



EUROPEAN COMMISSION

*Brussels, 17.8.2018
C(2018) 5576 final*

*Mr Urban AHLIN
Speaker of the Riksdag
SE – 100 12 STOCKHOLM*

Dear Speaker,

The Commission would like to thank the Riksdag for its Reasoned Opinion on the proposal for a Directive of the European Parliament and of the Council on representative actions for the protection of the collective interests of consumers, and repealing Directive 2009/22/EC {COM(2018) 184 final} and on the proposal for a Directive of the European Parliament and of the Council amending Council Directive 93/13/EEC, Directive 98/6/EC of the European Parliament and of the Council, Directive 2005/29/EC of the European Parliament and of the Council and Directive 2011/83/EU of the European Parliament and of the Council as regards better enforcement and modernisation of EU consumer protection rules {COM(2018) 185 final}.

In line with the objectives of the 'New Deal for Consumers' announced by President Juncker in his State of the Union address 2017¹ and included in the Commission Work Programme 2018², these proposals aim at improving compliance with European Union consumer protection legislation, modernising the Union's consumer legislation in light of market developments and alleviating burdens on businesses where appropriate.

Specifically in the area of improving compliance, these proposals introduce collective redress possibilities for duly designated qualified entities to protect the collective interests of consumers and modernise the already existing injunctions procedure enabling such entities to stop consumer law infringements. The proposals also further harmonise rules on penalties for breaches of consumer law and provide for rights to individual remedies for victims of unfair commercial practices. The Commission's evaluations, on which these proposals are based, show that many consumers are still confronted with and suffer detriment due to insufficient compliance by traders. This is the background for the Commission's proposals for more effective individual and collective consumer redress and more deterrent public enforcement powers.

¹ https://ec.europa.eu/commission/priorities/state-union-speeches/state-union-2017_en

² https://ec.europa.eu/info/sites/info/files/cwp_2018_en.pdf

As regards the rules on penalties, the proposal amending four current European Union consumer law directives includes non-exhaustive criteria for their application in particular in cross-border situations. Furthermore, it ensures a harmonised approach to maximum fines provided in Member States' legislation for the widespread cross-border infringements that are subject to coordinated enforcement by the Member States' authorities in the context of the Consumer Protection Co-operation Network. Finally, the proposed rule requires Member States to consider consumers' general interest in the allocation of revenues from fines. A similar rule is included in the proposal on representative actions as regards fines for non-compliance with final decisions. Furthermore, this latter proposal also contains rules concerning the distribution of redress. However, redress cannot be categorised as fines or equivalent penalties.

The Commission welcomes the Riksdag's broad support for European Union rules on effective and deterrent penalties to ensure a high level of consumer protection, but notes its objection to the requirement concerning the allocation of revenues from fines. The Commission is pleased to have this opportunity to provide the following clarifications regarding its proposal and trusts that these will allay the Riksdag's concerns.

Specifically, the Commission wishes to stress that the provisions proposed do not prescribe any specific share of revenues to be allocated for consumer protection purposes or the exact purpose of the allocation, which can be, for example, support to consumer associations or capacity building of the consumer protection authorities. It does not require a direct assignment of revenues to such purposes but leaves the mechanism of the allocation to the Member States. The proposed rule also does not affect the organisation of the public enforcement of consumer law in the Member States, which can for example rely on administrative or judicial procedures for the imposition of penalties.

The Riksdag's Reasoned Opinion has been made available to the Commission's representatives in the ongoing negotiation with the European Parliament and the Council, and will inform these discussions. The Commission remains hopeful that an agreement will be reached before the end of the current parliamentary term.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Riksdag and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Tibor NAVRACSICS
Member of the Commission*