

EU Consumer Law Acquis Compendium

Legislation

Cyprus (CY) Nr. 4 EN



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Full name and/or number of the statute (in original language):

Ο περί Χρονομεριστικής Σύμβασης Νόμος του 2001, Ν.113(Ι)/2001 όπως τροποποιήθηκε από τον περί Χρονομεριστικών Συμβάσεων (Τροποποιητικός) Νόμος του 2004, Ν.127(Ι)/2004.

Translation of the name:

The Timeshare Contract Law of 2001, L.113(I)/2001 as amended by the Timeshare Contracts (Amendment) Law of 2004, L. 127(I)/2004.

Reference in Official Journal (if appropriate):

Επί μ Εφημερί Κυπριακή Δημοκρατία, Παρά μ (), αριθμό 3517, ημερομηνία 27/7/2001 [Official Gazette of the Republic of Cyprus, Appendix I(I), No. 3517, 27/7/2001]

Date of coming into force:

27.07.2001

Subsequent amendments:

Text:

No 113(I) of 2001

ACT CONCERNING 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

The House of Representatives herewith approves the following:

PART 1 — INTRODUCTORY PROVISIONS

1. This Act shall be referred to as the Timeshare Act of 2001.

2.. For the purposes of this Act, unless the text gives rise to a different interpretation: "purchaser" shall mean any natural person to whom the right which is the subject of the contract is transferred or for whom the right which is the subject of the contract is established in respect of the transactions covered by this Act, for purposes which may be regarded as being outside his professional capacity;



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“immovable property” shall mean any building or part of a building for use as accommodation to which the right which is the subject of the contract relates;

“court” shall mean any provincial court;

“Competent Authority” shall mean the Department for Consumer Protection at the Ministry of Trade, Industry and Tourism;

“authorised official” shall mean an official of the Competent Authority authorised by the Minister for the purposes of this Act;

“credit agreement” shall mean an agreement which directly or indirectly concerns the acquisition of a right to use one or more immovable properties on a timeshare basis, pursuant to which a credit is granted which covers all or part of the price by:

- (a) the vendor or
- (b) any other person, pursuant to an agreement negotiated between that person and the vendor;

any person who provides credit pursuant to a credit agreement shall be referred to as the “creditor”;

“information document” shall mean the document which contains the information referred to in Section 3;

“vendor” shall mean any natural or legal person who, acting in transactions covered by this Act and in his professional capacity, establishes, transfers or undertakes to transfer the right which is the subject of the contract;

“contract” shall mean any contract or group of contracts relating directly or indirectly to the purchase of the right to use one or more immovable properties on a timeshare basis and pursuant to which, on payment of a certain overall price, a property right or any other right relating to the use of one or more immovable properties for a specified or specifiable period of the year is established or is the subject of a transfer or an undertaking to transfer;

“Minister” shall mean the Minister for Trade, Industry and Tourism.

PART II — SUBSTANTIAL PROVISIONS

3. (1) The vendor shall provide any person who requests information or to whom he provides information on an immovable property or properties with an information document which contains:

- (a) a general description of the property or properties;
- (b) brief and accurate information on the particulars referred to in the first paragraph and
- (c) an indication as to how further information may be obtained.

(2) The information contained in the information document shall constitute an integral part of the contract.

(3) Unless the contracting parties expressly agree otherwise, only changes resulting from circumstances beyond the vendor’s control may be made to the information provided in the information document.

(4) The vendor shall communicate any changes in the information document to the purchaser before the contract is concluded, which shall expressly refer to any such changes.

4. (1) Any advertising referring to the use of immovable property shall indicate the possibility of obtaining the information document and where it may be obtained.

(2) In procedures brought against any person who infringes this section, it shall constitute a defence if the person demonstrates that at the time he advertised the immovable property rights:

- (a) he did not know or he did not have reasonable grounds to know that he was advertising the right to purchase timeshare property or



