

Overview of the significant changes to the Vertical Block Exemption Regulation

Amend- ment	Status quo (2010)	Drafts (9 July 2021)	Possible problems if implemented Consultation
For online platforms	Classification of online intermediate services platforms disputed.	Classification of online intermediation services platforms as suppliers, with the result that • the agency privilege is no longer applicable. • VBER can be applicable between platform and retailer if requirements are met. Hybrid platforms (= platforms whose operators themselves sell goods or services on their platform) are completely excluded from the benefit of the block exemption.	> Check the VBER / especially the applicability of market share thresholds by online intermediation services platforms. > Operators of hybrid platforms must check and possibly revise their contracts. > possible submission in consultation process by 17 September 2021
	Platform operators' most- favoured-nation clauses can be exempted under VBER according to predom- inant opinion.	Broad most-favoured nation clauses (= undertakings' obligation to online platforms not to sell the relevant goods or services via competing distribution intermediaries at more favourable conditions) are to be excluded from the benefit of the VBER; strict most-favoured-nation clauses can be permissible.	

For dual distribution systems	Completely block exempted under VBER if competitive relationship only at retail/sales level (Article 2(4) no. 2a Draft VBER).	Establishes levels of market share thresholds: • Aggregate market share of ≤ 10% completely exempt.	> Increased legal uncertainty.
		 10% - 30% generally exempt but no exemption for horizontal restrictions of competition by object, no exemption for exchange of information – prohibition of restrictive practices applicable here. Differen market share defi- 	> Dual distribution systems must be checked for legal conformity — particularly any exchange of information between manufacturer and distribution intermediary; check restrictions of competition by object.
		nitions would need to be applied under the VBER ("retail market" of Article 2(4), (5) Draft VBER vs. "relevant market" of Article 3 Draft VBER).	 Keep horizontal guidelines and their revision in mind. possible submission in consultation process by 17 September 2021.
For the duration of non-compete clauses	Non-compete clauses are not permitted to be automatically extended after five years.	Automatic extension of a non-compete clause per se is now no longer to be deemed a non-exempt non-compete clause.	> Check and if necessary optimise / adjust any noncompete clauses.
For exclusive distribution	Allocation of an exclusive distribution territory is strict requirement for exemption. Restricting active sales permissible.	Allocation of an exclusive distribution territory to more than one retailer permissible. New exceptions permit certain (broader) restrictions (e.g. prohibiting active sales in exclusive territories / to customer groups; prohibiting active / passive sales	> Check and if necessary optimise / adjust the exclusive distribution system.

		to unauthorised retailers in selective distribution system territories; restrictions on branch locations of the sole distributing retailer; prohibiting active / passive sales to end users by wholesalers).	
For selective distribution systems	Restricting active or passive sales to end users using a selective distribution system not permissible.	Now permitted for example: Prohibiting active sales in exclusive distribution territories; prohibiting active/passive sales to unauthorised retailers in selective distribution territories; restricting retailer's branch locations; restricting lateral deliveries between members of the selective distribution system.	> Check if necessary and optimise if necessary the selective distribution system.
For online sales	Dual pricing systems are hard-core restrictions. Equivalence principle for quality requirements of online sales and brick-and-mortar retail.	Dual pricing systems are no longer to constitute hard-core restrictions. Abandonment of the equivalence principle; different requirements (online / offline) permissible. Platform prohibitions generally block exempted. Forced sales quantities expressly permissible for brick-and-mortar businesses.	> Abandonment of special protection for e-commerce. > Check and if necessary optimise / adjust brick-andmortar or online distribution.

Any questions? Feel free to contact our Noerr advisors: Karsten Metzlaff, Peter Stauber, Markus Brösamle or Lucas Gasser