

Law on Consumer Protection and Trade Rules

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Part One

COMMON PROVISIONS

Article 1

This Law regulates:

1. the consumer protection;
2. the rules on the conduct of trade;
3. the relationship between government authorities and organisations.

Part Two

CONSUMER PROTECTION

Chapter One

FUNDAMENTAL RIGHTS OF CONSUMERS

Article 2

The objective of this Law is to protect the fundamental rights of consumers as follows:

1. the right to protection against risks of acquisition of goods and services that may endanger their life, health or property;
2. the right to defence of their economic interests in the acquisition of goods and services;
3. the access to court and special out-of-court procedures for consumer protection;
4. the right to association for the purposes of protecting their own interests;
5. the right to information.

Chapter Two

RIGHT TO INFORMATION. LABELLING OF GOODS. STATEMENT OF PRICES

Section I

Right to Information

Article 3

(1) Prior to the acquisition of the good, the consumer shall have the right to obtain information with regard to:

1. its characteristics, including the composition, packaging, operating instructions, setting and maintenance;
2. the price and quantity;
3. the effect on other goods in the event of joint use;
4. the dangers related to its use or maintenance;
5. the warranty terms and conditions;
6. the shelf life.

(2) The trader shall provide the information under para (1), which shall be true, complete, accurate and clear, in an appropriate manner.

(3) The information as per para 1, when provided in writing, shall be given in the Bulgarian language and expressed in the SI units.

(4) The trader shall demonstrate the mode of operation or use of the good at the request of the consumer and when the type of good allows such demonstration.

(5) The trader shall inform consumers in an appropriate manner in advance and designate special places at their commercial premises, separate from the other goods, when offering:

1. second-hand goods;
2. goods beyond their shelf life, where their sale does not pose any threat to the health and life of consumers;
3. goods deviating from the announced parameters, where their sale does not pose any threat to the health and life of consumers;
4. goods offered on sale.

(6) The trader shall not be released from the obligations under paras (1) through (4) on grounds of non-reception of the required information from manufacturers or importers.

Article 4

(1) The trader shall exhibit the following information in the vicinity of the entrance of the commercial premises:

1. the name and seat of the trader;
2. the working hours of the commercial premises;
3. the first name and the surname of the person responsible for the commercial premises.

(2) When the commercial premises are closed, the trader shall announce this fact at the place where working hours are announced.

Section II

Labelling of Goods

Article 5

(1) Each trader shall offer consumers goods with labels in the Bulgarian language.

(2) The label shall feature information about the manufacturer, the importer, where the good is imported, the type of good, its material characteristics, the price and, if necessary, instructions on its use.

(3) The information included in the label shall be comprehensible, accessible and non-deceptive.

(4) The trader shall not have the right to remove or modify the labels, markings or any other information provided by the manufacturer or the importer.

Article 6

Where the type of good does not allow the placement of a label, the trader shall provide the consumer with the data under Art. 5, para (2) in another appropriate manner or through presentation of the relevant documentation.

Article 7

The Council of Ministers shall adopt regulations on the requirements to the labelling of food stuffs and non-food products.

Section III

Statement of Prices

Article 8

(1) Each trader shall display in advance the price of the good at a visible place in the vicinity of the good. The price shall be easily recognisable and clearly legible.

(2) Prices shall be stated for the respective measurement unit or per piece.

(3) For goods offered in consumer packaging, prices shall be indicated as per the quantity in the package and the measurement unit for weight, volume, length or area respectively (kilogram, litre, metre and others or their subdivisions accordingly).

(4) The statement of different prices for the same type of goods at the commercial premises shall be forbidden, except for the cases under Art. 3, para (5).

(5) Prices shall be stated in Bulgarian Leva.

(6) The trader shall issue a document for the sale transaction, including at least information about the date of the sale, the type of good and the price.

(7) The Minister of Trade and Tourism shall issue consumer protection regulations in the designation of prices of goods and services.

Chapter Three

SAFETY OF GOODS. LIABILITY FOR DAMAGE. WARRANTY LIABILITY. RIGHT TO COMPLAIN

Section I

Safety of Goods

Article 9

(1) Manufacturers shall offer only safe goods for sale.

(2) Importers and traders, who are involved in the marketing of goods from manufacturers to consumers, shall refrain from offering goods, which they are aware of or should be aware of their being dangerous on the basis of the information available to them.

Article 10

(1) Goods that are required to be safe pursuant to statutory regulations shall be offered for sale only after the assessment of their compliance with these requirements.

(2) In the absence of the statutory regulations under para (1), the compliance of the goods with the general safety requirements shall be assessed on the basis of the national, European and international standards or technical specifications, good practice codes concerning health and safety in the respective sector or, where they are not available, in accordance with the level of technology and safety, which consumers have the right to expect.

(3) The compliance of a product with the requirements under paras (1) and (2) shall not prevent the competent enforcing authorities, including the municipal ones, from undertaking measures to impose restrictions on the sale of the good or to remove the good from the market, where evidence exists that, notwithstanding the compliance, it is dangerous to the health and safety of consumers.

Article 11

(1) Manufacturers shall provide consumers with information that will enable the latter to judge the risks to their life and health in connection with the normal or predictable conditions of use of goods, including their durability.

