

INSIGHT

CONSUMER PROTECTION: A GUIDE

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The new Law on Protection of Consumer's Rights and Interests (Law no. 9/2021, or the "Law") will introduce many important changes in Macau's economy and in the relationship between the retail industry and the consumer. The Law will take effect only on 1 January 2022 – but in the meantime there are several aspects the retail industry should take into account to ensure compliance with the Law. This Guide will summarize the main topics of the Law:

What Changed?

1. The **Consumers** are now more adequately **protected** with the new Law. Examples of this protection:
 - The Consumer has the right to be duly **informed** on the product or service that is being provided, so as to make proper and conscious decisions on whether to buy or request a certain service. Moreover, some of these information should be provided in both **Chinese and Portuguese**, or in both **Chinese and English**.
 - The Consumer has the right to be provided goods and services that will not put the consumer's **health and safety** at risk.
 - The Consumer has the right to have **quality goods and services**.
 - The Consumer should not be compelled to pay for goods or services that were not expressly requested by the Consumer.
 - The Consumer has the right to be protected against high or unjustifiable **price fluctuations**.
 - In case of **product defect**, the Consumer has the right to have the product repaired, replaced, have the price reduced, or terminate the contract (return the item and have the money back).
 - The Consumer has the right to claim an **indemnity for damages** caused to him/her.

Although some of these rights already existed in the previous regime, they were foreseen in a more general manner, and without much detail on what they consist of.

2. The Law exemplifies [misleading or aggressive commercial practices](#), which are strictly prohibited. These practices are reproached given that it greatly affects the Consumer's decision making when buying a product or requesting a service. For example, promoting the sale of a certain product, in a training or educational session may be deemed as a misleading commercial practice. Furthermore, making persistent and unsolicited contacts with the Consumer (by any means), with the intention of selling a certain product or service, may be considered as an aggressive commercial practice.
3. The Law introduces the concept of distance contracts, which may include [e-commerce](#). For these contracts, the Law foresees the obligation, for the commercial operator, to disclose a set of pre-contractual information.
4. The [Consumer Council](#)'s competences were strengthened with the Law and should be able to supervise and impose sanctions to merchants who breach the provisions of the Law.
5. 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. In addition, the Commercial Operator may also be punished with ancillary penalties which may include closure of business.

What are the next steps?

If you are the Commercial Operator, you may already have in place practices that are in accordance with the Law. To ensure this is the case:

- 1.** Conduct an [internal review](#), to check whether the existing practices are in accordance with the law. Relevant queries to confirm, without prejudice of others:
 - Are you already providing all the necessary information to the Consumer?
 - Is that information available in both Chinese and Portuguese, or both Chinese and English?
 - Are the products you're selling safe for the Consumer?
 - Is the price of the product in a clear and visible place?
 - What is the internal policy when the product is found to have a defect?
 - If you are conducting sales online, are you already providing all the necessary pre-contractual information to the Consumer?

- 2.** Follow-up on the internal audit and carry out appropriate [measures](#) in the areas that you have deemed as high-risk of non-compliance.

- 3.** Regularly carry out [training sessions](#) for the staff, to educate on the changes enacted by the Law. Examples of important topics to brief the staff:
 - How to properly inform or clarify the Consumer on the goods or services;
 - What practices are deemed as misleading or aggressive commercial practices, and how to avoid them;
 - The attributions and competences of the Consumer Council, and how to satisfactorily cooperate with it.

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