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- (b) he had good reason to believe that the advertisement was in compliance with the requirements of subsection 1.
- 5.** A contract subject to this Act shall be deemed invalid unless it is concluded in writing and
- (a) is accompanied by the notification form concerning withdrawal from or cancellation of the contract in accordance with Part I of Annex II and the information document concerning the purchaser's rights and the vendor's obligations in accordance with Part B of Annex II and
 - (b) is signed by the vendor and the purchaser.
- 6.** The vendor must inform the purchaser in writing as regards:
- (a) the right of the purchaser to withdraw from or cancel the contract within the time limit set out in Section 8 of this Act;
 - (b) the name and full address of the person vis-à-vis whom he may exercise the above-mentioned right;
 - (c) the absence of any obligation on the part of the purchaser pursuant to Section 10 to make any payments in cases in which he exercises the right to withdraw from or cancel the contract;
 - (d) the absence of any obligation on the part of the purchaser pursuant to Section 12(1) concerning the credit agreement, which is nullified together with the nullification of the contract, in cases in which the purchaser exercises the right to withdraw from or to cancel the contract and
 - (e) the obligation on the vendor immediately to inform the creditor, in cases in which the creditor is a person other than himself, concerning receipt of the notification of withdrawal from or cancellation of the contract.
- 7.** (1) The contract and the information document shall be drafted:
- (a) in the language or one of the languages of the country in which the purchaser is resident or
 - (b) in the language or one of the languages of the country of which the purchaser is a national,
- at the purchaser's option, provided this language is an official language of the Republic of Cyprus or of a Member State of the European Union.
- (2) When the purchaser is resident in the Republic of Cyprus, the contract and the associated document shall be drafted at least in one of the official languages of the Republic, which shall be an official language of the European Union.
- (3) The vendor shall provide the purchaser with a certified translation of the contract in the language or one of the languages of the country in which the immovable property is situated, which shall be an official language of the European Union.
- 8.** Without prejudice to the provisions of the Contracts Act and the Unfair Terms in Consumer Contracts Acts of 1996 and 1999, the purchaser shall have the right:
- (a) to withdraw without giving reason within 15 calendar days of both parties' signing the contract or of both parties' signing a binding preliminary contract. If the fifteenth day is a public holiday, the period shall be extended to the first working day thereafter;
 - (b) to cancel the contract within three months of both parties' signing the contract or both signing a binding preliminary contract if the contract does not include the information referred to in points (a), (b), (c), (d)(i) and (ii), (h), (i), (k), (l) and (m) of Annex I; If the information in question is provided within this three month period, the purchaser's



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- withdrawal period provided for in paragraph (a) shall begin to run from the moment the information is provided;
- (c) If by the end of the three-month period provided for in paragraph (a) the purchaser has not exercised the right to cancel and the contract does not include the information referred to in points (a), (b), (c), (d)(i) and (d)(ii), (h), (i), (k) and (l) and (m) of Annex I, the withdrawal period provided for in paragraph (a) shall start from the day after the end of that three-month period.

9. (1) A purchaser who exercises or intends to exercise the right of withdrawal or the right of cancellation referred to in Section 8 shall fill in and dispatch the notification of withdrawal or cancellation which accompanies the contract in accordance with the model contained in Part A of Annex II before expiry of the deadline, by a means which can be proved, to the person whose name and address appear in the contract for that purpose, in accordance with the procedures specified in the contract, pursuant to point (l)(i) of Annex I.

(2) The notification sent by the purchaser to the vendor for the purposes of withdrawal from or cancellation of the contract under this Act shall indicate:

- (a) that the purchaser has decided to withdraw from or to cancel the contract;
- (b) the date of notification
- (c) the name and address of the person to whom the notification is to be handed over in accordance with the procedures specified in the contract.

(3) The notification referred to in subsection 1 may be given either in the form of the withdrawal or cancellation form which accompanies the contract in accordance with Part A of Annex II or in any other written form which meets the requirements of subsections (1) and (2).

(4) When the notification referred to in subsection 1 is dispatched by mail, it shall be deemed to have been sent in good time if it has been dispatched before conclusion of the deadline.

(5) On exercise of the right of withdrawal or cancellation, the contract shall be nullified and the purchaser shall not have any rights or obligations pursuant to the contract.

(6) Any guarantee given in association with the contract which has been withdrawn from or cancelled shall be deemed not to have been given and any property which was transferred to the vendor exclusively for the purposes of this guarantee shall be returned immediately to the purchaser.

10. Where the purchaser exercises the right to cancel or withdraw from the contract pursuant to Section 8, he shall not be required to make any defrayal.

11. A vendor who concludes or proposes the conclusion of a contract may not request the purchaser or future purchaser to make any advance payment before the end of the period during which the purchaser may exercise the right of withdrawal pursuant to Section 8.

