

Draft

Order on trade in second-hand goods and pawnbroking activities

The following is laid down pursuant to Sections 1(4), 12 and 13(1) of the Act on trade in second-hand goods and pawnbroking activities, cf. [Act No x of x]:

Part 1

Introductory provisions

Section 1. Paragraph 1. The rules in Part 3 of this Act shall apply to other self-employment activities in connection with the trade in or purchase of the following second-hand goods:

- 1) bicycles and bicycle parts;
- 2) parts of motor vehicles;
- 3) gold and silver articles, jewellery, watches/clocks, furniture, musical instruments, electronic devices and their accessories; and
- 4) other second-hand goods or batches of second-hand goods at a purchase or sales price exceeding DKK 5 000.

Paragraph 2. The provisions of Parts 2 and 3 of the Order shall also apply to the activities referred to in paragraph 1.

Part 2

Common rules for trade in second-hand goods and the like

Section 2. The licence holder shall require any person who wishes to conclude a contract for the sale of a good or a collection of goods at a price exceeding DKK 2 000 to provide identification via 'MitID' (Denmark's national eID) or through valid photo identification. The licence holder shall keep proof of the type of the identification presented for five years.

Part 3

Special rules for pawnbroking activities

Section 3. Pawnbrokers may not impose or receive higher interest on sums lent than 1.5 % per commenced month nor may they impose costs on the pledgor, without prejudice to Section 5.

Section 4. The pawnbroker must not conclude a contract under which the loan is to be repaid within three months.

Section 5. Paragraph 1. If a loan is repaid or a mortgage is renewed after the mortgage has been registered in an auction set to be held within the following three weeks, the pawnbroker may be entitled to remuneration for incurred costs of 5 % of the sum of the loan plus accrued interest, but not exceeding DKK 3 000 for each mortgage.

Paragraph 2. If a mortgage has been put up for auction but has been withdrawn due to a lack of a reasonable bid, the pawnbroker is entitled to remuneration as specified in paragraph 1.

Section 6. Paragraph 1. The pawnbroker may seek enforcement of the mortgage by public auction if the borrower has defaulted 30 days after its due date and the conditions set out in paragraph 2 are met.

Paragraph 2. The amount due shall represent:

- 1) at least one tenth of the total amount to be paid; or
- 2) if the amount due includes several instalments, at least one twentieth of the total amount to be paid; or
- 3) the entire remaining debt.

Section 7. Paragraph 1. The pawnbroker shall provide the auctioneer with the information necessary to update the auction catalogue

Paragraph 2. The information referred to in paragraph 1 shall include:

- 1) the identity of the pawnbroker;
- 2) the mortgage number, as shown in the pawnbroker's accounting documents.

Section 8. Paragraph 1. Within four weeks of the enforcement of the mortgage, the pawnbroker shall determine his outstanding accounts with the pledgor.

Paragraph 2. The statement shall contain information enabling the pledgor to verify that the statement has been correctly drawn up.

Paragraph 3. If the purchase price at the auction exceeds the pawnbroker's receivables under the loan agreement, the excess amount shall be paid to the pledgor within the period referred to in paragraph 1.

Paragraph 4. The pawnbroker shall keep the statement together with a copy of the auction catalogue for a period of three years after the enforcement of the mortgage.

Part 4

Penalties

Section 9. *Paragraph 1.* Infringements of Sections 2, 3, 4, 7(1) and 8(1), (3) and (4) shall be punishable by a fine.

Paragraph 2. Entities, etc. (legal persons) may be rendered criminally liable in accordance with the provisions in Chapter 5 of the Penal Code.

Part 5

Entry into force, etc.

Section 10. This Order shall enter into force on [...].