



GAZDASÁGI
VERSENYHIVATAL

THE HUNGARIAN COMPETITION AUTHORITY

Date, place Budapest, 29th July 2008

Our ref. number EC-143/2008/

Commission Evaluation Report on the operation of Regulation (EC) No 1400/2002 concerning motor vehicle distribution and servicing (“MVBBER”)

Dear Madam/Sir,

According to the Evaluation Report on the operation of the MVBBER the Commission welcomes any comment or observation. In the present letter, the Hungarian Competition Authority (GVH) makes its comment on the report. (Previously, related experience of the GVH has already been summarized in the answers given to the Commission’s questionnaire sent out on 19th June 2007, ¹ which can be found attached; and therefore at this stage the GVH merely makes a short comment.)

According to market players, the 2 year’ notice period provided for in the MVBBER² has been proven effective in Hungary. They argue that it gives authorized repairers a level of protection that should not be eliminated in any future regime. As a statement that applies not only to the car sector, it must also be added that there is no specific legal tool in force in Hungary, and as far as we are informed, in several Member States either, giving extra protection for brand-specific or manufacturer-specific investments in general, - eg. for members of any franchise network. In light of the above the GVH supports the idea of the maintenance, or the creation, of an *appropriate tool* aiming to protect dealer independence vis-à-vis vehicle manufacturers/suppliers, which, according to the report is still to be found. Such a legal tool might be, for instance, in form of a regulation, which would ensure that dealers/repairers recoup, at least partly, their brand-specific investments for the case of an early termination of the dealership-contract by the manufacturer/supplier.

Please do not hesitate to contact us in case you have any questions on the above.

Kind Regards,

Barbara Zubriczky

Zubriczky.Barbara@gvh.hu

¹ MVBBER Questionnaire, National Competition Authorities, Case COMP/HT 1021, reference code HT1021-NCA-074

² According to Subsection (b) of Article 3(5) of the MVBBER, the exemption applies on condition that the vertical agreement concluded by the supplier of the new motor vehicles with a distributor or authorized repairer provides that the agreement is concluded for an indefinite period; in this case the period of notice for regular termination of the agreement has to *be at least two years* for both parties...etc.