensation in accordance with the provisions of the settlement. In order to join the proposed draft settlement, a consumer shall, in accordance with the procedures laid down in Section 26.<sup>22</sup> of this Law, submit an application for participation in the consumer class action, the justification of which will be assessed;

5) publications regarding the content of the settlement, the procedures and period for the dissemination thereof;

6) the procedures for signing the settlement if the violation results in unforeseeable damage to the consumers;

7) confidentiality provisions in respect of prepared documents, correspondence, and notices received for the purposes and during the process of the preparation and enforcement of the settlement;

(3) The expenses for publishing the content of the settlement shall be covered by the manufacturer, trader, or

service provider.

(4) The qualified authority shall notify the consumers who have been approved for the consumer class action, in a timely manner and by appropriate means, of the appeal to the manufacturer, trader, or service provider, of the progress of the appeal, of the proposed settlements, and the procedures for entering into them.

(5) If, within the period specified by the qualified authority, which may not be shorter than 14 days, the manufacturer, trader, or service provider fails to fulfil the request referred to in Paragraph one of this Section in full or if no other agreement is reached, the qualified authority is entitled to bring a consumer class action before a court in accordance with the procedures laid down in the Civil Procedure Law.

[14 September 2023]

### **Section 26.<sup>25</sup> Right of the Qualified Authority to Bring an Action Before a Court**

(1) In accordance with Section 26.<sup>24</sup>, Paragraph five of this Law, the qualified authority may bring an action before a court if:

- 1) at least five consumers have been approved for a consumer class action;
- 2) the consumer claims are brought against the same defendant or defendants;
- 3) the consumer claims are based on the same or similar factual and legal circumstances.

(2) In addition to the compensation for damage, when bringing a consumer class action before a court, the qualified authority may also request that the court impose one or more of the following obligations on the manufacturer, trader, or service provider:

1) to terminate the infringement immediately or within a specified period;

2) to notify other consumers who have been affected by the violation of the final court ruling and of any approved settlements and the rights of consumers to seek redress, including, if necessary, by publishing information using the means of communication appropriate to the circumstances of the case. The request shall contain a specific period and the manner in which the information is to be disseminated.

(3) Consumers have no obligation to pay the expenses for court proceedings related to the consumer class action based on the grounds that the qualified authority is the claimant in the consumer class action.

(4) If, as a result of deliberate actions or negligence of certain consumers, certain expenses for court proceedings are incurred in respect of the consumer class action, the qualified authority may seek compensation of such loss from those consumers by way of subrogation.

(5) If during the proceedings or before enforcement of the judgment the qualified authority that has brought the consumer class action loses its status, another qualified authority may become a successor in title thereof.

[14 September 2023]

### **Section 26.<sup>26</sup> Principles for the Division of Consumer Group into Sub-groups**

In order to facilitate the examination of a consumer class action, in the claim statement, the qualified authority may divide the claims of a consumer group into sub-groups according to the characteristics that unite the sub-groups. The claim statement shall include a description of the sub-groups.

[14 September 2023]

### **Section 26.<sup>27</sup> Notification for Consumers to Apply for the Case of Consumer Class Action**

(1) The qualified authority shall, after receiving the decision of the judge to announce a repeated call for consumer applications, publish the information inviting consumers to apply for participation in a consumer class action within a certain period. The qualified authority shall communicate this information to the Consumer Rights Protection Centre and the Consumer Rights Protection Centre shall publish it on its website and social networks.

(2) The qualified authority shall include in the call referred to in Paragraph one of this Section the information referred to in Section 26.<sup>21</sup>, Paragraph two of this Law and also other information relevant to the civil case and its initiation in court.

[14 September 2023]

### **Section 26.<sup>28</sup> Informing of Consumer Class Action and Settlements**

(1) The qualified authority shall inform the consumers who are the subject to an ongoing consumer class action, in a timely manner and by appropriate means, of the progress of the aforementioned action and of any proposed settlements.

(2) The qualified authority shall inform the Consumer Rights Protection Centre of the settlements and the final court ruling.

[14 September 2023]

#### **Section 26.<sup>29</sup> Withdrawal From a Consumer Class Action**

(1) If a consumer does not agree with the settlement offered by the qualified authority and the manufacturer, trader, or service provider, the consumer is entitled to withdraw from the consumer class action by submitting a signed application to the qualified authority to that effect. In this case, the consumer shall not be included in the settlement.

(2) If a consumer withdraws from a consumer class action, the registration fee shall not be refunded.

[14 September 2023]

#### **Section 26.<sup>30</sup> Limitation Period for the Violations of the Collective Interests of Consumers**

The moment when the manufacturer, trader, or service provider receives from the qualified authority a notice of bringing a consumer class action before a court if the claims are not satisfied, or the moment when the supervisory and control institution receives the submission for the elimination of the violation of consumer rights submitted by the qualified authority, the limitation period shall be suspended for those consumers who are or may be affected by the particular violation.

[14 September 2023]

#### **Section 26.<sup>31</sup> Financing of Consumer Class Actions**

(1) The qualified authority has the obligation to ensure that:

1) the decisions of qualified authorities in relation to a consumer class action, including the decisions on settlements, are not unduly influenced by a third party in a way that would harm the collective interests of the consumers who are the subject to the aforementioned action;

2) the consumer class action is not brought against the defendant who is a competitor of the funding provider or against the defendant on whom the funding provider depends.

