

APPROVED:

Consumer Rights Protection Centre

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CONSUMER RIGHTS PROTECTION CENTRE

[Logo: CRPC]

**Guidelines on the Procedure for Price Indication of Goods and Services  
During the Dual Display Period\***

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\*This document is not an official interpretation of legal provisions, but is the opinion of the Consumer Rights Protection Centre as a supervisory authority about the interpretation of legal provisions

## Introduction

The aim of the working out of the Guidelines is to clarify the requirements for price indication during the dual display period.

During the dual display period, price indication of goods and services both in lats, and in *euros* will help consumers to follow price changes and to get used to a new currency, as well as that will allow consumers to get ready in time for a currency changeover and will ease the comparison of the value of goods in *euros* and in lats.

Price indication of goods and services in both currencies shall be performed according to the official lat-*euro* exchange rate, strictly observing mathematical principles in compliance with the Law on the Procedure for the Introduction of the *Euro*. The requirement regarding price indication in both currencies is provided in order to protect consumer rights and to restrict a speculative rise in prices of goods and services, as well as to help consumers to take economically grounded and informational-based decisions.

Following these Guidelines as well as the examples and explanations presented therein, it will be easier for businessmen to understand the requirements for price indication of goods and services in the dual display period.

The Guidelines for businessmen, taking into account Cabinet Regulations No 178 of 18 May 1999 "*Procedure on Price Indication of Goods and Services*" (hereinafter – the *Regulations*) regarding the requirements which are not related to the dual display period, can be found on the home page of the Consumer Rights Protection Centre [www.ptac.gov.lv](http://www.ptac.gov.lv).

### Content of the Guidelines:

1. General Questions;
2. Conversion of Prices of Goods and Services;
3. Price Indication of Goods and Services During the Period from 1 October 2013 to 31 December 2013;
4. Price Indication of Goods and Services During the Period from 1 January 2014 to 30 June 2014;
5. Particular Cases Regarding Price Indication of Services During the Dual Display Period;
6. Price Indication of Goods and Services by the Conduct of Distance Selling During the Dual Display Period.

## 1. General Questions

Guidelines determine the requirements for the dual display of prices of goods and services according to the Law on the Procedure for the Introduction of the *Euro* and the *Regulations*.

According to the explanations of terms provided in Section 1 of the Law on the Procedure for the Introduction of the *Euro*, the dual display period is a period of time during which prices of goods and services are being indicated both in lats, and in *euros*.

The dual display period of prices of goods and services begins three months before the *euro* introduction day, i.e. **from 1 October 2013**, and lasts six months after the *euro* introduction day, i.e. **until 30 June 2014**.

The dual display of prices of goods and services shall be performed in compliance with the principles defined in the *Regulations*, especially taking account Clause 3 of the *Regulations*, namely, that price shall be indicated so that it is unambiguous, easily identifiable and clearly readable, and it would be absolutely clear to a consumer to which goods or services this price is related. Price shall be indicated in writing, except for a case, when a consumer can see a price in any other visually perceptible way.

If on a label of goods there several prices indicated which are meant for different countries, a businessman shall ensure that a price in lats and in *euros* is clearly indicated for a consumer in Latvia, so that it could not be confused with other prices.

To make the perception of prices in lats and in *euros* easier for a consumer, different background colours in price tags can be used. Businessmen can also freely choose designation of currency on condition that the designation used is clear and unambiguous, for example, the *euro* currency can be designated as euro, eiro, EUR, Eur, eur, €, etc.

Requirements for dual display are not applicable to advertisements; therefore, businessmen are not obliged to indicate prices in lats and in *euros* in advertisements. The CRPC points out that until 31 December 2012 it is not permissible to distribute advertisements in which prices are indicated only in *euros*, and to distribute advertisements from 1 January 2014 in which prices are indicated only in lats. Therefore, the CRPC calls to evaluate a possibility to indicate prices in advertisements in lats and in *euros*.

In these Guidelines the term “primary currency” until 31 December 2013 denotes lats and from 1 January 2014 – *euros*, but the term “secondary currency” until 31 December 2013 denotes *euros* and from 1 January 2014 – lats.

Informative material mentioned in Clause 22<sup>4</sup> of the *Regulations* may contain several previously calculated prices in both currencies, so that it would not be necessary to change them, if selling price changes (except for cases when new selling price is not displayed in the previously prepared informative material).

