

Consumer protection in the Czech Republic in 2002

The coordinator in the field of consumer protection in the Czech republic is the Ministry of Industry and Trade. The Ministry closely collaborates with other involved ministries through the Inter-resort Task Force for Consumer Policy.

Market supervision is divided into two basic areas in the Czech Republic – for non-food and food products.

- The supervision over non-food products is particularly executed by the Czech Trade Inspection, Public Health Centres executing state health inspection and other agencies within specialized areas of operation; and
- The supervision over food products is particularly executed by the Czech Agriculture and Food Inspection and State Veterinary Administration.

Dialogue between the Cabinet and non-governmental non-profit organization is realized through Consumer's Advisory Committee, which is the consultancy body of the Ministry of Industry and Trade.

Legislative developments

The basic goals and general principles of consumer protection have been formulated and declared in the consumer policy conceptions. In the sense of the Conception of Consumer Policy for 2001 – 2005 approved by the Government of the Czech Republic, the process of transposition of *acquis communautaire* into the Czech legal system has continued. The process is realized either through amendments to existing Acts or passing new Acts, amendments or issuing new sub-law directives (Decrees).

In 2002, the following modifications to the legal system in areas substantial as for consumer protection were made:

- Act No. 135/2002 Coll., amending act No. 40/1964 Coll., the Civil Code, pertaining to consumer protection in concluding contracts on using buildings or parts thereof for given time periods, of which sense was appointed uniform, transparent conditions in cases where consumers negotiate the right with an entrepreneur to use a building, or part thereof, for a specific interval of time during the year, primarily for recreational purposes. The act implemented Directive No. 1994/47/EC on timesharing into the Czech legal system.
- Act No. 136/2002 Coll. amending Act No. 40/1964 Coll., the Civil Code, implementing Directive 1999/44/EC on certain aspects of sales of consumer goods and warranties thereto into the Czech legal system. It regulates, inter alia, liability for defects in a sold item, whereby the current general warranty period of six months is adjusted to conform to the requirements of the Directive, which sets a 24-month warranty period.
- Act No. 138/2002 Coll. amending Act No. 40/1995 Coll., on advertising regulation and on change and amendment to Act No. 468/1991 Coll., on radio and television broadcasting as amended, transposing two important directives on consumer protection into the Czech legal system: Directive 1984/450/EEC on misleading advertising and Directive 1997/55/EC on comparative advertising. Consumer protection was arranged in the aspects which may influence competition within the internal market and decision-making of consumers and thereby their financial situation. Among others, the Act redefined

the terms “advertising”, “prohibition of misleading”, “concealed”, and “comparative advertising”, with a specification of exemptions.

- Act No. 151/2002 Coll., amending some acts in relation with acceptance of rules of administrative procedures, particularly the Civil Procedure Code. By this Amendment was implemented Directive No. 1998/27/EC, on injunctions for the protection of consumers' interests. The Amendment regulates judicial initiatives on the part of consumer organizations.

Product safety

Provision of consumer safety and protection of their health is legislatively arranged in Act No. 102/2001 Coll., on General Product Safety as amended. Among others, the Act defines requirements for safety of products, specifies obligations for imposing product safety obligations on all business entities in the whole chain. It also covers border checks for conformity with the rules on product safety in the case of products imported from third countries, and forms conditions for a system intended for the fast exchange of information about products endangering consumers, RAPEX, which will enter into effect on the day the Czech Republic accedes to the European Union. The act also includes the powers required by supervisory bodies to inspect product safety. During the year, an amendment to this Act was prepared to conform to Directive 2001/95/EC.

As for product safety, which is considered a priority in consumer protection in the Czech Republic, issues pertaining to inclusion of market surveillance bodies into the EU's rapid alert systems were preferentially resolved in 2002.

Protection of the economic interests of consumers

In addition to common activities, the market surveillance bodies focused on consumers being misled by breaching intellectual properties in 2002. When compared to 2001, the Czech Trade Inspection confiscated double the quantity of non-food goods (year 2001 – 196,792 pieces, value of the confiscated goods at their original price amounted to 217,666 thousand CZK; year 2002 – 412,637 pieces, value of the confiscated goods at their original price amounted to 381,930 thousand CZK).

Supporting activities of consumer organizations

In 2002, ten more important non-government non-profit organizations in consumer protection operated in the Czech Republic. Most of them collaborate and coordinate their activities within these two covering associations:

- Association of the Consumer Organizations of the Czech Republic;
- Coalition of Civil Consumer Activities.

Through the Ministry of Industry and Trade, consumer organizations were subsidized by 13.2 million CZK from the state budget in 2002 for realization of selected projects.

Consumer education and awareness

In relation with the rearrangement of the Czech legal system due to transposing *acquis communautaire*, information for consumers was preferentially steered to the areas in which changes to rights and obligations of market subjects were made in 2002 and to the area of products and services safety. Consumers received information through the media, workshops for selected groups and state-financed projects by non-government non-profit organizations.

Particularly in the middle of the year and in relation with intensification of the preparation for accession to the European Union, basic information on rights of consumers in the internal market was presented to consumers in the framework of an information campaign explaining the advantages and disadvantages of the accession to citizens.

Assertion of ethical principles in the conduct of businesses on a voluntary basis

In conformity with OECD recommendation (C99) 184/FINAL, the Ministry of Industry and Trade, in collaboration with the Czech Confederation of Commerce, upon realization of the preceding analysis, gave rise to creating a voluntary association that would take over the organization of activities for support and confirmation of fair commercial transactions. A functional self-regulatory system focusing on accentuating ethics and morality in business relations will be established to help stamp out fraudulent, misleading and unfair conduct in the area of business transactions, to strengthen trust between sellers and suppliers on one side and consumers and customers on the other side in the areas of marketing, advertising, business, suppliers, and pre-sale and after-sale activities. Many companies e.g. from direct and mail order or advertising in the Czech Republic have already accepted such ethical codes.