

Press Release

Brussels, 8 September 2022

Italy adopted amendment containing provisions protecting automotive dealers

On September 5th, the Italian Senate adopted an amendment containing, amongst others, provisions regulating the contractual relationship between dealers and manufacturers for the distribution of motor vehicles. By introducing this new law, automotive dealers will have a better protection vis-à-vis their manufacturer.

What does these new provisions entail?

- **Agreements** between manufacturers and dealers have a **minimum duration of 5 years**;
- **Before the conclusion of the contract, or in case of modification of the contract, the manufacturer must provide the dealer with all the information necessary** to assess the extent of the commitments to be made and their sustainability in economic, financial and equity terms, including an estimate of the expected marginal revenue. In other words, the contract must include the standards to be met, the responsibilities of the dealer, and full details of how costs and liabilities are to be divided between them and their manufacturer / importer;
- In the event of **termination**, the **manufacturer is obliged to pay fair compensation**, proportionate to the value of the investments made and the goodwill for the activities carried out in the context of the execution of the agreement.

Whilst the Vertical Block Exemption 'VBER' (EC) 2022/720 sets the overall European-level competition rules framework for vertical agreements and thereby acting on dealer agreements, automotive manufacturers shall of course also take into account national laws.

Also Austria, Belgium and Luxembourg have national provisions applicable in the contracts between manufacturers and dealers.

For more information

Bernard Lycke
Director General

bernard.lycke@cecra.eu

Mobile: +32 475 932 693