(2) The qualified authority shall disclose to the court and the Consumer Rights Protection Centre a financial statement indicating the sources of the funds used to support the consumer class action if the court or the Consumer Rights Protection Centre has reasonable doubts as to conformity with the provisions referred to in Paragraph one of this Section.

(3) According to the provisions referred to in Paragraphs one and two of this Section, the court and the Consumer Rights Protection Centre have the right to require that the qualified authority refuses specific funding or makes changes in respect of it and, if necessary, reject the status of the qualified authority in a particular consumer class action. If the status of a qualified authority in a particular consumer class action is rejected, this rejection shall not affect the rights of the consumers who are the subject to the aforementioned action.

[14 September 2023]

#### **Section 26.<sup>32</sup> Expenses Related to a Consumer Class Action**

The expenses for the activities within the scope of a consumer class action for Latvian qualified authorities may be covered from the State budget funds allocated to the Consumer Rights Protection Centre for this purpose in the current year. The Cabinet shall determine the conditions related to the allocation of funding for the preparation of the consumer class actions, their out-of-court prosecution, filing with the court, court proceedings and the distribution of amounts ordered, and also the procedures for monitoring the use of this funding.

[14 September 2023]

#### **Section 26.<sup>33</sup> Reimbursement of Expenses Related to a Consumer Class Action**

(1) During the court proceedings, pending the outcome of the examination of the case on the merits, the qualified authority is entitled to request the court to impose on the manufacturer, trader, or service provider, by way of a final ruling, the obligation to reimburse the expenses incurred by the qualified authority in relation to the class action, i.e. the expenses for informing consumers in the process of commencement of the particular class action and conducting the case.

(2) The expenses related to the consumer class action shall be commensurate and objectively justified. The expenses related to a consumer class action shall be considered to be commensurate if they correspond to the permissible amount of the expenses related to a consumer class action specified by the Cabinet (except for those expenses which the Cabinet has deemed to be non-reimbursable).

(3) During the court proceedings, pending the outcome of the examination of the case on the merits, the manufacturer, trader, or service provider is entitled to request the court in the final ruling to impose on the qualified authority the obligation to reimburse the expenses incurred by the manufacturer, trader, or service provider in relation to informing the consumers which has been imposed thereon by the decision of the court.

(4) The Cabinet shall determine the permissible amount of the expenses related to a consumer class action and the non-reimbursable expenses.

(5) If the qualified authority has received funding for the class action from the Consumer Rights Protection Centre, it shall reimburse the funds recovered during the court proceedings in accordance with Paragraph one of this Section to the grantor of the funding, i.e. the Consumer Rights Protection Centre.

[14 September 2023]

### **Section 26.<sup>34</sup> Disbursement of Recovered Amounts**

(1) The qualified authority shall disburse to consumers the amounts recovered in the consumer class action. If the amount recovered is not sufficient to satisfy all claims of the consumers, the amount shall be disbursed among the consumers pro rata.

(2) If the consumer has not provided his or her current account details and the qualified authority is unable to disburse the recovered money to the consumer, the corresponding recovered amount shall remain in the budget of the qualified authority.

[14 September 2023]

## **Chapter VII Consumer Claims**

*[24 April 2014 / The new wording of the title of this Chapter shall come into force on 13 June 2014. See Paragraph 22 of Transitional Provisions]*

### **Section 27. Claim of a Consumer Regarding Goods, a Service, Digital Content, or a Digital Service not Conforming to the Provisions of a Contract**

(1) The consumer is entitled to submit a claim to the trader or service provider in respect of a non-conformity of goods, a service, digital content, or a digital service with the provisions of a contract within two years of the day of supply of the goods, digital content, or digital service or receipt of the services. The consumer shall submit a statement of claim to the trader or service provider at least within two months from the day when he or she has discovered the non-conformity of the goods or service with the provisions of the contract. The day when the trader or service provider has delivered and the consumer has accepted the relevant goods shall be deemed the day of supply of goods.

(2) If the manufacturer, trader, or service provider has issued a commercial guarantee for the goods, the consumer is entitled, after expiry of the time period referred to in Paragraph one of this Section, to submit a claim for the whole remaining part of the commercial guarantee period according to the conditions indicated in the commercial guarantee document. The claim submitted by the consumer shall be examined in conformity with the conditions laid down in the commercial guarantee document.

[17 February 2022]

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

(1) A consumer to whom goods not conforming to 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 trader or service provider:

1) rectification of the non-conformity of the goods with the provisions of the contract;

2) exchange of the goods for such goods, with which conformity with the provisions of the contract would be ensured;

3) appropriate reduction of the price of the goods;

4) revocation of the contract and repayment to the consumer of the amount paid for the goods.

(2) Firstly the consumer is entitled to choose whether the trader or service provider eliminates, free of charge, the non-conformity of the goods with the provisions of the contract or exchanges, free of charge, the goods for such with which conformity with the provisions of the contract would be ensured, except for the case where it is not possible or is disproportionate.

(3) Elimination of the non-conformity of the goods or exchange thereof shall be considered as disproportionate if it causes such costs to the trader or service provider which are not proportionate to the alternative means referred to in Paragraph two of this Section, taking into account:

- 1) the value of the goods without non-conformity;
- 2) the significance of non-conformity;
- 3) whether the use of alternative means does not cause significant inconveniences for the consumer.

