

Competition and Consumer Protection Service (CCPS)
Ministry of Commerce, Industry and Tourism of Cyprus

Biennial Report
(Article 21 of Regulation (EC) 2006/2004)

1. Introduction

The Competition and Consumer Protection Service (“the CCP Service”) of the Ministry of Commerce, Industry and Tourism of Cyprus has the honour to submit, pursuant to article 21 of the Regulation (EC) 2006/2004, the following report on the application of this Regulation for the 24-month period from 1 January, 2009 to 31 December, 2010.

2. Administrative set up

I. Competent Authorities under the Consumer Protection Cooperation (CPC) Regulation

The **CCP Service** has been designated by the Council of Ministers as the CPC Single Liaison Office of Cyprus. The CCP Service has also been designated as the Competent Authority responsible for the enforcement of the following eleven (12) out of fifteen (15) European Directives and one (1) Regulation embodied within the CPC Regulation:

1. Directive no. 84/450/EEC relating to the approximation of the laws, regulations and administrative provisions of the Member States concerning misleading advertising.
2. Directive no. 85/577/EEC to protect the consumer in respect of contracts negotiated away from business premises.
3. Directive no. 87/102/EEC for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit (this Directive has been repealed on 11/6/2010 by the Directive no. 2008/48/EC on consumer credit).
4. Directive no. 90/314/EEC on package travel, package holidays and package tours.
5. Directive no. 93/13/EEC on unfair terms in consumer contracts.
6. Directive no. 94/47/EC on the protection of purchasers in respect of certain aspects of contracts relating to the purchase of the right to use immovable properties on a timeshare basis.
7. Directive no. 97/7/EC on the protection of consumers in respect of distance contracts.
8. Directive no. 97/55/EC amending Directive No. 84/450/EEC concerning misleading advertising so as to include comparative advertising.
9. Directive no. 98/6/EC on consumer protection in the indication of the prices of products offered to consumers.
10. Directive no. 1999/44/EC on certain aspects of the sale of consumer goods and associated guarantees.
11. Directive no. 2002/65/EC concerning the distance marketing of consumer financial services.
12. Directive no. 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market.

The [Trade Service of the Ministry](#) of the Commerce, Industry and Tourism has been designated as the Competent Authority responsible for the enforcement of the European Directive no. 2000/31/EC on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce).

The [Cyprus Radio Television Authority](#) has been designated as the Competent Authority responsible for the enforcement of the European Directive no. 89/552/ECC.

The [Department of Civil Aviation of the Ministry \(DCA\)](#) of the Ministry of Communication and Works has been designated as the Competent Authority responsible for the enforcement of the European Regulation (EC) no. 261/2004 establishing common rules on compensation and assistance to air passengers in the event of denied boarding and of cancellation or long delay of flights.

The [Drugs Council](#) has been designated as the Competent Authority responsible for the enforcement of the European Directive no. 2001/83/EC on the Community code relating to medicinal products for human use (Articles 86 to 100).

The [Office of the Commissioner for Personal Data Protection \(OCPDP\)](#) has been designated as the Competent Authority responsible for the enforcement of the European Directive no. 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications: Article 13).

II. Powers, recourses or responsibilities of Competent Authorities responsible for the European Directives and national consumer legislation

All abovementioned CPC Competent Authorities are responsible for the creation of a competitive environment throughout the domestic market and the effective protection of health and economic interests of consumers.

A. The [CCP Service](#) is the competent government service responsible for the enforcement of the consumer protection laws aiming at safeguarding consumer interests. The main powers of all [CCP Service's](#) Competent Authorities are either to apply to the Court for the issuing of a prohibitory or mandatory order, including an interim order, or to impose an administrative fine with regard to the transgressions of the above eleven above mentioned (11) consumer protection legislations. Where the CCP Service considers that there is a transgression of the law, it may, if it deems to be necessary, apply to the District Court for the issuing of a prohibitory or mandatory order against any physical or legal person who, according to the Court's opinion is liable for the transgression of any legislation.

