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. 254

Adopted 20 May 2014

**Regulations Regarding Contract Entered Into Outside the Permanent Location of Economic or Professional Activity**

*[30 August 2016]*

*Issued pursuant to*

*Section 9, Paragraph two of the Consumer Rights Protection Law*

**I. General Provisions**

1. This Regulation prescribes the information that is to be provided in a contract that is entered into outside the permanent location of economic or professional activity (hereinafter – the contract), the information to be provided prior to entering into the contract, the procedures for providing thereof, the time periods and procedures for exercising the right of withdrawal, the rights and obligations of a consumer and trader or service provider in the case of exercising the right of withdrawal, as well as model withdrawal form and exceptions in relation to informing consumers and exercising the right of withdrawal.

*[30 August 2016]*

2. This Regulation 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;

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. contracts with a value not exceeding 35 Euros;

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

*[30 August 2016]*

3. Save as otherwise provided in this Regulation, to contracts for water, gas, or electricity supply, except where water, gas, or electricity are put up for sale in a limited volume or a set quantity, as well as to contracts for the district heating, and contracts for supply of digital content that is not supplied in a durable medium, service regulations are applied.

4. Compliance with this Regulation shall be supervised by the Consumer Rights Protection Centre.

**II. Notification on Contracts**

5. Before the consumer enters into contract or accepts the offer, the trader or service provider shall provide to the consumer the following information in a clear and understandable 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 trader or service provider, e.g., the name of the trader 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 trader or the service provider so that the consumer can quickly and efficiently contact the trader or service provider, and, if applicable, the identity and the legal address of the person on whose behalf the trader or the service provider is operating;

5.4. the actual address of the trader or the service provider if it differs from the legal address and, if applicable, the actual address of the person on whose behalf the trader 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 trader 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;

5.12. if a consumer exercises the right of withdrawal after having sent to the trader or service provider the request in accordance with the Paragraph 14 of this Regulation – information that the consumer shall pay to the trader or service provider a reasonable fee in accordance with the Paragraph 19 of this Regulation;

5.13. if the right of withdrawal is not provided in accordance with the Paragraph 18 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. information on the first deposit or other financial guarantees which the consumer shall pay by the trader’s or a service provider’s request, and the conditions thereof, if applicable;

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 trader 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 the goods or service in an auction in which the consumer participates or is able to participate in person (public auction), the information referred to in Sub-paragraphs 5.2, 5.3, and 5.4 of this Regulation may be replaced with equivalent information about the auctioneer.

7. The information referred to in Sub-paragraphs 5.10, 5.11, and 5.12 of this Regulation, the trader or the service provider may provide in accordance with the sample provided in Section A of the Annex to this Regulation, to the instructions for the 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.

*[30 August 2016]*

9. The trader or the service provider is responsible for proving that the consumer has been given the information referred to in this Regulation.

10. If the trader or the service provider has not provided the information referred to in the Sub-paragraphs 5.6 or 5.11 of this Regulation about additional payments or costs of goods returns, then the consumer is not obliged to pay such charges or to cover such costs.

11. The information referred to in the Paragraph 5 of this Regulation the trader or the service provider shall provide on paper or, if the consumer agrees, in another durable medium, in a clear and understandable language and in a readable manner.

12. The trader or the service provider shall provide the consumer (at the consumer’s discretion) with a copy of the signed contract or contract’s approval on paper or, if the consumer agrees, on a durable medium and, if applicable, an approval of the explicit and prior consumer consent and an approval in accordance with the Sub-paragraph 18.13 of this Regulation.

13 If a consumer has asked the trader or service provider to carry out urgent repairs or maintenance tasks that are executed immediately and the price of which does not exceed 200 Euros, the trader or service provider shall:

13.1. provide the consumer with the information referred to in the Sub-paragraphs 5.2 and 5.3 of this Regulation and with the information about the price or price calculation method, and an estimate of the final price on paper or on another durable medium, if the consumer agrees so;

13.2. provide the consumer with information referred to in the Sub-paragraphs 5.1, 5.10, and 5.13 of this Regulation. The trader or the service provider may withhold that information on paper or on another durable medium, if the consumer explicitly agrees with it;

13.3. the contract’s approval referred to in the Paragraph 12 of this Regulation shall include the information referred to in the Paragraph 5 of this Regulation.

14. If the consumer has informed the service provider about the wish to receive the service within the period of right of withdrawal referred to in the Paragraph 15 of this Regulation, the service provider shall request from the consumer to submit an explicit request on a durable medium.