(3<sup>1</sup>) The trader or service provider may refuse to eliminate the non-conformity of goods with the provisions of the contract or to exchange goods if it is not possible or if the trader or service provider would incur costs as a result thereof which are not proportionate, taking into account the value of the goods without the non-conformity and the significance of the non-conformity.

(4) The goods shall be exchanged or their non-conformity with the provisions of the contract shall be eliminated free of charge (including without compensation for the 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, and also the intended purpose of use thereof. The consumer has an obligation to hand over the goods to the trader or service provider for elimination of non-conformities or exchange.

(5) The consumer is entitled to request that the trader or service provider reduce the price of the goods reasonably or revoke the contract and repay the amount of money paid for the goods if:

- 1) the trader or service provider has failed, within a reasonable time period, to eliminate the non-conformity of the goods with the provisions of the contract or to exchange the goods for those conforming to the provisions of the contract, has failed to respect Paragraphs nine and eleven of this Section, or has refused to do it;
- 2) despite the efforts of the trader, the conformity of the goods has still not been ensured;
- 3) the non-conformity is so important that it justifies immediate reduction of the price or revocation of the contract;
- 4) the trader has notified or it is obvious from the circumstances that the trader will fail to eliminate the non-conformity of the goods or to ensure exchange thereof within a reasonable time period or without causing serious inconvenience for the consumer.

(5<sup>1</sup>) Reduction of the price shall be proportionate to the reduction in the value of goods when compared with the value which the goods would have in the case of conformity. When reducing the price or revoking the contract and repaying to the consumer the amount of money paid for the goods, the depreciation of the goods or the benefit which has been acquired by the consumer while using the goods may be taken into account and in respect of which the contracting parties have agreed.

(6) If the non-conformity of the goods with the provisions of the contract is minor and cannot substantially affect the possibility of the consumer using the goods, the consumer cannot require the trader or service provider 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 it does not reduce the quality of the performance 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. The trader or service provider shall bear the burden of proving that the non-conformity of the goods is minor.

(6<sup>1</sup>) The consumer is entitled to request revocation of a contract, notifying the trader or service provider thereof.

(6<sup>2</sup>) If the non-conformity has been established only in respect of some of the goods supplied according to the contract and there are grounds to request revocation of the contract in accordance with this Section, the consumer is entitled to request revocation of the contract either only in respect of the non-conforming goods or in respect of any other goods which he or she has purchased together with the non-conforming goods if it cannot be reasonably expected that the consumer will only keep the conforming goods.

(6<sup>3</sup>) If the consumer has requested revocation of the contract, the consumer shall, at the expense of the trader, return the goods to the trader and the trader or service provider shall repay to the consumer the amount of money paid for the goods at the moment of receipt of the goods or when the consumer has submitted evidence that the goods

have been sent back.

(7) If the goods have become goods not conforming to 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 according to the contract concluded with the trader, and also if the consumer has installed the goods according to incorrect (imprecise) instructions for use or instructions for use not translated into the official language, then the goods are deemed to be not conforming to the provisions of the contract and the consumer is entitled to require fulfilment of the requirements provided for in this Section from the trader.

(8) 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.

(9) The trader or service provider shall deliver goods that do not conform to the provisions of the contract for rectification of discrepancies or exchange at its own expense. If the trader or service provider 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 trader or service provider.

(10) If the consumer transports the goods, the trader or service provider shall, within three working days after receipt of the document confirming the expenses, compensate for the expenses incurred by the consumer due to transportation of the goods.

(11) If it is required for the elimination of the non-conformity or exchange of goods to remove such goods which, prior to discovering their non-conformity, were installed according to their type and purpose for which they are designed, the obligation to eliminate the non-conformity of the goods or exchange the goods shall also include removal of the non-conforming goods and installation of the conforming goods or covering of expenses related to the removal and installation of the goods.

(12) The consumer has the right to delay any outstanding payment until the moment when the trader or service provider has fulfilled its obligations in accordance with this Section. If the consumer decides to delay a payment, he or she shall notify the trader or service provider thereof in writing without undue delay. Fulfilment of the obligations of the trader shall be deemed as completed from the moment when the trader has notified the consumer of achievement of the conformity of the goods and the consumer has accepted the goods as conforming.

(13) The consumer need not pay for normal use of the replaced goods during the period prior to their replacement.

*[24 April 2014; 20 May 2021; 17 February 2022]*

### **Section 29. Consumer Rights if Service Non-Conforming to the Provisions of a Contract Has Been Provided**

(1) The consumer, for whom a service not conforming to the provisions of a contract has been provided, is entitled firstly to request that the service provider rectifies non-conformity with the provisions of the contract of the provided service free of charge. If it is not possible, the consumer is entitled to request that the service provider reduces the price of the service or repays the amount of money paid for the service accordingly. In reducing the price or revoking the contract and repaying the consumer the amount of money paid for the service, the benefit, which has been acquired by the consumer using the service and regarding which the contracting parties have agreed, may be taken into account.

(2) The service provider has an obligation to fulfil such request referred to in Paragraph one of this Section, which is appropriate and proportionate taking into account the nature of the service and non-conformity thereof, and also not causing inconvenience for the consumer.

(3) 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.

*[24 April 2014 / The new wording of the Section shall come into force on 1 January 2016. See Paragraph 23 of Transitional Provisions]*

### **Section 29.<sup>1</sup> Consumer Rights in the Case of Non-conforming Digital Content or Digital Service**

(1) The consumer to whom digital content or digital service not conforming to the provisions of a contract has been supplied is entitled to request that the trader or service provider carries out one of the following actions:

1) eliminates the non-conformity of the digital content or digital service;

2) reduces the price proportionately;

3) revokes the contract and repays to the consumer the amount of money paid for the digital content or digital service.