B. The [Promotion of Services and Electronic Commerce Section of the Trade Service](#) of the Ministry of Commerce, Industry and Tourism is responsible for the adoption of the legal framework on certain aspects of information society services, in particular electronic commerce (Law 156(I)/2004). The Trade Service is also the Competent Authority for the Consumer Protection Cooperation for issues concerning the proper functioning of the Internal Market and electronic commerce between Member States in particular. The main responsibilities of the Trade Service regarding the implementation of CPC Regulation are the following:

- Market surveillance and investigation on information society service providers (on its own initiative or after a consumer complaint).

- Investigating alert cases received via the CPC System, especially when the alert involves a service provider registered in Cyprus.
- Exchanging of information with other Competent Authorities of other EU Member States in order to establish whether an intra-Community infringement has been occurred.

In case of non-compliance of the national legal framework by an information society service provider, the Trade Service can apply to Court for the issuing of a prohibitory or mandatory order, including an interim order.

C. The Cyprus [Radio Television Authority \(CTR Authority\)](#) is a regulatory body being established under the Radio and Television Stations Law. It is composed of the Chairman, Vice-Chairman and five members, appointed by the Council of Ministers for a six-year term. The CTR Authority is concerned with private radio and television stations broadcasting in Cyprus. The responsibilities of the Authority encompass the following:

1. Issuing and renewing broadcasting licenses for radio and television.
2. Monitoring the ownership of radio and television stations so as to avoid media concentrations, monopolies and oligopolies and ensure pluralism.
3. Monitoring the content of radio and television programmes to ensure compliance with the Radio and Television Stations Law and Regulations, by broadcasters.
4. Safeguarding the editorial independence of media professionals from any kind of pressures and interferences.
5. Ensuring the equal treatment of political parties, particularly during pre- election periods.
6. Monitoring international developments in the media field and making proposals and/or suggestions for amendments of legislation to the Council of Ministers, in order to achieve compliance with the European Legal Framework.
7. Examining complaints about the content of radio and television programmes and commercials.
8. Examining breaches of the law and regulations and of the code of conduct by broadcasters, and imposing sanctions, which include recommendations, warnings, fines and the suspension or withdrawal of licenses.
9. Issuing circulars and directives regarding observance of the code of journalistic conduct.

The CTR Authority appoints a consultative body - the Radio-Television Advisory Committee, which reflects public opinion, the views of government services and various interested organizations and associations, and the positions of private radio and television broadcasters.

D. The [Department of Civil Aviation \(DCA\)](#) has the authority to recommend to the Ministry of Communications and Works the imposition of fines on wrongdoers concerning the application of the European Regulation no. 261/2004. The relevant Regulation in Cyprus which designates the Department as the enforcement body and the procedure to be followed is Regulatory Administrative Order 283/2005.

Under Article 16 of the Regulation no. 261/2004, the Department of Civil Aviation forwards complaints to the relevant National Enforcement Body (NEB). The Department of Civil Aviation in turn receives complaints from other NEB's concerning flights departing from Cyprus. The established procedure on how to handle a complaint, as was agreed in the various meetings of

Directorate-General for Mobility and Transport (DG MOVE) of the European Commission is quite satisfactory.

The [Department of Civil Aviation](#) has an enforcement team of three officers which handles passenger complains according to the European Regulation no. 261/2004.

E. The [Drugs Council](#) is the competent authority for the implementation of the provisions of the Medicinal Products for Human Use (Control of Quality, Supply and Prices) Law 70(1)/2001 as amended that regulates human medicinal products. The said Law harmonises the provisions of the European Directive no. 2001/83/EC.

According to the abovementioned Law, the responsibilities of the [Drugs Council](#) include the enforcement of the relevant provisions regarding the advertisement of medicinal products. Section 97 of the Law provides for sanctions in the form of administrative fines up to €40.000 for breaches of the Law relating to the advertisement of human medicinal products.

The Director of Pharmaceutical Services is the Registrar of the Drugs Council. The secretariat support to the Drugs Council is provided by the Pharmaceutical Services of the Ministry of Health.

