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

30. August 2016 [shall come into force from 14 September 2016].

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

Republic of Latvia

Cabinet

Regulation No. 255

Adopted 20 May 2014

**Regulations Regarding Distance Contracts**

*Issued pursuant to*

*Section 10, Paragraph two of the Consumer Rights Protection Law*

**I. General Provisions**

1. These Regulations prescribe the information to be provided prior to entering into a distance contract and to be included in a distance contract, the procedures for providing it, the time periods and procedures for exercising the right of withdrawal, the rights and obligations of the consumer and trader or service provider in case of exercising the right of withdrawal, as well as model withdrawal form and exceptions in relation to exercising the right of withdrawal.

2. These Regulations shall not apply to:

2.1. contracts of package travel services;

2.2. contracts on the long-term use rights of holiday accommodations, long-term contracts on holiday services, resale contracts on long-term use rights of holiday accommodations, or exchange contracts on long-term use rights of holiday accommodations;

2.3. passenger transport services (except Paragraphs 12 and 13 of these Regulations);

2.4. contracts on delivering food products, beverages, or other goods intended for immediate household consumption, which the vendor often and regularly supplies to the consumer’s home, residence, or workplace;

2.5. contracts that have been entered into via automatic vending machines or automated points of sale;

2.6. contracts that have been entered into with electronic communications companies via a public payphone, on the usage of a public payphone, or contracts that have been entered into via one phone, Internet, or fax connection by the consumer;

2.7. financial services (services of credit institution, crediting (also consumer credit services), insurance, private pensions, investments, or payments);

2.8. contracts on acquisition or transfer of rights to real estate or it’s related rights;

2.9. contracts on constructing new buildings or performing material reconstructions of existing buildings, and residential tenancy contracts;

2.10. contracts prepared by a notary, bailiff, or other person comparable to a public official;

2.11. gambling, drawing by lot, or lotteries within the meaning of the Gambling and Drawing by Lot Law.

*[30 August 2016]*

3. Contracts for the supply of water, gas or electricity, except cases where they are offered or put up for sale in a limited volume or set quantity, contracts of district heating, as well as of digital content which is not supplied on a tangible medium, shall be applied regulations regarding services, insofar as not laid down otherwise in these Regulations.

4. The conformity with these Regulations shall be supervised by the Consumer Rights Protection Centre.

**II. Informing Regarding Distance Contracts**

5. Before the consumer is bound by a distance contract, or any corresponding offer, the trader or service provider shall provide the consumer with the following information in a clear and comprehensible manner:

5.1. the main characteristics of the goods or service to such an extent that is applicable to the specific medium and to the goods or service;

5.2. the identity of the seller or service provider, e.g., the name of the seller or of the service provider;

5.3. the legal address and, if such means of communication exist, phone number, fax number, and e-mail address of the seller or the service provider so that the consumer can quickly and efficiently contact the seller or service provider, and, if applicable, the identity and the registered office of the person on whose behalf the seller or the service provider is operating;

5.4. the actual address of the seller or the service provider if it differs from the legal address and, if applicable, the actual address of the person on whose behalf the seller or the service provider is operating, to which the consumer may address complaints;

5.5. the final price of the goods or service, including taxes and fees. If due to the nature of the goods or services, the price cannot reasonably be calculated in advance, the method of calculation shall be provided;

5.6. delivery, shipping, postal, and other charges, if applicable. If the charges cannot reasonably be calculated in advance, the information shall be provided that such payments may occur;

5.7. for open-ended contracts or subscription contracts, the fee per billing period shall be provided. If under these contracts a fixed amount is paid, the total monthly fee shall be provided. If the total monthly fee cannot reasonably be calculated in advance, the method of its calculation shall be provided;

5.8. if applicable, the fee for using remote communication in order to enter into contract, if it is not calculated according to the basic rate;

5.9. payment terms, goods delivery or service provision terms, the deadline by which the seller or service provider shall deliver the goods or service provider shall provide the service, and the procedure of managing complaints, if applicable;

