

Retail trade of non-food products

Published: 21.09.2020.

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The principles of fair cooperation of non-food retailers with suppliers are specified in [the Prohibition of Unfair Trading Practices Law](#).

Nature of the Law

For a retailer having significant influence on trade of non-food products, it is forbidden to:

directly or indirectly request a supplier to pay for or otherwise compensate conclusion of agreement, unless such payments are justified by the fact, that the agreement is concluded with a new supplier, which has to be assessed specifically;

directly or indirectly request a supplier to pay for the location of the goods at the point of sale, including on the shelves of the point of sale, unless the non-food retailer has entered into a written agreement with the supplier to pay for additional layouts in special locations;

request a supplier to compensate retailer's costs related to arrangement of new stores or renovation of old stores, including any requests for making unfair and groundless payments for delivery of goods to the newly-opened retail trade place;

request a supplier to take back the unsold goods, except low-quality goods and new goods that are unknown to consumers and where the supplier has been the initiator of delivery or increase of quantity of delivered goods, as well as goods whose acceptance is proposed by the supplier to impose unfair and unjustified sanctions for breach of contract.

Retailer with a significant influence on the trade of non-food products- performer or several performers of economic activity which sells non-agricultural and non-food goods at a permanent point of sale and who, considering their procurement power for a sufficiently long period of time and dependence of suppliers on the particular market, can directly or indirectly impose or enforce unfair and groundless rules, conditions or payments to suppliers, and prevent, restrict or deform retail trade competition on any particular market of non-food products in the territory of Latvia.

Terms for investigation of infringement by the Competition Council

≤ 6 months from the date of case initiation

≤ 1 year from the date of case initiation - if it is impossible to make a decision within six months due to objective reasons

≤ 2 years from the case initiation - if lengthy finding of facts is required in the case

Fine

up to 0.2% from the retailer's net turnover in the previous financial year (but not less than 70 euros)

coercive penalty up to 2% of net turnover of the previous financial year -if the retailer fails to fulfil legal obligations imposed by the authority (but not less than 70 euros for each calendar day until the retailer fulfils its legal obligation)

Warning

The Competition Council, when assessing the circumstances of the infringement, the nature of the infringement and other circumstances relevant to the case, is entitled to replace the decision on the fine with a warning. The warning shall indicate the person responsible for the infringement and the nature of the infringement, and the warning shall be published in accordance with the procedures specified in the Competition Law for the publication of decisions.

The procedures for calculating fines have been stipulated by Cabinet Regulations [‘Procedures for the Determination of Fines for the Violations Provided for in Section 11, Paragraph one, Section 13 and Section 14.1 of the Competition Law and Sections 5, 6, 7 and 8 of the Unfair Retail Trade Practices Prohibition Law’](#) No. 179.

Appeal of a decision adopted by the Competition Council

A decision may be appealed at the Administrative Regional Court within one month from the moment of coming into force of decision.

A judgment of the Administrative Regional Court may be appealed by submitting a cassation claim to the Department of Administrative Cases of the Senate of the Supreme Court.

Rights and obligations of procedure participants

A procedure participant shall be entitled to:

- submit evidence, provide explanations

- initiate, that the Competition Council grants the status of restricted access information to the information to be provided ([more information here](#))

- become acquainted with the case materials and express own opinion according to the procedure determined in regulatory enactments

- appeal decisions of the Competition Council

A procedure participant shall be obliged to:

- provide the requested information (also information containing commercial secret) according to the specified term, amount and type of provision of such information

- submit evidence at its disposal and notify the Competition Council of any facts known to the procedure participant, which may be significant in the particular case.

Administrative liability is imposed for non-provision of information at person's disposal to the Competition Council upon request of the authority and according to the specified term and amount, for provision of false information, and non-enforcement of decisions adopted by the Competition Council or legal requests of officials of the Council.

<https://www.kp.gov.lv/en/retail-trade-non-food-products>