



Changes in pricing and price indication policy

eMAG Academy

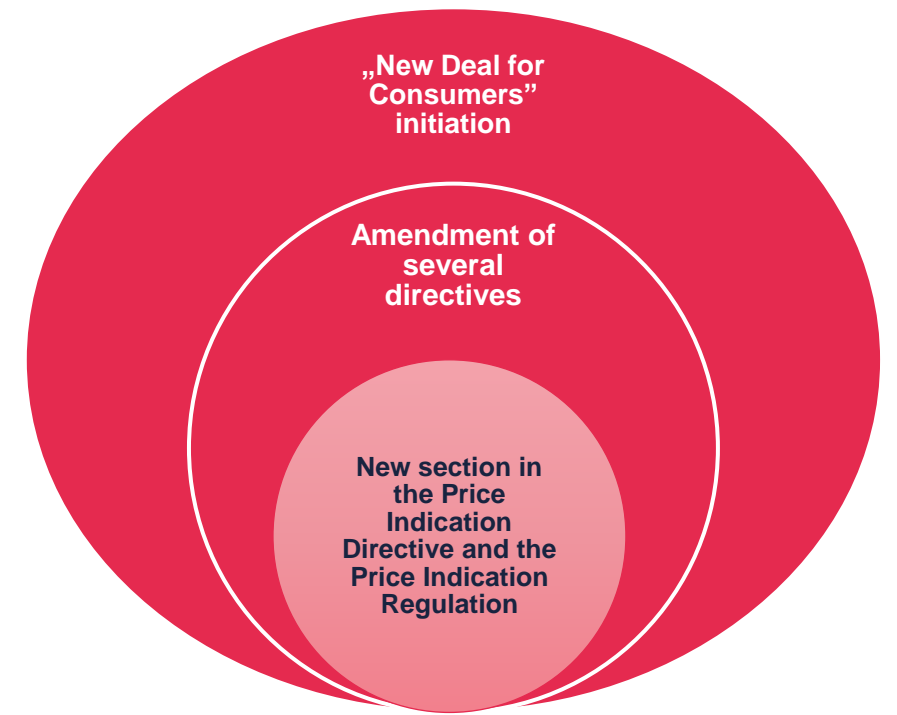
04. June 2021



Legislative changes

„New Deal for Consumers” initiation

- Purpose:
 - Strengthening enforcement of EU consumer law in accordance with the growing risk of EU-wide infringements
 - Modernization of the EU consumer protection legislation in line with market developments
 - Content: proposed amendments to several directives



Directive 98/6 / EC (Price Indication Directive) and 4/2009. (I. 30.) NFGM-SZMM joint decree (Price Indication Decree)

- Article 2 (1) of Directive 2019/2161 / EU inserts Article 6a into the Price Indication Directive.
- Accordingly, 48/2020. (XII. 11.) ITM Decree § 1 inserts the new § 2 / A into the Price Indication Decree (transposition of the change in the Price Indication Directive into the domestic legal system).

What is changing?

Price reduction

- It is obligatory to indicate the previous price applied by the company for a certain period of time before the price reduction.

Prior price

- The period may not be shorter than **30 days** prior to the application of the price reduction.
- **Product on the market for less than 30 days:** the period may not be less than **15 days** before the application of the price reduction.
- **Gradual price reduction:** the previous price is the price before the first application of the price reduction, without the price reduction.

Exemption: Perishable / expiring products products are not subject to the above rules.

Since when?

The legislative changes would be applicable from 28th May 2022 **BUT** in the course of competition proceeding no. VJ / 50/2018. eMAG committed as a part of GVH commitments, among other things, to implement the amendments to the Price Indication Directive and the Price Indication Decree **by 11 June 2021**, and to change its technical system in this regard by 31 December 2021.

What is the scope of the commitment to introduce the new rules in advance?

Discount offered in promotion:

- Prior price = reference price. 30-day rule.
- Gradually increased price reduction: the prior price is the price without price reduction.
- Product on the market for less than 30 days: 15-day rule.
- The prior price must be indicated in all price reduction communications prior price as a crossed-out price, discount price highlighted, discount rate indicated).
- **THESE RULES ARE NOT APPLIED:** general volume / value-based discounts and other non-price-related marketing strategies (e.g., gift in addition to purchase, free shipping, three for the price of two, pay one get two).

~~Prior Price: 1500 HUF~~

**Discounted price:
1350 HUF**

Discount rate (e.g. 10
% / 150 HUF)

Without discount:

- Only the sale price (the actual price of the product) is displayed on the platform.
- After modification of the technical system, the recommended retail price will also be indicated (if available). Recommended retail price without crossing, below / in another prominent place the difference between the selling price and two values (percentage or value).

Sale price:
1500 HUF

Recommended Retail
Price: 1500 HUF

Sale price: 1350 HUF

Extent of difference
(e.g. 10 % / 150 HUF)

If a price reduction is made without announcing a discount, the above rules do not apply!

Other commitments related to pricing and pricing policy

Information message



An easily accessible, informative message (e.g. pop-up message) on product pages, in the price section.

After modification of technical system.

Content: definitions of different price categories.

Terms and Conditions published on the Platform



Definitions of different price categories will be included in the General Terms and Conditions until 11/06/2021.

Other commitments related to pricing and pricing policy

Checks



In the case of the participation of Marketplace Partners in the promotions organized by eMAG, the conditions of the promotions and the message communicated to consumers must also be realized with regard to the Marketplace Partners.

This is done by eMAG in the scope of the design of the campaigns, which is also communicated to the Marketplace Partners.

The Terms and Conditions for Marketplace partners and Individual Agreements



Pricing and price indication rules are also included in the General Terms and Conditions of the Marketplace Partners and in the individual agreements concluded with them.

Other commitments related to pricing and pricing policy

Trainings



- EMAG is organizing training on the new pricing and pricing policy for Marketplace Partners and its own employees with the help of external consultants (a live webinar that will be available on the eMAG Academy site).

Modification of technical system



- The technical systems of the eMAG platform will be modified in order to automatically ensure compliance with the new price regulation and pricing policy.
- By October 2021: identification of affected platform systems, implementation of improvements.
- Until December 31, 2021: conduct of testing phase, start of operation.

Additional commitments not related to pricing or price indication policy

Consumer compensation



Strengthening the domestic presence and expansion of Marketplace Partners

Thank you for your attention!



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