5.10. in the case of the right of withdrawal – information on the conditions for executing rights of withdrawal, deadlines, and procedures, as well as the withdrawal form included in the Section B of the Annex to this Regulation;

5.11. where applicable, information that in case of exercising the right of withdrawal the consumer will have to bear the cost of returning the goods, and if the goods, by their nature, cannot normally be returned by post, information regarding amount of these costs;

5.12. if a consumer exercises his or her right of withdrawal after having sent to the seller or service provider the request in accordance with the Paragraph 18 of this Regulation – information that the consumer shall pay to the seller or service provider a reasonable fee in accordance with the Paragraph 23 of this Regulation;

5.13. if the right of withdrawal is not provided in accordance with the Paragraph 22 of this Regulation – information that the consumer may not exercise the right of withdrawal, or information about the conditions under which the consumer loses the right of withdrawal, if applicable;

5.14. reminder regarding legal rights of the consumer if the goods or service does not comply with the contract terms;

5.15. information on warranty, after-sales support and services, and the conditions thereof, if applicable;

5.16. information on the code of best practice developed in accordance with the Unfair Commercial Practice Prohibition Law, and procedures for obtaining a copy thereof, if applicable;

5.17. the term of the contract, for fixed-time contracts, or the termination conditions of the contract, for open-ended contracts and for contracts that are extended automatically, if applicable;

5.18. the contractual minimum contract term, if applicable;

5.19. where applicable, information regarding the existence and the conditions of deposits or other financial guarantees to be paid or provided by the consumer at the request of the trader or service provider;

5.20. the nature of digital content and its usage (functionality), including technical protection measures, if applicable;

5.21. if applicable, the relevant information on the compatibility of the digital content with hardware and software, if the seller or the service provider knows or reasonably should know it;

5.22. if applicable, information about settling out-of-court complaints and about compensation options, and procedures to access them.

*[30 August 2016]*

6. If the trader or service provider sells goods or services at an auction, which a consumer attends or is given the possibility to attend in person (public auction), the information indicated in Sub-paragraphs 5.2, 5.3 and 5.4 of these Regulations may be replaced by the equivalent details for the auctioneer.

7. The trader or service provider is entitled to provide the information indicated in Sub-paragraphs 5.10, 5.11 and 5.12 of these Regulations according to the instructions included in Part A of Annex to these Regulations regarding right of withdrawal. The information shall be deemed delivered if the form is filled out correctly.

8. The information referred to in Paragraph 5 of these Regulations is an integral part of the contract, which may not be altered unless the contracting parties expressly agree otherwise.

9. The trader or service provider has a duty to prove that the consumer has been provided the information indicated in these Regulations.

10. If the trader or service provider has not provided the information indicated in Sub-paragraph 5.6 or 5.11 of these Regulations regarding additional charges or charges for returning goods, then the consumer does not have a duty to make such charges or to cover such charges.

11. The trader or service provider shall provide the information indicated in Paragraph 5 of these Regulations in a way appropriate to the means of distance communication used in plain and intelligible language. In so far as that information is provided on a durable medium, it shall be legible.

12. If a distance contract to be concluded by electronic means places the consumer under an obligation to pay, the trader or service provider shall provide the information indicated in Sub-paragraphs 5.1, 5.5, 5.6, 5.7, 5.17 and 5.18 of these Regulations in a clear and prominent manner, and directly before the consumer places his order.

13. The trader or service provider shall ensure that the consumer, when placing his order, explicitly acknowledges that the order implies an obligation to pay. If placing an order entails activating a button or a similar function, the button or similar function shall be labelled in an easily legible manner only with the words “order with obligation to pay” or a corresponding unambiguous formulation indicating that placing the order entails an obligation to pay the trader. If the trader has not complied with this Paragraph, the consumer shall not be bound by the contract or order.

14. If a contract is concluded using a website, the trader or service provider shall indicate clearly and legibly at the latest at the beginning of the ordering process whether any delivery restrictions apply and which means of payment are accepted.