(2) The obligation to provide the information under para (1) about imported goods shall be assigned to the importer.

Article 12

Without prejudice to the obligation under Art. 11, the manufacturer, importer or trader, depending on who has discovered that the good is not safe, shall:

1. remove from the market the goods that endanger the life, health and property of consumers;
2. advise forthwith in an appropriate manner the consumers and the enforcing authorities under this Law of all risks related to the use of the goods, which have become known to him after the release of the goods on the market.

Article 13

(1) Where officials from the Trade and Consumer Protection Commission at the Ministry of Trade and Tourism or the municipal administration respectively find out the supply of goods, for which they have substantial reasons to believe that the goods are dangerous for consumers, the Chairperson of the Commission or the mayor of the municipality respectively shall issue and order to suspend the sale of such goods on a temporary basis.

(2) The order under para (1) shall be issued immediately after the inspecting officials inform the Chairperson of the Commission or the mayor of the municipality. The order shall specify a deadline for the assessment of the compliance with the safety requirements.

(3) The stopped goods shall be marked with a special sign designated with an order by the Minister of Trade and Tourism, which shall be promulgated in The Official Gazette.

(4) The costs of the assessment of the compliance with the safety requirements shall be borne by the trader.

(5) Within 24 hours after the reception of the compliance certificate, the Chairperson of the Commission or the mayor of the municipality respectively shall rule on the temporary suspension of the sale of the goods.

(6) Where the compliance certificate states that the good is dangerous, the Chairperson of the Commission or the mayor of the municipality respectively shall issue an order to forbid the sale of the good or batch of goods and, if necessary, to withdraw and destroy them under terms and conditions laid down by the Minister of Trade and Tourism at the sole expense of the respective trader.

(7) Where the compliance certificate states that the good is safe, the Chairperson of the Commission or the mayor of the municipality respectively shall cancel the order on the suspension of the sale under para (1). In this case, the costs shall be borne by the Trade and Consumer Protection Commission or the municipal administration respectively.

(8) The orders under paras (1), (6) and (7) may be attacked pursuant to the Law on Administrative Procedures.

Section II

Liability for Damage Caused by a Defective Good

Article 14

(1) The manufacturer shall be liable for any pecuniary damage caused by a defective good even when the manufacturer is not guilty of the defect.

The liability under para (1) for imported goods shall be assumed by the importer of such goods.

(2) Where the manufacturer or the importer cannot be identified, the liability under para (1) shall be assumed by the trader.

(3) Where several persons are liable under this Section, the liability shall be joint.

Article 15

(1) The pecuniary damage under this Section shall cover the losses incurred as well as the foregone benefits.

(2) The compensation for pecuniary damage shall not include the price of the defective good.

(3) Any person damaged due to a defective good shall bear the burden of proof for the damage, the defect and the causal link between them.

(4) The provisions of this Section shall not restrict the damaged person to seek general indemnity for non-pecuniary damage, whereas a compensation for pecuniary damage may be sought only if the compensation request under this Law is not granted.

Article 16

The manufacturer shall not be liable under Art. 14, para (1), provided that the manufacturer is able to prove that:

1. the manufacturer has not marketed the goods;
2. the defect causing the damage did not exist as of the time when the goods were first marketed;
3. the manufacturer has not produced or distributed the goods for the purposes of sale;
4. the defect is determined by the compliance of the goods with the statutory requirements specified by government authorities;
5. the level of the scientific and technical knowledge as of the time when the goods were first marketed did not allow the identification of the defect;
6. the manufacturer is the manufacturer of a component and the defect is due to the development or assembly of the goods by another manufacturer or instructions by the latter on the transportation, storage or operation of the goods.

Article 17

Goods, as a result of which the death or injury of several damaged persons have followed, shall be up to BGL 100 billion. Where the compensation due is in excess of this maximum amount, the individual compensations shall be reduced on a pro rata basis.

(2) The limitation under para (1) shall cover pecuniary damage.

(3) Liability for pecuniary damage caused by a defect of items designed and used for the personal needs of the damaged person may be sought, where the amount of such damage exceeds two minimum wages for the country as of the time of the occurrence of the damage.

(4) Where a claim is served for damage caused by a defective good, the court of law shall determine the manner, in which the plaintiff, provided the plaintiff is willing to do so, may announce the serving of the claim.

(5) Within a month after the notice, each consumer of consumer association may state their willingness to take part in the litigation before the court of law.

Article 18

Actions caused to consumers, shall be null and void.

(2) The manufacturer may be released from the liability under Art. 14, para (1) or the liability may be reduced, where the damage is caused simultaneously by a defect of the good and actions of the damaged person or another person, whom the damaged person is in charge of.

(3) The liability of the manufacturer shall not be reduced, where the damage is caused simultaneously by the defective good and the culpable behaviour of a third party.

Article 19

The compensation claim for damage caused by a defective good may be served within five years after the date, on which the damaged person knew or should have known about the damage, the defect and the identity of the manufacturer or the importer respectively, but not later than ten years after the defective good was offered for sale.

