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LAW NO. 8078 AS OF SEPTEMBER 11, 1990

CONSUMER DEFENSE CODE PROVIDES FOR CONSUMERS' PROTECTION AND MAKES OTHER ARRANGEMENTS.

Title I - Chapter 1

TITLE I

CONSUMER RIGHTS

CHAPTER I

GENERAL PROVISIONS

Article 1. - The present Code, of public order and social interest, establishes rules regarding consumers' protection and defense, pursuant to the articles 5, item XXXII, and 170, item V, of the Brazilian Constitution, and article 48 of its Transitory Provisions.

Article 2. - Consumer is any individual or body corporate who acquires or uses any product or service as an end user.

Sole Paragraph. - Any group of persons, even if unidentifiable, whose activities might intervene in the consumer relations, shall be understood as consumer.

Article 3. - Supplier is any public or private, national or foreign individual or body corporate, as well as entities without a legal identity carrying on business in the field of production, assembly, creation, construction, transformation, import, export, distribution or commercialization of products, or rendering of services. Paragraph 1. - Product is any movable or immovable, material or immaterial asset.

Paragraph 2. - Service is any activity offered in the consumer market subject to remuneration, including those of banking, financial, credit and insurance nature, except those resulting from a labor relationship.

Title I - Chapter 2

CHAPTER II

NATIONAL POLICY FOR CONSUMER RELATIONS

Article 4. - The purpose of the National Policy for Consumer Relations is to meet the consumer's needs, the respect to his dignity, health and safety, protection of his economic interests,

improvement of the quality of his life, as well as transparency and harmony in the consumer relations, being considered the following principles:

I. - acknowledgment of consumers' vulnerability in the market relations;

II. - governmental action as to effectively provide protection to consumers through:

(a) direct initiative;

(b) incentives toward the establishment and development of representative associations;

(c) ensuring the State presence in the market; and

(d) guarantee of products and services within the appropriate standards of quality, safety, durability and performance .

III. - harmonization of the interests of those who take part in the consumer relations and compatibility between consumers' protection and the need for economic and technological development , so as to make feasible the principles that support the economic policy (article 170 of the Brazilian Constitution) always based on good faith and balance in the relationship between consumers and suppliers;

IV. - education and information to suppliers and consumers as to their rights and obligations with a view to the improvement of the consumer market;

V. - incentives to suppliers toward the creation of efficient means of quality control, products and services safety, as well as alternative means for settling arisen disputes ;

VI. - efficient restraint and repression of all abuses in the consumer market relations, including dishonest competition, inadequate use of industrial inventions and creations of trademarks, commercial names and logotypes that might cause losses to consumers;

VII. - rationalization and improvement of public services;

VIII. - permanent study of the changes in the consumer market.

Article 5. - For the accomplishment of the National Policy for Consumer Relations, governmental authorities shall count on the following tools, among others:

I. - maintenance of full and free legal assistance for the low-income consumer;

II. - formation of prosecution departments for consumers' defense within the sphere of the Attorney General Office;

III. - institution of police departments especially dedicated to assist consumers that are victims of consumer related criminal infractions; IV. - creation of special courts dedicated to petty claims and specialized courts (Juizados Especiais de Pequenas Causas e Varas Especializadas) for the solution of consumer disputes;

V. - incentives for the creation and development of Associations for Consumers' Protection.

Paragraph 1. - (Vetoed)

Paragraph 2. - (Vetoed).

Title I - Chapter 3

## CHAPTER III

### CONSUMERS' BASIC RIGHTS

Article 6. - The following are consumers' basic rights :

I. - safeguard of life, health and safety against risks caused by practices in the supply of products and services considered hazardous or harmful;

II. - education and communication as to the proper use of products and services, enabling free choice and equality in contracting;

III. - appropriate and clear information about the different products and services, and correct specification as to the quantity, characteristics, components , quality and price, as well as to any risks they might involve;

IV. - protection against misleading and abusive advertising, and coercive or dishonest business methods, as well as against practices and abusive clauses or those imposed in the supply of products and services;

V. - modification of the contractual clauses that establish unreasonable installments, or their revision in view of subsequent events that make installments excessively burdensome; VI. - effective prevention against and redress for individual, collective or diffuse material and moral damages;

VII. - access to the jurisdictional and administrative bodies regarding the prevention or redress for individual, collective or diffuse material or moral damages, being ensured legal, administrative and technical protection to the low-income consumer;

VIII. - easy defense of the consumer's rights, inclusive with the reversal of the burden of proof in his favor in the civil proceedings when, at the judge's understanding, the allegation is probable or he is at a disadvantage according to the ordinary rules of experience;

IX. - (Vetoed);

X. - appropriate and effective rendering of public services in general.

Article 7. - The rights provided for in this Code do not exclude other rights arising out from international treaties or conventions to which Brazil is signatory, ordinary internal law, regulations issued by the competent administrative authorities or deriving from the general principles of law, analogy, customs, and equity.

Sole Paragraph. - Having the offense been caused by more than one responsible party, all parties shall be jointly liable for the redress of damages, as provided for in the consumer rules.

## Title I - Chapter 4

### CHAPTER IV

#### PRODUCT AND SERVICE QUALITY, PREVENTION AND REDRESS OF DAMAGES

##### SECTION I

##### HEALTH PROTECTION AND SAFETY

Article 8. - Products and services offered in the market shall not bring risks to the consumers' health or safety, except those risks which can be understood as normal or foreseen in view of their nature and possession, being suppliers obliged in any event to provide the necessary and appropriate information about them.

Sole Paragraph. - In case of industrial products, the manufacturer shall provide the information referred to in this article through the appropriate printed notes that shall accompany the products.

Article 9. - The supplier of products and services that are potentially harmful or dangerous to health or safety shall provide noticeable and proper information as to the risk of harm and danger they involve, without prejudice to other measures applicable to each case.

Article 10. - Suppliers are not allowed to introduce into the market products or services they know, or ought to know, are highly harmful or hazardous to consumers' health or safety .

Paragraph 1. - The supplier of products or services who, subsequently to the introduction of his products or services into the market, realizes the existence of unforeseen risks involved, shall immediately communicate the fact to the competent authorities and warn consumers, through advertising notices.

Paragraph 2. - The advertising notices referred to in the foregoing paragraph shall be widely spread through the press, radio and television, at the expense of the product or service supplier ;

Paragraph 3. - In the event that the Federal Government, States, Federal District and Municipalities become aware that some products or services are hazardous to consumers' health or safety they shall warn consumers about the matter.

Article 11. - (Vetoed).

