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

The *Saeima*<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 service provider through compliance with which goods or services retain their operational (utilisation) characteristics and adequate quality, and do not pose a threat to the property, health and life of the consumer and to the environment;

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

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

<sup>1</sup> The Parliament of the Republic of Latvia

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

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

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

7) **manufacturer** – a person who within the scope of his or her economic or professional activity manufactures or renovates goods for sale, or identifies itself as the manufacturer by indicating (labelling) on the goods or the packaging thereof, or in the technical documentation of the goods, its name (firm name), given name, surname, trademark or other distinguishing mark.

*[22 November 2001; 27 October 2005]*

## **Section 2. Purpose of this Law**

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

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

Consumer rights are violated, if:

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

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

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

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

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

6) contractual obligations are not adequately performed;

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

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

*[22 November 2001]*

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

(1) When entering into contractual obligations with a manufacturer, seller or service provider, the consumer shall be provided an opportunity to fully exercise his or her choice and will,

purchasing exactly the type of goods or receiving exactly the service the consumer wishes, except for restrictions prescribed by law. It is the duty of a manufacturer, seller or service provider to respect such will. Choice and will shall be expressed in the terms of contract, or it shall be apparent from the circumstances.

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

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

#### **Section 4.<sup>1</sup> Application of Certain Provisions of Law**

The provisions of Chapters III and IV of this Law shall be applicable to such legal relations, which are founded between a manufacturer, seller or service provider and a consumer, as well as any other right-holder who expresses a wish to purchase, purchases or may purchase goods or utilise services for a purpose which is not related to such right-holder's economic or professional activity.

*[27 October 2005]*

### **Chapter II Contracts**

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

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

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

- 1) reduce the liability of the parties prescribed by law;
- 2) restrict the rights of the consumer to enter into contracts with third parties;
- 3) stipulate privileges to the manufacturer, seller or service provider, and restrictions to the consumer;
- 4) stipulate that the consumer is waiving his or her lawful rights; or
- 5) put the consumer in a disadvantageous position and are contrary to the requirements of good faith.

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

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

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(2) Contractual terms shall be expressed in plain and comprehensible language. Ambiguous and imprecise terms of a written contract shall be interpreted in favour of the consumer.

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

- 1) are in contradiction with Section 5 of this Law;
- 2) reduce the liability of the manufacturer, seller 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 seller or the service provider;
- 3) restrict or exclude the possibility of the consumer to exercise his or her lawful right to claim if the manufacturer, seller or service provider has failed to perform contractual obligations, or have performed them partially, including also the extinguishing of the claim of the manufacturer, seller or service provider with a counterclaim from the consumer;
- 4) impose a disproportionately large contractual penalty upon a consumer who has not performed the contractual obligations;
- 5) provide for determination of the price of goods or services at the moment of supply, or permit the manufacturer, seller or service provider to increase the price and do not give the consumer the right to revoke the contract if the final price is unreasonably high in comparison with the price on which the contracting parties agreed when entering into the contract;
- 6) restrict the duty of the manufacturer, seller or service provider to perform obligations undertaken by their representative, or subject such obligations to formalities;
- 7) exclude or hinder the right of the consumer to apply to consumer rights protection institutions or to the court, and provide for adjudication of disputes only in arbitration court;
- 8) permit a manufacturer, seller or service provider to unilaterally withdraw from a contract, except in the case when such a possibility is ensured also for the consumer, or permit a manufacturer, seller or service provider to terminate an unlimited contract without warning;
- 9) provide for the automatic extension of the term of a contract if the consumer does not inform regarding the non-extension of the contract, and determines an unjustifiably short time for the consumer to provide such information;
- 10) permit a manufacturer, seller 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, seller or service provider withdraws from the contract;
- 11) permit a manufacturer, seller or service provider to transfer further their rights and duties, thus reducing the amount of offered guarantees without the consent of the consumer; or
- 12) permit a manufacturer, seller or service provider to unilaterally amend the provisions of a contract or the characteristics of the goods or services.