Section III

Warranty Liability

Article 20

- (1) The manufacturer shall be free to give warranty for the goods offered for sale.
- (2) The warranty is a statement by the manufacturer or the importer that the good offered has certain properties and characteristics which will be retained within a specific period of time in the course of its normal or prescribed use, as well as a liability of the manufacturer or the importer in the absence of such properties, removing the shortcomings and damage occurring during the warranty period at his sole expense.
- (3) The manufacturer offering goods with warranty shall specify the terms and conditions, under which the warranty is given, in the contract or the warranty document.
- (4) The warranty period of food stuffs shall coincide with their shelf life.
- (5) The Council of Ministers shall be free to identify some types of goods, for which manufacturers will be required to give warranty.
- (6) The warranty period shall start as from the delivery of the goods, unless the parties specify another later time in the contract or the warranty document.

Article 21

- (1) Manufacturers shall provide spare parts for maintenance and repair during the warranty period.
- (2) Traders shall offer goods, where the latter are supplied with spare parts and consumables for a period coinciding with their durability.
- (3) Para (2) shall not apply, where the consumer is expressly warned that the good is not provided with spare parts or consumables.

Article 22

- (1) Manufacturers shall open their own service facilities or sign contracts with the service facilities of other traders for the purposes of the warranty maintenance and repair of domestic goods.
- (2) Importers shall provide the warranty maintenance and repair of imported goods.

Article 23

The trader shall issue the warrant document, as provided by the manufacturer, at the time of the sale of the good to the consumer.

Article 24

(1) The trader shall be free to offer more favourable warranty terms and conditions than those provided by the manufacturer, as certified in a separate warranty document.

(2) The provisions of Art. 22, para (1) shall apply to the cases under para (1).

Section IV

Right to Complain

Article 25

(1) The consumer shall be entitled to complain, regardless of whether the manufacturer has given a warranty or not, in the event of:

1. reported shortages;
2. defects of the good;
3. non-compliance with the stated size;
4. non-compliance with the stated trademark.

(2) The complaint in the case of reported shortages and apparent defects shall be served within three working days after the purchase of the good.

(3) The complaint in the case of hidden defects shall be served upon their identification but not later than the end of the warranty period, if any.

(4) The complaint in the event of non-compliance with the stated size or the stated trademark shall be served upon the identification of the non-compliance but not later than the end of the warranty period, if any.

Article 26

When serving the complaint, the consumer shall be entitled to claim:

1. reimbursement of the amount paid;
2. replacement of the good;
3. discount from the price;
4. free-of-charge repair.

Article 27

(1) Traders shall accept complaints at the commercial premises, where the good was bought, or at their principal office of business during all working hours, unless specified otherwise in the warranty document.

(2) Big-sized goods shall be transported for repair or replacement and returned to the consumer during the warranty period at the sole expense of the trader. For the purposes of making a discount from the price, the good may be transported or re-valued on site at the sole expense of the trader.

(3) The time spent for repair shall be added to the warranty period.

Article 28

Where the warranty obligations are not honoured or where the complaint is not accepted, the consumer may seek the assistance of consumer associations, consumer protection authorities or reconciliation commissions or serve a claim to the court of law.

Chapter Four

DECEPTIVE AND UNFAIR ADVERTISING

Section I

Common Provisions

Article 29

(1) Advertising shall mean any communication in connection with a trade, craft or profession for the purposes of encouraging the sale of goods or services.

(2) Deceptive and unfair advertising shall be forbidden.

Article 30

(1) The advertiser and the advertising agency shall be liable for any deceptive or unfair advertising.

(2) Any person, who has legitimate interest, may request a ban on advertising, which such person considers to be deceptive or unfair, and/or the damage suffered from such advertising.

Article 31

(1) Where the request under Art. 30, para (2) is served, the court of law may rule on the suspension of the deceptive or unfair advertising or forbid its dissemination prior to its becoming known to the public.

(2) The court of law may undertake the measures under para (1), regardless of whether any damage has occurred as a result of such advertising or whether the person serving the request has asked for damages.

(3) The court of law may instruct the advertiser to prove the assertions contained in the advertising.

Article 32

Where an enforceable court judgement states that the advertising is deceptive or unfair, the court of law may instruct the advertiser, at the request of any party concerned, to announce at his sole expense in an appropriate manner the enforceable court judgement or part thereof, as well as the adjusted advertisement at the expense of the advertiser.

Section II

Deceptive Advertising

Article 33

(1) Deceptive advertising is any advertising which in any way, including its representation, induces or may induce a state of mind of the persons, to whom it is targeted or whom it reaches, that is not in accord with facts, and due to its deceptive nature may influence their economic behaviour.

(2) For the purposes of judging whether advertising is deceptive or not, the following considerations shall be taken into account:

1. the characteristics of the goods and services such as type, composition, date of manufacturing or provision of the services, durability, quantity, geographic and commercial origin, results and material characteristics of the tests or samples of the goods or services;
2. the price or the way of its formation and the terms of delivery of the goods or provision of the services;
3. the characteristic details about the advertiser such as name, address or seat, principal office of business, property, industrial or intellectual property rights, awards or distinctions.

Section III

Unfair Advertising

Article 34

Unfair is any advertising that:

1. contains elements of discrimination based on gender, race, religion, nationality, political convictions, age, physical or mental capabilities or infringes upon human dignity;
2. aims at causing anxiety or fear or exploits these feelings and the lack of experience on part of consumers;
3. uses the public aptitude for predictions in an inappropriate manner or promises easy proceeds;
4. creates confusion among the consumers of the good or the service through the representation of the elements in a manner similar to the representation of well-known manufacturers;
5. may cause moral or mental disturbances among children;
6. resorts to frequent references to the superiority of the advertised goods or services, which are immaterial or which are not subject to verification;
7. constitutes other similar cases.

