

BER

The BER concerns the trade of **new cars**.

It was our suggestion to give the **0km cars** the status of **second hand cars**. Every car with a registration should then be considered as a second hand car.

This would have quite some advantages. Please find hereunder some information with respect to this matter.

What is a 0km car?

This is a car that was registered without being used on the road.

Who makes the first registration of 0km cars?

Either the manufacturer, the importer or the dealer, but sometimes also the independent reseller, on demand of one of the previous parties.

Why a first registration? there are several reasons:

- for statistical matters such as being number one in a country
- to have a bonus on registrations
- to make a difference between older models and new models
- to sell the cars quicker, at a lower price
- to sell at a lower price without damaging the image of the brand

What is the difference between a new car and a 0km car?

- a 0km had a first owner, the next buyer will be the second owner
- the car starts getting older from the date of registration, so even unsold it ages month by month (whereas a new car remains new)
- the warranty starts with the registration and stops after the 24th month, so the buyer does not get the full 24 month warranty from the manufacturer, normally the independent dealer covers himself (or his insurance) for the months that have already passed
- in many cases the 0km is not the latest model

What is the advantage of a 0km

for the consumer?

- the car is cheaper (+/- 20%)
- the quality of the car is the same as a new one
- the consumer knows that this is a discounted car, and possibly not the latest model
- it broadens the consumers choice, he can choose between a) new, b) 0km and c) second hand (with km.)

for the manufacturer, importer, dealer?

- the cars can be sold on the market much quicker, at a lower price
- the stock of previous models can be liquidated, all the attention in publicity can be focussed on the new model
- more easy to export and liquidate in other EU countries
- the cars can be sold to much more parties on the market
- the dealer can now decide himself to sell out quickly his current old stock

for the independent dealer

- more cars to purchase
- more trade between countries

for the commission

- creating a low cost channel of cars
- more trade between EU countries
- less pressure from the manufacturer on distribution
- an additional choice for the consumers
- at this moment there are different definitions for "not new cars" (6.000 km and 6 registered for months, 300 km, 1000 km etc.)
- the definition of new and second hand would be perfectly clear: no registration = new; with a registration = second hand
- this may be a tool to prevent VAT fraud

Will the 0km disturb the market?

- no one would benefit from turning a good selling new car into a 0km, because this would make the car 20% cheaper
- only cars that are difficult to sell will become 0km (to many cars in stock, a newer model on the market, not attractive at the list price...)
- no risk of disturbing the market, the official distribution decides for itself when a car is being registered

If you have more questions, don't hesitate to contact me.

Kind regards,
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