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

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

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

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

(8) Unfair terms included in a contract entered into between a manufacturer, seller or service provider and a consumer shall be declared, upon the request of the consumer, null and void, but the contract shall remain effective if it may continue functioning also after exclusion of the unfair provisions.

(9) The provisions of this Section shall not apply to such contracts as have been entered into in accordance with an international treaty concluded by the Republic of Latvia, or in compliance with the requirements of other regulatory enactments.

*[22 November 2001]*

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

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

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

#### **Section 8. Consumer Credit**

(1) In accordance with a consumer credit contract, the person who is engaged in consumer credit shall grant or promise to grant credit to a consumer, including credit for the acquisition of immovable property. The credit shall be drawn up as a deferred payment, loan or other financial agreement.

(2) A consumer credit contract shall be entered into in writing, and the consumer shall be given one copy of such contract. The payment for goods or services shall be specified in cash. It is prohibited to specify transferable securities as a means of settlement in a consumer credit contract.

(3) A consumer shall have the right to perform his or her obligations prior to the time period specified in the consumer credit contract. In such case, the consumer shall have the right to fair reduction of the total cost of credit.

(4) The information to be included in a consumer credit contract, the methods for calculation of the annual interest rate, and fair reduction of the total cost of credit shall be regulated by Cabinet Regulations.

(5) A person who is engaged in consumer crediting shall:

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

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

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

(6) If the credit is issued for the acquisition goods or the receipt of services, the consumer shall receive the credit only after the performance of an initial payment, which is not less than 10 per cent of the price of the goods financed or the services financed.

(7) The provisions of Paragraphs five, six and ten of this Section shall be applicable to a consumer credit contract in which the price of the goods or services is equal to 100 minimum monthly wages or higher.

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

(9) The provisions of Paragraphs five and six shall not apply to the crediting of such transactions, which are performed with financial instruments. In respect of the crediting of such transactions for which the accounting instrument utilised is a credit card, the provisions of Paragraph six of this Section shall not be applicable.

(10) Credit for which repayment is ensured with an immovable property mortgage shall be issued in an amount of not more than 90 per cent of the market value of the relevant immovable property.

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

*[17 May 2007]*

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

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

(2) The information to be included in a contract that has been entered into outside the permanent location of sale or provision of services, as well as the time period and procedures for exercising the right of withdrawal provided for in Section 12 of this Law, shall be regulated by Cabinet Regulations.

*[27 October 2005]*

## **Section 10. Distance Contracts**

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

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

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

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

*[22 November 2001]*

## **Section 11. Contract on Obtaining the Right to Temporary Use of a Residential Building or a Part Thereof**

(1) A contract on obtaining the right of temporary use to a residential building or a part thereof is a contract which is entered into for a period of at least three years and in accordance with which the right to use is obtained for a period of time not less than a week within a specified period, or a period possible to specify, of the calendar year.

(2) A contract on obtaining the right of temporary use to a residential building or a part thereof shall be entered into in writing, and one copy of such contract shall be issued to the consumer.

(3) When entering into a contract on obtaining the right of temporary use to a residential building or a part thereof, it is prohibited to demand advance payment from the consumer prior to expiration of the time period during which the consumer may exercise the right of withdrawal.

(4) The information to be included in a contract on obtaining the right of temporary use to a residential building or a part thereof, as well as the time period and procedures for exercising the right of withdrawal provided for in Section 12 of this Law, shall be regulated by Cabinet Regulations.

(5) When entering into a contract on obtaining the right of temporary use to a residential building or a part thereof, issues not regulated by this Law shall be subject to the Civil Law and other regulatory enactments.

(6) When entering into a contract on obtaining the right of temporary use to a residential building or a part thereof located in a foreign state, the law in force in the relevant state shall apply insofar as it ensures compliance with the provisions of this Law.

## **Section 12. Right of Withdrawal**

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

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

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

2) a distance contract; or

3) a contract on obtaining the right of temporary use to a residential building or a part thereof.

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

(4) The consumer shall address the written withdrawal to the person whose name (firm name), given name, surname and address is indicated on the withdrawal form. Sending of the withdrawal within a specified time period shall terminate the contract and release the consumer from any contractual obligations, except payments related to the return of goods to the manufacturer, seller or service provider.

