



Consumer Protection Agency

# Highlights on the updated Consumer Protection Law of Egypt

April 2014

# The new CPL is an offspring of the EU-Egyptian Institutional Twinning project

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- ▶ The CPA has succeeded to draft a new consumer protection law that we have worked on for two years with the Twinning project European legal experts. The **amended Consumer Protection Law and Executive Regulations**, come in line with EU consumer rights and legislation, but adjusted to Egyptian needs

# Definitions

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➤ A “Consumer” is updated to include:

“Any natural person offered a product to satisfy a personal or family need or treated as or being contracted as a client. Also small traders and artisans in their capacity of as owners of micro enterprises whose capital does not exceed five thousand pounds.

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- ▶ An “Advertiser” is updated to include “Anyone or any company advertising for a good or service, or promoting personal services in any written, printed, visual, audio, electronic or / and otherwise.

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▶ Distant Sales is defined as

Any activity of selling, purchasing, marketing, and supplying of goods or services' through the Internet or any other means of communication, either audio, or visual or print, or phone or any other means.

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- ▶ An unfair contract term is defined as: each contract clause between the supplier and the consumer set as a purpose or effect that shows any deficiency at the level of the consumer rights and duties.

# New Additions to the Consumer Protection Law of Egypt

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- ▶ The new three consumer rights discussed at Consumer Protection organizations and proposed to the UNCTAD are added to the new CPL of Egypt:
  1. The right to be protected while using distance sales.
  2. The right to be protected while using financial services.
  3. The right to be protected while using international/cross border sales as per the CP international agreements.

## The responsibilities of the CPA are enhanced to include:

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1. Receive all type of complaints relating to Consumer protection.
2. Provide technical support to the governmental ministries on consumers' complaints.
3. Support and review NGOs activities in the field of CP.
4. Co-operate with the regulatory agencies to regulate the market and prevent any violations of the provisions of the CP law.



## The capacity of the CPA is enhanced to have:

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1. 25% of the fines that are decided by a court verdict
2. 50% of reconciliation fees fines that are decided by a court verdict
3. 0.5% of the value of the sales tax.
4. Fees for the inspection, certification and technical examination required for complaints handling,
5. The revenue of any other activity implemented as a result of its services or the services rendered by others.

# Regulating Advertisements and Information

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1. The Supplier or the Advertiser shall not be entitled to undertake any act of prejudice or damage the personal dignity, religious values, public order or traditions while advertising goods or services.
2. The Supplier shall comply with the regulations of health, safety and quality standards according to the Egyptian standards of all products, and shall offer the product for trade in the markets at a fair and competitive price.

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3. The Supplier shall provide correct information on the Product labels, namely the origin, specs, price, function of all products, as well as conditions and precaution of use, procedures of contracting, warranty period and method of obtaining it, and any other information outlined in the Executive Regulations of this Law.
  
  4. The Supplier shall indicate the price of goods and services all inclusive of handling fees, taxes and duties according to the provisions of the Law

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5. Advertisement may not be carried out on any Product except after obtaining a license from the competent authority outlining that the said product abides to the Egyptian standards issued in this respect.
  6. The Consumer Protection Agency shall grant license for contests with prizes.

# Refund, replace, return and recall

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- ▶ The Supplier shall be responsible for any damage caused by the product if an injured consumer proves the damage resulted of a defect at the product design, installation, components, storage, packaging, handling, displaying usage.
- ▶ Supplier shall within a maximum period of seven days upon the discovery of any defect and potential harm resulting from using the product.
- ▶ The consumer, has the right within thirty days (it was 14 days earlier) to replace or return the product and recollect its value if it proves defective or unsuitable for the purpose it is purchased for.

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- ▶ The guarantee covers all expenses of installation, operation and inspection, repair and original spare parts and travel of technicians as well as the transport of machinery in case of maintenance.

# Distance sales

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- ▶ The consumer has the right to preview the product before contracting the supplier.
- ▶ The consumer has the right to return the product purchased within a distance sale transaction during 3 days and receive full refund.
- ▶ All information of the product and the supplier should be clearly presented.

# Independent vocational services (previously non-licensed)

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- ▶ Independent vocational service-providers should acquire a license to practice their profession from the competent authority.
- ▶ Details of the business agreed upon with the consumer, price, implementation, materials, and duration should be stated in a contract.



# Regulating sales of used commodities

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- ▶ The Supplier indicate to the consumer the real condition and defects of a used commodity
- ▶ In the case of used cars , the supplier shall provide the consumer with a technical report stating defects at a licensed car service center.
- ▶ In case a proven defect is shown after sales the supplier and the car service center are held responsible.

# The receipt is obligatory

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The Supplier shall provide a receipt to confirm the reservation of a product including its description and specifications, full price, date and place of delivery, manner of cancelling the reservation and any other information outlined by the Executive Regulations of this Law..

# Penalties

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If a sale proved to endanger or harm consumers health or / and safety penalty would include

- ▶ Imprisonment for not less than one year and not more than seven years and a fine of not less than twenty-five thousand pounds and not exceeding five hundred thousand pounds,
- ▶ If a violation of the CPL resulted in causing permanent disability, the penalty shall be imprisonment and a fine of not less than twenty-five thousand pounds and not exceeding five hundred thousand pounds, or the equivalent value of the item object of the crime,
- ▶ whichever is higher,

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- ▶ If death is caused the penalty shall be rigorous imprisonment and a fine of not less than fifty thousand pounds and not exceeding five hundred thousand pounds, or the equivalent value of the item object of the crime, whichever is higher.
  - ▶ In case CPA market surveillance staff are prevented from doing their job, person at fault shall be punished by imprisonment for a term not exceeding one year and / or a fine not less than five thousand pounds and not exceeding five hundred thousand pounds or either of

# Non-governmental organizations

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Currently NGOs are entitled to:

- ▶ Take to court any violating supplier or producer or trader
- ▶ Conduct surveys and compare prices and quality of products
- ▶ Review advertisements and report to relevant authorities any violations therein.
- ▶ provide information to government bodies on market issues and make proposals
- ▶ Receive consumer complaints and solve them amicably legal action to protect their rights and interests .
- ▶ Raise public awareness of consumer issues

# New roles added to NGOs

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1. Right to establish technical laboratories or use accredited laboratories for product testing or comparative testing.
2. Right to provide consultancy and advice to consumers and establish counseling centers for that reason in various cities and provinces .

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**Thank you for your attention**