12. (1) When the purchaser exercises his right to withdraw from or cancel the contract pursuant to Section 8 and if the price is fully or partly covered by a credit agreement, the credit agreement shall be deemed invalid from the time of withdrawal from or cancellation of the contract and purchaser shall not have any obligation in respect of the credit agreement.

(2) The vendor shall, in cases in which the creditor is a person other than himself, immediately inform the creditor on receipt of the notification of withdrawal from or cancellation of the contract.



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13. Any clause pursuant to which a purchaser renounces the enjoyment of rights under this Act or whereby a vendor is freed from the responsibilities arising from this Act shall not be binding on the purchaser in any way.

14. Without prejudice to the choice of a competent court other than the courts of Cyprus, the purchaser shall not be deprived of the protection afforded by this Act if the immovable property in question is situated in the Republic of Cyprus or within the territory of a Member State.

PART III — DUTIES AND COMPETENCIES OF THE COMPETENT AUTHORITY

15. (1) For the purposes of this Act, the Competent Authority shall have the following duties and competences:

- (a) it shall generally supervise practices or proposed practices concerning any obligations imposed on persons by any provision of this Act;
- (b) it shall investigate any practices or proposed practices if it deems that it is in the public interest and in particular in the interest of consumers to do so, and notably when the Minister has requested the performance of such an investigation;
- (c) it shall request persons who exercise or propose to exercise practices which are likely to fall foul of the obligations imposed on them by any provision of this Act to refrain from or discontinue these practices;
- (d) it shall take the necessary measures to seek the handing down of court orders enjoining persons to whom a request has been made pursuant to paragraph (c) to discontinue or refrain from performing any such practices, in order to ensure compliance with this request;
- (e) regardless of whether any such court orders are issued or not, an administrative fine shall be imposed in the event of infringement of any provisions which adversely affects purchasers' interests pursuant to this Act.

(2) The Competent Authority may provide information or advice to purchasers concerning contracts which are governed by this Act and in particular concerning the obligations imposed on vendors or other persons.

16. (1) The Competent Authority, via an authorised official acting on its behalf, may for the purposes of investigation carried out under this Act require any person who it believes possesses information or has control of or access to documents or particulars concerning this investigation to provide it with the information, documents or particulars in question and if necessary, may request the person to present himself to the Competent Authority to this end.

(2) Any person to whom any request pursuant to subsection 1 is addressed shall be obliged to comply with this request without prejudice to the immunities and privileges of witnesses who are invited to present themselves before a court.

(3) No person may hinder or obstruct the Competent Authority in the exercise of its duties pursuant to this Act via an act of commission or omission.

(4) All persons shall be obliged to comply with any requests addressed to them by the Competent Authority pursuant to this Act.

17. (1) Without prejudice to the provisions of this Act, the Competent Authority may, in any manner it deems suitable, issue instructions as to the nature, content, location and size of any notification of announcement which must be published pursuant to this Act.



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(2) Any person to whom the abovementioned instructions are issued under subsection 1 shall be obliged to comply with those instructions.

PART IV — POWERS OF THE COMPETENT AUTHORITY IN IMPLEMENTING THE ACT

18(1) The Competent Authority has the duty and responsibility of examining, after submission of a complaint, and also *ex officio*, infringements of any prohibitory or protective provision of this Act in the interest of the purchasers.

(2) When the Competent Authority, pursuant to paragraph 1 of this article, investigates a complaint and ascertains an infringement, it shall be entitled to take one or more of the following measures, depending on the nature and severity of the infringement:

- (a) instruct or advise the infringer in question to terminate the infringement within a specified time limit and avoid any repetition thereof in future or, in the event of the infringement having been terminated before the decision of the Competent Authority is issued, to confirm this infringement in its decision and/or
- (b) impose an administrative fine, depending on the nature, severity and duration of the infringement, amounting to up to 10% of the infringer's turnover during the year in which the infringement occurred or in the immediately preceding year and/or
- (c) decide, in the event of continuation of the infringement, that the administrative fine be raised from £50 to £1 000 for each day of continuation of the infringement, depending on the nature and severity thereof, and/or
- (d) request the court to issue a prohibitory or protective order, including a temporary injunction, to any person who in its judgment is responsible for an infringement, in compliance with the provisions of Article 20 of this Act.

(3) In connection with the investigation of any infringement under paragraph 1, the Competent Authority may, if it considers this necessary, take into account any undertaking entered into by the infringer or on the part of the infringer vis a vis the purchaser, relating to the infringement and with a view to its elimination or removal.