15. If the contract is concluded through a means of distance communication which allows limited space or time to display the information, the trader or service provider shall provide, on that particular means prior to the conclusion of such a contract, the information indicated in Sub-paragraphs 5.1, 5.2, 5.5, 5.6, 5.7, 5.10 and 5.17 of these Regulations. The other information indicated in Paragraph 5 of these Regulations shall be provided by the trader or service provider in accordance with Paragraph 11 of these Regulations.

16. If the trader or service provider makes a telephone call to the consumer with a view to concluding a distance contract, he shall, in addition to the conditions referred to in Paragraph 15 of these Regulations and at the beginning of the conversation with the consumer, disclose his identity or the identity of the person on whose behalf he makes that call, and the commercial purpose of the call.

17. The trader or service provider shall provide the consumer with the confirmation of the contract concluded, on a durable medium within a reasonable time after the conclusion of the contract, and at the latest at the time of the delivery of the goods or before the performance of the service begins, and that confirmation shall include:

17.1. the information indicated in Paragraph 5 of these Regulations unless the trader or service provider has already provided that information to the consumer on a durable medium prior to the conclusion of the distance contract;

17.2. where applicable, the confirmation of the consumer’s prior express consent and acknowledgment in accordance with Sub-paragraph 22.13 of these Regulations.

18. Where a consumer has informed the service provider regarding the want of the performance of services during the withdrawal period referred to in Paragraph 19 of these Regulations, the service provider shall require that the consumer make an express request.

**III. Exercising the Right of Withdrawal**

19. Except the cases indicated in Paragraph 22 of these Regulations, the consumer may exercise the right of withdrawal and to unilaterally withdraw from the contract within 14 days, covering the costs referred to in Section 12, Paragraphs seven, nine and eleven of the Consumer Rights Protection Law, as well as in Paragraph 23 of these Regulations. This term is applicable in cases when the seller or service provider has fulfilled the requirements referred to in the Sub-paragraph 5.10 of this Regulation. The period for executing the right of withdrawal is calculated as follows:

19.1. if a service is provided – from the day of the conclusion of the contract;

19.2. if goods are purchased – from the day when the consumer or a third party, other than the carrier and as indicated by the consumer, has obtained possession of the goods;

19.3. if a consumer in one order has ordered several goods which are supplied separately – from the day when the consumer or a third party, other than the carrier and as indicated by the consumer, has obtained possession of the last goods;

19.4. if goods are delivered which consist of several lots or parts – from the day when the consumer or a third party, other than the carrier and as indicated by the consumer, has obtained possession of the last lot or part of the goods;

19.5. for contracts on periodic goods delivery – from the day when the consumer or a third party, other than the carrier and as indicated by the consumer, has obtained possession of the first goods.

19.1 If the subject-matter of the contract is both the selling of the goods and provision of services, the period for right of withdrawal shall be calculated in accordance with Sub-paragraph 19.2, 19.3, 19.4, or 19.5 of this Regulation.

*[30 August 2016]*

20. If the trader or service provider has not provided the information indicated in Sub-paragraph 5.10 of these Regulations to the consumer, the consumer is entitled to exercise the right of withdrawal and to unilaterally withdraw from the contract within one year from the day referred to in Sub-paragraphs 19.1, 19.2, 19.3, 19.4 and 19.5 of these Regulations.

*[30 August 2016]*

21. If the trader or service provider has provided the consumer with the information indicated in Sub-paragraph 5.10 of these Regulations within one year from the day referred to in Sub-paragraphs 19.1, 19.2, 19.3, 19.4 and 19.5 of these Regulations, the consumer is entitled to exercise the right of withdrawal and to unilaterally withdraw from the contract within 14 days from the day when the consumer receives such information.