##### SECTION II

##### LIABILITY AS TO THE NATURE OF PRODUCT AND SERVICE

Article 12. - National or foreign manufacturers, producers, constructors, and importers are liable, regardless of the existence of culpability, for the redress of damages caused to consumers by defects from design, manufacture, construction, assembly, formula, handling, presentation or packaging of products, as well as for the improper or incomplete information about their use and risks.

Paragraph 1. - A product is to be considered defective when it does not offer the expected safety, subject to consideration the relevant circumstances such as:

- I. - its presentation;
- II. - use and risks that can reasonably be expected from it;
- III. - the time of its introduction into the market;

Paragraph 2. - A product shall not be considered defective only because another product of a better quality has been offered to the market.

Paragraph 3. - The manufacturer, constructor, producer or importer will not be held responsible just in the case they are able to prove that:

- I. - they had not introduced the product into the market;
- II. - although having had introduced the product into the market, it had no defect;
- III. - the culpability is exclusive on the consumer or a third party.

Article 13. - The dealer shall equally be held responsible in the terms of the preceding article when:

- I. - the manufacturer, constructor, producer or importer cannot be identified;
- II. - the product is offered without a clear identification of its manufacturer, producer, constructor or importer;
- III. - improper handling of perishable goods.

Sole Paragraph. - The party effecting the payment to the offended party is entitled to exercise his right of recovery against the others responsible, according to his participation in causing the damage.

Article 14. - The supplier of services is responsible, regardless of culpability, for the redress of damages caused to consumers for defects related to the rendering of services as well as for incomplete or improper information about their use and risks .

Paragraph 1. A service is to be considered defective when it does not offer the safety which consumers should expect from it, being considered the relevant circumstances such as:

- I. - the manner it has been rendered;
- II. - result and risks that can reasonably be expected from it;
- III. - the time it has been rendered.

Paragraph 2. - A service is not to be considered defective only because newer techniques have been adopted.

Paragraph 3. - The supplier of services will not be held responsible just in the case he is able to prove that:

- I. - having rendered the service it had no defect;

II. - the fault is exclusive on the consumer or a third party .

Paragraph 4. - The personal responsibility of independent professionals shall be determined upon verification of the fault.

Article 15. - (Vetoed).

Article 16. - (Vetoed).

Article 17. - For the effects of this Section, all the victims of the event are equivalent to consumers.

### SECTION III

#### LIABILITY AS TO DEFECTIVE PRODUCTS AND SERVICES

Article 18. - Suppliers of durable or non-durable consumer products are jointly liable for either quality and quantity defects that make them unfit or inappropriate for the use they are designed for, or even diminish their value, as well as for those resulting from any discrepancy with the particulars shown on containers, packages, label or advertisement, with due regard to possible variations in view of their nature, being the consumer entitled to require replacement of the defective parts.

Paragraph 1. - In the case that the defect is not solved within thirty days the consumer shall be entitled to demand alternatively and at his choice for:

I. - replacement of the product by another of the same type and in perfect conditions;

II. - immediate return of the amount paid, considered the corresponding adjustments, without prejudice to a demand for eventual losses and damages.

III. - proportional reduction in the price.

Paragraph 2. - The parties may decide about a reduction or an extension of the term referred to in the foregoing paragraph, though not inferior to seven days nor superior to a hundred and eighty days. In the accession agreements such term should be separately established, through an express statement by the consumer.

Paragraph 3. - The consumer may make immediate use of the alternatives mentioned in the first paragraph of this article whenever, considered the defect extension, the replacement of the defective parts might alter either the product quality or characteristics, diminish its value or in the case it is an essential product.

Paragraph 4. - Having the consumer chosen the alternative I of the first paragraph and being impossible the replacement of the good, it can be replaced by another of different type, brand or model, being added or returned any possible difference of price without prejudice to the established in the alternatives II and III, first paragraph, of this article.

Paragraph 5. - In the supply of natural products the immediate supplier shall be held liable before the consumer, except when the producer of the good is clearly identified.

Paragraph 6. - The following are improper for use and consumption:

I. - products with expired utility;

II. - products that are deteriorated, altered, adulterated, damaged, falsified, tainted, deceitful, harmful to life or health, hazardous or, even, those that do not comply with the regulations on manufacturing, distribution or presentation;

III. - products that for any reason show to be inadequate for the use they are intended for.

Article 19. - Suppliers are jointly liable for the faults in the product quantity when , considered the permitted tolerance ranges due to their nature, its net content is lower than that informed on the container, package, label or advertisement, being the consumer entitled to require alternatively and at his choice:

I. - proportional reduction in the price;

II. - complementing of weight or measure;

III. - replacement of the product by another of the same kind, brand or model, without mentioned defects;

IV. - immediate return of the amount paid, considered the corresponding adjustments, without prejudice to a demand for eventual losses and damages.

Paragraph 1. - The established in the paragraph 4 of the foregoing article applies to this article.

Paragraph 2. - The immediate supplier shall be held liable when the instrument used for weighing or measuring a product is not adjusted pursuant to the official standards.

Article 20. - The supplier of services shall be liable for quality defects that make them unfit for consumption or diminish their value as well as for those resulting from any discrepancy with the information shown on the offer or advertising message, being the consumer entitled to require, alternatively and at his choice:

I. - remodeling of the services, with no additional cost, when applicable;

II. - immediate return of the amount paid, considered the corresponding adjustments, without prejudice to a demand for eventual losses and damages.

III. - proportional reduction in the price.

Paragraph 1. - The remodeling of the services can be assigned to a duly qualified outsourcing party under the supplier's responsibility and risk .

Paragraph 2. - The services that show to be unfit for the purposes reasonably expected from them, as well as those that do not comply with the rules governing the rendering of services, shall be understood as improper.

Article 21. - In the supply of services concerning the repair of any product , it shall be implicit that suppliers are bound to apply the proper original and new components, or those which are under the manufacturer's technical specifications, unless otherwise authorized by the consumer with regard to the latter.

Article 22. - Governmental entities themselves or through their companies, concessionaires or other under governmental permission are bound to provide proper, efficient and safe services, which shall be continuous in the case of essential services.

Sole Paragraph - In the event of a total or partial non-fulfillment of the obligations referred to in this article, the bodies corporate shall be compelled to fulfill them and to redress in case of any damage caused, as established in this Code.

Article 23. - The supplier's ignorance about quality defects due to the inadequacy of products and services shall not exempt him from responsibility .

Article 24. - The legal warranty as to the adequacy of a product or service is independent of any express statement, and the supplier's exoneration by contract is banned.

Article 25. - It shall be banned the establishment of any contractual clause that makes it impossible, or exempts or diminishes the obligation of indemnity provided for in this and in the foregoing sections.

Paragraph 1. - In the case that there is more than one party responsible for causing the damage, all participants shall be jointly liable for the redress established in this and foregoing sections.