Chapter Five

UNEQUAL CLAUSES IN CONTRACTS

Article 35

(1) Unequal clause in a contract with a consumer is an agreement to the detriment of the consumer, which is not in accord with the requirements for bona fide conduct and leads to substantial disequilibrium between the rights and obligations of the trader and the consumer.

(2) Any clause shall be considered unequal, where:

1. it waives or restricts the statutory rights of the consumer with respect to the trader in the event of full or partial non-performance or inaccurate fulfilment of contractual obligations, including the waiver of the right to compensation;
2. it depends solely on the will of the trader;
3. it enables the trader to retain the amounts paid by the consumer if the latter refuses to sign or fulfil the contract for the same amount in the event of non-signing or non-fulfilment of the contract due to a reason within the control of the trader;
4. it obligates the consumer to pay an unjustifiably big compensation in the event of non-performance on his part;
5. it enables the trader to waive his contractual obligations at his own discretion, while depriving the consumer of the same opportunity, and it enables the trader to retain a payment for non-performed activities when the contract is terminated by the trader;
6. it enables the trader to terminate a contract without any specific validity term without serving a notice, unless serious reasons make him do so;
7. it envisions an unjustifiably short deadline for automatic renewal of the contract in the absence of objections on part of the consumer;
8. it makes the consumer accept clauses which he has not had the opportunity to see prior to the conclusion of the contract;
9. it enables the trader to modify the contractual covenants unilaterally on the basis of reasons other than those laid down in the contract;
10. it enables the trader to modify the characteristics of the goods or services unilaterally without any justifiable reasons;
11. it envisions the price to be determined upon delivery of the good or provision of the service or it enables the trader to raise the price, without the right of the consumer to abandon the contract in such cases, where the final price is in excess of the price agreed at the time of the conclusion of the contract;
12. it allows the trader to decide whether the goods or services comply with the terms of the contract or it gives the exclusive right of the trader to interpret the contractual clauses;
13. it obligates the consumer to fulfil his obligations even where the trader fails to fulfil his own obligations;
14. it enables the trader to assign the contractual rights and obligations without the consent of the consumer, where the assignment may reduce the guarantees for the consumer;
15. it waives or impedes the right to serve a claim or to undertake other legal action for the purposes of consumer protection, providing for arbitration that will not resolve the dispute in accordance with the law, illegitimately restricting the eligible evidence at the disposal of the consumer or imposing the burden of proof on the consumer in the cases where the applicable law requires the burden of proof to lie with the other party to the contract;
16. it restricts the responsibility of the trader for obligations assumed through his representatives or makes his obligations dependent on the observance of a specific condition;
17. it includes other similar covenants.

Article 36

(1) The clauses of the contracts offered to consumers shall be drawn up in a clear and unambiguous manner.

(2) Where any doubt arises in connection with the interpretation of a specific covenant, the covenant shall be interpreted in favour of the consumer.

Article 37

(1) Unequal clauses shall be null and void, unless agreed individually.

(2) Clauses drawn up in advance and therefore depriving the consumer of the opportunity to influence their content, especially in the case of contracts with general terms, shall not be considered to have been agreed individually.

(3) The fact that some clauses are agreed individually shall not waive the application of this Article to the rest of the contract, where the contract is assessed to refer to general terms as a result of its overall evaluation.

(4) Where the trader asserts that a clause of a contract with general terms has been agreed individually, the burden of proof shall lie with the trader.

(5) A contract between a trader and a consumer shall be enforceable also as if concluded without the unequal clauses.

Chapter Six

CONSUMER ASSOCIATIONS

Article 38

(1) Individual citizens shall be free to associate in order to protect their rights and interests as consumers.

(2) Consumer associations shall be not-for-profit organisations.

(3) Civil servants in the central and local government authorities and the public administration, performing consumer protection functions, as well as manufacturers, importers and traders shall not be eligible for occupying leading positions in consumer associations.

Article 39

(1) Central and local government authorities and the public administration shall assist consumer associations with more than 300 members.

(2) The consumer associations under para (1) shall be entitled to participate in the work of consultative bodies, committees and working groups at the consumer protection authorities through their representatives.

Article 40

Consumer protection authorities shall assist the consumer associations under Art. 39, para (1).

Article 41

Consumer associations shall have the right to:

1. receive information about draft regulations concerning the rights and interests of consumers;
2. advise the enforcing authorities under this Law of cases of infringement upon consumer rights;
3. seize the court of law of infringements upon the rights and interests of consumers in the cases and under the conditions laid down in this Law.

Chapter Seven

CONSUMER PROTECTION AUTHORITIES

Article 42

The Minister of Trade and Tourism, through the Trade and Consumer Protection Commission, shall:

1. exercise the general supervision for the observance of this Law;
2. issue instructions on the elimination of violations;
3. give opinion on draft regulations in connection with the consumer protection;
4. carry out the co-operation with international consumer authorities and organisations;
5. co-ordinate the activities of other bodies related to consumer protection.