22. The consumer may not exercise the right of withdrawal if:

22.1. the service provision, which was initiated before the expiry of the right of withdrawal, has been completed, if the consumer has expressly consented and confirmed that he or she would lose his or her right of withdrawal starting from the day the contract on service provision is completed; This provision shall not apply to contracts if the subject-matter of the contract is both the goods and the service;

22.2. the price of goods or service depends on fluctuations in the financial market, which the seller or the service provider cannot reasonably control and which may occur during the period of the right of withdrawal;

22.3. the goods are made to the consumer’s specifications or are clearly personalised;

22.4. the goods are liable to deteriorate or expire rapidly;

22.5. the consumer has unsealed the packaging for goods which are not suitable for return due to health protection or hygiene reasons;

22.6. the goods are, after delivery, according to their nature, inseparably mixed with other items;

22.7. the contract has been concluded regarding the supply of alcoholic beverages, the price of which has been agreed upon at the time of the conclusion of the contract, if the delivery can only take place after 30 days and the actual value is dependent on fluctuations in the market which cannot be controlled by the trader;

22.8. the consumer has specifically requested a visit from the trader or service provider for the purpose of carrying out urgent repairs or maintenance. If the seller or the service provider, upon arriving to the consumer premises, provides additional services or delivers goods that are not the required spare parts for carrying out the repairs or maintenance tasks, the right of withdrawal shall apply to these additional services or goods;

22.9. the consumer has opened sealed audio or sealed video recordings, or sealed software;

22.10. newspapers, periodicals or magazines are supplied with the exception of subscription contracts for the supply of such publications;

22.11. the contract has been concluded at a public auction;

22.12. the contract has been concluded regarding accommodation services (other than contracts for lease of residential premises), transport of goods, car rental services, catering or services related to leisure activities if the service provider undertakes to provide the service on a specific date or within a specific period of time;

22.13. the contract has been concluded regarding the supply of digital content which is not supplied on a tangible medium if the supply of digital content has begun with the consumer’s prior express consent and his acknowledgment that he thereby loses his right of withdrawal.

*[30 August 2016]*

23. If the consumer exercises the right of withdrawal after he has submitted a request to the service provider in accordance with Paragraph 18 of these Regulations, the consumer shall pay the amount to the service provider, which in relation to full performance of the contract is in proportion to the performed part of the contract at the time when the consumer informs the service provider regarding exercising the right of withdrawal. This amount is calculated based on the final contractual price. If the final price is excessive, then the amount payable by the consumer shall be calculated based on the market value of the contract’s completed part.

24. The consumer shall not cover the costs for a service fully or partly provided during the term of the right of withdrawal if:

24.1. the trader or service provider has not provided the information indicated in Sub-paragraph 5.10 or 5.12 of these Regulations;

24.2. the consumer has not made a request in accordance with Paragraph 18 of these Regulations.

25. The consumer shall not cover the costs for digital content fully or partly supplied during the term of the right of withdrawal, except digital content supplied on a durable medium, if:

25.1. the consumer has not expressly agreed to commencing the supply of digital content prior to expiry of the term referred to in Paragraph 19 of these Regulations;

25.2. the consumer has not confirmed that by giving consent to commencing the supply of digital content, the consumer loses the right of withdrawal;

25.3. the service provider has not provided the confirmation referred to in Paragraph 17 of these Regulations.

**IV. Closing Provisions**

26. Cabinet Regulation No. 207 of 28 May 2002, Regulations Regarding Distance Contracts (*Latvijas Vēstnesis*, 2002, No. 81), is repealed.

27. The Regulation shall come into force on 13 June 2014 and shall apply to contracts concluded after the day of coming into force of these Regulations.

**Informative Reference to the European Union Directive**

This Regulation contains legal norms arising from 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.

Prime Minister Laimdota Straujuma

Minister for Economics Vjačeslavs Dombrovskis

**Annex**

Cabinet Regulation No. 255

20 May 2014

**Information on Exercising the Right of Withdrawal**

**A. Instructions on Withdrawal (sample)**

**Right of Withdrawal**

You are entitled to withdraw from this contract within 14 days without giving any reason for doing so.

The withdrawal period will expire after 14 days from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_1.

