

PRESS RELEASE

FOR IMMEDIATE RELEASE

Automotive leasing vital role recognised by the European Commission in new Motor Vehicle Block Exemption Regime

*Efforts by Leaseurope to secure end-user status for leasing companies
in new Motor Vehicle Block Exemption Regime pay off.*

Brussels, 28 May 2010 - Following intensive efforts spanning almost 3 years, Leaseurope, the voice of the automotive leasing industry in Europe, is very pleased to see that the European Commission has re-confirmed automotive leasing companies as end users within the distribution and services chain.

On 26 May 2010, the European Commission adopted a new Motor Vehicle Block Exemption Regulation (MVBBER) which prolongs the existing rules relative to the market for automotive sales and distribution ('primary market') until 2013. After this period the non sector specific Vertical Block Exemption Regulation (VBER), which was adopted last month, will apply; it will cover the after-sales market as well. In addition the Commission has adopted a 'mini' MVBBER, paired with comprehensive guidelines, which will apply as of 1 June 2010.

Within the said 'mini' MVBBER and related guidelines, the European Commission continues to recognize leasing companies as 'end users', a status which confirms leasing companies as the economic owners of the leased vehicles. In addition, the European Commission has clarified that the sale of new vehicles to leasing companies cannot be made dependent on the requirement to disclose the identity of the lessee.

Additionally, guidance regarding the misuse of warranties has been reinforced. For example, it is now clearly stated that a vehicle's warranty cannot be made conditional upon the end user having after-sales services which are not covered by the warranty provided only within the authorised repair networks.

Underlining the significance of this development for the automotive leasing industry in Europe, Vincent Rupied, Chair of Leaseurope's Automotive Steering Group, said: "This is major achievement for Leaseurope and a very positive development for the industry it represents. Indeed, the new regime clearly recognises the vital contribution of automotive leasing to a constantly evolving and competitive market. It will enable leasing companies to enjoy improved protection vis-à-vis uncompetitive behaviour, for the benefit of their customers".

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About Leaseurope

As a Federation, Leaseurope brings together 47 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 95% of the European leasing market.

In 2008, new leasing volumes worth in excess of €330 billion were granted by the firms represented through Leaseurope's members. Together, these firms finance on average around 24% of all European investment (excluding investment in property). Moreover, they are responsible for the leasing and rental of some 17 million vehicles throughout Europe.