

What is the aim of the Directive?(Art. 1.1)

The purpose of this Directive is to contribute to the proper functioning of the internal market and to achieve a high level of consumer protection, by approximating the laws, regulations and administrative provisions of the Member States in respect of certain aspects of the marketing, sale and resale of timeshares and long-term holiday products as well as exchange contracts.

Scope of application (Art. 1.2)

This Directive applies to trader-to-consumer transactions. This Directive is without prejudice to national legislation which:

- provides for general contract law remedies;
- relates to the registration of immovable or movable property and conveyance of immovable property;
- relates to conditions of establishment or authorisation regimes or licensing requirements; and
- relates to the determination of the legal nature of the rights which are the subject of the contracts covered by this Directive.

Key points

1. Clear information (Art. 4)

In good time, before the consumer is bound by any contract, the trader shall provide clear, accurate and sufficient information, free of charge, using a standard information form, in an official language of the consumer's European Union (EU) Member State.

The information form (as set out in templates annexed to the directive) should notably include information about the product (in the case of a timeshare contract, long-term holiday product contract or an exchange contract) or the service (in the case of a resale contract), the consumer's rights and all costs to bear. It must state that there is a right of withdrawal and the conditions under which it may be exercised. This information is an integral part of the contract.

Any advertising should state where the above information can be obtained. Moreover, a timeshare or a long-term holiday product shall not be marketed as an investment.

Furthermore, in case of a sales promotion or sales event:

- the invitation should clearly state the commercial purpose of the event;
- the information package should be available to the consumer at any time during the event.

2. Right of withdrawal (Art. 6)

Before the contract is signed, the trader must explicitly draw attention to the consumer's right of withdrawal, the withdrawal period and the ban on advance payments during that period. These clauses are subject to separate signatures. The contract shall include a separate standard withdrawal form, intended to make it easy to withdraw from the contract.

The consumer has the right to withdraw, without giving a reason, within 14 days from signature or receipt of the contract. This cooling-off period is extended by 3 months where the information package has not been given to the consumer, and by 1 year if the withdrawal form is not provided.

If a consumer withdraws, any other contract linked to the main contract is automatically terminated at no extra cost.

3. Payment (Art. 9)

No advance payment, guarantee or acknowledgement of debt to the trader or to a third party is allowed before the end of the withdrawal period. For resale contracts, no fees should be paid to a trader in advance of the actual sale.

Payments under long-term holiday contracts are to be made in equal yearly instalments. From the second instalment onwards, the consumer may end the contract without penalty by giving notice within 14 days of receiving the request for payment.

4. Redress (Art. 13)

Member States shall inform consumers of methods of redress (compensation) under national legislation and encourage out-of-court settlements.

From when does the Directive apply?

It has applied since 23 February 2009 (Art. 19) and had to become law in the Member States by 23 February 2011 (Art. 16).

Key terms

* **Timeshare contract:** a contract of a duration of more than one year under which a consumer purchases the right to use accommodation on more than one occasion, typically 1 or 2 weeks each year.

* **Long-term holiday product contract:** a contract of a duration of more than 1 year which gives the consumer the right to discounts on accommodation or to related benefits, sometimes in combination with travel or other services.

* **Exchange contract:** contract under which a consumer joins an exchange system which allows him/her to temporarily swap the benefits deriving from a timeshare contract with another consumer.

* **Resale contract:** a contract under which a trader is paid to assist a consumer to sell or buy a timeshare or a long-term holiday product.

For more information, see [Timeshare on the European Commission's website](#).

References

Act	Entry into force	Deadline for transposition in the Member States	Official Journal
Directive 2008/122/EC	23.2.2009	23.2.2011	OJ L 33, 3.2.2009, pp. 10-30

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