(2) The consumer is entitled to request elimination of the non-conformity of digital content or digital service, except

for the case where it is not possible or where the trader or service provider would incur costs as a result thereof which would not be proportionate, taking into account all circumstances in a specific case, including the value of the digital content or digital service without the non-conformity and the significance of the non-conformity.

(3) The trader or service provider shall, free of charge and without serious inconvenience for the consumer, eliminate the non-conformity of the digital content or digital service within a reasonable time period, starting from the moment when the consumer has informed the trader or service provider of the non-conformity, taking into account the nature of the digital content and digital service and the purpose for which the consumer has purchased the digital content or digital service.

(4) The consumer has the right either to proportional reduction of the price in accordance with Paragraph five of this Section if the digital content or digital service has been purchased for a charge or to revocation of the contract in accordance with Paragraph six of this Section in the following cases:

1) it is not possible or proportionate to eliminate the non-conformity of the digital content or digital service in accordance with Paragraph two of this Section;

2) the trader or service provider has failed to ensure conformity of the digital content or digital service in accordance with Paragraph three of this Section;

3) although the trader or service provider has sought to eliminate the non-conformity of the digital content or digital service, it is still present;

4) the non-conformity is so important that it justifies immediate reduction of the price or revocation of the contract;

5) the trader or service provider has notified or it clearly arises from the circumstances that the trader will fail to eliminate the non-conformity of the digital content or digital service within a reasonable time period or without causing serious inconvenience for the consumer.

(5) Reduction of the price shall be proportionate to the reduction in the value of the digital content or digital service supplied to the consumer when compared with the value which the digital content or digital service would have if it conformed to the provisions of the contract. If it is provided for in the contract that the digital content or digital service is supplied over a specific period for a charge, the reduction of the price shall be applied to the period during which the digital content or digital service has not been conforming.

(6) If the digital content or digital service is supplied for a charge, the consumer is only entitled to request revocation of the contract if the non-conformity is significant. The trader or service provider shall bear the burden of proving that the non-conformity is minor.

[17 February 2022]

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

(1) Unless the parties have agreed otherwise, the trader or the service provider shall deliver the goods by transferring them into possession of the consumer without undue delay, but not later than 30 days from the conclusion of the contract.

(2) Where the trader or the service provider has failed to fulfil his or her obligation to deliver the goods within the specified time period agreed upon with the consumer or within the time period set out in Paragraph one of this Section, the consumer shall request the trader or the service provider to make the delivery of goods within an additional time period appropriate to the circumstances. If the trader or the service provider fails to deliver the goods within that additional time period, the consumer is be entitled to unilaterally withdraw from the contract.

(3) Paragraph two of this Section shall not be applicable, if the trader or the service provider has refused to deliver the goods or if delivery of goods within the period of time agreed by the contracting parties is essential taking into account all the circumstances of the conclusion of the contract or if the consumer informs the trader or the service provider, prior to the conclusion of the contract, that delivery of goods by or on a specified date is essential. If the trader or the service provider fails to deliver the goods at the time agreed upon with the consumer or within the time period set out in Paragraph one of this Section, the consumer is entitled to unilaterally withdraw from the contract immediately.

(4) Unless the contracting parties have agreed otherwise, the service provider shall provide a service within a reasonable period of time taking into account the nature and amount of the service.

(5) If the service provider has failed to fulfil his or her obligation to provide a service at the specified time agreed upon with the consumer or within the time period set out in Paragraph four of this Section or provides the service only partly, the consumer shall request the service provider to provide the service within an additional period of time appropriate to the circumstances. If the service provider fails to provide the service within that additional time period, the consumer is entitled to unilaterally withdraw from the contract.

(6) Paragraph five of this Section shall not be applicable if the service provider has refused to provide the service or if the provision of the service within the time period agreed by the contracting parties is essential taking into account all the circumstances of the conclusion of the contract or if the consumer informs the service provider, prior to the conclusion of the contract, that provision of the service by or on a specified date is essential. If the service provider fails to provide the service at the time agreed upon with the consumer or within the time limit set out in Paragraph four of this Section, the consumer shall be entitled to unilaterally withdraw from the contract immediately.

(7) If the consumer withdraws unilaterally from a contract in accordance with the provisions laid down in this Section, the trader or the service provider shall, without undue delay, but not later than within 14 days, reimburse the consumer all amounts paid by the consumer according to the contract.

[24 April 2014; 20 May 2021]

### **Section 30.1 Passing of Risk for Delivery of Goods**

(1) When supplying goods to the consumer, the risk of loss of or damage to the goods shall pass to the consumer when the consumer or his representative has acquired the physical possession of the goods.

(2) Where the consumer has selected to assign delivery of the goods to the carrier and such possibility was not offered by the trader or the service provider, the risk of loss of or damage to the goods shall pass to the consumer upon delivery to the carrier. In such case the consumer is entitled to bring an action against the carrier in accordance with the procedures laid down in the Civil Law.

(3) This Section shall not be applied to supply of water, gas or electricity, except for the cases where water, gas or electricity are put up for sale in a limited volume or a set quantity, and also to contracts for the district heating and contract for supply of such digital content which is not supplied in a tangible medium.

