European Commission - Press release





Antitrust: Commission invites interested parties to provide comments on draft revised Vertical Block Exemption Regulation and Vertical Guidelines

Brussels, 9 July 2021

The European Commission has launched today a <u>public consultation</u> inviting all interested parties to comment on the draft revised Vertical Block Exemption Regulation ("VBER") and Vertical Guidelines.

The draft revised VBER and Vertical Guidelines follow a thorough review process launched in October 2018. This aims at adapting the current rules in specific areas where the evaluation pointed to a lack of clarity or the existence of gaps, or where the current rules are no longer suited to the market realities.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said: "The revision of the Vertical Block Exemption Regulation and the Vertical Guidelines is an important policy project. Vertical agreements, such as those between suppliers of goods or services and their distributors, are common across all sectors of the EU economy. The proposed revised rules aim to keep up with market developments that have transformed the way businesses around the world operate, including the growth of e-commerce and online platforms, during the last decade. We invite interested parties to provide comments on our draft revised rules, which will feed into the preparation of the new rules planned to enter into force on 1 June 2022."

The proposed changes

As set out in more detail in the background note accompanying the draft revised VBER and Vertical Guidelines, the proposed changes aim to:

- Readjust the safe harbour provided by the VBER to its intended scope, as regards the four areas of dual distribution, parity obligations, active sales restrictions, and certain indirect measures restricting online sales.
- Provide stakeholders with up-to-date guidance for a business environment reshaped by the
 growth of e-commerce and online platforms and ensuring a more harmonised application of the
 vertical rules across the EU. In particular, the application of the VBER and the Vertical
 guidelines to online sales and advertising restrictions, will be clarified further and specific rules
 and guidance relating to the platform economy will be included; and
- Reduce compliance costs for businesses, notably small and medium-sized enterprises, by simplifying and clarifying certain provisions perceived as particularly complex and difficult to implement.

Next steps

Interested parties are invited to submit their comments on the draft rules by 17 September 2021.

More information including on how to submit a contribution is available here.

On the basis of the overall body of evidence gathered during the impact assessment phase, including stakeholder comments on the draft revised VBER and Vertical Guidelines, the Commission will finalise the impact assessment and revise the drafts published today with a view to having new rules in place when the current VBER will expire.

Background on the review process

<u>In September 2020</u>, the Commission published a <u>Staff Working Document</u> setting out the results of the evaluation of the current VBER and the Vertical Guidelines. The evaluation showed that they are both useful tools that significantly facilitate the self-assessment of vertical agreements and help reduce compliance costs for businesses entering into such agreements. However, it also provided indications that the current rules need to be adapted to market developments that have occurred since their adoption in 2010.

Following this evaluation, in October 2020 the Commission launched the impact assessment, during which it gathered further evidence on the areas for improvement, including through an open public

<u>consultation</u>, discussions with interested parties and national competition authorities, as well as through targeted expert reports.

In June 2021, the Commission published the results of the open public consultation, including a summary of the contributions received. At the same time, a summary of the contributions of the National Competition Authorities to the impact assessment of the Vertical Block Exemption Regulation, as well as the expert report on active sales restrictions and the expert report on online sales and online advertising restrictions

Background on the VBER

Vertical agreements are agreements entered into between two or more undertakings operating at different levels of the production or distribution chain, and relating to the conditions under which the parties may purchase, sell or resell certain goods or services.

Article 101(1) TFEU prohibits agreements between undertakings that restrict competition. However, under Article 101(3) TFEU, such agreements can be declared compatible with the Single Market, provided they contribute to improving the production or distribution of goods or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefits without eliminating competition.

The VBER (<u>Commission Regulation (EU) No 330/2010</u>) exempts vertical agreements that meet certain conditions from the prohibition in Article 101(1) TFEU, thus creating a safe harbour for those agreements. Together with the VBER, the Commission also adopted the <u>Guidelines on Vertical Restraints</u>. These provide guidance on how to interpret and apply the VBER and how to assess vertical agreements falling outside the safe harbour of the VBER.

For More Information

See the <u>dedicated webpage of DG Competition</u>, which contains all stakeholder contributions submitted in the context of the evaluation and the impact assessment, summaries of the different consultation activities, the Staff Working Document on the evaluation and the expert reports prepared for the impact assessment.

IP/21/3561

Press contacts:

<u>Arianna PODESTA</u> (+32 2 298 70 24) <u>Maria TSONI</u> (+32 2 299 05 26)

General public inquiries: Europe Direct by phone 00 800 67 89 10 11 or by email