

Introducing the Israel consumer Protection and Fair Trade Authority



October 2017

The Israel Consumer Protection and Fair Trade Authority

- An independent regulatory Authority established by law, in charge of the design and implementation of consumer protection regulation
- Subordinated to the Minister of Economy and Industry
- In charge of the enforcement of the Consumer Protection Law-1981 and others
- The Consumer Protection Law applies to the entire economy, except for two areas: banking and insurance.

The Authority's Main Divisions

- Enforcement and intelligence
- Legal Dpt.
- Economic
- Public inquiries
- International affairs and Comparative Legal research
- Strategy and policy planning
- Administration

The Authority's main Powers and responsibilities

- Inspection and Enforcement powers – Supervision, Inquiries, intelligence gathering.... ➡
- Handling consumer complaints – about 17.000 per year
- Identifying market failures and problem areas, conducting surveys and studies
- Guiding both consumers and businesses and raising awareness
- Issuing guidelines to businesses and conducting round tables with businesses; promoting soft-regulation initiatives.
- International field ➡
- Promoting legislative initiatives ➡

Legislative initiatives - RIA

- Beginning 2016 according to a Government Resolution an Ex-ante RIA process, must be conducted, prior to any governmental primary or subsidiary legislative initiative regarding regulation
- The RIA document must include
 - identification of a specific policy need, and the objective of the regulation
 - a consideration of alternative ways of addressing the public policy objectives, including regulatory and non regulatory alternatives to identify and select the most appropriate instrument, or mix of instruments to achieve policy goals
 - benefit cost analyses
 - Comparative studies
 - Selection of the most appropriate instrument/alternative

RIA on pending legislative initiatives

1. Telemarketing –

- establishment of a do not call registry in ICPFTA
- Administrative order to a business to halt an unlawful practice

RIA June 2017 – amended in September 2017 - Real influence on choice finally made between 2 alternatives given

2. Obligation to record conversations and give access to them

RIA May 2017 – findings on surprising low regulatory costs involved

3. Prohibition of unilateral changes of price in ongoing transactions without consumer's express consent

RIA still not published: primary appraisal of regulatory costs requires re-evaluation

4. Labeling Goods with their Average Price in Countries Outside Israel

Ministerial exemption from RIA – the impact of the regulation on the targets of the regulation or on other public interests is negligible

5. Special Sales

April 2017

6. Warranty and after sale service - Elevator and Escalator

September 2017

Key Topics

- E-Commerce
- Economic Bullying – Unfair influence on vulnerable population
- Establishing an effectiveness measurement method-measuring compliance and deterrence.
- Granting the head of the authority the power to give obligatory instructions and issue orders
- Preparing for institutional reform in standard contracts
- Price transparency in the food sector and expansion to the pharma sector

Key Topics

- Institutional and material reform in the real estate field
- Promoting protection in the assisted living field
- Establishing self regulation mechanisms among businesses
- Strengthening cooperation with interfacing IGOs and NGOs

Thank you for your attention



Israel Consumer Protection and Fair Trade Authority

Enforcement of the consumer protection law

Administrative tools

Monetary administrative sanctions

- When the business is a corporation at a fixed amount of 22,000 ; when the business is not a corporation at a fixed amount of 7000 NIS.
- In severe cases :when the business is a corporation at a fixed amount of 45,000 NIS ; when the business is not a corporation at a fixed amount of 25,000 NIS.
- When the Violation is under aggravating circumstances (a violation relating to a large number of Consumers) the amount of the sanction is one and a half times the sum of the monetary sanction prescribed for such violation.
- The monetary sanction is per violation .

Administrative order:

- To cease or prevent unfair influence
- To keep unlabeled goods at the business's premises