[24 April 2014 / Section shall come into force on 13 June 2014. See Paragraph 22 of Transitional Provisions]

### **Section 30.2 Consumer Rights in the Case of Failure to Supply Digital Content or Digital Service**

(1) If the trader or service provider has failed to supply digital content or digital service in accordance with this Law, the consumer has the right to request the trader or service provider to supply the digital content or digital service. If the trader or service provider fails, upon request of the consumer, to supply the digital content or digital service without undue delay or within an additional period of time on which the parties have clearly agreed, the consumer is entitled to request revocation of the contract.

(2) Paragraph one of this Section shall not be applicable and the consumer has the right, without undue delay, to withdraw from the contract unilaterally if:

1) the trader or service provider has informed or it clearly arises from the circumstances that the trader or service provider will fail to supply the digital content or digital service;

2) the consumer and the trader or service provider have agreed or it clearly arises from the circumstances at the moment of conclusion of the contract that a specific moment of supply is important to the consumer and the trader or service provider fails to supply the digital content or digital service at or before this moment.

[17 February 2022]

### **Section 30.3 Obligations of the Consumer, Trader, and Service Provider in the Case of Reduction of the Price of the Digital Content or Digital Service and Revocation of the Contract**

(1) The consumer is entitled to request revocation of a contract, notifying the trader or service provider thereof.

(2) After revocation of the contract the consumer shall not use the digital content or digital service and shall not provide such possibility to third persons.

(3) If the digital content was supplied in a durable medium, the consumer shall, upon request of the trader or service provider, return the durable medium to the trader or service provider at the expense of the trader or service provider without undue delay. If the trader decides to request return of the durable medium, the trader shall inform the consumer thereof within 14 days from the day when the consumer has informed of his or her decision to revoke the contract.

(4) The consumer does not have an obligation to pay for the use of the digital content or digital service for a period of time prior to revocation of the contract when the digital content or digital service has not been conforming.

(5) When revoking the contract, the trader or service provider shall repay the consumer all amounts which have been paid according to the contract. If it is provided for in the contract that the digital content or digital service is supplied for a charge and, during some period prior to revocation of the contract, the digital content or digital service

has been conforming, the trader or service provider shall only repay to the consumer such proportional part of the price paid which corresponds to the period of time when the digital content or digital service has not been conforming, and the amount which the consumer has paid in advance for any period of the contract that would have remained if the contract had not been revoked.

(6) The trader or service provider shall not use any content which is not personal data and which the consumer has provided or created by using the digital content or digital service supplied by the trader or service provider, except for the content:

- 1) that cannot be used without any linkage to the digital content or digital service supplied by the trader or service provider;
- 2) that only refers to activity of the consumer when using the digital content or digital service supplied by the trader or service provider;
- 3) that has been aggregated with other data by the trader or service provider and that is not separable or can only be separated involving disproportionate efforts;
- 4) that is jointly created by the consumer and other consumers if other consumers may continue using this content.

(7) The trader or service provider shall, upon request of the consumer, make available to the consumer any content which is not personal data and which the consumer has provided or created by using the digital content or digital service supplied by the trader or service provider, except for the cases referred to in Paragraph six, Clauses 1, 2, and 3 of this Section. The consumer is entitled to retrieve the abovementioned digital content free of charge without any barriers created by the trader or service provider within a reasonable period of time and in commonly used machine readable form.

(8) The trader or service provider is entitled to prevent the consumer from using the digital content or digital service, including refusing the consumer access to the digital content or digital service or disabling user account of the consumer, except for the provisions referred to in Paragraph seven of this Section.

(9) In the case of the reduction of price or revocation of the contract, the trader or service provider shall repay the amount of money due to the consumer without undue delay but later than within 14 days from day when the consumer has informed the trader or service provider of the decision to exercise his or her right to reduce the price or revoke the contract.

(10) The trader or service provider shall repay the amounts of money, using the same means of payment as the consumer has used when paying for the digital content or digital service, except for the case where the consumer has expressly agreed to other means of payment and the consumer does not have to pay anything for the use of such means of payment.

(11) The trader or service provider is not entitled to apply any charge for the repayment of money to the consumer.

[17 February 2022]

### **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 agreement 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 agreement. 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 agreement.

(2) In order to withdraw from a consumer credit agreement 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 trader or the 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 agreement 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 agreement the trader or the service provider respectively shall immediately, not later than within 30 days from the day of termination of the consumer credit agreement, repay the amounts of money received in accordance with the agreement. The consumer has an obligation to pay the interest and other payments only for the period of time until the day of termination of the consumer credit agreement.

(4) If the consumer has the right to exercise the rights referred to in Section 28, Paragraph one, Clause 4, Section 29, Paragraph one, and Section 30, Paragraph two and five 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 laws and regulations, cannot achieve that the trader or the 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 agreements 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 abovementioned agreements actually form a commercial unit. A consumer credit agreement and a contract on delivery of particular goods or provision of a particular service form a commercial unit in the following cases:

1) the trader or the 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 trader or the service provider in relation to concluding or preparation of the credit agreement;

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

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

(7) If such hiring or leasing contract is concluded 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 concluded, 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 trader or the 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; 24 April 2014; 21 November 2019]

### **Section 31.<sup>1</sup> Rights of a Consumer if His Payment Card has been Used Illegally**

[24 April 2014]

### **Section 31.<sup>2</sup> Additional Payments**

(1) If in relation to the contract concluded the trader or the service provider ensures a telephone line for the consumer as a possible means for the communication with it, the consumer is not bound for the communication with the trader or the service provider to pay more than the determined basic rate for use of the telephone communications.

