

No. 366  
15. April 2008

## RULES

### **on sales or other retail activities where goods are sold at a reduced price.**

#### Art. 1.

##### *Scope.*

These rules pertain to sales or other kinds of retail activities, i.e. special offers, rebate sales or other similar kind of selling methods which imply that the regular price of goods and services is being reduced for a certain period of time.

#### Art. 2.

##### *Lowered price.*

In advertisements, as well as at the point of sale, including online internet sales, it shall be clearly defined which goods or services are being sold at a reduced price.

When goods or services have been sold at a reduced price for six weeks the lowered price shall be considered as the regular price.

#### Art. 3.

##### *Former price.*

When goods and services are being advertised at a lowered price, the former price shall then be the price at which the goods were sold prior to the lowering of the price. The retailer shall be able to prove that the goods or services have been sold at the price which is being presented as the former price.

#### Art. 4.

##### *Percentage rebates.*

When a percentage rebate is given it shall be based on the former price. The percentage price reduction shall be stipulated as well as the former price. Should the price of goods and services be further reduced while the sale or another kind of retail activity is still going on, cf. Art 1., then it shall be made clearly apparent whether the increased rebate has been calculated based on the original price or the reduced price. Should further reductions be given after the sale has lasted six weeks, then the former sales price shall be considered as the former price cf. Articles 2. and 3.

#### Art. 5.

##### *Promotional- or opening offers.*

When a promotional- or opening offer is being advertised, the rebate shall be real i.e. after the lapse of a certain period of time the price of the goods or services will again rise. Both the regular price as well as the promotional- or opening price shall be stipulated.

#### Art. 6.

##### *Clearance sales.*

A clearance sale shall only be advertised as long as it's linked to the closing down of the shop or if the business is discontinuing the retailing of a particular kind of goods. Clearance sales shall not last for extended periods of time and if they only cover a limited range of goods then that shall be clearly

spelled out in the advertisements and the good be kept separately from other goods. Goods which have been on offer at clearance sales shall not be sold later at a full price.

As far as the displaying of prices at clearance sales are concerned, the same rules apply as to lowered prices.

Seasonal products do not fall under the rules of 1. paragraph, Nr. 366 15. April 2008

Art. 7.

*Bonuses.*

When a special offer comprises a bonus purchase, it shall be prohibited to use words such as “gift” or “free of charge” about the bonus purchase item provided the bonus purchase entails that the consumer is paying for other goods or services. +

Art. 8.

*Limited quantity.*

It is prohibited to advertise limited amount of goods unless it's specified what amounts of the goods are available to the consumers.

In a special offer, if limited amounts of merchandise are not advertised, then it shall be available to the consumers in such quantities as can be assumed to be sufficient in order to last for the duration of the special offer, given the amount of turnover in that particular category of goods and commerce.

The clause of the second paragraph does not apply to sales or to close of business sales.

Art. 9.

*Advertisement error.*

Should an error about a reduced price occur in an advertisement, then it shall be corrected as soon as possible. The correction shall be directly proportionate to the marketing effort of the goods and services. The error shall also be corrected in a clearly visible manner at the point of sale and on the advertiser's website.

Art. 10.

*Price protection.*

The term price protection implies a conditional promise by the retailer that if the buyer can demonstrate that the same goods are available at a lower price from another retailer, then the price difference will be refunded to him.

If a retailer offers price protection, then he shall be required to regularly conduct market price studies and to adjust his own price accordingly.

It shall be clearly apparent from the advertisement as well as in the shop what the time limits of the price protection are.

Art. 11.

*Sanctions.*

Breaches of these rules involve sanctions cf. chapter V. of the law concerning the surveillance of unfair trade practices and market transparency No. 57/2005.

Art. 12.

These rules have been set with authorization in Articles 17. and 18. of the law concerning the surveillance of unfair trade practices and market transparency No. 57/2005. The rules enter into effect upon their publication and at that time, rules No. 328/2008 will be rescinded.

*The Consumer Agency, 15. April 2008.*

**Tryggvi Axelsson.**