

**Consumer Protection (Maximum Recommended Retail Price) (Code of Practice)
Regulations 2008**

GN No. 181 of 2008

THE CONSUMER PROTECTION (PRICE AND SUPPLIES CONTROL) ACT

**Regulations made by the Minister under sections 5 and 35 of the Consumer Protection
(Price and Supplies Control) Act**

1. These regulations may be cited as the **Consumer Protection (Maximum Recommended Retail Price) (Code of Practice) Regulations 2008**.

2. In these regulations -

"Act" means the Consumer Protection (Price and Supplies Control) Act 1998;

"Code of Practice" means the Code of Practice for the determination of the MRRP established under regulation 4;

"goods" means any goods other than controlled goods, specified in the Code of Practice;

"maximum recommended retail price" means the maximum retail price at which goods imported or manufactured may be sold to consumers;

"MRRP" means the maximum recommended retail price.

3. There is established for the purposes of section 5 of the Act the Code of Practice specified in the Schedule.

4. Any person who -

(a) fails to comply with these regulations;

(b) fails to comply with any of the provision of the Code of Practice; or

(c) sells or offers for sale a good at a price which is higher than the maximum recommended retail price,

shall commit an offence and shall, on conviction, be liable to a fine not exceeding 100,000 rupees and to imprisonment for a term not exceeding 3 years.

5. These regulations shall come into operation on **8 September 2008**.

Made by the Minister on 1 September, 2008.

SCHEDULE

(regulation 3)

THE MAXIMUM RECOMMENDED RETAIL PRICE CODE OF PRACTICE

1. OBJECTIVE

This Code of Practice aims at -

- (a) providing for the method to be adopted for the determination of the MRRP of goods other than controlled goods;
- (b) ensuring transparency in the implementation of the MRRP system;
- (c) offering goods at competitive prices to the consumer.

2. SCOPE

This Code of Practice shall apply to the goods listed in Annex 1.

3. METHOD FOR DETERMINATION OF THE MAXIMUM RECOMMENDED RETAIL PRICE

For the purpose of determining the MRRP of particular goods, an importer shall take into consideration -

- (a) the C.I.F value calculated at the time of importation;
- (b) the operating expenses and overheads;
- (c) the quantity and the value of existing stock; and
- (d) the wholesaler's and retailer's profit margins.

4. TERMS AND CONDITIONS FOR SUPPLY OF GOODS

(1) Every importer shall -

- (a) emboss or print in indelible ink on every packaging of the goods the MRRP in a

clear, prominent and readily legible by the consumer;

- (b) where it is not practicable to affix the MRRP in the manner provided for in paragraph (a), publish the MRRP of the goods in at least 2 daily newspapers of wide circulation;
 - (c) ensure that there are adequate and regular supplies of goods at retail outlets.
- (2) The determination of the MRRP shall not preclude any trader from selling any goods at a price which is lower than the MRRP.

5. SUBMISSION OF MRRP TO MINISTRY

- (1) Every importer shall submit to the Permanent Secretary a copy of the workings of the MRRP of particular good within 5 working days of the determination of the MRRP of such good.
- (2) Where the Permanent Secretary is not satisfied with the workings, he may request in writing from the importer such information as he considers necessary to ascertain the accuracy of the MRRP, and the information shall be submitted to him by the importer within 5 working days of the request.
- (3) Where the Permanent Secretary is not satisfied with the recommended MRRP, he may request the importer to reconsider determining a new MRRP.

ANNEX

Milk Powder