(2) The laid down in Paragraph one of this Section shall not prohibit electronic communications the service providers to request the fee for the use of telephone communications.

(3) The trader or the service provider is prohibited from charging such fee from the customer for the use of means of payment in settlement of accounts for the offered goods or service the amount of which exceeds expenses borne by the trader or the service provider in relation to the use of the relevant means of payment, except when the payment recipient is prohibited from requesting a fee for the use of the particular payment instrument from the payer.

[24 April 2014; 9 June 2016]

### **Section 32. Determination of Compensation for Losses**

Claims of consumers for compensation for losses and recovery of penalty shall be settled in the court in accordance with the Civil Procedure Law, taking into account that the consumer does not have specific knowledge regarding the characteristics and description of the goods purchased or the services provided.

[24 April 2014 / The new wording of the Section shall come into force on 13 June 2014. See Paragraph 22 of Transitional Provisions]

### **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 laws and regulations regarding consumer rights protection.

(2) The trader or service provider who has compensated the consumer for the losses caused or repaid the amount of money paid for the goods, service, digital content, or digital service has the 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, service, digital content, or digital service, such agreement shall not release the manufacturer, trader, or service provider from direct liability towards the consumer.

(4) If the non-conformity of goods, service, digital content, or digital service with the provisions of a contract has been caused due to an act or omission of the manufacturer, trader, distributor, or another person, the trader or service provider is entitled to bring a subrogation action against the relevant persons.

[22 November 2001; 17 February 2022]

#### **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 trader or the 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 duty to compensate all losses caused to the consumer due to the delay.

[24 April 2014]

## **Chapter VIII Liability of Supervisory and Control Institutions**

[24 April 2014]

#### **Section 36. Reimbursement of Losses Caused by Unreasoned Action of Supervisory and Control Institutions**

[24 April 2014]

## **Chapter IX Administrative Violations in the Field of Consumer Rights Protection, Trade, and Provision of Services and Competence in the Process of Administrative Violations**

*[21 November 2019 / This Chapter shall come into force on 1 July 2020. See Paragraph 35 of Transitional Provisions]*

#### **Section 37. Administrative Liability in the Field of Consumer Rights Protection, Trade, and Provision of Services**

(1) For determining incorrect payment for a purchase or service, or weight or measurement, a warning or a fine from three to forty-two units of fine shall be imposed on a natural persons, but a warning or a fine from six to one hundred and forty units of fine - on a legal person.

(2) For the failure to comply with the requirements laid down in laws and regulations that are applicable to the consumer crediting against movable property pledge, a warning or a fine from forty-two to eight hundred and sixty units of fine shall be imposed on a legal person.

(3) For the failure to comply with the determined requirements for working hours in the consumer crediting, a warning or a fine from forty-two to eight hundred and sixty units of fine shall be imposed on a legal person.

(4) For trade in prohibited places, a fine up to forty-two units of fine shall be imposed.

(5) For the failure to provide the written information specified in laws and regulation regarding the good, service, manufacturer, trader or service provider or for the placing on the market, offering or sale of goods without the labelling specified in laws and regulations or with a labelling providing such information or presented in such a form which does not conform to the requirements of laws and regulations, a fine up to seventy units of fine shall be imposed on a natural person, but a fine from six to one hundred and forty units of fine - on a legal person.

(6) For violating the regulations for trade or service provision, a fine up to seventy units of fine shall be imposed on a natural person, but a fine from three to two hundred and eighty units of fine - on a legal person.

(7) For the failure to indicate the price of a good or service in accordance with the procedures laid down in laws and regulations, a fine from three to forty-two units of fine shall be imposed on a natural persons, but a fine from six to one

hundred and forty units of fine - on a legal person.

(8) For the performance of activities of a credit intermediary or representative of a credit intermediary which offers the customer such a credit the repayment of which is ensured with an immovable property mortgage or the purpose of which is to acquire or retain rights to an immovable property without registering with the Register of Credit Intermediaries and Representatives of Credit Intermediaries, a fine from fifty-six to one hundred and sixty units of fine shall be imposed on a natural person, member of the board or member of the general partnership, but a fine from one hundred and twenty to six hundred units of fine - on a legal person.

(9) For the provision of consumer crediting services without the special permit (licence) the need for which is determined by this Law or for continuing to provide the consumer crediting services after withdrawal or cancelling of the special permit (licence), a fine from fifty-six to four hundred units of fine shall be imposed on a natural person or member of the board with or without the prohibition for the member of the board to take specific positions in commercial companies, but a fine from five hundred to fifteen thousand units of fine - on a legal person.

[21 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 35 of Transitional Provisions]

### **Section 38. Competence in the Process of Administrative Violations**

(1) The administrative offence proceedings for the offences referred to in Section 37, Paragraphs one, two, three, five, seven, eight and nine of this Law shall be conducted by the Consumer Rights Protection Centre.

(2) The administrative offence proceedings for the offences referred to in Section 37, Paragraphs five and six of this Law shall be conducted by the Health Inspectorate.

(3) The administrative offence proceedings for the offences referred to in Section 37, Paragraphs two, three and four of this Law shall be conducted by the State Police.