(4) The Competent Authority must provide a justification of its decision in connection with the exercise of any of the powers provided for in paragraph 2 of this Article.

19(1) The administrative fines provided for in paragraph 2 of Article 18 shall be imposed on the infringer via a reasoned decision of the Competent Authority which ascertains the infringement, after having organised a hearing with the infringer or his representative or after having given the infringer an opportunity to attend such a hearing, whether orally or in writing.

(2) The administrative fine shall be collected by the Competent Authority if the time limit of 75 days following the date of communication of the decision imposing the fine has been exceeded without any recourse to the Supreme Court or, in the event of recourse to the Minister in accordance with paragraph 2, following communication of the Minister's decision in this connection.

(4) In the event of failure to pay the administrative fines imposed under this Act, the Competent Authority shall bring the matter before the courts and shall recover the amount owed as a civil debt owed to the Republic of Cyprus.

20(1) The adjudicating court under subsection (d) of paragraph 2 of Article 18 of this Act shall be empowered, without prejudice to the provisions of the Civil Procedures Act, the Court Acts of 1960 to 1999, the Civil Procedure Regulations and any other acts or regulations which amend or replace the above, to issue a prohibitory or protective order, including a temporary injunction, enjoining:



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- (a) the immediate cessation and/or non-repetition of the infringement and/or
 - (b) the adoption of rectifying measures within a time limit specified by the court with a view to terminating the illegal situation created by the infringement in question and/or
 - (c) the publication of all or part of the court's judgment or publication of the corrective notification with a view to eliminating any adverse effects of the infringement and/or
 - (d) any other action or measure which it deems necessary or reasonable under the circumstances.
- (2) The order issued pursuant to paragraph 1 may relate not only to specific acts or behaviour of the vendor vis-à-vis the purchaser in question, but to similar, future acts of omission or commission or behaviour vis-à-vis purchasers in general.
- 21.** In compliance with the provisions of this Part, the right to initiate proceedings with a view to the handing down of a prohibitory or protective order as referred to in subsection (d) of paragraph 2 of Article 18 shall also be vested in legally constituted organisations or associations which, either pursuant to any legal instrument or pursuant to their articles of association, have a legitimate interest in protecting the collective interests of consumers in general.
- 22.** The Competent Authority may disseminate any information and advice, including the court decisions and orders concerning the application of this Act, which it considers useful for consumers or any other persons who may be affected by the provisions of this Act.
- 23.** When an infringement of this Act is made by a legal person or a person acting on behalf of a legal person and it is demonstrated that the infringement has been committed with the endorsement, connivance or approval on the part of any advisor, director, secretary or any other official representing the legal person or any natural person who has acted in that capacity, the natural person in question shall also be deemed guilty of the abovementioned infringement.

PART V — PENAL SANCTIONS

- 24.** (1) No contract shall be invalidated and no actionable right shall be nullified exclusively because of an infringement of the provisions of this Act, unless the Act expressly provides for this.
- (2) This Act shall not affect any actionable right or legal procedure which may be based on the provisions of any other Act.
- 25.** The Council of Ministers may issue regulations designed to improve the implementation of the provisions of this Act without these constituting a prerequisite for the implementation of this Act.



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ANNEX I

(Sections 3, 8 and 9)

Minimum particulars which must be contained in the information document, pursuant to Section 3 of this Act:

- (a) The identities and domiciles of the parties, including specific information on the vendor's legal status at the time of the conclusion of the contract and the identity and domicile of the owner.
- (b) The exact nature of the right which is the subject of the contract and a clause setting out the conditions governing the exercise of that right within the territory of the Republic of Cyprus or the Member State(s) in which the property or properties concerned is or are situated and if those conditions have been fulfilled or, if they have not, what conditions remain to be fulfilled.
- (c) When the property has been determined, an accurate description of that property and its location.
- (d) Where the immovable property is under construction:
 - (i) the state of completion;
 - (ii) a reasonable estimate of the deadline for completion of the immovable property;
 - (iii) where it concerns a specific immovable property, the number of the building permit and the name(s) and full address(es) of the competent authorities;
 - (iv) the state of completion of the services rendering the immovable property fully operational (gas, electricity, water and telephone connections);
 - (v) a guarantee regarding completion of the immovable property or a guarantee regarding reimbursement of any payment made if the property is not completed and, where appropriate, the conditions governing the operation of those guarantees.
- (e) The services (lighting, water, maintenance, refuse collection) to which the purchaser has or will have access and on what conditions.
- (f) The common facilities, such as swimming pool, sauna, etc., to which the purchaser has or may have access, and, where appropriate, on what conditions.
- (g) The principles on the basis of which the maintenance of and repairs to the immovable property and its administration and management will be arranged.
- (h) The exact period within which the right which is the subject of the contract may be exercised and, if necessary, its duration; the date on which the purchaser may start to exercise the contractual right.
- (i) The price to be paid by the purchaser to exercise the contractual right; an estimate of the amount to be paid by the purchaser for the use of common facilities and services; the basis for the calculation of the amount of charges relating to occupation of the property, the mandatory statutory charges (for example, taxes and fees) and the administrative overheads (for example, management, maintenance and repairs).
- (j) A clause stating that acquisition will not result in costs, charges or obligations other than those specified in the contract.