Paragraph 2. - In the event that the damage is caused by a component or spare part incorporated into the product or service, either manufacturer, constructor or importer and the individual who performed such incorporation are held jointly liable.

#### SECTION IV

##### THE RIGHT TO COMPLAIN AND LAPSE

Article 26. - The right to complain against apparent or easily identifiable defects expires within:

I. - thirty days, in the case of supply of non-durable services or products; or

II. - ninety days, in the case of supply of durable services or products.

Paragraph 1. - The time to exercise the right to complain shall count upon the effective delivery of the product or conclusion of the service.

Paragraph 2. - It shall prevent the loss of the right to complain:

I. - any verifiable complaint formulated by the consumer to the supplier of products and services until receipt of the correspondent negative reply, which shall be transmitted in unmistakable manner;

II. - (Vetoed);

III. - the establishment of a civil investigation, until it is concluded;

Paragraph 3. - In the case of a concealed defect, the time to complain shall count upon said defect is evidenced;

Article 27. - It shall expire in five years the time for claiming for redress of damages caused by nature of products or services as established in the Section II under this Chapter, this time being

counted as from identification of the damage and the responsible for it.

Sole Paragraph. - (Vetoed).

## SECTION V

### DISREGARD OF THE LEGAL IDENTITY

Article 28. - The judge may disregard the legal identity of a company when, to consumers' disadvantage, there is abuse of rights, excessive power, breach of the law, illicit act or fact, or violation of the bylaws or social contract. It shall be also exercised in the event of bankruptcy, insolvency, closing down, or inactivity of the body corporate resulting from mismanagement.

Paragraph 1. - (Vetoed).

Paragraph 2. - Companies pertaining to corporate groups and controlled companies are subsidiarily liable for the obligations of this Code.

Paragraph 3. - Companies in consortium are jointly liable for the obligations of this Code.

Paragraph 4. - Associated companies shall be responsible only for culpability.

Paragraph 5. A body corporate may also be disregarded whenever its identity is somehow a hindrance to the reimbursement of losses caused to consumers.

## Title I - Chapter 5

### CHAPTER V

#### BUSINESS PRACTICES

##### SECTION I

###### GENERAL PROVISIONS

Article 29. - For the purposes of this Chapter and following, every individual, identifiable or not, that is exposed to the practices provided for herein shall be understood as a consumer.

##### SECTION II

###### THE OFFER

Article 30. - Every sufficiently accurate information or advertising, announced by any vehicle or communication means, concerning products and services offered or presented, shall bind the supplier announcing it or making use of it and shall integrate the contract to be entered into.

Article 31. - The offer and presentation of products or services shall ensure a correct, clear, accurate, and noticeable information in Portuguese on their characteristics, quality, quantity, components, price, warranty, duration and origin, among other data, as well as about the risks they might involve to consumers' health and safety.

Article 32. Provided that the manufacturing or import process of a product is not ceased, manufacturers and importers shall ensure that components and spare parts are available for supply.

Sole Paragraph - After being ceased the manufacturing or import process of a product such availability shall be kept up for a reasonable period of time, in the terms of the law.

Article 33. - In the case of an offer or sale through the telephone or mail order, the manufacturer's name and address shall appear on the packaging, advertising and all printed matters used in the commercial transaction.

Article 34. - The supplier of a product or service shall be jointly liable for the acts of his agents or independent representatives.

Article 35. - If a product or service supplier refuses to comply with the terms of the offer, presentation or advertising, the consumer may elect, alternatively and at his choice:

I. - to a compelled performance of the obligation, in accordance with the terms of the offer, presentation or advertising; II. - to accept another product or the rendering of an equivalent service;

III. - to break the contract, with the right of having returned any amount paid in advance, with the corresponding adjustments, plus indemnity for losses and damages.

### SECTION III

#### ADVERTISING

Article 36. - The advertising shall be disseminated in such a way that consumers will be able to easily and immediately identify it as such.

Sole Paragraph - The supplier in advertising his products or services, shall keep, for the proper information to the legitimate interested parties, all the factual, technical and scientific data supporting such advertising message.

Article 37. - Abusive or misleading advertising shall be banned.

Paragraph 1. - It shall be understood as misleading any kind of information or communication bearing advertising characteristics, which is totally or partially false, or that for any other reason even by omission, might lead consumers to error with respect to the nature, characteristics, quality, quantity, attributes, origin, price and any other data about the products and services.

Paragraph 2. - It shall be understood as abusive, among others, any type of discriminatory advertising that incites violence, exploits fear or superstition, profits from the immaturity in judging and inexperience of children, disregards the environmental values, or that can lead consumer to behave harmfully or hazardously with respect to his health or safety.

Paragraph 3. - For the effects of this Code, an advertising is misleading by omission when failing to provide the essential data about a product or service.

Paragraph 4. - (Vetoed)

Article 38. - The burden of proof as to the truth and accuracy of the information or advertising

communication shall run under responsibility of the party sponsoring it.

## SECTION IV

### ABUSIVE PRACTICES

Article 39. - Among other abusive practices, it shall be banned to the supplier of products and services:

- I. - to condition a product or service supply to the acquisition of another product or service or to a limit in quantity without a fair reason as well;
- II. - to refuse to attend a consumer' request, in the exact availability of goods in store in accordance with the general practice;
- III. - to send or deliver to consumer any product, or to render any kind of service, without a previous request;
- IV. - to profit from the consumer's weakness or ignorance, considered his age, health, knowledge or social condition, convincing him toward products or services;
- V. - to require from the consumer an evidently excessive advantage;
- VI. - to perform services without a previous cost estimate and express authorization by the consumer, exempted those resulting from previous practices between the parties;
- VII. - to depreciatively spread information related to any action taken by the consumer in the exercise of his rights; VIII. - to introduce into the consumer market any product or service that is not consistent with the rules issued by the competent official agencies, or there being no specific rules, with those issued by the Associação Brasileira de Normas Técnicas (Brazilian Association of Technical Standards) or another entity accredited by the Conselho Nacional de Metrologia, Normalização e Qualidade Industrial- CONMETRO (National Council of Metrology, Standardization and Industrial Quality ).
- IX - to refuse the selling of goods or the rendering of services directly to whom is willing to acquire them against prompt payment, exempting those cases in which there are intermediaries, regulated by specific laws;
- X - to raise the price of products or services without a fair reason;
- XI - to apply a formula or calculation to readjust the price differently from that legally authorized or established in the contract ;
- XII. - to fail to stipulate a period of time for the accomplishment of his obligation, or to establish alone its initial term, at his own and exclusive criteria;

Sole Paragraph - The services rendered and products sent or delivered to consumers as provided for in the item III, shall be held equivalent to free samples, thus not existing an obligation for payment.