Article 43

(1) The National Consumer Protection Board shall be established as a consultative body at the Minister of Trade and Tourism.

(2) The Minister of Trade and Tourism shall be the Chairperson of the National Consumer Protection Board.

(3) The National Consumer Protection Board shall consist of 12 members, including a representative of the Ministry of Health, the Ministry of Agriculture, Forests and the Agrarian Reform, the Ministry of Industry, the Ministry of Transport, the Ministry of Trade and Tourism and the Ministry of Finance each, as designated by the respective Ministers, and the respective equal number of representatives of consumer associations.

(4) The consumer associations under Art. 39, para (1) shall agree on their representatives at the National Consumer Protection Board.

Article 44

(1) The Minister of Trade and Tourism shall issue rules for the work of the National Consumer Protection Board.

(2) The Ministry of Trade and Tourism shall provide for the administrative servicing of the operation of the National Consumer Protection Board.

Article 45

The National Consumer Protection Board shall:

1. propose through the Minister of Trade and Tourism amendments to the existing legal framework of consumer protection;
2. submit proposals to the relevant government authorities in connection with the effective enforcement of the consumer protection legislation;
3. give opinion on draft legislation in connection with consumer rights.

Article 46

The National Consumer Protection Board shall be convened by the Minister of Trade and Tourism at least once in two months and may take decisions, where its meeting is attended by at least two-thirds of its members. Decisions shall be made by a simple majority vote.

Article 47

Committees and working groups may be established at the National Consumer Protection Board at the decision of the latter for the resolution of specific issues.

Article 48

The members of the National Consumer Protection Board shall not receive any remuneration for their work in the Board.

Article 49

(1) The National Information Register of Traders in the Republic of Bulgaria shall be established at the Ministry of Trade and Tourism.

(2) The establishment, maintenance and use of the Register shall be regulated with rules issued by the Minister of Trade and Tourism.

Article 50

A consumer protection unit shall be established at the municipal administration, which shall:

1. consult consumers on consumer protection issues;
2. provide the Trade and Consumer Protection Commission with information about goods with high risk for the health and safety of consumers;
3. seize the enforcing authorities in the case of violations of other regulations concerning consumer rights and interests.

Chapter Eight

CLASS CONSUMER PROTECTION ACTIONS

Article 51

Any consumer, group of consumers, consumer association or the Trade and Consumer Protection Commission may serve a claim for protection of consumer interests under this Chapter.

Article 52

The court of law may adjudicate accordingly to discontinue the violations under this Law or any other law, which protect consumer interests directly or indirectly, at the request of the persons under Art. 51.

Article 53

(1) The court of law may ascertain the existence of a violation under this Law or any other law, which protect consumer interests directly or indirectly, at the request of the persons under Art. 51.

(2) The court of law shall specify the manner, in which the plaintiff shall announce the serving of the claim at his sole expense.

(3) Within a month after the announcement, any consumer may declare before the court of law his willingness to join the litigation or exercise his defence separately in another litigation under the general terms and conditions.

(4) The court judgement shall be binding on the person violating the law, the plaintiff(s), as well as the persons who have been damaged by the established violation and have not declared their willingness to exercise their defence separately in another litigation.

Article 54

(1) Consumer associations may serve claims for compensation of the damage caused to a class consumer interest due to violation of this Law or any other law, which protect consumer interests directly or indirectly.

(2) The court of law shall specify the manner, in which the plaintiff shall advise the other consumer protection associations of the serving of the claim at his sole expense.

(3) Within a month after the notice, any consumer protection association may be adjoined to the litigation.

(4) The compensation shall be adjudicated in favour of all plaintiffs for common disposal in the cases under para (3).

(5) The compensation may be used only for protection of consumer interests.

Chapter Nine

RECONCILIATION COMMITTEES

Article 55

(1) The Minister of Trade and Tourism shall establish reconciliation committees to assist the settlement of disputes between consumers and traders in connection with the warranty liability, the right to complain of goods or services, and unequal clauses in contracts.

(2) The Minister of Trade and Tourism shall issue an order to specify the seat and territory of operation of the committees and approve the list of members of such committees assisting the attainment of settlement between consumers and traders. The order shall be published in The Official Gazette.

(3) The assistance under para (1) shall be provided at a request of a consumer who is resident within the territory of operation of the respective reconciliation committee.

Article 56

(1) The reconciliation committee under Art. 55, para (1) shall include a representative of the respective regional subdivision of the Trade and Consumer Protection Commission designated by its head, a representative of the respective regional subdivision of the Ministry of Trade and Tourism, and a representative of the respective regional subdivision of the Ministry of Justice. The representatives shall be selected from the approved list under Art. 55, para (2) at the proposal of the respective organisations and associations, depending on the subject-matter of the request.

(2) Where no reconciliation committee under para (1) can be established due to the absence of a consumer association under Art. 39, para (1), the Minister of Trade and Tourism shall establish the reconciliation committee to assist the settlement of disputes under Art. 55, para (1) within the territory where no reconciliation committee can be established.

Article 57

The reconciliation committee shall assist the voluntary settlement of disputes under Art. 55, para (1) through an agreement signed between the parties to the dispute.

Where a party to the disputes fails to fulfil its obligations under the agreement, the other party may take the dispute, which is the subject-matter of the agreement to the court of law.