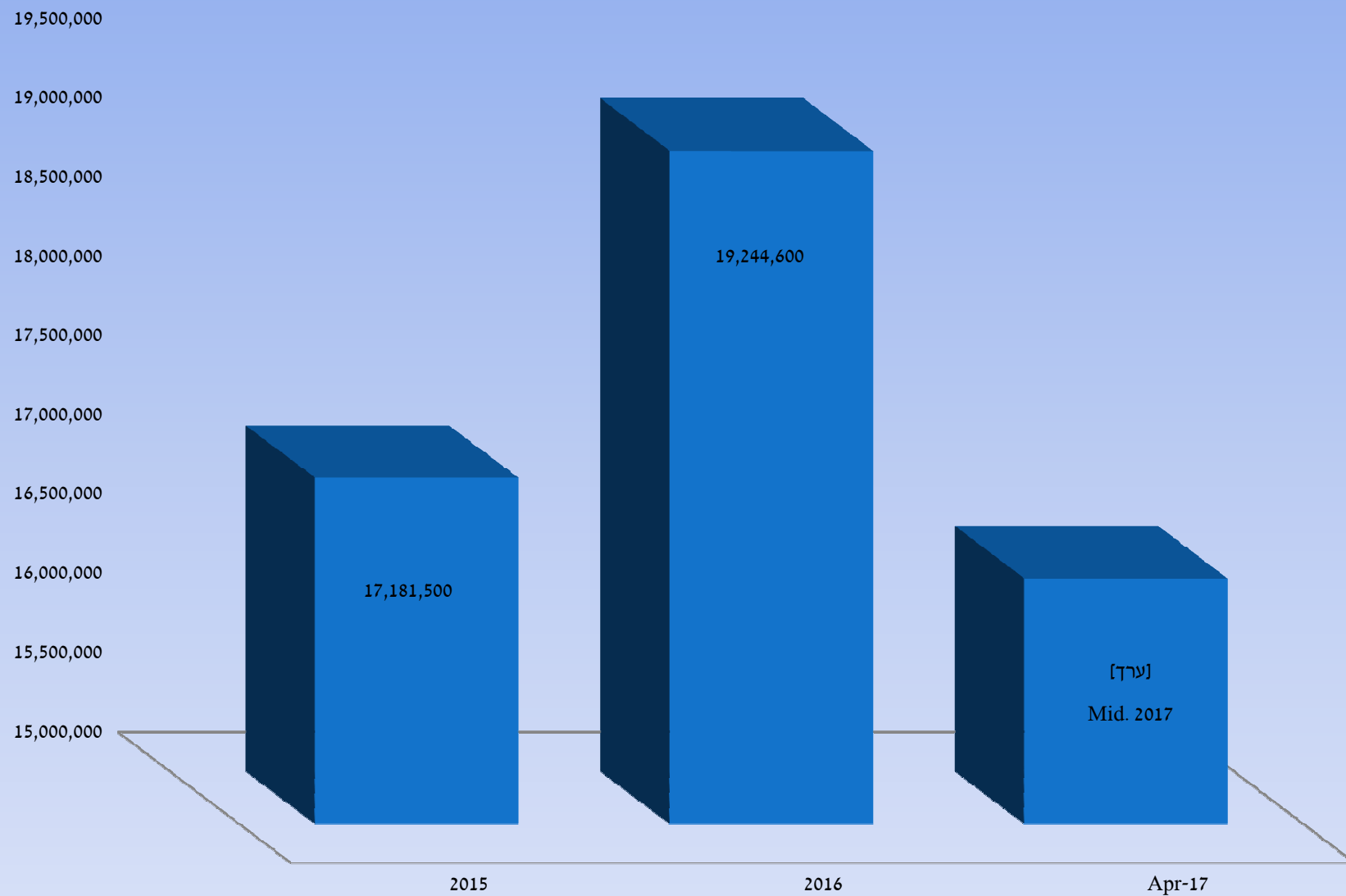
To receive a personal undertaking from a business to refrain from violating the law accompanied by a collateral.

Enforcement of the consumer protection law

Judicial order: to prevent any breach of the law

Criminal enforcement: the criminal enforcement focuses mainly on severe or recurring violations, and violations targeting vulnerable populations (the Authority has its own prosecutors)

Monetary sanctions notifications 2015-2017



Activity in the international field

- **OECD - Member of the Committee on consumer Policy OECD - 2010**
 - Take part in the discussions regarding different consumer issues
 - Exchange information on current and emerging issues and trends
 - Participate in the development of policy guidelines on different issues and examine ways to strengthen policy outcomes.
- **ICPEN- member - 2013**
 - Take an active part in the different activities
 - Benefit from the various ICPEN tools, including: webinars, working groups, internet sweeps, workshops and conferences.
 - Enables Identification of global emerging consumer issues and market trends
 - Exchange and share information regarding best practices in legislative approaches and enforcement.