Article 40. - The services supplier is bound to provide consumer with a preliminary cost estimate specifying the price of manpower, materials and equipment to be applied, the payment conditions as well as the dates of starting and conclusion of the services;

Paragraph 1. - Unless otherwise stipulated, the estimated price shall be valid during a period of ten days, counted from its reception by the consumer.

Paragraph 2. - Since the cost estimate is approved by the consumer, it shall bind the parties and only through a free negotiation between them it can be modified. Paragraph 3. - The consumer is not responsible for any charge or additional cost resulting from the hiring of outsourcing services not included in the previous estimate .

Article 41. In the case of supply of products or services subject to control or price monitoring, suppliers shall comply with the official limits , otherwise being responsible for the return of the amount paid in excess with the corresponding adjustments being the consumer entitled to require the transaction cancellation at his choice, without prejudice to other applicable penalties.

## SECTION V

### COLLECTION OF DEBTS

Article 42. - For the payment of his debts, the consumer in default shall not be held up to ridicule, nor exposed to any type of embarrassment or threat.

Sole Paragraph - If charged for an undue amount the consumer will be entitled to recover the equivalent to two times the amount paid in excess, with the corresponding adjustments plus legal interests, except in the event of a justifiable error.

## SECTION VI

### CONSUMER DATA BASE AND REFERENCE FILES

Article 43. - The consumer, without prejudice to the provisions of the article 86, shall have free access to any of his own data informed in reference files, index cards, records, personal and consumer data, as well as their respective sources.

Paragraph 1. - Consumers' data and reference files shall be objective, clear, true and comprehensively written, not bearing any negative information concerning a period of time prior to the last five years .

Paragraph 2. - If not requested, the consumer shall be communicated in writing about the inclusion of his name in any reference file, index card, register, personal and consumer data .

Paragraph 3. - Whenever finding any inaccuracy in his data and records, the consumer shall be entitled to require the prompt correction, and the person in charge of such records shall communicate the alteration, within five weekdays, to any possible addressee of the incorrect information.

Paragraph 4. - Consumers' data base, reference files, credit protection services and others related, shall be understood as public entities.

Paragraph 5. - Extinguished the time for collecting consumers' debts, the respective Credit Protection Services shall no longer provide any information that might prevent or make it difficult to consumers a new access to credit operations before suppliers.

Article 44. - Public agencies for consumer defense shall keep an updated list on the well-founded complaints against suppliers of products and services, and shall make it public annually. Such disclosure shall include whether the complaint has been solved by the supplier or not.

Paragraph 1. - Any interested party may have free access to any information included in such list for means of guidance and reference.

Paragraph 2. - The same rules provided for in the foregoing article and those of the sole paragraph , article 22, of this Code, shall apply to this article, when applicable.

Article 45. - (Vetoed).

## Title I - Chapter 6

### CHAPTER VI

#### CONTRACTUAL PROTECTION

##### SECTION I

###### GENERAL PROVISIONS

Article 46. - Contracts governing consumer relations shall not oblige consumers when they have not been given the chance of previously being acquainted with their contents or when they are written in such a way it is difficult to understand their meaning and scope .

Article 47. - Contractual clauses shall be interpreted more favorably to consumers.

Article 48. - Statements of will included in private written documents, receipts and pre-contracts concerning consumer relations shall bind the supplier, and may also be subject to a specific accomplishment, according to the terms of the article 84 and its paragraphs;

Article 49. - The consumer may give up a contract within a period of seven days from its signature or reception of the good or service, whenever contracting products and services outside of a commercial establishment, especially through the telephone or at his domicile.

Sole Paragraph - If the consumer exercises the right of retraction as mentioned in this article, the amount possibly paid in advance for any reason during this period of consideration shall be returned promptly with the corresponding adjustments.

Article 50. The contractual warranty is a complement of the legal guarantee and shall be given in writing.

Sole Paragraph - The term of warranty or equivalent shall follow a standard and appropriately explain what such warranty consists of, as well as the way, period of time and place where it can be exercised, yet any charge at the consumer's expense and it shall be handed to consumer duly filled in by the supplier upon delivery (of the good or service) accompanied by a illustrated operating instructions handbook, in comprehensive writing .

##### SECTION II

## ABUSIVE CLAUSES

Article 51. - Contractual clauses concerning products and services supply shall be deemed lawfully void, among others, when they:

I. - prevent, exempt or reduce suppliers' liability for defects of any nature in products and services or imply a renouncement or a waiver of rights. In the consumer relations between supplier and consumer - body corporate, the indemnity may be limited in justifiable situations;

II. - take from the consumer the option for reimbursement of an amount already paid, in the cases provided for in this Code;

III. - transfer responsibility to third parties;

IV. - establish obligations understood as unfair, abusive, or that lead the consumer to an unreasonable disadvantage or those that are not consistent with good faith or equity;

V. - (Vetoed);

VI. - establish the reversion of the burden of proof against consumers;

VII. - determine a compulsory use of arbitration;

VIII. - impose a representative to conclude or carry out another legal negotiation by consumer;

IX. - leave to the supplier alone the option to conclude or not the contract, though obliging the consumer;

X. - make it possible for the supplier to directly or indirectly change the price unilaterally;

XI. - authorize the supplier to unilaterally cancel the contract without giving the same right to the consumer;

XII. - require from the consumer the reimbursement for expenses related to the collection of his debts, without giving the same right to the consumer against the supplier;

XIII. - authorize the supplier to unilaterally modify the contents or the quality of the contract after it having been entered into;

XIV. - infringe or make it possible to violate environmental rules;

XV. - are in disagreement with the consumer protection system;

XVI. - make it possible a waiver of the indemnity right related to necessary improvements.

Paragraph 1. - It shall be understood as an excessive advantage, among others, when it:

I. - offends the fundamental principles of the juridical system it belongs to;

II. - anyway restricts the basic rights or obligations inherent to the nature of the contract, threatening its purpose or the contractual balance ;

III. - shows to be excessively burdensome to the consumer, considered the contract nature and scope, the interest of the parties involved and other circumstances peculiar to each case;

Paragraph 2. - The nullity of an abusive contractual clause does not invalidate the contract as a whole except when its absence, despite the efforts to reintegrate the contract, might turn it extremely burdensome to any of the parties;

Paragraph 3. - (Vetoed).

Paragraph 4. - Any consumer or entity representing him is entitled to request that the Attorney General Office takes the legal proceedings as to declare the nullity of a contractual clause that is contrary to the established in this Code, or anyway is unable to ensure a fair balance between rights and obligations of the parties.