To exercise the right of withdrawal, you must inform us \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2 of your decision to withdraw from this contract by an unequivocal statement (e.g. a letter sent by post, fax or e-mail). Optionally, you may use the attached withdrawal sample form.3

To meet the withdrawal deadline, it is sufficient for you to send your communication concerning your exercise of the right of withdrawal before the withdrawal period has expired.

**Effects of Withdrawal**

If you withdraw from this contract, we shall return all payments received from you, including delivery costs (except for the additional costs incurred due to the fact that you have chosen a mode of delivery which is not our proposed least expensive standard delivery mode), without undue delay, and in any case no later than within 14 days from the day when we were made aware of your decision to withdraw from the contract. Refunding will be done using the same payment instrument that you used for the original transaction, unless you have clearly agreed otherwise. In any case, you will not be charged any fee in connection with any such refunding.4

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**Explanation for the Seller or the Service Provider for the Filling in the Section A**

1 In the blank column at the 1st reference, please include one of the following:

1) in the case of service contracts, “the day of the conclusion of the contract”;

2) in the case of sales contracts, “the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the goods”;

3) in the case of multiple goods ordered by the consumer in one order and delivered separately, “the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the last goods”;

4) in the case of delivery of goods consisting of multiple lots or pieces, “the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the last lot or piece”;

5) in the case of contracts for regular delivery of goods during defined period of time, “the day on which the consumer or a third party other than the carrier and indicated by the consumer acquires physical possession of the first goods”.

2 In the blank column at the 2nd reference, please enter your name, legal address, and your phone number, fax number, and e-mail, if any.

3 If you give the option to the consumer to electronically fill in and submit information about his withdrawal from the contract on your website, insert the following: “You can also electronically fill in and submit the model withdrawal form or any other unequivocal statement on our website [insert Internet address]. If you use this option, we will communicate to you an acknowledgement of receipt of such a withdrawal on a durable medium (e.g. by e-mail) without delay.”

4 In the case of sales contracts in which you have not offered to collect the goods in the event of withdrawal insert the following: “We may withhold reimbursement until we have received the goods back or you have supplied evidence of having sent back the goods, whichever is the earliest.”

5 If the consumer has received goods in connection with the contract, in the blank column at the 5th reference:

1) insert:

a) “We will collect the goods”, or

b) “You shall send back the goods or hand them over to us or … [insert the name and geographical address, where applicable, of the person authorised by you to receive the goods], without undue delay and in any event not later than 14 days from the day on which you communicate your withdrawal from this contract to us. The deadline is met if you send back the goods before the period of 14 days has expired”;

2) insert:

a) “We will bear the cost of returning the goods”, or

b) “You will have to bear the direct cost of returning the goods” or

c) if, in a distance contract, you do not offer to bear the cost of returning the goods and the goods, by their nature, cannot normally be returned by post: “You will have to bear the direct cost of returning the goods, … EUR [insert the amount]”, or if the cost of returning the goods cannot reasonably be calculated in advance: “You will have to bear the direct cost of returning the goods. The cost is estimated at a maximum of approximately … EUR [insert the amount]”;

3) insert: “You are only liable for any diminished value of the goods resulting from the handling other than what is necessary to establish the nature, characteristics and functioning of the goods”.

6 In the case of a contract for the provision of services, in the empty column at the 6th reference, include the following: “If you requested to begin the performance of services or the supply of water/gas/electricity/district heating [delete where inapplicable] during the withdrawal period, you shall pay us an amount which is in proportion to what has been provided until you have communicated us your withdrawal from this contract, in comparison with the full coverage of the contract.”

**B. Withdrawal Form (sample)**

Complete and return this form only if you wish to withdraw from the contract.

To [here the trader’s name, geographical address and, where available, his fax number and e-mail address are to be inserted by the trader]

I/We hereby give notice that I/We withdraw from my/our contract of sale of the following goods/for the provision of the following service [delete where inapplicable]

Ordered on/received on [delete where inapplicable]

Name of consumer(s)

Address of consumer(s)

Signature of consumer(s) [only if this form is notified on paper]

Date

Minister for Economics Vjačeslavs Dombrovskis