(5) It is the duty of the consumer to return the goods to the manufacturer, seller or service provider within seven days from the sending of the written withdrawal (if goods or articles have been received). A manufacturer, seller or service provider has a duty within a period of seven days after receipt of a document confirming costs to repay the consumer this amount of money together with all interest, which has been paid for the goods or services up to the moment of termination of the contract. If a consumer exercises the right of withdrawal on grounds of the goods or services not conforming to the provisions of the contract, and returns the goods at his or her own expense, then the manufacturer, seller or service provider shall, within seven days from

the receipt of documents confirming the costs compensate the consumer also for the costs related to the return of the goods or articles.

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

*[22 November 2001; 27 October 2005]*

### **Chapter III**

#### **Conformity of Goods or Services to Provisions of a Contract**

*[22 November 2001]*

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

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

(2) The manufacturer, seller or service provider shall be liable regarding any non-conformity with the provisions of the contract, which exists at the moment of the selling of the goods or providing of the services.

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

*[22 November 2001]*

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

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

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

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

3) they are not fit for the purposes for which the consumer has chosen the goods and which he or she has directly or indirectly communicated to the seller when entering into contract, except in cases where the seller could not comprehend such specific purposes at the time of

selling and the consumer had no valid reasons to rely on the competence and judgement of the seller;

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

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

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

7) they are counterfeit goods.

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

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

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

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

*[22 November 2001]*

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

## **Section 16. Guarantee**

(1) A guarantee is a confirmation by the manufacturer, seller or service provider that the goods or services, or component part thereof will maintain use, safety and operational qualities for a specified period of time, and that the manufacturer, seller or service provider undertakes additional obligations that are not provided for in this Law and other regulatory enactments.

(2) A guarantee shall be given in writing, it shall be freely accessible before the purchase of goods or receipt of service, and it shall clearly set out conditions for submission of a claim with respect to the guarantee and the period of guarantee – the period of time to which the guarantee applies, as well as the name (firm name), or given name, surname and address of the guarantor. It shall be indicated in the guarantee that the consumer has specific rights in accordance with regulatory enactments, and that the guarantee does not influence such rights. If the guarantee

does not conform to these provisions that shall not influence the validity of the guarantee and the consumer is entitled to request that the guarantee be fulfilled.

(3) The guarantee issued by any manufacturer, seller or service provider shall be binding on its issuer in conformity with the conditions of the guarantee document and the information included in advertisements of the relevant goods or services. If the manufacturer is not a taxpayer registered in Latvia, the seller or the authorised representative of the manufacturer shall be responsible for ensuring the guarantees given by the manufacturer.

(4) A seller is not entitled to reduce the scope of a guarantee given by the manufacturer, and to shorten the time period of the guarantee.

(5) It is prohibited to use the word "garantija" [guarantee] or other words of a similar meaning if it does not conform to the conditions of Paragraphs one and two of this Section.

*[22 November 2001; 27 October 2005]*

## **Chapter IV**

### **Information Regarding Goods and Services**

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

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

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

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

*[29 April 2004]*

#### **Section 18. Information Regarding Manufacturers, Sellers or Service Providers**

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

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

(3) At permanent locations of sale or provision of services information shall be placed indicating the name (firm name) of the seller or the service provider and the working hours.

*[22 November 2001]*

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

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

### **Section 20. General Requirements for Labelling of Goods**

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

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

(3) The manufacturer or the seller shall ensure that the information included in the labelling of goods is provided to the consumer in compliance with the regulatory enactments regulating the use of the official language.

(4) It is prohibited for the seller to offer and sell goods with such information on their labelling, or with such presentation of labelling, as fails to meet the requirements of this Law and other regulatory enactments.

(5) The general requirements for the labelling of goods shall not apply to selling of second-hand goods.

