

Legal Alert

Proposal for new pricing act—making life easier for retailers

April 2014

Work is underway in the Polish Parliament on a government bill proposing adoption of the Act on Information about Prices of Goods and Services, which would replace the Prices Act of 5 July 2001. The bill is designed to soften the informational requirements imposed on businesses.

The legislative initiative in this area is part of the government's deregulation policy, which seeks to free businesses from unnecessary legal encumbrances. The new pricing bill is also part of a broader set of changes in consumer law in Poland, as work on a new Consumer Rights Act is underway at the same time.

Most important changes

• Relief from the duty to tag prices

Art. 4 of the bill (comparable to Art. 12 of the current act) does not carry over the distinction between "marking the product with the price" and "displaying the price." Thus the requirement to place the price on specific goods or unit packages would be abolished. According to the justification for the proposal, the current rules require additional labour and thus result in higher prices, while at the same time increasing the risk of errors in price labelling. Under the bill, retailers would be required only to display the price at the point of sale in a manner that clearly indicates the given product, does not cause confusion, and enables a comparison with other products.

• Price discrepancy in favour of the consumer

The bill would introduce a new provision giving a consumer the right to demand the more favourable price if there is a discrepancy or doubt concerning the price offered. Significantly, this does not require the retailer to sell the item at the more favourable price, but only provides the consumer with grounds to demand the better price.

• Abandonment of the concept of "amount unduly charged"

The bill does not include the concept of an "undue amount" and an obligation to refund it in the case of use of prices or mark-ups differing from official prices or mark-ups. This would mean elimination of the administrative sanction in the of a payment of 150% of the undue amount if a business fails to reimburse an amount improperly charged to a buyer or pay such amount to the state budget.

• New system of fines for failure to display prices

The bill proposes new sanctions for failure by retailers to comply with the requirement to display prices. Under the proposal, this would no longer be treated as a petty offence, thus repealing Art. 137 §1 of the Petty Offences Code. In place of the current criminal fine of up to PLN 1,500 or reprimand, the bill would introduce an administrative fine of up to PLN 20,000, to be imposed by trade inspectors. If a retailer were caught not properly displaying prices three or more times within one year, it could be charged a fine of up to PLN 40,000. Under Art. 7 of the bill, such fine would have to be paid within 7 days after the decision to impose the fine became legally final. However, a literal interpretation of this provision leads to the conclusion that this is merely an instructive deadline, because interest would not be charged if the fine were not paid on time.

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