

November 2021

Implementation table Price Indication Directive (PID)

Ecommerce Europe and EuroCommerce have jointly asked for feedback from their members about the implementation of the amendments to the PID in the Omnibus Directive Please find the feedback below.

Directive 98/6/EC on consumer protection in the indication of the prices of products offered to consumers Directive (EU) 2019/2161 as regards the better enforcement and modernisation of Union consumer protection rules (Omnibus Directive)

Member State	Implementation [link to law / proposal / stage of legislative process]	Comments [state briefly what are the main issues at national level, what are your main concerns]
Austria	There is no draft of the PID Implementation yet, because the provisions of the Omnibus Directive are still under negotiation between the governing parties.	
Belgium		
Bulgaria		
Croatia		

www.eurocommerce.eu

Cyprus	The draft law is under legislative control by the Competent Authority, therefore it has not yet been submitted to Parliament for vote.	
Czech Republic		
Denmark	The law is not implemented yet and it is not known how the authorities plan to implement it. We expect the reference price period to be set at 30 days.	In Denmark you can run short campaigns (no more the three days) without it affecting the reference prize. That will most likely not be possible with the implementation of the new rules.
Estonia		
Finland	The implementation is behind schedule and the proposal will be presented to the parliament on week 48/2021 meaning it will be adopted probably around February. The draft proposal can be found here (in Finnish): https://julkaisut.valtioneuvosto.fi/handle/10024/163318	The biggest issue is the Commission interpretation according to which the lowest price used within the last 30 days must be indicated per product even for shop-wide or product category-wide sales. Otherwise the national law is good: the MS option on progressively increasing reductions is adopted, as is the MS option on rapidly deteriorating goods, but it covers only groceries.
France	There is no draft text available yet. The transposition order is currently being drawn up by the French government, it will be late on schedule. A public consultation should be launched at the end of October / early November 2021.	Recent developments show that the French transposition of the Price Reduction provision will be more business friendly than expected. Initially French administration envisaged to impose a "visual differentiation" between price reduction (which would be able to display a crossed-out prior price and a discount) and price comparison (which would be forbidden to show a crossed-out reference price and a discount).

		It now seems that the French administration is now willing to limit the scope of the transposition to price reduction and officially recognize that price comparisons are regulated by the UCPD.
Germany	The <u>draft government bill</u> was published on 26 August 2021. The lower house of the German parliament (Bundestag) is not involved in the further procedure. The regulation was adopted by Bundesrat on 8 October 2021: <u>https://www.bundesrat.de/SharedDocs/drucksachen/2021/060</u> <u>1-0700/669-21(B).pdf?blob=publicationFile&v=1</u> Two changes in the adoption document of the Bundesrat were confirmed by the cabinet on 3 November. The final text can be found <u>here</u> (not dated yet).	The new provisions have been editorially reworded (in comparison to an earlier draft). Paragraph 2 of the draft bill was deleted with a regulation for goods that were "offered for sale for less than 30 days". In our opinion, this regulation only had declaratory significance and is therefore actually dispensable. An exemption provision for the price reduction of perishable goods or goods with a short shelf life was added. Here, too, our amendment proposal was taken up, so that the price labelling for promotions for the aforementioned groups of goods is facilitated. The national legislator thus makes maximum use of the possibilities of the opening clauses of Art. 2 of the EU Modernisation Directive (2019/2161). Unfortunately, the legislator does not take into account the fact that certain media do not always allow the announcement of the previous price. This is the case, for example, with radio and television advertising. However, this circumstance should definitely be taken into account.

		same applies to general price reductions of certain parts of the assortment (e.g. "20% off all winter jackets").
		The changes made on 3 November are not affecting the transposition of Article 6a, but still have an impact on sellers as it changes the requirements for the price indication for prices per unit in Germany. This particularly has an impact for businesses that are still printing catalogues and might have already done so for the entire next year (price indications in catalogues have to be correct throughout the whole year / the period in which they are applicable).
		Now, the price per unit may no longer be indicated per 100g but only per kg. This effects for example chocolate bars (that usually have 100g and therefore did not need to additionally indicate the per unit price). However, this rule does not apply to loose items such as tomatoes.
		The relevant provisions in the text are the following:
		§5 Unit of measure for the indication of the basic price
		(1) The unit of measure for the basic price shall be 1 kilogram, 1 litre, 1 cubic metre, 1 metre or 1 square metre of the goods. In the case of goods which are usually sold in quantities of 100 litres or more, 50 kilograms or more or 100 metres or more, the unit of measure to be used for the basic price shall be that which is generally accepted in the trade.
		(2) In the case of bulk goods offered by weight or by volume, the unit of measure to be used for the basic price shall be either 1 kilogramme or 100 grammes or 1 litre or 100 millilitres, in accordance with the general accepted practice.
Greece		
	The Secretariat General for Legal and Parliamentary Affairs is responsible to transpose the EU Directives in national legislation , no feedback so far.	