In the examples provided in the Guidelines there is the official *euro*-lat exchange rate of the Bank of Latvia used, i.e. 0,702804, which shall not be considered as the established exchange rate by the Council of European Union according to the Law on the Procedure for the Introduction of the *Euro*. **Sellers and service providers shall use the exchange rate established the Council of European Union!**

## 2. Conversion of Prices of Goods and Services

For conversion from lats to *euros*, the exchange rate established by the Council of European Union shall be used.

After the conversion from lats to *euros*, money shall be rounded off to the closest cent, taking into account the third digit after a comma:

- If the third digit after a comma is from 0 to 4, the value of the cent does not change;
- If the third digit after a comma is from 5 to 9, the cent shall be rounded up by one value.

Taking into account the mentioned above, when converting prices of goods and services, there shall be at least two digits after a comma indicated if the price which is being converted contains no more than two digits after a comma.

Example:

	Price in lats	<i>Price in euros before rounding-off</i>	Price in euros after rounding-off
1.	3.25 LVL	4.6243333 EUR	4.62 EUR
2.	5.06 LVL	7.1997313 EUR	7.20 EUR
3.	2 LVL	2.8457436 EUR	2.85 EUR

If after conversion the first two digits after a comma are zeros, price can be indicated in whole units, i.e. without digits after a comma.

Example:

	Price in lats	<i>Price in euros before rounding-off</i>	Price in euros after rounding-off
1.	2.81 LVL	3.9982697 EUR	4.00 EUR or 4 EUR

When converting a price of goods and services containing more than two digits after a comma (for example, fuel prices), to its value in *euros* there as many digits indicated as in the established price value of one unit in lats. In this case by rounding-off, one should take into account the next digit after the last digit to be left after a comma.

- If the next digit is from 0 to 4, the value of the last digit to be left does not change;
- If the next digit is from 5 to 9, the value of the last digit to be left shall be rounded up by one value.

Example:

	Price in lats	Price in euros before rounding-off	Price in euros after rounding-off
1.	0.969 LVL	1.3787627 EUR	1.379 EUR
2.	0.1819 LVL	0.2588203 EUR	0.2588 EUR

If until 31 December 2013 there is a round price of goods or services indicated (for example, 5 LVL), after the *euro* introduction day prices shall be indicated in compliance with the requirements for conversion:

Example:

<b>Incorrect</b>	
<del>Attendance of an exhibition 5 LVL      7 EUR</del>	<del>Attendance of an exhibition 7 EUR      5 LVL</del>

<b>Correct</b>	
Attendance of an exhibition 5 LVL      7.11 EUR	Attendance of an exhibition 7.11 EUR      5 LVL
or	
Attendance of an exhibition 4.92 LVL      7.00 EUR	Attendance of an exhibition 7.00 EUR      4.92 LVL

It should be noted that it is not so important which currency is indicated first on a price tag. Thus, businessmen are allowed to use the same price tag during the entire dual display period on condition that all requirements for price indications are fulfilled.

### **3. Price Indication of Goods and Services During the Period from 1 October 2013 to 31 December 2013**

During the period from 1 October 2013 to 31 December 2013 sellers and service providers are obliged to indicate price both in lats, and in *euros*.

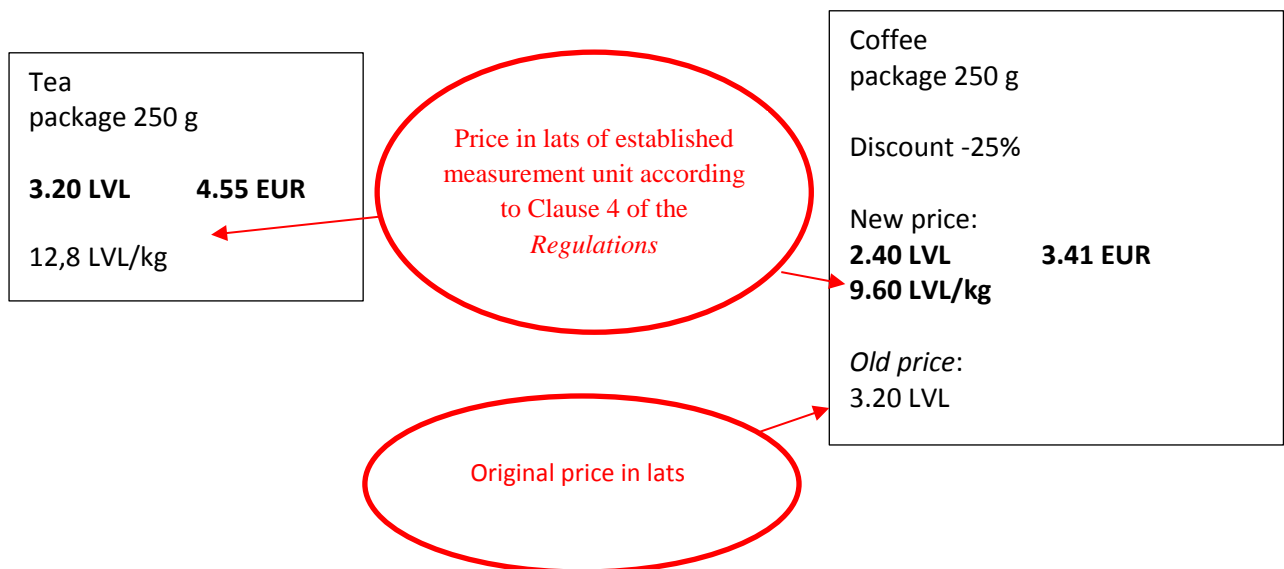
The final selling price of goods or services shall be obligatory indicated in the *euro* currency (i.e. price that should be paid by a consumer for goods or services).