(4) The administrative offence proceedings for the offences referred to in Section 37, Paragraphs one, two, three, four and six of this Law shall be conducted by the municipal police.

(5) Until examination of the administrative offence case, the administrative offence proceedings for the offences referred to in Section 37, Paragraph six of this Law shall be conducted also by the municipal police, but the administrative offence case shall be examined by the local government administrative commission or sub-commission.

(6) Until examination of the administrative offence case, the administrative offence proceedings for the offences referred to in Section 37, Paragraph nine of this Law shall be conducted also by the State Police or municipal police, but the administrative offence case shall be examined by the Consumer Rights Protection Centre.

[21 November 2019 / Section shall come into force on 1 July 2020. See Paragraph 35 of Transitional Provisions]

## **Transitional Provisions**

1. With the coming into force of this Law, the Consumer Rights Protection Law (*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 agreements referred to in Section 8 of this Law;

2) the conditions of contracts concluded 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;

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 agreements has come into force.

5. The right of withdrawal, governed by Section 9 of this Law, shall apply only after the Cabinet regulation on contracts concluded 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.

[22 November 2001]

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.

[22 November 2001]

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;

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

[22 November 2001]

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

[17 May 2007]

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

[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 agreement, the methods for calculation of the annual interest rate, fair reduction of the total cost of credit, and also conditions when the requirements of consumer credit agreement 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 adopted on 15 July 1993, shall be in force.

[21 May 2009]

15. Paragraphs 8.<sup>3</sup>, 8.<sup>4</sup> and 8.<sup>5</sup> 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<sup>1</sup> 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 laws and regulations which were in force on the day when the Consumer Rights Protection Centre took the relevant decision.

[21 May 2009]

17. Section 8, Paragraph 1.<sup>2</sup> and 1.<sup>3</sup> of this Law shall come into force on 1 March 2011, but Section 8, Paragraph 1.<sup>1</sup> of this Law - on 1 November 2011.

[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 concluding a consumer credit agreement, the requirements to be set for a consumer credit agreement 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 agreement, 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 agreements and the duties of credit intermediaries, and also the legal regulation for consumer crediting against movable property pledge;

2) until 28 February 2011 - the provisions abovementioned in Section 8, Paragraph 1.<sup>3</sup> 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), and also the amount of a State fee and the payment procedures thereof.

[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. The Cabinet shall, by 1 February 2011, 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, and also the special requirements to be observed upon concluding 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]

21. Amendments to Section 8, Paragraph 1.<sup>3</sup>, new wording of introductory part of Paragraph 4.<sup>3</sup>, deletion of Paragraph 4.<sup>3</sup>, Clause 1 and new wording of Clause 10, and also Paragraphs 1.<sup>4</sup>, 4.<sup>4</sup>, 4.<sup>5</sup>, 4.<sup>6</sup>, 10.<sup>1</sup>, twelve, thirteen and fourteen of this Law shall come into force from 1 July 2014 and these amendments shall be applicable to the contracts entered into starting from 1 July 2014.

[24 April 2014; 18 September 2014]

22. Amendments to Section 1, Clause 2, new wording of Clause 4, 5 and 6, Clause 8, new wording of Section 2, Section 4, Paragraphs four, five and six, Section 4.<sup>1</sup> Paragraphs three, five, six and seven, amendments to Section 5 regarding deletion of Paragraph two, Clause 4, amendments to Section 6, Paragraph one, Paragraph one, Paragraph 1.<sup>1</sup>, Paragraph 2.<sup>2</sup>, amendments to Paragraph three, Clause 3, Paragraph three, Clauses 5, 7, 8, 8.<sup>1</sup>, 9, 11, 12, 13, 14, 15, 16, 17 and 18, Section 6, Paragraphs 3.<sup>1</sup>, 3.<sup>2</sup>, 3.<sup>3</sup>, 3.<sup>4</sup>, new wording of Paragraph five, the title of Section 9, new wording of Paragraphs one and two, deletion of Paragraph three, Paragraph five, new wording of Sections 10 and 12, new wording of the title of Chapter III, new wording of Section 17, Paragraph one and Paragraph four, deletion of Section 18, new wording of the title of Chapter VII, new wording of Section 27, Paragraph one, amendment to Paragraph two, new wording of Section 30, Section 30.<sup>1</sup>, amendment to Section 31, Paragraph four, Section 31.<sup>2</sup>, new wording of Section 32 of this Law shall come into force from 13 June 2014, and these amendments shall be applicable to the contracts entered into from 13 June 2014.

[24 April 2014]

23. Section 4.<sup>1</sup>, Paragraph four, new wording of Section 13 and 14, Section 14.<sup>1</sup>, and also Section 28, 29 and the new wording of Section 31, Paragraph four shall come into force from 1 January 2016.

[24 April 2014; 18 September 2014; 18 June 2015]

24. Reference to Section 13, 14 and 28 included in Section 4.<sup>1</sup>, Paragraph five of this Law shall be applicable

starting from 1 January 2015.

[24 April 2014]

25. In order to ensure the application of Section 8, Paragraph 1.<sup>3</sup> of this Law, the Cabinet shall, not later than by 1 October 2015, submit amendments to the *Saeima* to the law On Taxes and Fees and shall, not later than by 1 November 2015, make respective amendments to Cabinet Regulation No. 245 of 29 March 2011, Regulations Regarding the Procedures by Which a Special Permit (Licence) for the Provision of Consumer Credit Services Shall Be Issued, Re-Registered, Suspended and Cancelled and the State Fee for the Issue and Re-Registration of a Special Permit (Licence) Shall Be Paid, as well as the Requirements for a Capital Company for the Receipt of a Special Permit (Licence).