Hungary		
Ireland		
Italy	The European Delegation Law (that provides for the legislative delegations needed for transposing EU directives and other EU acts into the Italian legal framework) is still under discussion in the Parliament, and the whole process is running late.	
Latvia		
Lithuania		 Article 6a of the Directive 98/6/EC has been already transposed (word by word) and is effective since 01/07/2021. Price reduction announcement rules shall not apply to goods which are liable to deteriorate or expire rapidly. Consumer Protection Agency in F.A.Q. explained, that: a. Price reduction announcement rules shall not apply to general discounts and price related promotions, such as -20%, 1+1, loyalty cards, promo codes, etc. b. If the retailer selects to announce general discount -20% and, at the same time, to show the prior price on the price tag label, then that prior price shall be the lowest price within 30 days and -20% shall be calculated off the prior lowest price, but not off the actual prior price.

		c. the "prior price" referred to should be any lowest price actually applied, notwithstanding duration hereof. In other words, promotion actions that lasted for a short period of time, such as Black Friday, Happy hours are not exempted from the definition of "prior price".
Luxembour g		
Malta		
Netherlands	Implementatiewet richtlijn modernisering consumentenbescherming has been submitted this week to the Parliament. You can see how the phrased the legal terms around pricing (link).	
Poland	https://legislacja.rcl.gov.pl/projekt/12341810/katalog/127527 44#12752744 Currently the law is at the opinion stage.	 1.According to the proposed wording of Article 4.2, 4.3 and 4.4 of the Act of 9 May 2014 on information on prices of goods and services: 4.2 Whenever the price of a good or service is reduced, information on the lowest price of that good or service that was in force during the 30 days prior to the introduction of the reduction shall be displayed alongside information on the reduced price; 4.3 Where a good or service has been offered for sale for less than 30 days, the reduced price shall be indicated together with the lowest price of that good or service for the period between the date on which the good or service was offered for sale and the date of the reduction; 4.4 In the case of perishable goods which are perishable or have a short shelf life, the reduced price shall be shown together with the price before the first application of the reduction, except that the periods referred to in 4.2 and 4.3 shall not apply.

The above provisions do not reflect the complexity and dynamics of the functioning of e-commerce sector, including entities selling via sales platforms and using additional functionalities offered by these platforms.

The reality of e-commerce affecting the difficulty of applying the provision:

a. there are multiple offers on platforms for the same product, sold by the same or many other entities. Each seller individually determines the price in each offer, it is even possible to indicate different prices for the same product in two different offers for the same product. The same product from two different sellers may have a different price. For customers of sales platforms, the provision to indicate the minimum price of the last 30 days will create problems, because exactly the same product will have a different price crossed at each seller. As a result, consumers will not be provided with an easy way to compare prices. The lowest price in the last 30 days will not allow consumers to evaluate how profitable the price change in a particular listing is to them and how a particular price compares to the average price for that product.

b. On a selling platform, the seller has the impact to change the price of the product. Due to multiple sellers, multiple products and offers from different sellers, this process is very complicated.

c. The price of products can be influenced by so-called short-term promotions (e.g. Black Friday, Valentine's Day, Mother's Day). These are one or a few days campaigns conducted by platforms, during which the prices of products are significantly (even 50%) lowered and then return to the price before the promotion, after selling usually a limited number of products. Such short-term promotions are highly valued by customers of e-commerce platforms. Their inclusion in the last 30 days could lead to paradoxical conclusions (a price lower than the initial price would still be higher than the price offered during the short-term promotion, e.g. a phone costing PLN 1000, reduced during a Black Friday promotion to PLN 500, offered later at PLN 700 could not be marked as a reduction or PLN 500 should be indicated as the initial price). The consumer, assuming that he or she will be given the lowest price and not the average price within 30 days, will be confused.