Example:



During this period, price indication of established measurement unit and indication of original price in euros is not mandatory.

Example:



However, sellers and service providers have a right to indicate all prices in both currencies according to Clause 3 of the *Regulations*. In case when a businessman wants to use the same price tag during the entire dual display period, prices shall be indicated in such a way that all requirements for price indication are observed, namely all prices (for example, price, original price of established measurement unit and its price after reduction, etc.) shall be indicated in both currencies.

Example:

Tea package 250 g	Tea package 250 g
<b>3.20 LVL</b> <b>4.55 EUR</b>	Discount -25%
12.80 LVL/kg <b>18.20 EUR/kg</b>	New price:
	<b>2.40 LVL</b> <b>3.41 EUR</b>
	<b>9.60 LVL/kg</b> <b>13.64 EUR/kg</b>
	<i>Old price:</i>
	3.20 LVL <b>4.55 EUR</b>

For goods which are not packed and the amount of which is measured in the presence of a consumer on request, a price of established measurement unit shall be indicated also in *euros*.

Example:

Sugar
<b>0.85 LVL/kg</b> <b>1.21 EUR/kg</b>

Price of goods which are not packed and the amount of which is measured in the presence of a consumer on request according to Clause 13 of the *Regulations*

In cases when after weighting goods are marked with an informative label on which a price of particular amount of goods is indicated, sellers are entitled to indicate the price of this particular amount only in the primary currency.

If sellers and service providers offer special prices to regular customers (for example, regular customers, customers with loyalty cards, discount cards etc.), these prices also shall be indicated in *euros*.

Example:

TV set
<b>210 LVL</b> <b>298.80 EUR</b>
With customer loyalty card:
<b>190 LVL</b> <b>270.35 EUR</b>

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The final selling price shall be indicated for services (i.e., price that a consumer should pay for a service), but, if the final price of service is not known, there shall be a method indicated by which the price is calculated.

Example:

Attendance of a swimming pool	
<b>7 LVL</b>	<b>9.96 EUR</b>
Individual swim training:	
<b>14.75 LVL/h</b>	<b>20.99 EUR/h</b>

#### 4. Price Indication of Goods and Services During the Period from 1 January 2014 to 30 June 2014

During the period from 1 January 2014 to 30 June 2014, sellers and service providers are obliged to indicate price both in *lats*, and in *euros*.

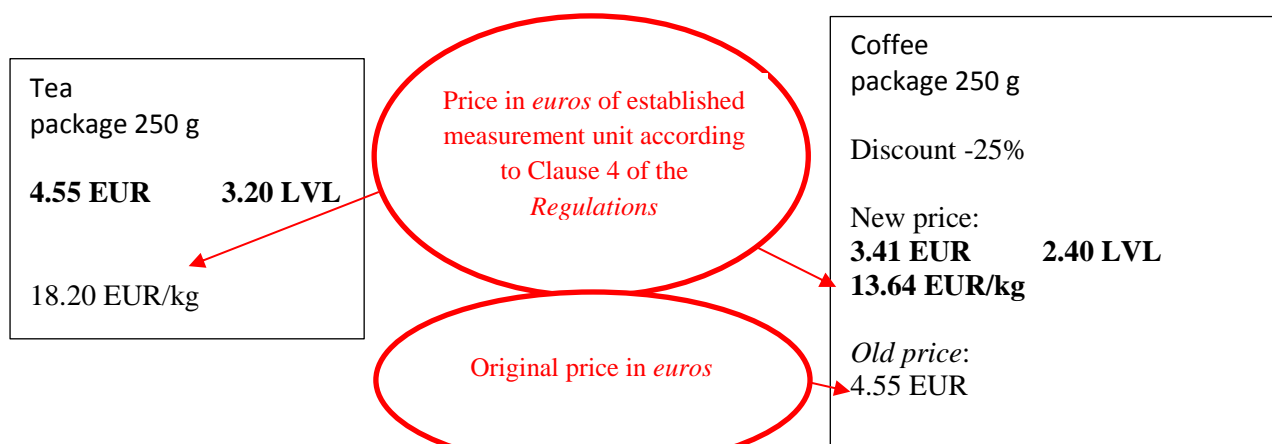
The final selling price of goods or services shall be obligatory indicated in lats (i.e. price that should be paid by a consumer for goods or services).