Article 52. - Whenever the product or service supply involves the granting of credit or loan, the supplier, among other requirements, shall previously and appropriately advise the consumer about:

I. - the price of the product or service in local currency;

II. - the amount of interest for payment in arrears and the actual annual interest rate;

III. - any legal additional cost;

IV. - the number and periodicity of installments;

V. - the total to be paid, with and without financing.

Paragraph 1. - The penalty on late payment resulting from noncompliance with the obligation within its term shall not be superior to two percent of the installment amount.

Paragraph 2. - It is ensured to consumer the early settlement of his debt, totally or partially, subject to the proportional reduction of interests and other extra costs.

Paragraph 3. - (Vetoed).

Article 53. - In purchase and sales agreements regarding chattels and real properties subject to payment in installments, as well as in fiduciary disposal in guarantee, any clause providing for the total loss of the installments paid, in favor of the creditor who, due to payment default, would require the cancellation of the contract and repossession of the product, shall be deemed lawfully void.

Paragraph 1. - (Vetoed).

Paragraph 2. - In contracts regarding durable products under a buyers' club system, any compensation or return of the installments paid, as provided for in this article, will have discounted, beyond the economic advantage obtained through the possession (of the good), the losses that the withdrawing or defaulting party might have caused to the rest of the group.

Paragraph 3. - The contracts referred to in this article shall be expressed in local currency.

SECTION III

## ACCESSION AGREEMENTS

Article 54. - An accession agreement is that whose clauses have been approved by the competent authority or established alone by the supplier of products or services, without the consumer being able to discuss or substantially modify its contents.

Paragraph 1. - The insertion of a clause in the form will not change the nature of an accession agreement.

Paragraph 2. - In the accession agreements it is allowed to include a cláusula resolutória (clause providing for the agreement to be void or cancelled due to noncompliance by one of the parties), since it is alternative and at the consumer's choice, exempted the established in the paragraph 2 of the foregoing article.

Paragraph 3. - The accession agreements shall be written in comprehensive terms , with noticeable and readable characters, allowing an easy understanding by the consumer.

Paragraph 4. - The clauses that may imply a limitation on the consumer's right shall bear ostensible characters thus allowing a prompt and easy understanding.

Paragraph 5. - (Vetoed).

## Title I - Chapter 7

### CHAPTER VII

#### ADMINISTRATIVE SANCTIONS

Article 55. - The Federal Government, States and Federal District concurrently and in their respective areas of administrative action, will issue rules for the production, manufacturing, distribution and consumption of products and services.

Paragraph 1. - The Federal Government, States, Federal District and Municipalities shall supervise and control the production, manufacturing, distribution and advertisement of products and services and the consumer market, with a view to consumers' life safeguard, health, safety, information and well-being, issuing the necessary rules therefor.

Paragraph 2. - (Vetoed).

Paragraph 3. - Federal, State, Federal District and Local agencies in charge of supervising and controlling the consumer market shall keep permanent committees in order to draft, review and update the rules referred to in the first paragraph, being mandatory the participation of consumers and suppliers.

Paragraph 4. - The official agencies may send a notification to suppliers, subject to penalty for noncompliance, requiring information on issues of consumers' interest, except those that are related to industrial secrets.

Article 56. - Infractions against consumers' defense rules are subject, according to the case, to the

following administrative sanctions, without prejudice to civil and legal sanctions, and those defined in specific rules:

- I. - a fine;
- II. - seizure of the product;
- III. - destruction of the product;
- IV. - cancellation of the product registration at the competent bodies;
- V. - prohibition of the product manufacturing;
- VI. - suspension of the product or service supply;
- VII. - temporary suspension of the activity;
- VIII. - cancellation of the concession or permission of use;
- IX. - cancellation of the license permit for the establishment or activity;
- X. - total or partial closing down of the establishment, work or activity;
- XI. - administrative intervention;
- XII. - determination as to a counter-advertising.

Sole Paragraph - The sanctions provided for under this article will be applied by the administrative authority within its sphere of action, and may be applied cumulatively, inclusive by precautionary measure, preceding or incidental to the administrative procedure.

Article 57. - The penalty of a fine, graduated according to the seriousness of the infraction, to the advantage obtained, and to the economic status of the supplier, will be applied through an administrative procedure being reverted to the Fund mentioned in the Law No. 7347 of July 24, 1985 the amount to which Federal Government is entitled, or to the State or Local funds for consumers' protection, the other cases.

Sole Paragraph - The fine amount shall never be inferior to two hundred and not superior to three million times the amount of the Unidade Fiscal de Referência - UFIR (reference fiscal unit), or other equivalent index that might replace it.

Article 58. - Whenever verified defects in quantity or quality due to inappropriateness or unsafety of the product or service, the penalty of seizure, destruction, manufacturing prohibition, supply suspension, registration cancelling, and revocation of concession or permission of use shall be applied by the administrative body through an administrative procedure, being ensured full defense.

Article 59. - Whenever the supplier falls back into the practice of the most serious infractions mentioned in this Code and in the consumer legislation, penalties of cancellation of the license permit, closing down or temporary suspension of the activity, as well as administrative intervention shall be applied through an administrative procedure, being ensured full defense.

Paragraph 1. - The penalty of cancellation of the concession shall be applied to the concessionaire

of a public service when a legal or contractual obligation is violated.

Paragraph 2. - The penalty of administrative intervention shall be applied should the factual circumstances do not recommend the cancellation of the license, closing down or suspension of the activity. Paragraph 3. - If pending any lawsuit in which is considered the administrative penalty to be applied, no event shall be treated as recurrent until the final ruling, without further appeal.

Article 60. - A counter-advertising shall be imposed whenever the supplier incurs in misleading or abusive advertising in the terms of the article 36 and its paragraphs, always being such amendment at the infractor's expense.

Paragraph 1. - The counter-advertising shall be announced by the responsible party in the same way, frequency and size, and preferably using the same means, place, space and time, this way able to undo the harm caused by the misleading or abusive advertising message.

Paragraph 2. - (Vetoed).

Paragraph 3. - (Vetoed).

Title II

TITLE II

PENAL INFRACTIONS

Article 61. - The behavior typified under the following articles shall constitute crime against consumer relations as provided for in this Code, without prejudice to the established in the Penal Code and other special laws:

Article 62. - (Vetoed).

Article 63. - The omission of readings or noticeable remarks about the harmful and dangerous characteristics of products on packages, wrappings, containers or advertising.

Penalty: From six months to two years' imprisonment, and a fine.

Paragraph 1. - Those who fail to warn by means of written and remarkable recommendation about the harmful and hazardous characteristics of the service to be rendered shall incur in the same penalties.

Paragraph 2. - If the crime is non-intentional:

Penalty: From one to six months' imprisonment, or a fine.

