

Act on Package Tours

1994 No. 80

Entered into force 30 May 1994. *EEA Agreement:* Annex XIX Directive 1 and 90/314/EEC. *Amended by* [Act 62/2005](#) (entered into force 1 July 2005), [Act 34/2007](#) (entered into force 30 March 2007), [Act 167/2007](#) (entered into force 1 January 2008), [Act 98/2009](#) (entered into force 1 October 2009 except for Articles 69 and 70, which entered into force on 1 January 2010) and [Act 162/2010](#) (entered into force 1 January 2011).

Section I Scope and Definitions

■Article 1

This Act shall apply to contracts concluded between consumers and tour organizers or tour retailers for the purchase of package tours, and to other business practices relating thereto.

■Article 2

For the purposes of this Act, the following definitions shall apply:

A package tour is the pre-arranged combination of no fewer than two of the following items when a tour is sold or offered for sale at a all inclusive price and when the service covers a period of more than twenty-four hours or includes overnight accommodation:

- a. transport,
- b. accommodation,
- c. other tourist service accounting for a significant proportion of the tour.

It shall be deemed to constitute a package tour even though each item is billed separately.

A tour organizer is a party who puts together a package tour and offers it for sale, whether directly or through a tour retailer.

A tour retailer is a party who offers for sale a package tour put together by a tour organizer.

A consumer is a natural or legal person:

- a. who concludes a contract to purchase a package tour (the principal contractor),
- b. for whom the principal contractor concludes a contract for the purchase of a package tour,
- c. to whom a package tour has been transferred from the principal contractor or from the party for whom the principal contractor concluded a contract for the purchase of a package tour.

Section II Entry into contract and contract content

■Article 3

Package tour brochures and advertisements shall informatively and accurately detail the price and all information relating to the tour. Information contained in a brochure is binding for the tour organizer, unless the consumer has been notified of alterations before the contract was concluded, alterations have been agreed upon, or price alterations are permitted pursuant to Article 7.

■Article 4

A package tour purchase contract shall be concluded in writing or by other means which are unequivocal and accessible to the consumer. The consumer shall receive a copy of the contract.

Before a package tour contract is concluded, the tour organizer or retailer shall provide the consumer with general information on passport and visa requirements and deadlines for procuring these, in addition to information concerning health measures required in the countries concerned. Such information shall be provided in writing or by other unequivocal means.

The tour organizer or retailer shall also provide the consumer with more detailed information on the requisites for a tour to take place. This shall be provided in writing or by other unequivocal means.

Section III Package tour cancellation, transfer and price alterations

■Article 5

If the consumer cancels a package tour, the vendor may charge a fee determined in view of the timing of the cancellation and the nature of the package tour. Before a contract is concluded, the consumer shall be notified of the cancellation policy.

The consumer shall have the right to cancel a package tour for reasons of hostilities, civil war, life-threatening infectious diseases or other factors which have a decisive impact on the operation of a package tour at or in the vicinity of the destination when at least 14 days or fewer remain until departure. In such an event, the consumer shall be entitled to a full refund less a confirmation fee. This does not apply, however, if the consumer should have been able to foresee the above-mentioned events and situation when the contract was concluded.

Before a contract for a package tour is concluded, the vendor shall inform the consumer of what options exist to conclude an insurance policy or otherwise insure himself against financial loss in the event that the consumer cannot participate in a package tour.

■Article 6

When a consumer cannot make use of a package tour, he may transfer his booking to a party satisfying the conditions for participation. The tour organizer or retailer shall be informed of this with reasonable notice before the start of the tour.

The transferor of the package and the transferee shall then be jointly and severally liable to the tour organizer or retailer for payment of the balance due and for all additional costs arising from such transfer.

■Article 7

The price laid down in the contract shall remain unchanged unless the contract clearly states that the price may increase or decrease and specifies precisely how the modified price is to be calculated. Changes shall be allowed solely in:

- a. the cost of transportation, including the cost of fuel,
- b. levies, taxes or special charges for certain services, such as landing taxes or embarkation or disembarkation fees at ports and airports,
- c. the exchange rates applicable to the particular package tour.

During the twenty days prior to the departure date, the price stated in the contract may not be increased.

Section IV**Deficient performance by the tour organizer or retailer and the rights of the consumer****■Article 8**

If a tour organizer alters a package tour before departure, he must notify the consumer of this as soon as possible. If the alteration is significant, the consumer must notify the tour organizer or retailer as soon as possible and whether he chooses to rescind the contract or enter into a supplementary contract specifying the alterations made to the original contract and their impact on the price and other conditions.

When a consumer is notified of alterations to a package tour, he shall at the same time be informed of his duty of notification pursuant to paragraph 1, and of the consequences of failing to observe this. Likewise, he shall be informed where to direct such notice.