Article 58

The Minister of Trade and Tourism shall issue rules for the work of reconciliation committees.

Part Three

TRADE RULES

Chapter Ten

GENERAL CONDITIONS FOR TRADE

Article 59

- (1) The domestic wholesale and retail trade shall be based on the free economic enterprise.
- (2) Prices of goods and services shall be established freely on the basis of supply and demand.
- (3) The Council of Ministers, as an exception, shall define mandatory rules for the establishment and application of the prices of some goods and services.

Article 60

The Council of Ministers, at the proposal of the Minister of Trade and Tourism, shall determine the foreign trade regime of the country.

Article 61

Wholesale trade is the conclusion of transactions for sale of goods between traders, the buyer under such transactions further re-selling the goods to wholesale or retail traders.

Retail trade is the conclusion of transactions for sale of goods between a trader or a natural person who is not a trader but sells own products and a consumer.

Article 62

Hawking is retail trade at public places (streets, squares, fairs, market-places and others), designated by municipalities, and carried out:

1. on or from vehicles;
2. at stalls, in tents and others.

Article 63

The following activities shall not be considered to be cases of hawking:

1. home delivery of purchased or ordered goods;
2. operations of commercial representatives.

Article 64

No hawking shall be allowed with:

1. goods that may be dangerous to health because of this manner of offering;
2. pharmaceuticals;
3. oil products and derivatives thereof;
4. goods, for which a prohibition exists in statutory regulations.

Article 65

The terms and conditions for hawking within the territory of municipalities shall be established with regulations adopted by the respective Municipal Council.

Article 66

A license shall be required for the trade in goods of special importance for the national security, the life and health of people, animals and plants, for the protection of the environment and non-renewable mineral resources, and for the protection of national values of artistic, historic or archaeological significance under terms and conditions laid down by the Council of Ministers.

Chapter Eleven

TRADE PRACTICES

Section I

Contracts outside Commercial Premises

Article 67

(1) A contract outside commercial premises is offering of goods or services outside the commercial premises, including the time during travel organised by a trader or a person designated by him, or during a visit to the home or workplace of the consumer, without any explicit request on part of the consumer to do so.

(2) The trader or the person acting on his behalf and at his sole expense, in the case of sale under para (1), shall advise the consumer in writing prior to the conclusion of the contract of his right not to accept the contract, and to specify the name and address of the persons, with respect to whom this right may be exercised.

(3) The consumer shall be entitled to refuse acceptance of the contract under para (1) in writing within seven days after its conclusion.

(4) Where the consumer is not advised of the right under para (2), the time limit for the refusal shall be counted as from the time of the notice.

Article 68

The provisions of Art. 67 shall not apply in any of the following cases:

1. sale contracts outside commercial premises at a value of less than a minimum wage for the country as of the time of the sale;
2. contracts for construction works, sale or lease of real property;
3. regular supplies of food stuffs;
4. contracts concluded by catalogue or envisioning renewal, where the consumer is advised of his right to return the good within time limits of not less than seven days;
5. insurance contracts;
6. contracts related to securities.

Section II

Distance Contracts

Article 69

(1) A distance contract is any contract concluded on the basis of an offer to the consumer, which the trader sends through distance communication means of reproduction.

(2) The offer under para (1) shall contain details about the trader, information about the major characteristics of the good or service, the price, the quantity, the costs that are not included in the price, the payment, the delivery and performance terms, the right of the consumer not to accept the contract, the terms and conditions for return of the goods or refusal of the services, as well as the validity term of the offer.

(3) The consumer shall be entitled, without paying any compensation, to abandon the contract concluded under para (1) within seven days as from the day following the reception of the good or the binding offer of the service respectively.

(4) Where the consumer is not advised of the right not to accept the contract, the time limit under para (3) shall be counted as from the time of the notice.

(5) Paragraph (1) shall not apply to financial services, contracts concluded through vending machines, regular supplies of food stuffs, contracts based on tenders, contracts for construction works or sale of real property or related to other real property rights, and contracts with telecommunication operators concluded through hired telephone lines.

Section III

Forced Sale

Article 70

(1) Forced sale is any sale of goods without the explicit and prior request of the consumer.

(2) Forced sale shall be forbidden.

(3) In the cases under para (1), the consumer shall be entitled to refuse reception of the good or retain it without payment to the sender and without any obligation to return the good.

Section IV

Announcement of Price Reduction

Article 71

(1) In the event of price reduction, clear and full information shall be provided about the good or service and the terms and conditions of the price reduction.

(2) The old and the new prices shall be quoted together.

(3) No general price reduction shall be announced, unless the price reduction refers to all goods and services on the commercial premises.

Chapter Twelve

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Article 72

Traders may associate in professional organisations.

Article 73

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Article 74

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1. protect the interests of their members;
2. promote the professional qualifications of their members.

Article 75

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Article 76

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1. nominate their representatives to participate as consultants to central and local government authorities and the public administration on issues related to the respective sector;

2. assist government authorities in the implementation of economic and social policies;
3. take part in the drafting of legislation related to the respective sector;
4. provide information to government authorities, at the request of the latter;
5. be entitled to receive information that does not constitute state or commercial secret from ministries and agencies.

