



## Lidl Ireland GmbH

*Lidl Ireland GmbH, Great Connell Road, Newbridge, Co. Kildare*

**FAO Kieran Grace  
Principal  
Competition and Consumer Policy Unit  
Earlsfort Centre  
Lower Hatch Street  
Dublin 2**

**26 February, 2015**

**By Registered Post**

**Re: Grocery Regulations Consultation**

**PLEASE NOTE MOST OF THE INFORMATION CONTAINED HEREIN IS COMMERCIALY SENSITIVE DUE TO THE FACT THAT IT REFERENCES OUR INTERNAL PROCESSES. PLEASE CONSULT US BEFORE MAKING A DECISION ON ANY FREEDOM OF INFORMATION REQUEST IN RELATION TO ANY OF THE CONTENTS OF THIS LETTER.**

Dear Mr. Grace,

I refer to the matter above and yours of 22<sup>nd</sup> of December 2014 relating to same.

Together with my colleagues I have reviewed the draft Regulations and a number of points occur. The points relate to matters on which we would ask for further clarification and also on certain elements of the Regulations on which we wish to proffer our thoughts.

For the purposes of clarity, I intend to address each part of the regulations on which we wish to put forward any comment as they occur numerically. I will then go on to provide some input on the bullet pointed questions that are set out towards the end of your letter.

### **COMMENT ON REGULATIONS**

1. By way of preliminary and in relation to subsection 2 of regulation 1, we would ask the committee to indicate the proposed lead in time for these regulations.
2. In relation to subsection 2 of regulation 2, it is suggested that greater clarity could be afforded by including definitions for the terms listed in the body of this subsection 2 rather than directing readers to cross reference the 2007 Act as inserted by the 2014 Act.
3. Due to our code of conduct and our policy of dealing in a fair manner with our suppliers we do not have any issue with the content and spirit of regulation 6.

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4. We find regulation 7 as it is currently drafted somewhat confusing. In particular, we find the reference to a third party from whom the undertaking receives payment difficult to comprehend and would suggest that this regulation may be benefited by a re-draft.

5. It is submitted that subsection (2) of regulation 8 stands to reason and on this basis does not need to be included in the regulations. If the Commission feels, however, that it is necessary to include same, we feel that 'reasonable control' would benefit from being defined.

8. In order to bring the regulations in line with the regulations relating to late payments in commercial contracts it is submitted that the words 'unless otherwise agreed' be added after 'within 30 days' in regulation 11(3).

9. We believe that regulation 12 would benefit from the words 'vary significantly' being defined so as to show what exactly is envisaged for this term. We would also submit that the word 'contractually' should be inserted before the words 'previously agreed arrangements'. It is our belief that 'reasonable notice' would also benefit from a definition.

10.

11. Lidl Ireland does not seek payments from its suppliers for marketing costs, shelf space, advertising costs, wastage or shrinkage and therefore we have no submissions in relation to regulations numbers 14 through to 18.

12. We would submit that it is not necessary to include a regulation in relation to payments for customer complaints. Where a retailer suffers loss following on from a customer complaint due to a supplier's negligence, under tort law the retailer is entitled to pursue a claim against the supplier. We would see regulation 19 as going over and above what is already in place in law.

13.

16. In relation to regulation 24, it is submitted that it would be beneficial to have 63D and 63E of the 2007 Act set out in the body of regulation 24 rather than directing readers to cross reference to the 2007 Act which could cause confusion. It is noted that that under regulation 24 that the Commission will have the option to deal with breaches of the Regulations by means of a contravention notice or criminal proceedings. Whilst the foregoing is not a worry for Lidl in particular, it is respectfully submitted that a two strike method would be a more fair and equitable approach, i.e. a contravention notice is issued by the Commission in the first instance and where this is not adhered to criminal proceedings would be issued.

**Bullet Pointed Queries:**

2. **Guidelines**  
As per the body of the letter above it is submitted that guidelines on any reporting duties that are brought into law would be beneficial. Similarly any guidelines in relation

to training of staff and any resources (posters, leaflets etc.) that could assist such training would be of benefit.

3. **Future Regulations on household cleaning products and toiletries**

Our observations in the body of the letter above refer for any proposed regulations in relation to this category. Perhaps you could provide us with some feedback as to when these regulations may come into contemplation? Will the Committee be providing us with an opportunity to comment on any proposed regulations as per the current invitation? We feel that this would be helpful to the retail industry as a whole.

4. **Large Suppliers that supply to smaller retailers**

As this category does not apply to Lidl we do not have any observations to make.

We trust that our submissions will be of some benefit to you and wish to thank you for the opportunity to put forward our input.

Yours sincerely,



**Brendan Proctor**  
**Managing Director.**