

## **LEGAL ALERT**

## PROTECTION OF CONSUMER RIGHTS AND INTERESTS LAW

July 27, 2021



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Law no. 12/88/M of 13 June (Defense of the Consumer) has had a crucial role in granting a proper legal protection to the rights and interests of the consumer, further creating the Consumer Council, a public institute dedicated to the protection of consumer's rights and interests. With the rapid evolution of the economy in Macau, the previous legal framework needed an adequate modernization, by reflecting recent developments (such as the purpose of enhancing cooperation with Mainland China and the European Union) and duly mitigate any consumer-related disputes. As such, Law no. 9/2021, of 12 July (the "Law"), will come into force 1 January 2022, encompassing the following main features:

- The Law will have its primary impact on the **retail sector**, as it is applicable to legal relationships pertaining to the provision of goods and services, between merchants and consumers.
- The consumer's **right to information** was majorly changed in the Law: the information provided should be presented in a clear, exact and adequate form, regarding the goods and services, including information on the merchant (including its identification and contacts), the characteristics, price and conditions of payment of the good or service, delivery of the good or service, complaint procedure, Consumer Council's contacts, among other things. Concurrently, the merchant, as well as the manufacturer, importer, distributor and other suppliers, have the respective duty to inform. The information should be provided in Chinese and Portuguese, or Chinese and English, if it concerns an imported product.
- The Law warrants that the consumer has the right to be provided goods and services that are in compliance with health and safety criteria. In addition, the consumer has the right to have quality goods and services, in accordance with the legitimate expectations of the consumer.
- The Law has introduced the merchant's obligation to assure to the consumer proper post-sale assistance. Additionally, the merchant shall not make the provision of goods and services dependent on the mandatory purchase of certain goods or services. The consumer should not be compelled to pay for the good or service that were not requested, or that are not necessary to conclude a valid contract. Moreover, the Consumer Council may investigate and intervene, in the event the prices of the goods or services are in a situation of high fluctuation or are unjustifiably high.
- Pursuant to the Law, the consumer may request a receipt which shall serve the purpose of proof
   of purchase, that shall indicate in a clear manner the main information that identifies the merchant

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and the good or service provided, as well as the date of transaction, price of each good or service provided.

- The Law foresees the **right to indemnity**: whenever the consumer acquires a defective good or service, or whenever the defects have caused physical or equity loss.
- Misleading or aggressive commercial practices are now exemplified in the Law.
- The Law introduces a specific regime for different contracts, intending to provide a more rigorous
  criteria of conformity of such goods and services to the specific contracts: Contract for the provision
  of consumer goods; Contract for the provision of services to the consumer; Distance contracts; Prepayment contracts.
- The Law allows for institutionalized mediation (instead of judicial resolution) to resolve potential conflicts.
- The Consumer Council's competences were strengthened with the Law and should be able to supervise and impose sanctions to merchants who breaches the provisions of the Law.
- The Law foresees different sanctions depending on the type of offence to the Law, with fines ranging from MOP 2,000 to MOP 60,000.

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