F. The [Office of the Commissioner for Personal Data Protection \(OCPDP\)](#) is an independent competent authority responsible for granting the licences provided by the law, for maintaining the relevant register, for issuing guidelines, rules and recommendations, for conducting administrative investigations, for imposing fines for transgressions of the law, for deciding on any rules concerning the processing and protection of personal data and for cooperating with the Data Protection Authorities of the EU Member States and with the Council of Europe. The OCPDP's functions encompass the supervision of the enforcement of the law concerning the protection of personal data, the inspections of filing systems and the investigation of complaints.

National Legislation	Competent National Authorities
<ol style="list-style-type: none"> 1. Law 92(I) of 2000 on misleading advertising 2. Law 13(I) of 2000 on contracts negotiated away from business premises 3. Law 39(I) of 2001, 161(I) of 2001 and 34(I) of 2002 on consumer credit (repealed on 19/11/2010 by Law 106(I) of 2010 on consumer credit) 4. Law 51(I) of 1998 and 23(I) of 1999 on package travel, package holiday and package tours 5. Law 93(I) of 1996 on unfair terms in consumer contracts 6. Law 113(I) of 2001 on timesharing 7. Law 14(I) of 2000 on distance contracts 8. Law 98(I) of 2007 on misleading advertising 	<p style="text-align: center;">Competition and Consumer Protection Service (CCPS)</p> <p style="text-align: center;">Ministry of Commerce, Industry and Tourism</p> <p style="text-align: center;">6A Andreas Araouzos Street CY-1421 Nicosia, CYPRUS</p> <p style="text-align: right;">Tel: +357 22867100 Fax: +357 22375120 www.mcit.gov.cy</p>

<p>so as to include comparative advertising</p> <p>9. Law 112(I) of 2000, 119(I) of 2005 and 136(I) of 2005 on the indication of prices of products offered to consumers</p> <p>10. Law 7(I) of 2000 and Law 90(I) of 2007 on sale of consumer goods and associated guarantees</p> <p>11. Law 242(I) of 2004 concerning the distance marketing of consumer financial services</p> <p>12. Law 103(I) of 2007 concerning the unfair commercial practices</p>	<p>Competition and Consumer Protection Service (CCPS)</p> <p>Ministry of Commerce, Industry and Tourism</p> <p>6A, Andreas Araouzos street CY-1421 Nicosia, CYPRUS</p> <p>Tel: +357 22867100 Fax: +357 22375120 www.mcit.gov.cy</p>
<p>13. Law 156(I) of 2004 on electronic commerce</p>	<p>Trade Service</p> <p>Ministry of Commerce, Industry and Tourism 6A, Andreas Araouzos Street CY-1421 Nicosia - CYPRUS</p> <p>Tel: +357 22867100 Fax: +357 22375120 www.mcit.gov.cy</p>
<p>14. Law 7(I) of 1998 on broadcasting activities (Audiovisual Media Services)</p>	<p>Cyprus Radio Television Authority</p> <p>32, Nikis Avenue, CY-1086 Nicosia - CYPRUS www.crta.org.cy</p> <p>Tel.: +357 22512468 Fax: +357 22512473</p>
<p>15. Law 70(I) of 2001 on Medicinal Products for Human Use (Control of Quality, Supply and Prices)</p>	<p>Drugs Council</p> <p>7, Larnacas Avenue, CY-1475 Nicosia - CYPRUS www.moh.gov.cy</p> <p>Tel.: +357 22407103</p>
<p>16. European Regulation No. 261/2004 concerning denied boarding and cancellation or long delay of flights</p>	<p>Department of Civil Aviation</p> <p>27 Pindarou street, CY-1062 Nicosia - CYPRUS www.mcw.gov.cy</p> <p>Tel.: +357 22 404104</p>
<p>17. The Processing of Personal Data (Protection of Individuals) Law 2001 (Law 138(I)/2001)</p>	<p>Office of the Commissioner for Personal Data Protection</p> <p>1, Iasonos street, 2nd Floor, CY-1082 Nicosia - CYPRUS www.dataprotection.gov.cy</p> <p>Tel.: +357 22818456</p>

I. National experience in setting up the CPC network

In order to accomplish the CPC Enforcement Action Plans for the years 2009 and 2010 and in guaranteeing the effective application of the Consumer Protection Cooperation Regulation, particularly through cooperation in enforcement actions, several measures were taken by the Single Liaison Office (SLO) of Cyprus aimed at enhancing the cooperation between the CPC Competent Authorities, including the co-organization of seminars and conferences with other Member States for the enforcement personnel. In this way, the consumers trust in cross border purchases has been greatly strengthened.

