

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 **a Repairs Clause** at EU level



What is the issue?

Today, the legislation on design protection of visible automotive spare parts (glazing, lightings, body parts, rear-view mirrors) is not harmonised at European level, thereby creating legal uncertainties and hampering the competitiveness of parts distribution companies and the entire independent automotive aftermarket.

The European Commission already issued three legislative proposals (in 1993, 1997 and 2004) aiming at harmonising design law within the European Union and introducing a 'Repairs Clause' in the Design Directive. This so-called 'Repairs Clause' would terminate the monopoly of vehicle manufacturers on the production and commercialisation of must-match visible spare parts. The European Parliament also actively and publicly supported the Clause, but it was ultimately vetoed by a number of European Union's member states due to strong pressure from vehicle manufacturers and the legislative process stalled. The consequence is a patchwork of conflicting national laws, creating legal uncertainties and red tape for businesses.

Nowadays however and thanks to the perseverance of the work of ECAR (the European Campaign for the freedom of the Automotive parts and Repair market) supported by FIGIEFA, the debate has started again. The European Commission has carried out an evaluation of the existing European legislation, with the aim to update and upgrade it. This is a new opportunity for our sector. Meanwhile, also some national legislations have evolved. In particular Germany, which had been very reluctant in the past, introduced in 2020 a Repairs Clause in its national legislation applying to the newly type-approved vehicle park, thereby joining the side of countries standing for free competition.



How could it impact your business?

Without a Repairs Clause at national or European Union's level, or when there is a (long) protection period of the design of visible spare parts, it prevents you and all independent aftermarket operators from producing, importing, selling, and installing body-related visible spare parts which are not produced or commercialised by the vehicle manufacturers.

It creates legal uncertainties for your business. While it might be indeed perfectly legal to put on the market independent spare parts in one country, it might not be the case in the neighbouring country. It adds red tape and creates delays to your operations, especially when these parts have to cross borders. It can even result in vehicle manufacturers suing independent spare parts producers/distributors/repairers, fines and legal prosecution for importing, commercialising or using spare parts from independent sources. It deprives you of a huge market, or force you to source these parts to the vehicle manufacturers, which comes with a high cost and makes your services less competitive and less attractive for workshops and consumers. This is an unacceptable situation.

A Repairs Clause rightly gives manufacturers full protection over the design of their new vehicles and in no way restrains the vehicle manufacturers from free and fair competition in the repairs market through tied or independent garages and body shops. However, this protection is not extended to the corresponding visible spare parts in the aftermarket. It thus leaves consumers free to repair their vehicles as they wish and with the spare parts of their choice. It ensures the full right to produce, commercialise and service any vehicles with competitive body parts and avoids thereby creating deleterious spare parts monopolies.



What is FIGIEFA doing?

Together with associations representing body parts producers and glass producers, FIGIEFA is a member of ECAR, the European Campaign for the freedom of the Automotive parts and Repair market, which was established back in 1993. This alliance is actively promoting the adoption of a Repairs Clause to be included in the European Directive on design protection, which is currently under revision by the European Commission.

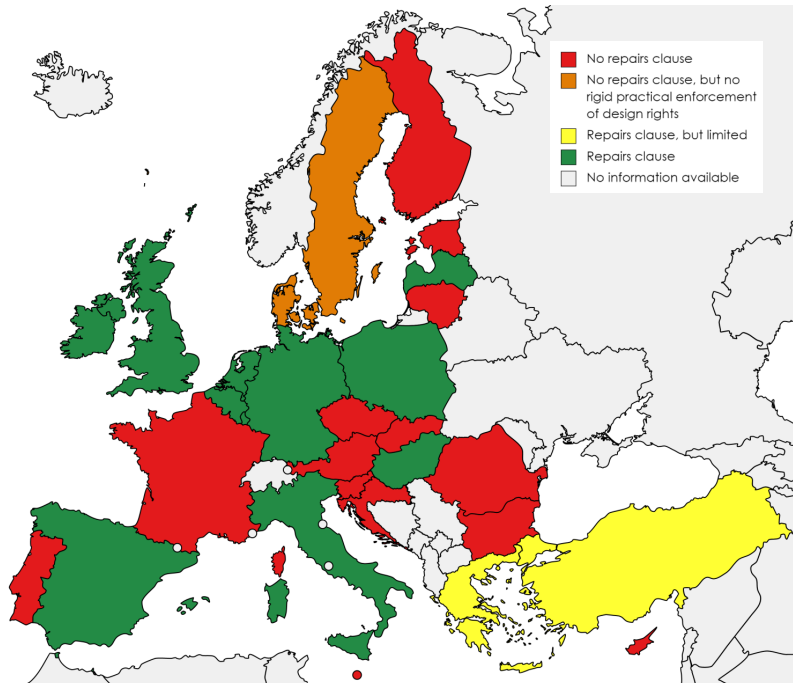
ECAR's and FIGIEFA's main arguments are legal (extending design protection to visible spare parts creates a de facto product monopoly to the benefit of the vehicle manufacturers, and to the detriment of multi-brand, independent businesses) and economic (the Repairs Clause has a positive impact on the competition in the aftermarket of visible spare parts and services and a positive impact on the affordability of these aftermarket parts and services, benefitting thus the consumer).

ECAR and FIGIEFA have participated to the latest public consultation launched by the European Commission on the matter and will seize the momentum to convince Members of the European Parliament and Member States' governments to introduce a Repairs Clause European Union-wide by launching a campaign, endeavouring to put an end to this anti-competitive patchwork situation once and for all.



Learn more

www.ecar-alliance.eu/



For Germany, repairs clause as from December 2020

1993-1997-2004

First attempts of the European Commission to insert a Repairs Clause, blocked by countries

2020

New opportunity with the revision of the European design legislation

Lack of competition has an increasing cost

+40%	+29%	+22%	+17%	+16%	+12%
for rear lights	for trunk lids	for back bumpers	for headlamps	for fenders	for hoods

Between 2013 and 2017

Source: GDV, Spare Parts Price Survey

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, Laurence Eeckhout (laurence@ext.figiefa.eu)