

OBSERVATOIRE DES ACTIONS DE GROUPE et autres Actions Collectives

Latvian implementation of the Representative Actions Directive

Title: Law of 14 September 2023 amending the Consumer Rights Protection Law (and Law of 14 September 2023 amending the Law on Civil Procedure)

published 2 October 2023 and entered into force on 15 October 2023.

Transposition of the RAD has been achieved through amendments to the Consumer Rights Protection Law and the Civil Procedure Law. Previously, there was no collective claim mechanism established in the national system. The Latvian implementation allows consumer collective claims, including for cross-border violations. Compensation is available for damage, through specified measures, such as repair, price reductions, or refunds.

The qualified institutions (public or private) eligible to bring actions must ensure that the decisions of the qualified institution in relation to a consumer class action, including settlement decisions, are not unduly influenced by a third party in a manner that would prejudice the collective interests of the consumers who are the subject of that action. At least 5 individuals are needed to initiate a claim, while there is a 14-day limit in out-of-court actions (for cessation/injunction), during which a trader may rectify matters to satisfy the claim.

Opt-in is used, as consumers must express consent to be represented. However, the Qualified Entity does not have to obtain consent in order to carry out all steps of the procedure. Consumers must give unequivocal consent for the conclusion of settlements.

In addition, the text ensures that Qualified Entities' consumer class actions and settlement decisions are not unduly influenced by a third party in a manner that would prejudice the collective interests of the consumers affected.

Consumers are not obliged to pay the costs of litigation in a consumer class action on the basis that the qualified institution is the claimant.

For official texts: <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:202305427;</u> <u>https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=NIM:202305425;</u> <u>https://likumi.lv/ta/id/345945</u>

Un regard comparatiste et pluridisciplinaire

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