

Consumer Law News

Act on Actions for Protection of Collective Consumer Interests

In the <u>December LA</u>, we informed you about the draft Act on Actions for Protection of Collective Consumer Interests ("**the Act on Collective Actions**"), which aims to enable consumers to effectively protect their interests.

The Act on Collective Actions, published in the Collection of Laws of the Slovak Republic under no. 261/2023, had been approved by the National Council of the Slovak Republic on 21 June 2023. The approved version, however, differs from the initial draft. The differences concern in particular the following areas:

Authorized person

In accordance with the approved wording of the Act on Collective Actions, legal entities keeping simple accounting (not keeping accounts in double-entry bookkeeping system) can be listed as authorised persons.

A person from another Member State of the European Union will be able to bring a collective action as an authorised person only if the person is included in the list of authorized entities maintained by the European Commission.

In addition to information about the statement of claim, the current status of the actions brought before the court and the results of the proceedings, authorised persons will be obliged to provide information about the action's financing on their website.

The Competent Court

While according to the original draft Act on Collective Actions, only the District Court in Banská Bystica should have been competent to hear disputes arising from actions for protection of collective consumer interests, the approved version of the Act extends the jurisdiction in the disputes to two other courts – the Municipal Court in Bratislava IV and the Municipal Court in Košice.

Proceeding for the issuance of a corrective measure

The original draft act made the filing of a lawsuit for the issuance of a corrective measure conditional on the registration of at least 10 affected consumers. Under the approved version, twice that number will be required. Thus, an authorised person will only be able to bring an action for the issuance of a corrective measure if at least 20 affected consumers sign up to the action within two months of its publication. The list of consumers who have signed up to the action will be kept by a designated notary.

The application fee has been increased from EUR 10 to EUR 20.

Changes have also been made to the renumeration for the authorised person, who will set the amount of the renumeration in the statement of the claim, at a maximum of 20% of the amount recovered.

Yet, the capping of the remuneration at EUR 100,000 has not been completely removed from the draft act. According to the approved act, this limit will be applied in case of an award in proceedings for the issuance of a remedial measure, the value of which cannot be determined.



Effectiveness

The act shall enter into force on 25 June 2023.

New Consumer Protection Act

In the <u>September LA</u> we informed you about the draft new Consumer Protection Act. This draft act was approved by the National Council of the Slovak Republic on 20 June 2023 with amended wording and most of the provisions of the act were to enter into force on 1 August 2023.

However, the act was vetoed by the president and returned to the National Council for reconsideration. Even though the president's remarks were not directed at the regulation of the consumer protection (they were aimed at civil liability for publication and dissemination of a false information), we will have to wait for the signed version and effectiveness of the new Consumer Protection Act.

The information contained in this bulletin is presented to the best of our knowledge and belief at the time of going to press. However, specific information related to the topics covered in this bulletin should be consulted before any decision is made. The information contained in this bulletin should not be construed as an exhaustive description of the relevant issues and any possible consequences, and should not be fully relied on in any decision-making processes or treated as a substitute for specific legal advice, which would be relevant to particular circumstances. Neither Weinhold Legal, s.r.o. advokátní kancelář nor any individual lawyer listed as an author of the information accepts any responsibility for any detriment which may arise from reliance on information published here. Furthermore, it should be noted that there may be various legal opinions on some of the issues raised in this bulletin due to the ambiguity of the relevant provisions and an interpretation other than the one we give us may prevail in the future

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