Example:



During this period, price indication of established measurement unit and indication of original price in *lats* is not mandatory.

Example:



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However, sellers and service providers do not have rights to indicate all prices in both currencies, observing Clause 3 of the *Regulations*. In case when a businessman wants to use the same price tag during the entire dual display period, prices shall be indicated in such a way that all requirements for price indication are observed, namely all prices (for example, price, original price of established measurement unit and its price after reduction, etc.) shall be indicated in both currencies.

Example:

Tea package 250 g
<b>4.55 EUR</b> <b>3.20 LVL</b>
18.20 EUR/kg <b>12.80 LVL/kg</b>

Coffee package 250 g
Discount -25%
New price:
<b>3.41 EUR</b> <b>2.40 LVL</b>
<b>13.64 EUR/kg</b> <b>9.60 LVL/kg</b>
<i>Old price:</i>
4.55 EUR      3.20 LVL

For goods which are not packed and the amount of which is measured in the presence of a consumer on request, a price of established measurement unit shall be indicated also in *lats*.

Example:

Sugar
<b>1.21 EUR/kg</b> <b>0.85 LVL/kg</b>

Price of goods which are not packed and the amount of which is measured in the presence of a consumer on request according to Clause 13 of the *Regulations*

In cases when after weighting goods are marked with an informative label on which a price of particular amount of goods is indicated, sellers are entitled to indicate the price of this particular amount only in the primary currency.

If sellers and service providers offer special prices to regular customers (for example, regular customers, customers with loyalty cards, discount cards etc.), these prices also shall be indicated in *lats*.

Example:

TV set		
<b>298.80 EUR</b>		<b>210 LVL</b>
With customer loyalty card:		
<b>270.35 EUR</b>		<b>190 LVL</b>

The final selling price shall be indicated for services (i.e. price which a consumer should pay for a service), but, if the final price of service is not known, there shall be a method indicated by which the price is calculated.

For example:

Attendance of a swimming pool		
<b>9.96 EUR</b>		<b>7 LVL</b>
Individual swim training:		
<b>20.99 EUR/h</b>		<b>14.75 LVL/h</b>

## 5. Particular Cases Regarding Price Indication of Services During the Dual Display Period

The requirements for dual display are applicable in cases when consumers are offered to purchase a service, however, the *Regulation* requirements are not related to information that should be provided within contractual relations (for example, about mutual payments, changes in the applicable charges, etc.). For example, in the field of electronic connections, the *Regulation* requirements are not related to notification of consumers about tariffs according to the requirements of other regulatory enactments, namely, sending of text messages after a consumer has crossed a border.

The *Regulation* requirements are not applicable to gambling in which a consumer takes part by paying a participation fee. To lottery tickets or coupons and playing cards for which price shall be indicated according to the *Law on Lotteries and Gambling*, Clause 22<sup>6</sup> of the *Regulations* is attributable, prescribing that price in the secondary currency, which is not displayed on the goods, shall be additionally indicated in special informative material during the entire dual display period. The informative material shall be easy available and usable for consumers before making a purchase.

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It should be noted that the *Regulations* do not oblige to indicate price on a ticket (for example, on public transport tickets or theatre tickets, etc.); therefore, for the fulfilment of the above mentioned requirements, in tickets trading places the prices of tickets can be indicated on a price list, price tag or in any other visually perceptible way. Thus, in tickets trading places for all kinds of tickets a printed price in the secondary currency, which is not displayed on goods, shall be indicated in special informative material during the entire dual display period. The informative material shall be easy available and usable for consumers before making a purchase. The informative material may contain several previously calculated prices in both currencies, so that it would not be necessary to change them, if selling price changes (except for cases when new selling price is not displayed in the previously prepared informative material).