■Article 9

If a consumer rescinds a contract pursuant to Article 8 (1), or if a tour organizer cancels the tour, the consumer shall be entitled to a full refund, or to take instead another package tour of equivalent or better quality if the tour organizer or retailer is able to offer such a substitute. If the substitute tour offered is less expensive, the price difference shall be refunded to the consumer. If the tour is more expensive, the consumer shall pay the difference.

■Article 10

If the consumer suffers damage because of significant travel arrangement alterations or because a tour has been cancelled, he is entitled to compensation, unless the tour is cancelled:

- a. because the number of participants enrolled is less than the minimum number required, provided that the consumer is notified of the cancellation, in writing, within a specific pre-agreed time limit
- b. or altered by reason of unforeseeable circumstances beyond the control of the party by whom they are pleaded, the consequences of which could not have been avoided.

■Article 11

If the package tour does not fulfil the provisions of the package tour contract, the consumer may demand that this be remedied, unless that would entail unreasonable cost or significant inconvenience for the tour organizer or retailer. If the deficiencies cannot be remedied, or only by services of lower quality, the consumer is entitled to a price reduction equivalent to the difference between the services contracted for and those provided.

If a significant proportion of the services provided for in the contract fails to be performed or is deficient in significant respects, the consumer may rescind the contract, unless the travel organizer or retailer remedies the problem within a reasonable time limit at no cost to the consumer. If transport constitutes part of a package tour and the consumer chooses to rescind the contract, he or she may demand transportation, free of charge, to the place from which the package tour originated, or to another place agreed upon by the parties.

The consumer must, at the earliest opportunity, communicate to the party with whom he concluded the package tour contract or to his representative any failure of which he becomes aware in the performance of the contract. This obligation must be clearly stated in the contract.

■Article 12

The tour organizer and the tour retailer shall be jointly and severally liable to the consumer for proper performance of the contract, whether carried out by themselves or other suppliers of services.

■Article 13

If the consumer suffers injuries or damage to property because of package tour deficiencies, he is entitled to compensation unless the failures occurring in the performance of the contract are attributable neither to the negligence of the vendor nor that of other suppliers of services, because such failures are:

- a. the fault of the consumer,
- b. the fault of a third party who is not connected with the provision of the services contracted for, and are unforeseeable or unavoidable,
- c. due to circumstances or an event beyond control (force majeure), which the supplier of the services could in no way foresee or avoid.

■Article 14 A tour organizer or retailer may limit the compensation he or she is obligated to pay pursuant to Article 13 in accordance with limitations provided for in national law or in international conventions governing particular components of a package tour.

Section V

Consumer obligations

■Article 15

The consumer must comply with instructions given by tour directors and the employees of other service suppliers in the course of package tour.

In the case of significant failure of the consumer to perform obligations pursuant to this Act and paragraph 1, the tour organizer or retailer can exclude him from further participation in the package tour or prevent him from embarking upon it, while requiring full price for the tour. Once a tour has commenced, the consumer must personally cover any additional cost resulting from his exclusion from the tour.

Section VI

Entry into force, etc.

■Article 16

[The Minister of the Interior]¹⁾ may issue more detailed rules²⁾ on the implementation of this Act, *inter alia* concerning the content of any informational brochure for consumers, cancellation terms and other package tour information and particulars that need to be stated in the contract.

¹⁾[Act 162/2010, Article 134](#) ²⁾[Regulation 156/1995](#)

■Article 17

Supervision of the present act shall be exercised by the Icelandic Consumer Agency. ¹⁾

[Consumer Agency remedies and procedure are subject to the provisions of the Act on the Surveillance of Unfair Business Practices and Market Transparency.

Decisions taken by the Consumer Agency pursuant to the present Act are appealable to the Appeals Committee for Consumer Affairs, which operates under the authority of Article 4 of the Act on the Consumer Agency and Consumer Spokesman.

A Consumer Agency decision cannot be referred to the courts until the Appeals Committee for Consumer Affairs has ruled.

In case a party is unwilling to abide by the ruling of the Appeals Committee, he or she can bring an action for annulment before the courts of law. Such action shall be brought within six months from the time when the party was informed of the Appeals Committee ruling. Court action postpones neither the coming into effect of the committee ruling nor any authorization to proceed with enforcement.]²⁾

¹⁾[Act 62/2005, Article 13](#) ²⁾[Act 34/2007, Article 1.](#)

■Article 18

Violations of this Act are punishable by fines unless otherwise statutorily subject to a heavier penalty.

■Article 19

This Act shall take effect forthwith. This Act shall not apply to package tours for which contracts were concluded before the Act entered into force.