**III. Exercising the Right of Withdrawal**

15. With the exception of cases referred to in the Paragraph 18 of this Regulation, the consumer may exercise the right of withdrawal and unilaterally withdraw from the contract within 14 days, if the customer pays the costs referred to in Section 12, Paragraphs seven, nine, ten, and eleven of the Consumer Rights Protection Centre, as well as in Paragraph 19 of this Regulation. This term is applicable in cases when the trader 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:

15.1. if a service is provided – from the day of entering into the contract;

15.2. 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;

15.3. 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;

15.4. 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;

15.5. 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.

15.1 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 from the day specified in Sub-paragraph 15.2, 15.3, 15.4, or 15.5 of this Regulation.

*[30 August 2016]*

16. If the trader or service provider has not provided the information referred to in the Sub-paragraph 5.10 of this Regulation 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 15.1, 15.2, 15.3, 15.4, and 15.5 of this Regulation.

*[30 August 2016]*

17. If the trader or service provider has provided the information referred to in the Sub-paragraph 5.10 of this Regulation to the consumer within one year from the day referred to in Sub-paragraphs 15.1, 15.2, 15.3, 15.4, and 15.5 of this Regulation, the consumer is entitled to exercise the right of withdrawal and to unilaterally withdraw from the contract within 14 days from the date of receiving this information.

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

18.1. 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 the 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;

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

18.3. the goods are made according to the consumer’s instructions or are clearly personalised;

18.4 the goods are liable to deteriorate or expire rapidly;

18.5. the consumer has opened the packaging of goods that cannot be returned due to health and hygiene reasons;

18.6. due to the nature of the goods, after delivery, the goods are permanently mixed with other goods;

18.7. the contract is for the supply of alcoholic beverages the price of which is agreed on at the time of signing the contract, if the delivery can be made in 30 days and its value depends on market fluctuations, which the trader cannot reasonably control;

18.8. the consumer has requested the trader or the service provider to arrive and make urgent repairs or maintenance tasks. If the trader 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;

18.9. the consumer has opened the packaging of audio or video recordings, or computer programs;

18.10. newspapers, periodicals, or magazines are delivered, except when they are delivered in accordance with a subscription contract;

18.11. the contract is entered into at a public auction;

18.12. the contract is entered into for accommodation services (except residential tenancy contracts), goods transportation, vehicle rental, catering, or entertainment events, where the service provider commits to providing the service on a specific day or within a specified time period;

18.13. the contract is entered into for the delivery of digital content that is not delivered on a durable medium, where the delivery of digital content has been initiated with the consumer’s prior and explicit consent and clear approval that the customer loses the right of withdrawal.

*[30 August 2016]*

19. If the consumer exercises the right of withdrawal after having submitted a request to the service provider in accordance with Paragraph 14 of this Regulation, the customer shall pay to the service provider the percentage of the full price for executing the contract, proportional to the part that is completed at the moment when the consumer informed the service provider for 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.

20. The consumer shall not pay the costs for providing the service in full or in part within the period of the right of withdrawal if:

20.1. the trader or the service provider has not provided the information referred to in the Sub-paragraphs 5.10 or 5.12 of this Regulation;

20.2. the consumer has not submitted a request in accordance with Paragraph 14 of this Regulation.

21. The consumer shall not pay the costs for delivering digital content in full or in part, except for digital content that has been delivered on a durable medium, within the period of the right of withdrawal if:

21.1. the consumer has not explicitly consented to initiating the delivery of digital content before the expiration of the term referred to in Paragraph 15 of this Regulation;

21.2. the consumer has not confirmed that by consenting to initiate the delivery of digital content the consumer loses the right of withdrawal;

21.3. the service provider has not provided the information referred to in Paragraph 12 of this Regulation.

**IV. Final Provisions**

22. Cabinet Regulation No. 320 of 25 April 2006, Regulations Regarding Information to Be Provided in a Contract Entered into Outside the Permanent Location of Sale or Provision of Services, and the Time Periods and Procedures for Exercising the Right of Withdrawal (Latvijas Vēstnesis, 2006, No. 68), is repealed.

23. This Regulation shall come into force on 13 June, 2014, and is applicable to contracts that are entered into after this Regulation comes into force.

**Informative Reference to 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**

To Cabinet Regulation

No. 254, Adopted 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 right of withdrawal expires in 14 days, starting from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_1.

In order to execute your right of withdrawal, you should notify us – \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(2) via an explicit notification (for example, a letter sent by post, fax, or e-mail) about your decision to withdraw from the contract. Optionally, you may use the attached withdrawal sample form.3

In order to meet the deadline for the right of withdrawal, your notification about exercising your right of withdrawal must be sent, before your right of withdrawal expires.

**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 Trader 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”;

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]”; or

d) if, in an off-premises contract, the goods, by their nature, cannot normally be returned by post and have been delivered to the consumer’s home at the time of the conclusion of the contract: “We will collect the goods at our own expense.”;

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