d. It is a common practice for online stores and sales platforms to offer price reductions to a limited group of customers, e.g. loyalty program members, future customers, as

		 part of a marketing strategy. Such promotions - not offered to an unlimited number of customers - should not fall within the concept of price reductions. The inclusion of these prices may interfere with the ability of a consumer who is not in this group to assess how beneficial the discount offered is. e. Dynamic price changes are a common practice in e-commerce (on sales platforms prices change even several times during a day, often on the occasion of promotions, holiday campaigns, etc.). The independence and freedom of retailers to set their own prices within the sales platform is one of the key features of such a business model. It will also be a significant difficulty for entrepreneurs selling through sales platforms (most of them are just platforms being a sales tool for independent small and medium entrepreneurs, which may consequently lead to a competitive imbalance with large companies having adequate resources for continuous price monitoring - small entrepreneurs will have less chances to make their offers more attractive). They will consequently have to manually monitor and enter information about prior prices accordingly. 2. The Polish legislator has not used the possibility introduced in the article 6.5 Directive 98/6/EC, which would allow to limit the negative effects of the Directive for e-commerce industry. 3. The proposed wording of art. 6.3 of the Act of 9 May 2014 on information on prices of
		goods and services states that in determining the amount of the fine, the degree of the breach of obligations and the previous activities of the entrepreneur, as well as its turnover and revenue, shall be taken into account. The catalog of criteria listed in this article does not fully meet the criteria listed in Article 8.2 of Directive 98/6/EC. Adding a catalog of examples of criteria to be taken into account when sanctions are imposed, as indicated in Article 8.2 of Directive 98/6/EC, would be a preferred solution. This would increase transparency in the imposition of penalties.
Portugal	The Secretary of State for Trade, Services and Consumer Protection has said that "the Government is preparing the	

	transposition of Omnibus Directive", but no specific draft proposal is out. It is known (from public statements) that the government is concerned an focusing on new rules for marketplaces (partially achieved) and also proper rules for "dark stores".	
Romania	http://www.economie.gov.ro/images/transparenta- decizionala/2021%20HG%20pret%20produse%20ANPC/Pr oiect%20HG%20Omnibus.doc	
Slovakia		
Slovenia	Proposal for the adoption of the Consumers Protection Act – Stage of legislative process: inter-government department consultation.	Link: https://e-uprava.gov.si/drzava-in-druzba/e-demokracija/predlogi- predpisov/predlog-predpisa.html?id=8592 Full transposition of above changes to Directive 98/6/EC into the national legislation by the proposed Act.
Spain	Royal Decree-Law 24/202, 2 nd November (transposes Directive (UE) 2019/2161 Published in the Spanish Official Journal of 3 rd November Entry into force; 28th May 2022 <u>https://www.boe.es/boe/dias/2021/11/03/pdfs/BOE-A-2021- 17910.pdf</u>	 Modification of Law 7/1996, on the Regulation of Retail Section 1 of article 20 of Law 7/1996, is worded as follows: "1. Always that items are offered with a price reduction, it must appear clearly, in each of them, the previous price together with the reduced price, except in the case of articles offered for sale for the first time. The previous price shall be understood as the lower that would have been applied on identical products in the preceding 30 days. For these purposes, there will be no consideration of the price that in order to reduce food waste, could have been applied, on identical products whose expiration dates or preferential consumption were close to expiration. 2. In no case, the use of sales promotion activities may be conditioned to the existence of a minimum or maximum percentage reduction."

	As it has been approved by a Royal Decree-Law, it needs to be validated by the Spanish Congress	
Sweden	The inquiry's proposal for a legal text was presented on 13 August 2021. Link to the proposal: <u>https://www.regeringen.se/4966c2/contentassets/ee1c02c18e</u> <u>604a509ad6a5a68419c1f7/ett-moderniserat-</u> <u>konsumentskydd-sou-202117.pdf</u>	Sweden goes further in the implementation of the directive, gold-plating, is something that risks Swedish companies refraining from expanding and growing in other markets because it means too much administrative work to review and implement differentiating rules. The proposals entail a strengthened sanction system in the event of violations of the market law regulations. A new information provision on price reductions and the possibility of imposing a market disruption fine in the event of breaches of the law is introduced. In addition, it is proposed that the upper amount limit for market disruption fine shall be removed. The market disruption fine shall be set at a minimum of ten thousand kronor and a maximum of ten percent of the trader's turnover in the immediately preceding financial year. If the infringement has taken place during the trader's first year of operation or if information on annual turnover is otherwise missing or incomplete, annual turnover may be estimated. In such a case, the fine may be set at an amount in kronor corresponding to a maximum of two million euros. If the action is directed against several traders, the fee shall be determined separately for each of them. "7 a § Information that the price of a product has been reduced must also contain information about the previous price that applied before the reduction.Previous price refers to the

	lowest price that has applied to the product during the last 30 days before the price reduction. If the price reduction during this period has taken place gradually, this refers instead to the price that applied before the first price reduction.
	The first paragraph does not apply to goods that can quickly deteriorate or become too old."
	Vague and unclear how to interpret and apply the following sentence "goods that can quickly deteriorate or become too old".

Contact: Ilya Bruggeman - +32 2 738 06 41 - <u>bruggeman@eurocommerce.eu</u> Transparency Register ID: 84973761187-60