3. Cross-border enforcement work

A. Enforcement techniques that have proved their effectiveness

In gathering data for enforcing the CPC regularly throughout Cyprus, no problem has been encountered because Cyprus is a relatively small country and everybody knows each other. The Cyprus CPC local system of communication and coordination with all the CPC Competent Authorities is of high standard. Hence, the collection and gathering of information is very well organized, without facing any organizational problems. The different enforcement techniques being used were the personal contact with the enforcement colleagues, the frequent meetings we are having with all Competent Authorities and the application of information requests being used on a private person-to-person basis.

B. Evaluation of the practical experience gathered so far by the national enforcement authorities

I. Case handling

During the years 2009 and 2010, thirty six (36) alerts, five (5) information requests and three (3) enforcement request cases have been handled by the CCP Service, the Trade Service, the Drugs Council, the Department of Civil Aviation and the Office of the Commissioner for Personal Data Protection. The said cases have been notified by other Member States via the CPC System. Out of the total number of complaints handled, the highest percentage fell in the category of “misleading advertising”.

All the CPCS users that were designated by CPC Competent Authorities in the years 2009 and 2010 have very quickly become accustomed to the CPCS IT-tool and the whole enforcement of the CPC Regulation due to the efficiency in exchanging information and new ideas with the Single Liaison Office of Cyprus.

II. Common activities and other areas of joint activities

In the framework of common activities, co-funded by the European Commission, the CCP Service has organised in cooperation with the DG Enforcement and Mediation of the Federal Public Service for Economy of Belgium, an Exchange of Officials Programme on Consumer Protection Cooperation matters. The said Exchange Programme, which took place on 22-26 November, 2010 in Brussels, has focused on the state of affairs, research and the best practices of the CPC teams of Cyprus and Belgium in the field of cross-border cases, on consumer credit, unfair commercial practices and misleading advertising. The said CPC Programme has been successfully completed in accordance with the objectives of the action, which aimed to enhance cooperation between the enforcement authorities in both Member States (designated Single Liaison Offices and Competent

Authorities) on consumer protection (economic interests). Hence, the practical experience gained has been immense.

The CCP Service has also organised in cooperation with the Netherlands Consumer Authority, an Exchange of Officials Programme on Consumer Protection Cooperation matters. The said Exchange Programme, will take place on 16-18 March, 2011 in Hague and will focus on the state of affairs, research and the best practices of the CPC teams of Cyprus and Netherlands in the field of cross-border cases, on unfair commercial practices and misleading advertising.

An Exchange of Officials Programme on Consumer Protection Cooperation matters has also been organised by the CCP Service in cooperation with the Netherlands Consumer Authority. The said Exchange Programme, will take place on 16-18 March, 2011 in Hague and will focus on the state of affairs, research and the best practices of the CPC teams of Cyprus and Netherlands in the field of cross-border cases on unfair commercial practices and misleading advertising.

Furthermore, the CCP Service has participated in the joint project titled "Investigation on the Web" organized by France and Spain. The project has focused on the methodology and best practices of all participating Member States in the field of "investigations on the web" for possible transgressions of consumer protection laws.

In addition to the above, the CCP Service has organized in cooperation with the European Commission a two-day training workshop on CPCS-IT matters for the CPC competent officials of Cyprus. The workshop took place in Nicosia in September 2009 and was given by the expert/trainer from DG SANCO of the European Commission, Mr. Carlos Alvarez.

III. IT-tool related

Please see section 3BI above.

Epilogue /Conclusion

All the above common activities and other actions that took place during the two year period of 2009-2010 have provided to the Single Liaison Office and Competent Authorities of Cyprus huge practical experience and insight as well as great lessons have been learnt.



(Christos Solomonides)
Acting Director of the CCPS

Nicosia, 31 January 2011