Article 64. - To fail to communicate to the competent authority and consumers about the harmful and hazardous characteristics of products, being such awareness subsequent to their introduction into the market.

Penalty: From six months to two years' imprisonment, and a fine.

Sole Paragraph - Those who fail to withdraw the harmful or hazardous products from the market immediately upon requirement by the competent authorities, shall incur in the same penalties, pursuant to this article.

Article 65. - To carry out any service bearing a high level of danger, contrary to the determination of the competent authority:

Penalty: From six months to two years' imprisonment, and a fine.

Sole Paragraph - The penalties under this article are applicable without prejudice to the corresponding penalties for physical injuries or death.

Article 66. - To make false or misleading affirmation or to omit relevant information about the nature, characteristics, quality, quantity, safety, performance, duration, price or warranty of products or services :

Penalty: From three months to one year's imprisonment, and a fine.

Paragraph 1. - The sponsor of the offer shall incur in the same penalties.

Paragraph 2. - In case the crime is non-intentional:

Penalty: From one to six months' imprisonment, or a fine.

Article 67. - To announce or to promote advertising knowing, or ought to know, that it is misleading or abusive:

Penalty: From three months to one year's imprisonment, and a fine.

Sole Paragraph - (Vetoed).

Article 68. - To announce or promote advertising knowing, or ought to know, that it is capable to induce the consumer to harmfully or hazardously behave in relation to his health or safety. Penalty: From six months to two years' imprisonment, and a fine.

Sole Paragraph - (Vetoed).

Article 69. - To fail to organize factual, technical and scientific data upholding the advertising:

Penalty: From one to six months' imprisonment, or a fine.

Article 70. - To employ second-hand components or spare parts for the repair of products, without authorization by the consumer.

Penalty: From three months to one year's imprisonment, and a fine.

Article 71. - To make use, when collecting bills, of threat, coercion, physical or moral constraints , false, incorrect or misleading affirmation or any other procedure that might expose the consumer to unjustifiable embarrassment or anyway might trouble his job, rest or leisure.

Penalty: From three months to one year's imprisonment and a fine.

Article 72. - To prevent or to hinder the consumer to access any information regarding himself included in reference lists, data base, index cards and records.

Penalty: From six months to one year's imprisonment or a fine.

Article 73. - To fail to immediately correct any information about the consumer which is included in reference lists, data base, index cards or records, which is known, or ought to be known, as inaccurate.

Penalty: From one to six months' imprisonment or a fine.

Article 74. - To fail to deliver to consumer the warranty term duly filled out and clearly specified as to its contents.

Penalty: From one to six months' imprisonment , or a fine.

Article 75. - Those who anyway contribute to the crimes referred to in this Code shall incur in the applicable penalties according to the extent of their culpability. Likewise the director, administrator, manager of the body corporate that promotes, allows or anyway approves the supply, offer, exhibition to sale or maintenance in store of the products or the rendering of services in the conditions hereby forbidden.

Article 76. - The following are considered aggravating circumstances for the crimes typified in this Code:

I. - when committed during a period of serious economic crisis or calamity; II. - when causing serious individual or collective damage; III. - when the illicit nature of the procedure is disguised; IV. - when committed :

(a) by a civil servant or person whose socioeconomic condition is evidently superior to that of the victim;

(b) to the detriment of workers in industries or rural area, persons under the age of eighteen or over sixty, or mentally disabled persons, whether or not under interdiction;

V. - when committed in activities involving food, drugs or any other products or essential services.

Article 77. - The pecuniary penalty under this Section shall be established in fine-days, corresponding to the minimum and maximum number of days of the penalty of liberty restraint applied to the crime. In the individualization of the fine, the court shall observe the provisions of the article 60, paragraph 1 of the Penal Code.

Article 78. - Apart from the penalty of liberty restraint and a fine, other may be imposed, cumulatively or alternately, observed the provisions of the articles 44 up to 47 of the Penal Code:

I. - temporary interdiction of rights; II. - publication of a notice about the facts and the conviction through the means of communication of wide circulation or audience, at the expense of the convicted; III. - rendering of services to the community.

Article 79. - The amount of the security bond regarding the infractions in this Code shall be established by the judge or by the authority presiding over the investigation, between a hundred and two hundred times the amount of BTN-Bônus do Tesouro Nacional (National Treasure Bond) or

other equivalent index that might substitute it.

Sole Paragraph - Should the economic status of the accused or defendant so recommends, the amount of the security bond can be a) reduced to the half of its minimum amount; or b) raised by the judge up to twenty times.

Article 80. - In the penal proceedings related to the crimes provided for in this Code, as well as to other crimes and contraventions involving consumer relations, the legitimate parties mentioned under the article 82, III and IV, may intervene as assistants to the Attorney General Office, and are also empowered to propose a subsidiary penal action in case the charge is not brought forth within the legal term.

## Title III - Chapter 1

### TITLE III

#### CONSUMERS' JUDICIAL DEFENSE

#### CHAPTER I

##### GENERAL PROVISIONS

Article 81. - The judicial defense of the rights and interests of consumers and victims may be exercised either individually or collectively.

Sole Paragraph - The collective defense shall be exercised when involved: I. - diffuse interests or rights so understood for purposes of this Code as those transindividual, of indivisible nature, held by unidentifiable persons linked by factual circumstances; or

II. - collective interests or rights, so understood for the purposes of this Code those transindividual, of indivisible nature, held by a group, category or class of persons linked together or to the opposing party by a basic juridical relationship;

III. - homogeneous individual interests or rights, so understood those resulting from a common origin.

Article 82. - For the purposes of the article 81, sole paragraph, the following are concurrently legitimate parties:

I. - the Attorney General Office

II. - the Federal Government, States, Municipalities and the Federal District;

III. - governmental entities and agencies, both in the direct or indirect administration, even without a legal identity, specifically designed for the defense of the interests and rights protected by this Code;

IV - associations that have been legally constituted for at least one year whose institutional purposes include the defense of the interests and rights protected by this Code, not being required a formal authorization by an assembly meeting.

Paragraph 1. - The requirement as to a previous constitution may be waived by the judge in the actions provided for in the articles 91 and subsequent, whenever expressed a social interest evidenced by the extent or characteristics of the damage or by the importance of the juridical asset to be protected.

Paragraph 2. - (Vetoed).

Paragraph 3. - (Vetoed).

Article 83. - For the defense of the rights and interests protected by this Code any type of action capable to provide an adequate and effective protection is allowed.

Sole Paragraph - (Vetoed).

Article 84. - In the legal action having as objective the compliance with affirmative or negative obligations, the judge shall grant a specific protection as to such obligation or shall determine other measures to ensure a practical result equivalent to said compliance.

