

A vast majority of the legislation for the automotive aftermarket is decided at European Union's or at United Nations' levels. They have a direct impact on your business. A single wrong, inaccurate or misplaced word could put the entire sector out of business. A strong political representation is needed to avoid that risk.

FIGIEFA represents independent automotive parts distributors towards European and international legislators. It monitors their legislative proposals and is in constant contact with them, with the aim to secure a legislative framework that allows you to operate your business and to thrive.

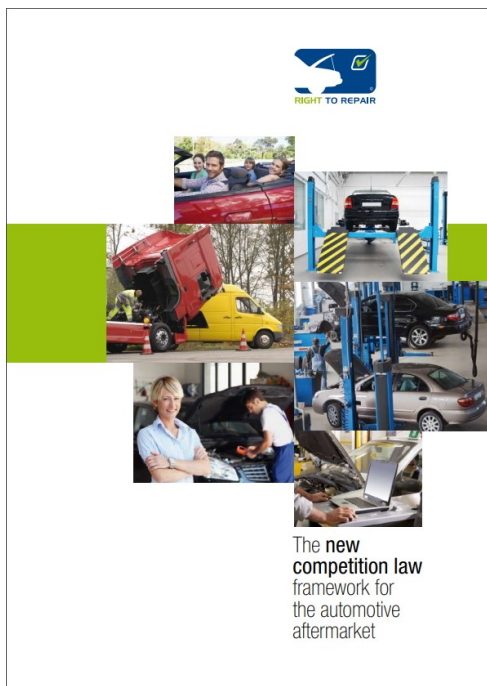
## FIGIEFA is working for you on Motor Vehicle Block Exemption Regulation at EU level



### *What is the issue?*

For more than 10 years, the Motor Vehicle Block Exemption Regulation (MVBER) sets the legal frame which allows our parts distribution and repair companies to provide competitive aftermarket services, in fair competition with the vehicle manufacturers' network. However, this crucial legislation is due to expire in May 2023. The European Commission is reviewing this sector specific legislation and is currently assessing the achievements of the MVBER legislation and its potential for the future.

There is a major risk that the MVBER could simply disappear. Alternatively, it could be extended as such, maintaining the status quo. Last, it could be updated, with two different sub-scenarios: it could be watered down, eliminating some safeguard measures for the independent aftermarket's competitiveness or, on the contrary, it could be upgraded to take into consideration new technological, economic, commercial and societal developments.



Learn more on the MVBER on our [website](#)



### *How could it impact your business?*

The end or a downgrading of the MVBER could put your companies in a relationship of reinforced dependency with vehicle manufacturers, as numerous safeguards covering a wide range of aftermarket services would be abandoned. The MVBER guarantees, among others, three main sets of measures to ensure your ability to be competitive:

- Vehicle manufacturers may not hinder their original equipment suppliers from also supplying their products (components) as spare parts to independent distributors. Independent repairers are free to purchase and to use any parts or equipment for the repair and maintenance of vehicles, and authorised repairers can source "original parts" and "parts of matching quality" from parts suppliers and independent parts distributors;
- Vehicle manufacturers may not make the warranties conditional on the repair and servicing of a vehicle within their network or on the use of their own branded spare parts, and consumers have the right to use any repair shop for non-warranty work, during both the statutory and the extended warranty periods;
- Vehicle manufacturers may not withhold technical information; access to it should be given without undue delay, in a usable form, at a price which should not discourage the access, and vehicle manufacturers have to give independent operators access to technical information at the same time as to their authorised repairers.

On the contrary, an upgrade of MVBER could allow your companies to benefit from fairer conditions to compete with vehicle manufacturers on new services resulting from the increased digitalisation of the vehicle and of the aftermarket services. With the rising number of parts being made captive and exiting your portfolio, such an upgrade would be highly beneficial to your business.



## What is FIGIEFA doing?

FIGIEFA, who had been pivotal in establishing the current version of the MVBER in 2010, is advocating towards the European Commission to extend and upgrade the existing MVBER. In particular, it is participating actively in the consultation process initiated by the European Commission and meeting regularly with officials, in particular within the Directorate General for Competition, which is in charge of the legislation.

FIGIEFA, with the support of its Members, has investigated the positive impact that the MVBER has had on competition in the automotive aftermarket over the years, but also where it was not so effective. FIGIEFA produced to this end a detailed report evaluating the efficiency of the various clauses of the MVBER, proposing recommendations to improve them, providing concrete evidences sustaining its claims, and establishing a comparison with third countries.

FIGIEFA advocates in particular that new forms of hindrances should be taken into account, such as the introduction by vehicle manufacturers of activation codes and softwares for replacement parts, which make the repair with independent spare parts uncompetitive or even impossible. The enforcement should also be simplified and reinforced, as companies in our sector often don't have the financial and legal resources to defend their rights.

### The rising issue of captive parts

To our findings, more and more parts are taken out of the competitive remit and are made captive, hence are not any longer available to independent parts distributors. FIGIEFA tries to remedy to this, within the boundaries set by the MVBER. Moreover, FIGIEFA is trying to improve the conditions for OES to supply their own parts to the independent aftermarket.

FIGIEFA works closely with other trade associations representing different segments of the automotive aftermarket (workshops, data publishers, garage equipment suppliers, lubricant suppliers...) within AFCAR, the Alliance for the Freedom of Car Repair in the European Union, to have a common voice stressing the importance for our entire ecosystem to keep and upgrade the current legislative regime. These associations liaise in particular on the issue of access to technical information, which appears to be the most common issue all market players are facing.

FIGIEFA is also in contact with fellow associations around the globe to exchange best practices. Indeed, other regions in the world don't have yet a similar legislation, but there was in some countries a development towards a government-led or competition authority monitored agreement or scheme. These are the first steps towards a complete, binding and true regulatory solution, and it shows the lighthouse effect of the European legislation on the matter.

### Some FIGIEFA key recommendations

- The definitions of "original parts" and "parts of matching quality" should be kept;
- Sourcing requirements for contracted repairers should remain as low as possible;
- Commercial and technological barriers to accessing OEM and OES parts for wholesalers and other independent operators should be lifted;
- Provisions on access to technical information should be kept and updated to take into account recent and future technological developments;
- Enforcement should be reinforced and simplified, with more systematic "stress tests".

**The outcome of the political discussions on this issue will have a decisive impact on our sector. FIGIEFA will keep defending your interests in the upcoming months to make sure that your companies don't get hampered from conducting business. We will need your support to strengthen our activities and to convince political decision-makers of the importance of taking into consideration your needs. Stay tuned!**

**Any question on the topic? Contact our expert, Pierre Thibaudat ([pierre.thibaudat@figiefa.eu](mailto:pierre.thibaudat@figiefa.eu))**

