

Dear Sirs,

January 28, 2013

Please kindly find below the latest news on the automobile market regulation by the Russian competition authority.

On January 22, 2013 the Federal Antimonopoly Service (hereinafter – “**FAS Russia**”) issued a warning to VOLKSWAGEN Group Rus Ltd. (official distributor of VOLKSWAGEN Group in Russia) to stop the actions that have the signs of the market dominance abuse.

Taganka-Service Ltd. (an independent service-centre that repairs and provides maintenance of AUDI, ŠKODA, VOLKSWAGEN, SEAT cars) filed a petition to FAS Russia that VOLKSWAGEN Group Rus Ltd. had avoided concluding the contract with Taganka-Service Ltd for supply of original spare parts for AUDI, ŠKODA, VOLKSWAGEN, SEAT cars.

The analysis of the markets of wholesale sale of spare parts for AUDI, ŠKODA, VOLKSWAGEN, SEAT cars carried out by FAS Russia in the course of the petition consideration indicated that VOLKSWAGEN Group Rus Ltd. is the only supplier of certain spare parts that do not have analogues on the market. Thus, FAS Russia established the dominant position of VOLKSWAGEN Group Rus Ltd. on the market of wholesale sale of spare parts for the above-mentioned marks of cars. It means that all prohibitions and restrictions imposed by the Russian Competition Law on the dominant companies should be applicable to the named distributor.

The above case is the first precedent, when FAS Russia has applied such approach to determining the position of the distributor on the market of wholesale sale of spare parts. However, the situation with Taganka-Service Ltd. is widespread on the wholesale markets of spare parts for other cars. According to the Head of FAS Department for Control over Social Sphere and Commerce, Timophei Nizhegorodtsev, if there will be complaints from other independent service centers FAS Russia will use a similar approach to qualification of the signs of violation under the Competition Law.

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For more information on ALRUD Competition practice please visit our **Web-site** or contact directly **Senior Partner, Vassily Rudomino** [vrudomino@alrud.com](mailto:vrudomino@alrud.com).

Yours faithfully,  
ALRUD Law Firm

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