### **Section 21. Specific Labelling of Goods**

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

(2) *[22 March 2007]*

*[22 November 2001; 22 March 2007]*

### **Section 21.<sup>1</sup> Sales and Prices Reductions**

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

- 1) it relates to a sale of all goods or a sale of an indicated part thereof;
- 2) the sale takes place in a restricted and indicated time period; and

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- 3) the prices are lower than the normal prices of the relevant goods or services.
- (2) The words “atlaide” [discount], “pazeminātas cenas” [reduced prices] or words of a similar meaning when offering goods is permitted to be used only when all of the following conditions are observed:
- 1) it relates to the selling of such goods or the providing of such services with which the seller or service provider is permanently engaged;
  - 2) such trade takes place within a restricted time period; and
  - 3) the prices are lower than the normal prices of the relevant goods or services.
- (3) After a public announcement of reduced prices, discounts or a sale, the initial price and the price after reduction of the goods and services shall be clearly indicated.
- (4) A sale shall be publicly announced at least five days before its commencement by placing notices in the place of trade.
- (5) The price of the relevant goods or services regarding which discounts are specified may not change at least one month before the public announcement of the reduction in price, discount or sale.
- (6) It is prohibited to announce and conduct a sale of one and the same goods or services if three months have not passed since the last sale, except in the case where the seller or the service provider is being liquidated or the type of activity is being changed.
- [22 November 2001]*

## **Chapter V**

### **Associations for Consumer Rights Protection**

*[27 October 2005]*

#### **Section 22. Formation of Associations for Consumer Rights Protection**

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

*[27 October 2005]*

#### **Section 23. Rights of Associations for Consumer Rights Protection**

Associations for consumer rights protection have the right to:

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

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

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

*[22 November 2001; 27 October 2005]*

## **Chapter VI**

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

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

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

*[27 October 2005]*

#### **Section 25. Consumer Rights Protection Centre**

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

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

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

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

1) to monitor and control the trade of non-food products (except medical products, medicinal products, veterinary medicinal products, pharmaceutical products, cosmetics, veterinary pharmaceutical products, animal care products, household chemical substances and chemical products) and the sector of provision of services;

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

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

4) to examine submissions of consumers regarding violations of consumer rights, provide assistance to consumers in resolving conflicts with respect to manufacturers, sellers or service providers, as well as to require compliance with the lawful claims of consumers;

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

6) to supervise compliance with consumer rights regarding draft contracts and contracts entered into between consumers and manufacturers, sellers or service providers, also the

performance of activities provided for in regulatory enactments in order that the manufacturer, seller 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;

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.

(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, seller and service provider in each particular case.

(8) If a violation of consumer rights has been determined, which affects individual or group consumer interests (consumer association interests) and which may cause harm or losses to particular consumer rights, the Consumer Rights Protection Centre is entitled to:

1) take a decision with which requires a manufacturer, seller or service provider to cease the violation, and to perform specific activities to rectify the impact thereof and which determine the time period for the implementation of such activities; and

2) publish the decision taken either fully or partially in the newspaper *Latvijas Vēstnesis* [the official Gazette of the Government of Latvia] (the costs associated with the publication shall be covered by the manufacturer, seller or service provider).

(9) The decision referred to in Paragraph eight, Clause 1 of this Section shall be in effect at the moment when the addressee knows it. Appeal of the decision shall not suspend its implementation.

(10) Before of the end of the specific time period in the decision referred to in Paragraph eight, Clause 1 of this Section, the manufacturer, seller or service provider shall inform the Consumer Rights Protection Centre regarding the implementation of the specified activities. If the manufacturer, seller or service provider has not implemented the specified activities by the end of the specified time period, or has not informed the Consumer Rights Protection Centre regarding the implementation thereof, the Consumer Rights Protection Centre shall apply the administrative penalty provided for the relevant violation according to the procedures specified by law.

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

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

[22 November 2001; 29 April 2004; 27 October 2005]

## **Section 26. Examination of Consumer Complaints in Supervisory and Control Institutions**

(1) Consumers are entitled to submit complaints, regarding violations of the requirements of this Law and other regulatory enactments on consumer rights protection, to the Consumer Rights Protection Centre and other institutions whose competence includes supervision of the market in the relevant sector.