[28 May 2015]

25.<sup>1</sup> The new wording of Section 8, Paragraph 1.<sup>2</sup> of this Law (regarding the State fee to be paid in order to receive a special permit (licence) for the provision of a consumer credit service, and also regarding supervision of the operation of a provider of credit services) shall come into force from 1 January 2016.

[18 June 2015]

26. A special permit (licence) for the provision of a consumer credit service issued to the merchant by 31 December 2015 shall be valid until expiry of the term of validity thereof.

[28 May 2015]

27. The new wording of Section 25, Paragraph four, Clause 4 and supplementation of this Paragraph with Paragraph 4.<sup>2</sup>, amendments to Section 26 (regarding rewording of the title of Section, deletion of Paragraphs four, six, seven, and nine, regarding replacement of the words in Paragraph eight "has requested assistance in solving a dispute with the manufacturer, trader or service provider, or consultation" with the words "has requested information or consultation"), and also Chapters VI.<sup>1</sup>, VI.<sup>2</sup>, and VI.<sup>3</sup> shall come into force from 1 January 2016.

[18 June 2015]

28. The Consumer Rights Protection Centre shall establish the Commission for Solving of Consumer Disputes referred to in Section 26.<sup>3</sup> of this Law by 1 March 2016.

[18 June 2015]

29. The Cabinet shall issue the regulations referred to in Section 26.<sup>6</sup>, Paragraphs two and three of this Law by 1 February 2016.

[18 June 2015]

30. The deletion of Section 27, Paragraph three of this Law shall come into force on 1 January 2016.

[18 June 2015]

31. The Cabinet shall, by 31 October 2016, issue the regulations referred to in Section 8, Paragraph four of this Law. Until the issuance of these regulations, Cabinet Regulation No. 1219 of 28 December 2010, Regulations On Consumer Credit, shall be applied.

[9 June 2016]

32. Section 8.<sup>2</sup>, Paragraph one of this Law shall come into force on 1 March 2017.

[9 June 2016]

33. Section 8.<sup>2</sup>, Paragraphs two and three of this Law shall come into force concurrently with the relevant amendments to the law On Taxes and Duties, but not later than on 1 January 2017.

[9 June 2016]

34. The new wording of Section 8, Paragraph 2.<sup>3</sup> and Section 8.<sup>3</sup> of this Law shall come into force on 1 July 2019.

[4 October 2018]

35. Chapter IX of this Law shall come into force concurrently with the Law on Administrative Liability.

[21 November 2019]

36. The Cabinet shall, by 31 December 2021, issue the regulations provided for in Section 8, Paragraph 8.<sup>1</sup> of this Law.

[20 May 2021]

37. The receipt of the information referred to in Section 8, Paragraph five, Clause 2 of this Law from the State Social Insurance Agency only with the intermediation of credit bureaus shall be applicable starting from 1 January 2023. Until 31 December 2022, information from the State Social Insurance Agency shall be requested and received by the creditor itself in the amount and in accordance with the procedures by which it was received until making of the relevant amendments to Section 8, Paragraph five of this Law.

[20 May 2021]

38. The Cabinet shall, by 1 September 2021, issue the regulations referred to in Section 26.<sup>15</sup>, Paragraph ten of this Law.

[20 May 2021]

39. The new wording of Section 24, Paragraph two of this Law shall come into force on 1 January 2023.

[17 February 2022]

40. The provisions of this Law shall be applicable to the supplies of digital content or digital service that are performed starting from 15 March 2022, except for Sections 16.<sup>5</sup> and 33 of this Law which are applicable to the contracts concluded starting from 15 March 2022.

[17 February 2022]

41. Amendments to Section 10 of this Law regarding the new wording of Paragraph one and the supplementation of Paragraph two after the words "the procedures for the provision thereof" with the words "the requirements for the provision of information to online marketplaces", and also Paragraphs thirteen, fourteen, and fifteen of Section 12 shall come into force on 28 May 2022.

[17 February 2022]

42. The Cabinet shall, by 31 December 2023, issue the regulations referred to in Section 26.<sup>32</sup> and Section 26.<sup>33</sup>, Paragraph four of this Law.

[14 September 2023]

43. The mortgage credit borrower protection fee and credit interest compensation provided for in Section 8.<sup>4</sup> of this Law shall apply for the year 2024.

[6 December 2023]

44. The Cabinet shall, by 1 April 2024, issue the regulations referred to in Section 8, Paragraph four, Clause 12 of this Law.

[15 February 2024]

## **Informative Reference to the European Union Directives**

[27 October 2005; 19 June 2008; 28 October 2010; 24 April 2014; 18 June 2015; 9 June 2016; 17 February 2022; 14 September 2023]

This Law contains legal norms, which arise from:

- 1) [24 April 2014];
- 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) [18 June 2015];
- 5) [24 April 2014];
- 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;

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;

12) Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council;

13) Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC;

14) Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010;

15) Directive (EU) 2019/770 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the supply of digital content and digital services;

16) Directive (EU) 2019/771 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC;

17) Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules;

18) Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC.

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

President G. Ulmanis

Rīga, 1 April 1999

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<sup>1</sup> The Parliament of the Republic of Latvia

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