Article 77

(1) A Consultative Board shall be established at the Minister of Trade and Tourism as an advisory body, including a representative of the Ministry of Foreign Affairs, the Ministry of Health, the Ministry of Agriculture, Forests and the Agrarian reform, the Ministry of Industry, the Ministry of Transport, the Ministry of Trade and Tourism and the Ministry of Finance each, as designated by the respective Ministries and organisations.

(2) The Consultative Board shall assist the Minister of Trade and Tourism in the implementation of economic and social policies.

(3) The representatives of the organisations shall be appointed by the Council of Ministers under para (1) on the basis of representation criteria laid down by the Council of Ministers.

(4) The Minister of Trade and Tourism shall issue rules for the work of the Consultative Board.

(5) The Ministry of Trade and Tourism shall provide for the administrative servicing of the operation of the Consultative Board.

Chapter Thirteen

FUNDING

Article 78

(1) For the purposes of financing the supervision and other activities under this Law, the proceeds from the fines and penalties collected under this Law, gifts and grants from local and foreign natural persons and legal entities, as well as other sources specified in statutory regulations shall be transferred to the budget account of the Ministry of Trade and Tourism.

(2) The proceeds under para (1) shall be spent for:

1. research, expertise and drafting of legislation in the sphere of consumer protection and trade rules;
2. funding the operation of Reconciliation Committees;
3. support to consumer associations under Art. 39, para (1) . up to 10 per cent of the proceeds;
4. information and promotion of consumer protection activities;
5. special programmes and participation in national and international events related to consumer protection issues;
6. support to the authorities under Art. 79 . 60 per cent of the proceeds from the fines and penalties collected and transferred by each of them;
7. any other costs specified in a law or regulation by the Council of Ministers.

(3) The funds under para (2), subpara (6) shall be spent for:

1. reviews and expertise related to the enforcement of this Law;
2. regional programmes for information and promotion of consumer protection activities;
3. establishment, development and maintenance of the facilities of the enforcing authorities, as well as training of their staff supervising the enforcement of this Law;
4. remuneration to independent experts and external collaborators and provision of appropriate working conditions thereof;
5. insurance of enforcing staff;
6. incentives to full-time officers of the enforcing authorities under this Law;
7. other costs related to consumer protection.
8. The amount of the incentives per person on an annual basis may not exceed 24 gross monthly salaries.

Part Four

ENFORCING AUTHORITIES

Article 79

This Law shall be enforced by the Trade and Consumer Protection Commission at the Ministry of Trade and Tourism, its regional subdivisions and the consumer protection units in the municipal administration.

Article 80

Officials shall have the right to:

1. unhindered access to production facilities and commercial premises;
2. demand the necessary documents in connection with their supervisory activities;
3. take samples for laboratory tests;
4. involve experts in the respective sphere, where the inspection is particularly complicated and requires special knowledge;
5. draw up statements on violations observed.

Article 81

Officials shall:

1. establish facts accurately in the course of their supervisory activities;
2. issue mandatory prescriptions on the elimination of irregularities and violations of the law;
3. give opinion on the objections in connection with the violations observed;
4. not disclose the official, industrial and commercial secret and the findings of inspections prior to their completion, as well as refrain from using the information from the inspections for purposes other than the purposes of the inspection proper;
5. advise the respective specialised enforcing authority, where they believe that another statutory regulation has been violated.

Article 82

The specialised enforcing authorities under other statutory regulations, whose supervisory functions are related to consumer protection directly or indirectly, shall assist the Trade and Consumer Protection Commission and the consumer protection units in the municipal administration, by means of:

1. advising them of cases, where they believe that a violation of this Law has occurred;
2. choosing to invite officials for joint inspection.

Article 83

Consumer associations may seize the enforcing authorities for violations under this Law.

Part Five

ADMINISTRATIVE PENALTIES

Article 84

For violation of Arts. 3, 4, 5, 6, 8 and 12, the persons to blame shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty from BGL 500,000 to BGL 3,000,000.

Article 85

For violation of Arts. 9, 27, Art. 29, para (2) and Art. 71, the persons to blame shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty from BGL 1,000,000 to 15,000,000.

Article 86

For failure to fulfil a mandatory prescription by an official of the enforcing authority for elimination of irregularities and violations of the law, the persons to blame shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty from BGL 100,000 to BGL 2,000,000.

Article 87

For violation of Art. 81, the officials shall be imposed a fine from BGL 500,000 to BGL 2,000,000.

Article 88

(1) Where goods continue to be offered to consumers after the issuance of the order under Art. 13, the persons to blame shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty from BGL 5,000,000 to BGL 30,000,000.

(2) In the event of a violation observed under para (1), the enforcing authorities under this Law may

Article 89

Any person engaging in trade that requires licensing without a license shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty from BGL 2,000,000 to BGL 20,000,000.

Article 90

For violation of other provisions of this Law, the rules and the other statutory regulations on its enforcement, the persons to blame shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty from BGL 50,000 to BGL 500,000.

Article 91

In the cases of enforceable statements of punishment for violation of this Law, the enforcing authority under this Law shall propose to the license issuing authority to revoke the license.

The authority revoking the license shall advise the Ministry of Trade and Tourism forthwith of the date and grounds of the revoking.

