

(RE-) Establishing a fair balance between all different players in the automotive value chain - Franchising

February 2020

Background

As from 2013, year of the expiry of the last Motor Vehicle Block Exemption Regulation 1400/2002 (MVBBER) – CECRA has constantly been calling to the EU for a fairer balance between carmakers and their franchised dealers ... ([learn more](#))

Latest Developments

Franchising – Renewal process of the Vertical Block Exemption regulation

2020 also represents a major step for CECRA's Franchising working group, with the renewal process of Vertical Block Exemption regulations. Indeed, the legal basis for all automotive dealer contracts within the EU; the Vertical Block Exemption Regulation 330/2010 and sector specific Block Exemption Regulation 461/2010 are respectively expiring on 31 May 2022 and 5 May 2023, and are currently being reviewed by the European Commission (see our newsletters under Lobbying/Franchising).

CECRA which represents the interests of dealers and repairers at EU level would like to use this opportunity to request some changes.

CECRA and its ECD (European Car Dealers) division have already had discussions with the responsible team within the European Commission (DG Competition).

During this meeting and in previous discussions, we have been told that DG COMP is highly interested in the opinion of car dealers and repairers in Europe.

With the aim to provide precise facts and figures, CECRA has prepared and sent to its members a survey on the contractual relation between OEMs and dealers regarding the 330/2010 Regulation.

In the meantime, DG COMP has commissioned an external study as part of the evaluation process and has appointed Ernst & Young Services as an independent contractor to undertake a study on the sector specific Block Exemption Regulation 461/2010. E&Y has prepared a survey specific to the 461/2010 Regulation, which was forwarded to all CECRA's members.

It is worthy to note that the incoming evaluation of the Vertical Block Exemption Regulation has been underlined (page 9) on the [2020 Work Program](#) of the European Commission.

Next steps

Automotive BER 461/2010:

- Fact-finding study and the public consultation planned for Q3/2020;
- Evaluation report: 2021;
- The input should be on the performance of the current regime and not, at this stage, on what the post-2023 will look like.

All channels: franchising resolution (with the announced discussion in the European Competition Network), and Unfair Practices will continue to be analyzed.