



FEDERAL ANTIMONOPOLY SERVICE OF THE RUSSIAN FEDERATION

Code of Conduct of Automobile Manufacturers: creation of pro-competitive rules in the automobile market

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Anticompetitive practices in the market:



- Discriminating access conditions for dealers to new vehicles and spare parts;
- Unjustified restrictions for dealers in choosing equipment and other stuff suppliers;
- Restrictions for dealers on repairing vehicles of other competitive brands;
- Compulsory combination of sale and service functions;
- Special equipment deliveries to authorized service stations only.





- Unjustified refusal of original spare parts deliveries to independent service stations;
- Maintenance of minimum resale prices of spare parts and accessories for dealers;
- Exercising coordination between dealers while participating in vehicle tenders for state needs;
- Unjustified unilateral termination of a contract;
- Short terms of dealer's agreement;
- Unilateral alteration of essential terms of a contract by a distributor.



Anticompetitive effects in the market:



- Companies interests oppression;
- Competition restriction;
- High barriers to entry;
- Overstating costs for dealers' services;
- Reducing quality of services.



In December 6, 2013 the Code of Conduct of Automobile Manufactures was officially presented.

Goal: Creation transparent non-discriminatory relations between automobile manufacturers/distributors, on the one hand, and dealers/independent service stations, on the other.

The Code of Conduct fixes major principles of fair and competitive market strategies.



- Securing no-discriminatory access to vehicles and spare parts;
- Enhancing competition between suppliers of special equipment and other stuff for dealers;
- Markets entry barriers decrease due to transparent dealers selection procedures;
- Enhancing competition between authorized and independent service stations;
- Reducing of the number of antimonopoly legislation infringements.

The FAS Russia suggests extending the positive experience of the Code implementation in the automobile markets of BRICS and Eurasian Economic Space (EAES) countries.

Implementation of unified pro-competitive rules in automobile markets will help to:

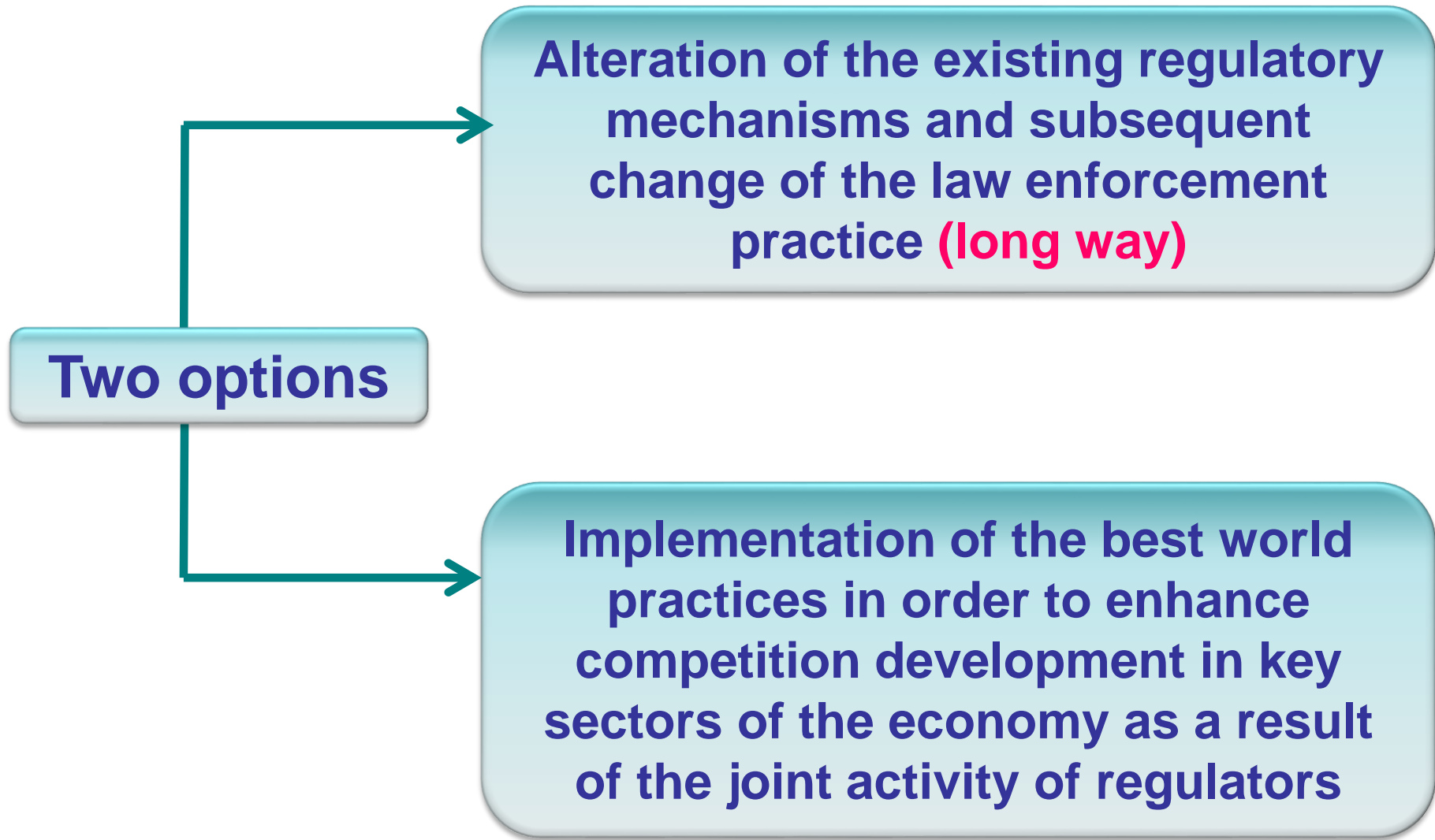


- create equal conditions for all participants of the market;
- decrease law enforcement costs of business and state;
- decrease barriers to market entry;
- enhance effectiveness of market functioning due to implementation of the best practices;
- explore directions for further regulation development.

The FAS Russia suggests extending the positive experience of the Code implementation in the other sectors of economy of BRICS and Eurasian Economic Space (EAES) countries.



- Dissemination of the best regulatory mechanisms;
- Acceleration of the growth of the least developed markets;
- Creation of the effective consumer protection mechanisms;
- Creation of the basis for effective markets integration.





- ✓ Establishing joint working groups;
- ✓ Selecting relevant sectors of the economy for joint research;
- ✓ Analyzing positive and negative sides of sectors functioning;
- ✓ Discussing the analysis results with world leading manufacturers;
- ✓ Elaborating solutions.



Result: establishing of the new sectorial rules and standards aimed at competition development and enhancing of markets effectiveness!

Essential condition: voluntary participation in the process, respect to the interests of all participants, elaboration of solutions in accordance with the best world practices!



THANK YOU!



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