



**FEDERAL ANTIMONOPOLY SERVICE**

**Self-regulating tools on the car market.  
The Code of Conduct for car manufacturers.**

Kazan, April 2016

- Background to devising the Code
- Code characteristics
- The findings of FAS monitoring
- Considering petitions from independent service stations
- Discussion

- Discriminatory nature of car and spare part sales
- Increased costs of spare parts and warranty servicing
- Infringing the interests of economic entities
- Restricting competition among dealers.

- Devised by the Association of European Business in Russia in coordination and with methodological support from FAS.
- Objective – to form transparent non-discriminatory rules for cooperation of car manufacturers / distributors with dealers and independent services stations.
- Car manufacturers / distributors that announced joining the Code undertook an obligation to abide by its principles.



ŠKODA



## Requirements:

- Set transparent procedures for selecting potential dealers
- Abide by the conditions of the Letters of Intent and Memorandums
- Enable authorization of official service dealers (without car sales)
- Draft a document regulating relations with dealership candidates .



## Requirements:

- Validity period – no shorter than 5 years or for an unlimited period of time
- A list of substantive violations
- Possibility to eliminate a non-substantive violation within a reasonable period of time.



- Based on the market potential evaluation
- Do not require additional capital investments.



## **Distributors:**

- Recommend several producers of the elements of corporate style, furniture and finishing materials
- Devise procedures for approving alternative producers.



## Requirements:

- Set transparent and nuanced systems of discounts and bonuses
- Exclude conditions for giving discounts at a distributor discretion
- Do not change the earlier approved annual plans for supplying cars and spare parts without giving the reasons.



## Requirements:

- Do not fix the maximum car resale prices and standard hour
- Draft a list of alternative suppliers
- Devise a procedure for approving alternative suppliers
- Compile a list a special equipment and tools enabling direct or indirect intervention in the “car safety systems”.





Possibility for dealers to repair using **not only** original spare parts

## Warranty repair:

- Performed by official dealers
- Using original or identical spare parts.



## **Dealer requirements:**

- Prove the quality and customs clearance of relevant spare parts
- Inform customers about using spare parts of relevant quality
- Separate storage and servicing zones for spare parts of relevant quality
- Repair cars of other makes.

## **Requirements to distributors and dealers to devise:**

- Policy on selling / leasing special equipment, special tools, original and identical spare parts
- Database access procedure
- List of similar offers to sell / lease special equipment and tools
- List of similar decisions on granting access to databases
- List of special equipment and tools, spare parts enabling direct or indirect intervention in the “car safety systems”
- Restricting access to the information about the “car safety systems”.

- ✓ Monitoring whether operations of car manufacturers conform to the Code
- ✓ Organized a Working Group on monitoring findings together with AEB
- ✓ Distributors reviewed and improved documentation based on the results of the Working Group
- ✓ Expert Council on developing competition in machine-building.

- Discrepancies in interpreting the Code
- Non-transparent and imprecise systems of discounts and bonuses
- No lists of substantial violations
- Absence of procedures for working with independent service stations
- Possibility of unilateral refusals to execute dealer agreements with a notice period from one month.

The Association of European Business (AEB) formed AEB Arbitration Court.

### **AEB Arbitration Court:**

- An ongoing independent arbitration institution (arbitral tribunal)
- Designed to resolve disputes among all companies
- An alternative to traditional judicial procedures.



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