Article 92

(1) Where unlawful proceeds are established as a result of non-compliance with the mandatory pricing rules for goods and services, as approved by the Council of Ministers, the damaged person shall be adjudicated with the statement of punishment the equivalent of the unlawful proceeds plus the legitimate interest accrued as from the date of the damage even without serving such a claim.

(2) Where the damaged person cannot be identified, the equivalent of the unlawful proceeds shall be remitted to the central government budget.

(3) For unlawful proceeds, the persons to blame shall be imposed a fine, whereas sole proprietors and legal entities shall be imposed a pecuniary penalty equal to the double amount of the unlawful proceeds.

Article 93

(1) Officials designated by the Trade and Consumer Protection Commission at the Ministry of Trade and Tourism or the mayor of the municipality respectively shall draw up statements of violation.

(2) Statements of punishment shall be issued by the Chairperson of the Trade and Consumer Protection Commission or the mayor of the municipality respectively, or by officials designated by them.

(3) Violations shall be established and statements of punishment shall be issued, attacked and enforced in pursuance of the provisions of the Law on Administrative Violations and Penalties.

ADDITIONAL PROVISIONS

1. Within the meaning of this Law:

1. "Consumer" is any person acquiring goods or using services for his/her own needs or the needs of his/her family rather than for sale, production or exercising of a profession or craft.
2. "Trader" is any person selling or offering goods or providing services to a consumer, as well as a manufacturer or an importer selling or offering goods directly to a consumer.
3. "Manufacturer" is any person producing or renovating goods or parts thereof or offering services, extracting or processing raw materials or presenting himself as a manufacturer by putting his name, industrial or another sign on the good, its packaging or the technical or commercial documentation.
4. "Importer" is any person who has first acquired the title to the imported goods within the customs territory of the Republic of Bulgaria or has served as an intermediary in the acquisition of such title.

5. "Offering on the market" is the first launch of a good against payment or free of charge for the purposes of its use and further distribution.
6. "Good" is a product of labour meant for consumption or usable by the consumer, regardless of whether it is offered against payment or not or whether it is new, second-hand or recycled.
7. "Safe good" is any good which creates no or minimal risk, which is compatible with its use and considered acceptable from the perspective of the required levels of protection and guarantees for the safety and health of consumers in the course of the normal and reasonably predictable conditions of use, including its durability, taking into consideration:
 - A. the characteristics of the good, including its composition, packaging, assembly and maintenance instructions for use and discontinuation of the use, as well as other instructions or information provided by the manufacturer;
 - B. the presentation of the good, its marking, possible operational instructions or instructions on the discontinuation of the use, as well as any other instructions or information provided by the manufacturer;
 - C. the impact on other goods in the event of joint use;
 - D. the categories of consumers, for example children, to whom the use of the good presents a serious risk.
1. "Dangerous good" is any good that is not safe within the meaning of subpara (7).
2. "Defect" is a shortcoming that does not ensure the safety of the good or its suitability to serve its agreed or normal purpose.
3. "Damage" is the inflicting as a result of the use of a good of:
 4. a bodily injury or the death of a natural person;
 5. the damage, destruction or demolition of items other than the defective good.
6. "Consumer packaging" are containers and all other devices or materials suitable to be used for containing and storing various goods offered in such packaging directly to consumers.
7. "Commercial representative" is any person who has accepted to sell goods on behalf of and at the sole expense of another person on the basis of a contract.
8. "Commercial premises" are any premises where trade is carried out, including trade offices, storage facilities and others, regardless of the form of trade.
9. "Document for sale transaction" is any invoice, receipt from an electronic cash device with fiscal memory or fiscal-memory electronic system for the sale of liquid fuels.
10. "Distance communication means" are standard letters, advertisements in the press, catalogues, telephone calls with or without human intervention, radio, video telephone, video text, e-mail, fax messages, television.

TRANSITIONAL AND CONCLUDING PROVISIONS

2. The provisions of this Law shall not apply to the trade in goods and services which is regulated in other laws.

3. No damages may be sought under this Law for goods launched on the market prior to the taking of effect of this Law.

4. This Law shall take effect three months after its promulgation in The Official Gazette and repeal:

1. The Law on Prices (Promulgated, The Official Gazette, No. 87 of 1995; Amended, No. 64 of 1997);
2. The Law on Combat against Speculation (Promulgated, The Official Gazette, No. 81 of 1990; Amended, No. 62 of 1997);

3. # 1, subparas (1) and (2) and # 2 of the Additional Provisions of the Law on State-Owned Single Member Companies (Promulgated, The Official Gazette, No. 55 of 1995; Amended, No. 38 of 1992);

5. The following amendments shall be introduced in Art. 6 of the Law on Lev Re-denomination (Promulgated, The Official Gazette, No. 20 of 1999):

1. In Art. 1, the words "Art. 4, paras (1) and (2) of the Law on Prices " shall be replaced by the words "Art. 8, para (1) of the Law on Consumer Protection and Trade Rules ";
2. In Art. 2, the words "Art. 25 of the Law on Prices " shall be replaced by the words "Art. 84 of the Law on Consumer Protection and Trade Rules".

6. The enforcement of this Law shall be assigned to the Council of Ministers.

This Law was adopted by the 38th National Assembly on 18 March 1999 and the Seal of the National Assembly was affixed hereto.