(2) The Consumer Rights Protection Centre and other institutions whose competence includes supervision of the market in the relevant sector is entitled to specify a time period for the manufacturer, seller or service provider, by which a written reply shall be provided regarding the violations referred to in the complaint.

*[22 November 2001]*

## **Chapter VII Prevention of Violations of Consumer Rights**

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

(1) A consumer is entitled to submit a claim to the manufacturer, seller or service provider in respect of the non-conformity of goods or services with the provisions of a contract within a period of two years of the day of purchase of the goods or receipt of the services.

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

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

*[22 November 2001]*

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

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

- 1) appropriate reduction of the price of the goods;
- 2) rectification of the non-conformity of the goods with the provisions of the contract free of charge, or compensation for the expenses of the consumer for the elimination of the non-conformity;

3) exchange of the goods for the same goods or equivalent goods with which conformity with the provisions of the contract is ensured; or

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

(2) The goods shall be exchanged or their non-conformity with the provisions of the contract shall be rectified within a reasonable time period without creating inconvenience to the consumer, taking into account the nature the intended use of the goods.

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

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

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

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

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

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

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

goods himself or herself, or with the assistance of a third person, but at the expense of the manufacturer or seller.

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

*[22 November 2001]*

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

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

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

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

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

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

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

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

(4) If the non-conformity of the service with the provisions of the contract is minor and cannot substantially affect the possibility of the consumer utilising the service or article, the consumer cannot require the service provider to revoke the contract and repay the amount paid for the

service or to manufacture another article. The non-conformity of the service with the provisions of the contract is deemed to be minor if an expert-examination organised according to the procedures specified in regulatory enactments determines that the non-conformity of the service does not reduce the quality of the fulfilment of the basic functions of the service or characteristics of use, and it can be rectified without creating changes in the external appearance of the article that can be visually determined.

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

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

*[22 November 2001; 27 October 2005]*

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

If a consumer does not receive the goods within the period of time specified in the contract or if the service is not provided within the time period specified in the contract for reasons independent of the consumer and the consumer is no longer interested in performance of the contract, the consumer has the right to unilaterally withdraw from the contract, receive the advance payment he or she has made, and demand compensation for the losses caused, except in case where the seller or the service provider has agreed with the consumer, in writing, regarding exceeding the time period.

### **Section 31. Consumer Claims Related to Consumer Credit**

(1) A consumer is entitled to unilaterally withdraw from the relevant consumer credit contract if he or she exercises the right of withdrawal provided in Section 12 of this Law and payment for the goods or the service is to be made, in part or in full, by means of a consumer credit contract entered into between the consumer and the seller or service provider, or by means of consumer credit given to the consumer by a third person (credit provider) in accordance with the contract between the credit provider and the seller or the service provider, or by means of co-operation between the credit provider and the seller or the service provider in the consumer credit. A seller, service provider or credit provider has a duty to repay to the consumer within a period of seven days the amount of money together with interest that has been paid for the goods or services up to the moment of revocation of the contract. In such case, the consumer cannot be required to pay a contractual penalty or compensation for losses related to revocation of the consumer credit contract.

(2) A consumer is entitled to require revocation of a consumer credit contract if he or she exercises the right provided in Section 28, Paragraph one, Clause 4 or Paragraph three, Clause 2, or Section 29, Paragraph one, Clause 4 or Paragraph three, Clause 2 of this Law and payment for the goods or the service is to be made, in part or in full, by means of a consumer credit contract

entered into between the consumer and the seller or service provider, or by means of consumer credit given to the consumer by a third person (credit provider) in accordance with the contract between the credit provider and the seller or the service provider, or by means of co-operation between the credit provider and the seller or the service provider in the consumer credit.

(3) In the case referred to in Paragraph two of this Section, it is the duty of the seller, service provider or credit provider to repay the amount of money, together with interest, which was paid for the goods or the services prior to the moment of revocation of the contract. It is the duty of the consumer to return the goods to the seller, or to return the article made as a result of the services provided, to the service provider. The seller, service provider or credit provider shall not require the consumer to pay a contractual penalty or compensation for losses related to revocation of the consumer credit contract.