Paragraph 1. - The conversion of an obligation into losses and damages shall only be admissible if the plaintiff so elects, or in the case that the specific protection or the achievement of the corresponding practical result is impossible.

Paragraph 2. - The indemnity for losses and damages shall occur without prejudice to the payment of a fine (article 287 of the Code of Civil Procedure).

Paragraph 3. - Being the grounds for the demand relevant and there being a justified concern as to a possible inefficiency of the final procedures it is licit for the judge to grant a preventive protection or after a previous justification, being cited the defendant.

Paragraph 4. - In the event under paragraph 3, if it is sufficient or compatible with the obligation, the judge may rule on a daily fine on the defendant, independently of request by the plaintiff, establishing a reasonable term for the accomplishment thereof.

Paragraph 5. - For such specific protection or achievement of an equivalent practical result, the judge may determine some necessary measures such as search and seizure, removal of things and persons, undoing of works, stoppage of harmful activities as well as to require the police force.

Article 85. - (Vetoed).

Article 86. - (Vetoed).

Article 87. - In the class actions referred to in this Code, there shall be no judicial or court costs, fees, expert appraisal remuneration or any other expenses in advance, nor the plaintiff association may be condemned to the payment of attorney's remuneration , costs and other procedural expenses, except when verified bad faith.

Sole Paragraph - In the event of a litigation in bad-faith, the plaintiff association and the directors responsible for filing the lawsuit shall be jointly condemned to the payment of attorneys' remuneration and ten times the judicial fees , without prejudice to liability for losses and damages.

Article 88. - In the event under the article 13 , sole paragraph of this Code, the recovery suit may be

brought before the court under an independent process or alternatively be attached to the same records, being banned a third-party's impleading (denúnciação da lide).

Article 89. - (Vetoed).

Article 90. - The rules under the Civil Procedure Code and Law No. 7347 as of July 24, 1985 apply to the actions under this title, inclusive with respect to the civil investigation, in what is not contrary to their provisions.

Title III - Chapter 2

## CHAPTER II

### CLASS ACTIONS FOR THE PROTECTION OF HOMOGENEOUS INDIVIDUAL INTERESTS

Article 91. - The legitimate parties referred to in the article 82 may, on their behalf and on behalf of the victims or successors, file a collective civil liability action for damages individually suffered, pursuant to the provisions of the following articles.

Article 92. - The Attorney General Office, if not filing the suit, shall always act as *custus legis*

Sole Paragraph - (Vetoed).

Article 93. - Exempted the Federal Justice jurisdiction, local courts will have jurisdiction over the cases :

I. - in the venue where the damage occurred or might occur, within the local sphere;

II. - in the venue of the State's capital or in the Federal District for damages at national or regional levels, where the provisions of the Civil Procedure Code shall apply in the event of concurrent jurisdiction.

Article 94. - Once filed the action and in order to allow that other interested parties take part in the process as co-parties, a formal notice to the public shall be published in the official gazette, without prejudice to a widely spread notice through other social media by the consumer defense entities.

Article 95. - Being sound the demand, the sentence shall be generic, establishing the defendant's responsibility for the damages caused.

Article 96. - (Vetoed).

Article 97. - The calculations and execution of the sentence may be filed by the victim and successors as well as by the legitimate parties referred to in the article 82.

Sole Paragraph - (Vetoed).

Article 98. - The execution of the sentence may be collective and filed by the legitimate parties referred to in the article 82, including the victims whose indemnities have already been established by the sentence as to calculations, without prejudice to the filing of other execution proceedings.

Paragraph 1. - The collective execution shall be based on a certificate issued upon the indemnity calculation sentence, where it shall appear whether the ruling is final and without further appeal.

Paragraph 2. It shall have jurisdiction for the execution:

I. - the court where the indemnity calculations have been made or where the sentence has been pronounced, in the case of an individual execution;

II. - the court pronouncing the sentence, in the case of a collective execution.

Article 99. - In the event of concurrent credits resulting from a sentence pursuant to the Law No. 7347 of July 24, 1985, and from indemnities for individual losses resulting from the same damaging event, the latter shall have priority of payment.

Sole Paragraph - For the purposes of the provisions of this article, the allocation of the amount paid to the Fund created by the Law No. 7347 of July 24, 1985 shall be suspended while the indemnity actions for individual damages are pending of decision in second instance, except when the debtor's possessions are evidently sufficient to cover the whole debt.

Article 100. - Elapsed one-year term without application by interested parties in a number compatible with the seriousness of the damage, the legitimate parties will be able to carry on the calculation of the due indemnity and execution.

Sole Paragraph - The result of the due indemnity shall revert to the Fund created by the Law 7347 as of July 24, 1985.

### Title III - Chapter 3

## CHAPTER III

### SUPPLIERS OF PRODUCTS AND SERVICES' LIABILITIES

Article 101. - In the civil liability actions against suppliers of products and services the following rules shall be observed without prejudice to the Chapter I and II under this Title:

I. - the action may be filed in the plaintiff's location;

II. - having hired a liability insurance the defendant may call the insurance company into the case, not being permitted the participation of the Instituto de Resseguros do Brasil (Brazilian Reinsurance Institute). In this case the judicial decision accepting the demand as well-founded shall sentence the defendant in the terms of the article 80 of the Civil Procedure Code. In the event that the defendant is legally declared a bankrupt, the receiver shall be notified to inform about the existence of any liability insurance and it is possible, in the affirmative case, that an action for indemnity is brought directly against the insurance company, not being allowed to request the participation of the Instituto de Resseguros do Brasil which is exempted from the legal obligation of participating in these cases .

Article 102. - The legitimate parties acting in compliance with this Code may file an action aiming at compelling the competent government authorities to ban -throughout the Brazilian territory - the production, advertising, distribution or sale, or even to require the alteration of components,

structure, formula or packaging of a product whose regular use or consumption reveals to be harmful or hazardous to public health and personal safety.

Paragraph 1. - (Vetoed).

Paragraph 2. - (Vetoed).

Title III - Chapter 4

## CHAPTER IV

### RES JUDICATA

Article 103. - In the class actions referred to in this Code, the judicial decision shall constitute res judicata:

I. - erga omnes, except when the request is deemed unfounded due to insufficient evidence, event in which any legitimate party may bring another action based on the same reason and making use of a new evidence, in the event of the item I, sole paragraph, article 81;

II. - ultra partes, but limited to the group, category or class, except when it is deemed unfounded due to insufficient evidence, according to the foregoing item and in the event provided for in the item II, sole paragraph, article 81;

III. - erga omnes, just in the case of a well-founded request for the benefit of all victims and successors in the event of the item III, sole paragraph, article 81.

