



International Distribution Institute

# **ADAPTING DISTRIBUTORSHIP AND FRANCHISING AGREEMENTS TO THE VBER 2022**

**The main changes introduced with the new block  
exemption 720/2022**

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## THE VBER EXEMPTS ADDITIONAL RESTRICTIONS AIMING AT THE RECIPROCAL PROTECTION OF DIFFERENT NETWORKS

**EXCLUSIVE DISTRIBUTION → SELECTIVE DISTRIBUTION/FRANCHISING:** The restriction of **active or passive sales** by the exclusive distributor **and its customers** to **unauthorised distributors** located in a territory where the supplier operates a selective distribution system.

**SELECTIVE DISTRIBUTION/FRANCHISING → EXCLUSIVE DISTRIBUTION.** The restriction of **active sales** by **members of a selective distribution system and their direct customers** into a territory or customer group reserved to the supplier or allocated by the supplier exclusively to a maximum of five exclusive distributors.

**FREE DISTRIBUTION → SELECTIVE DISTRIBUTION/FRANCHISING.** The restriction of **active or passive sales by a buyer** (who is neither an exclusive nor a selective distributor) **and its customers** to **unauthorised distributors** located in a territory where the supplier operates a selective distribution system.



## THE VBER EXTENDS THE POSSIBILITY OF PROTECTING THE EXCLUSIVITY OF DISTRIBUTORS

The distributor is entitled to sell in the territories reserved to other exclusive purchasers, **provided he does not actively promote** such sales. He may now **pass-on this prohibition of active sales to his direct customers.**

The **passing-on increases the protection** of exclusive territories of members of the network.

At the same time **active sales can be prohibited only towards territories exclusively allocated** to the supplier or to others.



## THE VBER CLARIFIES ITS POSITION REGARDING ONLINE SALES

The VBER takes a more flexible approach to restrictions of online sales by distributors, which are exempted, whenever they do not have the object of **preventing the effective use of internet** or of **preventing the use of an entire online advertising channel**.

The next panel will deal with a number of critical situations where this issue arises:

- **Use of third party platforms**
- **Use of AdWords**
- **Use of comparison tools**



## OTHER IMPORTANT INNOVATIONS

### **Dual distribution**

Due to the development of online sales most suppliers have begun to sell online in parallel with the traditional brick and mortar distribution network.

Suppliers need to coordinate these two channels, but the VBER has introduced substantial limitations to exchange of information between them. This very critical issue will be examined in the third speech of today.

### **Active and passive sales**

The traditional prohibition of restricting parallel sales in order to protect the exclusivity of distributors, has in many situations been limited to active sales. Territories can be protected only by prohibiting active sales, and thus it becomes important to determine the borderline between active and passive sales, as we will see in the fourth discussion panel.

**Thank you for your attention**



Prof. Avv. Fabio Bortolotti  
[f.bortolotti@bbmpartners.com](mailto:f.bortolotti@bbmpartners.com)