*[22 November 2001]*

### **Section 31.<sup>1</sup> Consumer Rights if His or Her Charge Card is Utilised Illegally**

(1) If a consumer's charge card has been illegally utilised, he or she has the right to request the credit institution, which has issued the charge card to the consumer, to revoke the relevant charge or repayment of the illegally debited amount.

(2) If the consumer asserts that his or her charge card has been illegally utilised, and if the credit institution, which has issued the charge card to the consumer cannot prove that the relevant charge was verified with an identification code or any other proof of identification or that the consumer has acted negligently or in bad faith, it shall repay the illegally debited amount.

(3) A credit institution, which has issued the charge card to the consumer, is liable for bad faith, as well as negligence, which it has allowed in providing services in relation to the charge card issued to the consumer.

*[27 October 2005]*

### **Section 32. Determination of Compensation for Losses**

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

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

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

### **Section 33. Liability of Manufacturers, Sellers and Service Providers**

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

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

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

(4) If the non-conformity of goods and services to the provisions of the contract has been caused due to the actions or inaction of the manufacturer, seller, distributor, or other person, the seller or service provider is entitled bring a subrogation action against the relevant persons.

*[22 November 2001]*

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

*[22 November 2001]*

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

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

**Chapter VIII**

**Liability of Supervisory and Control Institutions**

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

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

(2) *[16 April 2003]*

*[16 April 2004]*

## Transitional Provisions

1. With the coming into force of this Law, the Law On Consumer Rights Protection (*Latvijas Republikas Augstākās Padomes un Valdības Ziņotājs*, 1992, No. 46/47/48; *Latvijas Republikas Saeimas un Ministru Kabineta Ziņotājs*, 1998, No. 5) is repealed.
2. Within a period of 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 a period of three months from the day of coming into force of this Law, the Cabinet shall issue Regulations that regulate:
  - 1) the conditions of the consumer credit contracts referred to in Section 8 of this Law;
  - 2) the conditions of contracts entered into outside the permanent location of sale or provision of services of the undertaking (company) referred to in Section 9 of this Law;
  - 3) the conditions of distance contracts referred to in Section 10 of this Law; and
  - 4) the conditions of contracts regarding obtaining the right of temporary use to a residential building or a part thereof, referred to in Section 11 of this Law.
4. The rights regulated by Section 31 of this Law shall apply only after the Cabinet regulation on consumer credit contracts has come into force.
5. The right of withdrawal, regulated by Section 9 of this Law, shall apply only after the Cabinet regulation on contracts entered into outside the permanent location of sale or provision of services of the undertaking (company) has come into force.
6. The right of withdrawal, regulated by Section 10 of this Law, shall apply only after the Cabinet regulation on distance contracts has come into force.
7. The right of withdrawal, regulated by Section 11 of this Law, shall apply only after the Cabinet regulation on contracts regarding obtaining the right of temporary use to a residential building or a part thereof, has come into force.
8. Amendments to Section 27, Paragraph one; Section 28, Paragraph three; Section 29, Paragraph three and Section 31, Paragraph two of this Law shall come into force on 1 January 2003. Up to 1 January 2003 a consumer is entitled to submit a claim to a manufacturer, seller or service provider regarding the non-conformity of goods or services with the provisions of the contract within a period of one year after the purchase of the goods or receipt of the services.
9. The Cabinet shall issue the regulations referred in Section 10, Paragraph four and Section 27, Paragraph three of this Law by 1 June 2002.

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

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

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

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

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

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

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

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

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

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

*[22 November 2001; 17 May 2007]*

### **Informative Reference to European Union Directives**

This Law contains legal norms, which arise from:

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

2) Council Directive 87/102/EEC of 22 December 1986 for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit;

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

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

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

6) Directive 98/27/EC of the European Parliament and of the Council of 19 May 1998 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; and

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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.  
[27 October 2005]

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

President

G. Ulmanis

Rīga, 1 April 1999

**Transitional Provisions Regarding Amendments  
to the Consumer Rights Protection Law**

Transitional Provision  
(regarding amending law of 22 March 2007)

This Law shall come into force on 11 August 2007.