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(k) Whether or not is possible to join a scheme for the exchange or resale of the contractual rights, and any costs involved should an exchange and/or resale scheme be organized by the vendor or by a third party designated by him in the contract.

(l) (i) information concerning the right to cancel or withdraw from the contract and indication of the person to whom notification of any such cancellation or withdrawal must be communicated in accordance with Section 9 of this Act

(ii) Information concerning the absence of any obligation on the part of the purchaser to make any payments in the event of his withdrawal from or cancellation of the contract pursuant to Section 8;

(iii) Information concerning the nullification of the credit contract associated with the time-share contract, in the event of withdrawal from or cancellation of the contract.

(iv) Date and place of signature of the contract by the contracting parties.



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ANNEX II

PART A

(Sections 5 and 9)

**NOTIFICATION OF WITHDRAWAL FROM OR CANCELLATION OF THE CONTRACT
RELATING TO THE PURCHASE OF THE RIGHT TO USE IMMOVABLE PROPERTIES
ON A TIMESHARE BASIS**

**(Fill in and return this notification only if you wish to withdraw from or cancel the
contract)**

To¹

.....
.....
.....

I/We²

.....
.....

With this notification declare that I/we withdraw from or cancel the contract³

.....
.....

which was concluded between myself / ourselves as purchaser(s) and you as vendor in accordance with the provisions of section 8 of the Timeshares Act of 2000.

Date:

Signature:

¹ Indicate the full name, full postal address, telephone and fax of the vendor or the person vis-à-vis whom you are entitled to exercise this right.

² Indicate here the name and full postal address and telephone and fax number of the purchaser

³ Complete description and address of the immovable property as well as the place and date of signature by the contracting parties and any other supplementary particulars for identification of the contract.



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PART B (Section 5)

RIGHTS OF THE PURCHASER AND OBLIGATIONS ON THE VENDOR

1. Without prejudice to the provisions of the Contracts Act, the purchaser shall have the right:
 - (a) to withdraw without giving reason within 15 calendar days of both parties' signing the contract or of both parties' signing a binding preliminary contract. If the fifteenth day is a public holiday, the period shall be extended to the first working day thereafter;
 - (b) to cancel the contract within three months of both parties' signing the contract or both signing a binding preliminary contract if the contract does not include the information referred to in points (a), (b), (c), (d)(i) and (ii), (h), (i), (k), (l) and (m) of Annex I. If the information in question is provided within this three month period, the purchaser's withdrawal period provided for in paragraph (a) shall begin to run from the moment the information is provided;
 - (c) If by the end of the three-month period provided for in paragraph (a) the purchaser has not exercised the right to cancel and the contract does not include the information referred to in points (a), (b), (c), (d)(i) and (d)(ii), (h), (i), (k) and (l) and (m) of Annex I, the withdrawal period provided for in paragraph (a) shall start from the day after the end of that three-month period.
2. Where the purchaser exercises the right to cancel or withdraw from the contract pursuant to Section 8, he shall not be required to make any defrayal.
3. When the purchaser exercises the right to withdraw from or cancel the contract pursuant to Article 8 and if the price is fully or partly covered by a credit agreement, the credit agreement shall be deemed invalid from the time of withdrawal from or cancellation of the contract and purchaser shall not have any obligation in respect of the credit agreement.
4. (a) The vendor must inform the purchaser in writing as to his rights as purchaser pursuant to paragraphs 1, 2 and 3 of this Part.
(b) The vendor shall, in cases in which the creditor is a person other than himself, immediately inform the creditor on receipt of the notification or withdrawal from or cancellation of the contract.