

working life of the power stations before and after modernization.

#### Article 4

Applications for grants must be accompanied by a plan showing minimum annual quantities of coal, expressed in tce (tonnes of coal equivalent), to be burned during the first seven years of full operation of the installation.

#### Article 5

In considering applications for grants, the Commission is to be guided by the coal-burn plans submitted to the effect that the higher the proposed coal-burn in relation to the amount of the grant, the higher the priority of the project. However, priority is to be given to projects in regard to which the electricity undertaking is prepared to commit itself to use principally Community coal.

#### Article 6

The Commission will adopt implementing provisions for this Regulation and in particular for the submission of applications for grants under Article 3 of this Regulation and will draw up a standard form of contract to conclude with the undertakings to benefit from grants.

This standard form of contract shall include the following conditions relating to the payment of grants:

- grants will be payable in 10 equal instalments, three of these prior to the installation coming into service and the remaining seven annually thereafter subject to fulfilment of the coal-burn plan in Article 4,
- the first three instalments may be repayable to the Commission in the event of the installation not commencing operation within a period to be specified in the contract,
- the seven annual instalments may be reduced or withheld in the event of the coal-burn plan not being fulfilled.

#### Article 7

All relevant technical and financial information requested by the Commission relating to all stages of a project for which grants are requested under this Regulation shall be made available to the Commission throughout the period of the payment of grants. The Commission shall have the right to verify this information by inspection.

#### Article 8

The Commission will make a report at regular intervals on the execution of this Regulation and will communicate it to the Council and to the European Parliament.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

### Proposal for a Council Directive to protect the consumer in respect of contracts which have been negotiated away from business premises

*(Submitted by the Commission to the Council on 17 January 1977)*

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 100 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas it is a common form of commercial practice in the Member States for the negotiation of a contract or a unilateral engagement between a trader and a consumer to be initiated away from the business premises of the trader; whereas such contracts and engagements are already the subject of legislation in the Member States;

Whereas any disparity between such legislation may directly affect the functioning of the common market; whereas it is therefore necessary to approximate laws in this field;

Whereas the Preliminary Programme of the European Economic Community for a consumer protection and information policy <sup>(1)</sup> provides *inter alia* under paragraphs 24 and 25 that appropriate measures be taken to protect consumers against unfair commercial practices in respect of doorstep selling;

Whereas the special features of contracts negotiated away from the business premises of the trader are that as a rule it is the trader who initiates the negotiations for contracts for which the consumer is unprepared or does not expect; whereas the consumer is often unable to compare the quality and price of the offer with other offers; whereas this surprise element generally exists not only in contracts made at the doorstep, but also in any other form of contract initiated by the trader away from business premises;

Whereas consumer protection will be augmented by providing that contracts which are initiated by the trader away from his business premises must be in written form and contain certain essential provisions;

Whereas the consumer should be given a right of cancellation within at least seven days of the signing of the contract in order to enable him to study the obligations arising thereunder;

Whereas appropriate measures should be taken to ensure that the consumer is informed of this period of reflection and that this period should not be shortened by any provision in the contract;

Whereas goods and services provided during this period of reflection should be at the risk of the trader subject to the return of the goods where possible;

Whereas to protect consumers against abuses relating to certain goods or services Member States may prohibit the negotiating of contracts away from business premises for these goods or services,

HAS ADOPTED THIS DIRECTIVE:

#### Article 1

1. This Directive shall apply to contracts between a consumer and a trader, and unilateral engagements by a consumer towards a trader, negotiations for which have been initiated away from business premises.

Such contracts and engagements are hereinafter referred to as 'doorstep contracts'.

2. For the purpose of this Directive:

- 'consumer' means a natural person who in transactions covered by this Directive acts otherwise than in a commercial or professional capacity,
- 'trader' means a natural or legal person who in the exercise of a commercial or professional activity concludes contracts with consumers,
- 'business premises' mean the permanent place of business at which a trader exercises his commercial or professional activity as well as stalls at fairs and markets.

#### Article 2

This Directive shall not apply to:

- (a) contracts which have been negotiated exclusively at the initiative of the consumer;
  - for the purposes of this paragraph the ordering of catalogues, patterns, samples and similar items, a request by the consumer for a visit or demonstration, and participation in an event organized by the trader shall not be considered as initiating negotiations;
- (b) contracts which have been negotiated solely in writing;
- (c) contracts which are concluded before a court, notary or other person who is under duty to inform both contracting parties of their rights and obligations;
- (d) contracts relating to immovable property or any rights thereto;
- (e) contracts under which the price payable by the consumer does not exceed 25 European units of account;

<sup>(1)</sup> OJ No C 92, 25. 4. 1975.

