

This edition of the newsletter will deal with:

1. **The Work Programme of the Czech EU Presidency**
2. **The European Commission Green Paper on Consumer Class Actions**
3. **The Draft Directive on Consumer Rights.**

1. The Work Programme of the Czech EU Presidency

From 1 January to 30 June the Czech Republic will hold the six-month rotating presidency of the European Union. On 6 January it published its priorities. The programme has three main priorities:

- **Energy**
- **Economy**
- **Europe in the world.**

Energy includes the energy efficiency of buildings and the proposed revision of the Energy Performance of Buildings Directive. The environmental programme presented by the Czech EU Presidency remains focused on climate change. It is aimed at key international events including preparatory meetings for the World Conference in Copenhagen in December 2009. The Czech EU Presidency will also try to reach agreement on the draft directive on soil protection which will oblige Member States to identify danger zones or contaminated areas, define risk reduction objectives and develop soil recovery programmes. The draft directive will also oblige anyone selling land on which pollution activities have taken place to present the buyer with a report on the state of the soil.

Economy will be dominated by the financial crisis in terms of which Prague has said that Europe must prepare for a "significant slowdown in economic growth or even an economic downturn, with all its social, political and international consequences". The programme insists on reinforcing the transparency and stability of financial markets and on the need to "revive the economic growth of the EU economies". Amongst other priorities the Czech Presidency will try to reach an agreement on reduced VAT rates.

The Czech Presidency will also push to remove remaining barriers to free movement of labour in the EU, particularly transitional measures that are still in place for workers coming from some of the new Member States. Spain and Greece lifted labour market restrictions for Bulgarian and Romanian citizens on 1 January 2009, and Denmark will do so as of May 2009. However eight other Member States (Belgium, Germany, Ireland, Luxemburg, Hungary, Malta, the Netherlands and Austria) have already announced their intention to keep restrictions in place for another three years. France and the United Kingdom are expected to extend their restrictions and Italy has yet to announce its intentions.

The top **external relations** priority will be to establish close administrative ties with the new Obama administration in the United States. Issues are likely to include the Middle East peace process, Afghanistan/Pakistan, relations with Russia and joint efforts to deal with the financial crisis.

The full programme of the Czech Presidency with an agenda is available at <http://www.eu2009.cz/en> .

2. The European Commission Green Paper on Consumer Class Actions

The European Commission has opened a public consultation to consider ways of introducing a collective redress system for victims of illegal commercial practices. This would make it easier for small claimants in cross-border disputes to take action by allowing a large number of small claims to be bundled and brought to court by a third-party representative, such as a recognised consumer organisation.

The European Commission's "Green Paper on Consumer Collective Redress" identifies potential areas for joint action including overcharging customers via hidden charges or over-billing, misleading advertising on websites and failing to provide compulsory information on financial products. The green paper sets out four options to be debated with stakeholders:

- taking no immediate action;
- facilitating cooperation between EU Member States to extend national collective redress systems to consumers in countries with no such mechanisms;
- introducing binding or non-binding measures for a collective redress judicial procedure to exist throughout the Union, and;
- developing policy instruments to strengthen consumer redress. Such instruments could include collective consumer alternative dispute mechanisms, giving national enforcement authorities the power to request traders to compensate consumers and extending small claims to deal with mass claims.

Interested parties are invited to comment and express their views on these four policy options. The consultation remains open until **1 March 2009**. If any member associations are interested in preparing a response they can contact the CEPI Secretariat. A copy of the green paper is available at http://ec.europa.eu/consumers/redress_cons/greenpaper_en.pdf.

3. Directive on Consumer Rights

On consumer protection the European Commission has also adopted a proposal for a Directive on Consumer Rights. It is intended to consolidate EU consumer protection which at the moment is largely based on four EU Directives, Unfair Contract Terms, Sales and Guarantees, Distance Selling and Doorstep Selling. At the same time it will update and strengthen consumer rights in problem areas and make it easier for traders to sell cross-border and provide consumers with a larger choice and competitive prices;

It covers:

- contracts for sales of goods and services from business to consumer;
- specific rules for distance (e.g. sales by internet, mobile phone or catalogue) and off premises contracts (concluded away from business premises with the simultaneous presence of the trader and the consumer, including contracts concluded on business premises but negotiated away from business premises).

It does not cover:

- contracts for the sale of immovable property i.e. land and buildings;
- mortgages or other loans on real estate unless negotiated at the consumer's home (by the rules on off premises sales);
- timeshare (apart from the new directive's rules on unfair contract terms) as there is specific legislation in place.

Where a contract is covered the draft directive creates common rules for consumers which will mean that:

- before the conclusion of the contract the trader should give consumers key information (e.g. the price inclusive of taxes);
- when the consumer buys online or during a visit of a trader at his home, he has a cooling-off period of 14 calendar days. During this period he may cancel the order, return the goods and get his money back;
- certain contract terms drafted by traders and agreed by consumers upon signature or ticking a box on the trader's webpage are prohibited, others will be assessed on a case-by-case basis;
- the consumer is protected against the risk of loss or damage to transported goods until he actually receives them;
- if a good is defective, the consumer has the right to have it replaced or repaired within two years from the purchase. If that is not possible the consumer should get his money back.

A copy of the proposed draft directive is available at http://ec.europa.eu/consumers/rights/docs/Directive_final_EN.pdf