For example, when offering for purchase gift cards for which sums were previously defined and which are displayed in the place visible for consumers, a businessman indicates values (or selling prices) of gift cards in writing in lats and in *euros* during the dual display period. The *Regulations* do not oblige to indicate the above mentioned information on a gift card itself; therefore, this information can be indicated on a price list, price tag or in any other visually perceptible way. However, in case when on a gift card there is a price in the primary currency indicated, the price of the gift card shall be additionally displayed in the secondary currency in special informative material during the entire dual display period. The aforesaid is not related to gift cards values of which are not previously defined, and a consumer can freely choose a value of a gift card or the values which are offered to consumers on request. It should be noted that the above mentioned explanation is also attributable to other kind of cards, for example, calling cards, etc.

Requirements for the dual display of prices are not applicable to prices of services which already from 1 October 2013 are indicated for customers in other currency than lats.

For complex services (for example, complex tourism services) only the final price of a service shall be indicated in both currencies, i.e. prices for separate components of services can be indicated only in the primary currency, but the final price that should be paid by a consumer shall be indicated in both in the primary, and in the secondary currency.

For individual services the price of which is formed according to data/information provided by a consumer, only the final price of goods shall be indicated in both currencies, i.e. prices for separate components of a service/ price components shall be indicated only in the primary currency, but the final price that should be paid by a consumer must be indicated both in the primary, and in the secondary currency.

## **6. Price Indication of Goods and Services by the Conduct of Distance Selling During the Dual Display Period**

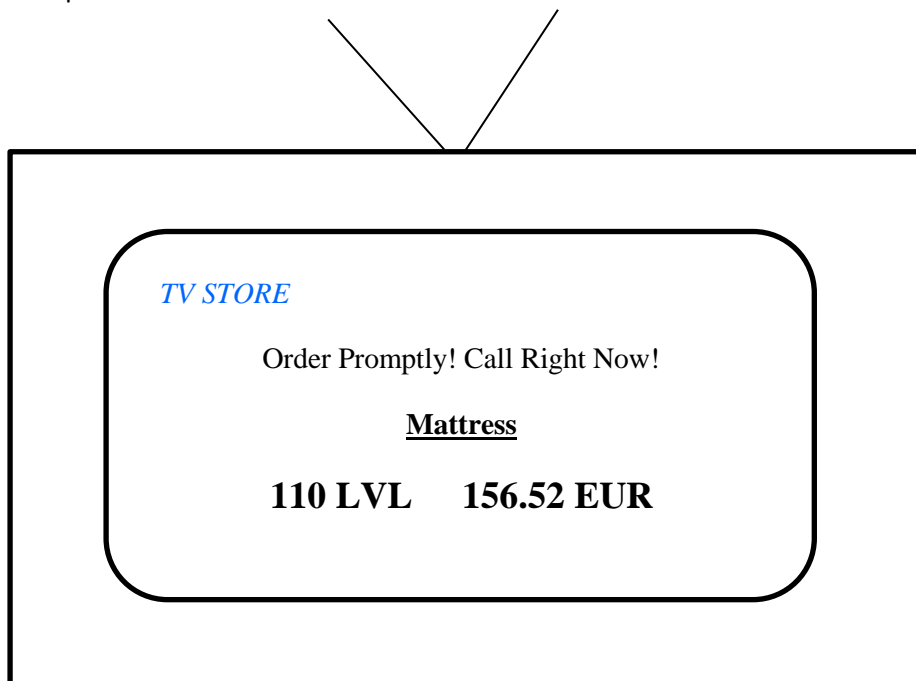
During the dual display, the requirements are also applicable to distance selling, for example:

- in catalogues;
- on TV;

- in Internet stores.

Thus, the final selling prices of goods and services shall be indicated both in lats, and in euros.

Example:



In electronic environment (Internet stores, including on the portals of collective purchasing, etc. portals) when indicating prices of goods and services, for their dual display a currency conversion calculator can be used according to Clause 22<sup>5</sup> of the *Regulations*. In this case the calculator shall be easily accessible and usable for a consumer, so that a consumer could easily find it on a home page (it is not “hidden”) and use it. Thus, when choosing to indicate prices of goods or services using a currency calculator according to Clause 22<sup>5</sup> of the *Regulations*, a businessman provides easy accessibility (visibility) of the calculator and its usage on each home page where prices are indicated.

If there are any questions or uncertainties regarding the *Regulations* and the application of these Guidelines, please write to the Consumer Rights Protection Centre on e-mail: [ptac@ptac.gov.lv](mailto:ptac@ptac.gov.lv) or call: 67388646 or 67388639.