European unit of account means the unit of account as defined by Commission Decision 3289/75/ECSC of 18 December 1975 <sup>(1)</sup>.

The conversion value in national currency to be adopted shall, as from 31 December of each year, be that of the last day of the preceding month of October for which European unit of account conversion values are available in all the Community currencies.

The Council shall, on a proposal from the Commission, examine every three years and, if necessary, revise the amount specified in European units of account in this paragraph, having regard to economic and monetary movement in the Community.

#### *Article 2 bis*

This Directive does not preclude the adoption at Community level of specific provisions on certain types of contract which might contain obligations in respect of contracts negotiated away from business premises and which would derogate from the obligations contained in this Directive, particularly those covering:

- consumer credit,
- home-study courses,
- moveable assets,
- insurance contracts.

#### *Article 3*

1. The Member States shall take the necessary measures to ensure that doorstep contracts are made in writing.

2. The doorstep contract shall in particular contain the following information:

- name and address of the contracting parties,
- a description of the goods or service forming the subject matter of the contract,
- a time limit of delivery of the goods or supply of the service,
- the price,
- the terms of payment,

- notice of the right of cancellation enjoyed by the consumer, which shall be set apart from the main text of the contract and must contain the name and address of the party against whom the right of cancellation may be exercised.

#### *Article 4*

1. The consumer must sign the doorstep contract in his own hand.
2. A copy of the doorstep contract must be given to the consumer on the signing thereof or forwarded to him immediately thereafter.

#### *Article 5*

A doorstep contract shall be void if the provisions of Articles 3 and 4 have not been complied with.

#### *Article 6*

1. The consumer shall have a right of cancellation by giving the trader notice within a period of not less than seven days after signature by the consumer of the doorstep contract in accordance with the procedure laid down by national law. It shall be sufficient if the notice is dispatched before the end of the period.

2. The Member States may, however, fix a later date from which the period shall begin.

3. The serving of notice to the trader shall have the effect of releasing the consumer from any contractual obligation.

4. The consumer may not renounce his right of cancellation.

#### *Article 6 bis*

Where the services concern a direct insurance other than a life assurance, and where immediate cover of risks is agreed, the provisions of Article 6 shall not apply if the consumer so requests.

#### *Article 7*

The Member States shall take the necessary measures to ensure that a separate cancellation form corresponding to the model annexed to this Directive is handed to the consumer when he signs the

<sup>(1)</sup> OJ No L 327, 19. 12. 1975, p. 4.

doorstep contract in order to facilitate the exercise of his right of cancellation.

#### *Article 8*

1. If the consumer exercises his right of cancellation, any payments made must be reimbursed and any goods received must be returned at the expense and risk of the trader.

2. The consumer shall not be required to pay for normal use of the goods during the period mentioned in Article 6.

3. The Member States may make provision for supplementary requirements relating to the consequences of the cancellation.

#### *Article 9*

Except for any payment of a deposit required under national law, the trader shall be forbidden to require the consumer before expiration of the period mentioned in Article 6:

- (a) to make full or partial payment of the contract price or to provide any other kind of payment or any surety; or
- (b) to sign a bill of exchange, cheque or other kind of negotiable instrument or, for the trader, to take such a document.

#### *Article 10*

In case of dispute:

- (a) as to whether a doorstep contract has been negotiated exclusively at the initiative of the consumer; or
- (b) whether a doorstep contract has been negotiated solely in writing,

the burden of proof shall lie with the trader.

#### *Article 11*

Contractual provisions which:

- (a) require the consumer to pay some form of compensation if he exercises his right of cancellation; or
- (b) provide that a court other than that normally competent to hear such a case shall have jurisdiction,

shall be void.

#### *Article 12*

1. The consumer shall not be hindered in or stopped from exercising his right of cancellation because of a false statement as to the date of conclusion of the doorstep contract.

2. To this end, the Member States shall provide that:

- (a) the doorstep contract be dated by the consumer in his own hand; or
- (b) the doorstep contract be registered with an appropriate body.

#### *Article 13*

Member States may prohibit the initiation of negotiations by a trader for doorstep contracts generally or in relation to certain goods or services only or may subject them to prior authorization.

#### *Article 14*

1. The Member States shall bring into force the measures necessary to comply with this Directive within 18 months of its notification and shall forthwith inform the Commission hereof.

2. The Member States shall ensure that the texts of the main provisions of national law which they adopt in the field covered by this Directive are communicated to the Commission.

#### *Article 15*

This Directive is addressed to the Member States.

ANNEX

**Model of the 'cancellation form'**

I hereby declare that I am cancelling the contract

for .....  
(description of the goods or service)

amounting to .....  
(price)

signed .....  
(date)

Name .....

Address .....

Date .....

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