Paragraph 1. - The effects of the res judicata provided for in the items I and II shall not bring any disadvantage to individual interests and rights of the constituents of a collectivity, group, category or class.

Paragraph 2. - In the event provided for in the item III, if a request is deemed unfounded, the interested parties who have not intervened in the process as co-parties may file an individual action for indemnity.

Paragraph 3. - The effects of the res judicata according to the article 16 in connection with the article 13 of the Law no. 7347 as of July 24, 1985, shall not badly affect the indemnity actions for damages personally suffered that have been individually filed or as provided for in this Code; but being the request well-founded, they shall benefit the victims and successors who will be entitled to carry on for the indemnity calculations and execution in the terms of the articles 96 up to 99.

Paragraph 4. - The provisions of the foregoing paragraph shall apply to the penal sentence .

Article 104. - The class actions mentioned in the items I and II, sole paragraph of the article 81 shall not induce litis pendentia for individual actions , but the effects of the res judicata - erga omnes or ultra partes referred to in the items II and III of the foregoing article will not benefit the plaintiff of an individual action if its suspension is not required within a term of thirty days as from the date he has been given notice in the records that a class action had been filed.

## Title IV

### TITLE IV

#### NATIONAL SYSTEM FOR CONSUMER DEFENSE

Article 105. - The National System for Consumer Defense is integrated by Federal, State, Local and Federal District's agencies and private entities for consumers' defense.

Article 106. - The Department for Consumer Protection and Defense (Departamento de Proteção e Defesa do Consumidor ) branch of the National Economic Law Office (Secretaria de Direito Econômico)-Ministry of Justice -or any other federal agency that might substitute it - is a body coordinating the actions of the National System for Consumer Defense, having under its responsibility:

- I. - to plan, elaborate, propose, coordinate, and perform the national policy for consumer protection;
- II. - to receive, analyze, evaluate and forward queries, charges or suggestions submitted by representative entities or public / private legal entities.
- III. - to provide consumers with a permanent guidance regarding their rights and guarantees;
- IV. - to offer information, awareness, and motivation to consumers through the different means of communication;
- V. - to request from the judiciary police to hold inquiries as to verifying infractions against consumers, in the terms of the law;
- VI. - to submit them to the competent branch of the Attorney General Office in order to be taken the procedural measures within its sphere of authority;
- VII. - to advise the competent bodies about the administrative infractions that violate consumers' diffuse, collective or individual interests;
- VIII. - to request cooperation from bodies and entities in the Federal Government, States, Federal District and municipalities as well as to provide assistance as to the monitoring of prices, supply, quantities, and safety of goods and services;
- IX. - to incentive, inclusive by granting financial resources and other special programs, the formation of entities for consumer protection by the community, as well as by the States and local government agencies;
- X. - (Vetoed);
- XI. - (Vetoed);
- XII. - (Vetoed); and
- XIII. - to develop other activities that are compatible with its purposes.

Sole Paragraph - For the accomplishment of its objectives, the National Department for Consumer

Protection and Defense may request cooperation from bodies and entities of technical and scientific widely known specialization.

## Title V

### TITLE V

#### COLLECTIVE CONSUMER CONVENTION

Article 107. - Through a written convention, civil entities, supplier associations or economic class unions may regulate the consumer relations aiming at the establishment of price, quality, quantity, warranty and characteristics of products and services, as well as those relating to complaints and settling of consumer conflicts.

Paragraph 1. - The convention shall be mandatory as from its registration at a registry of deeds and documents.

Paragraph 2. - The convention shall bind only those affiliates of the signatory entities.

Paragraph 3. - Suppliers withdrawing from an entity subsequently to the registration of the convention, are not exempted from complying with it.

Article 108. - (Vetoed).

## Title VI

### TITLE VI

#### FINAL PROVISIONS

Article 109. - (Vetoed).

Article 110. - "IV - to any other diffuse or collective interest." shall be added to the article 1 of the Law no. 7347 of July 24, 1985 .

Article 111. - The item II of the article 5, Law No. 7347 of July 24, 1985 shall read as follows: "II. - includes among its institutional purposes, the protection to the environment, to the consumer and to the artistic, aesthetic, historical, tourist and landscape heritage, or any other diffuse or collective interest."

Article 112. - The paragraph 3 of the article 5, Law No. 7347 of July 24, 1985 shall read as follows:

"Paragraph 3. - In the event of an unfounded giving up or abandonment of the action by a legitimate association the Attorney General Office or another legitimate person shall undertake the plaintiff's role ."

Article 113. - The following paragraphs 4, 5 and 6 shall be added to the article 5, Law No. 7347 of July 24, 1985:

"Paragraph 4. - The requirement as to a previous constitution may be waived by the judge whenever expressed a social interest evidenced by the extent or characteristics of the damage, or by the relevance of the juridical asset to be protected.

Paragraph 5. - It is admissible that the Attorney General Offices in the Federal Government, Federal District and States would optionally act together in defense of the interests and rights provided for in this Law.

Paragraph 6. - The legitimate governmental agencies may require from the interested parties a commitment in relation to an adjustment of their behavior to the legal requirements, through sanctions having the effectiveness of an executive extra-judicial instrument.

Article 114. - The article 15, Law No. 7347 of July 24, 1985 shall read as follows:

"Article 15. - Elapsed sixty days from the court's final and without further appeal decision as to a condemnation without having the plaintiff's association carried on for execution, the Attorney General Office shall undertake it , being optional to the other legitimate parties the same initiative.

Article 115. - The main provision of the article 17, Law No. 7347 of July 24, 1985 shall be deleted, and the sole paragraph shall constitute the main provision, which shall read:

"Article 17. - In the event of litigation in bad-faith, to damages."

Article 116. - The following writing shall be given to the Article 18 of the Law No. 7347 of July 24, 1985: "Article 18. - In the class actions referred to in this Code there shall be no judicial or court costs, fees, experts remuneration or any other expenses in advance, nor the plaintiff association shall be condemned to the payment of attorney's remuneration, costs and other procedural expenses, except when verified bad faith,"

Article 117. - "Article 21. - The provisions under the Title III of the Law instituting the Consumer Defense Code shall apply to the defense of individual, collective, diffuse interests and rights, where applicable," shall be added to the Law No. 7347 of July 24, 1985 and the subsequent provisions renumbered.

Article 118. - This Code shall be in force within 180 days as from its publication.

Article 119. - All contrary provisions shall be revoked.

Brasília, September 11, 1990; 169th year from Brazil's Independence , and 102nd from the Republic Proclamation.

Tradução elaborada pela Fundação de Proteção e Defesa do Consumidor - PROCON São Paulo.  
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