



competition commission
south africa

AUTOMOTIVE AFTERMARKET GUIDELINES

FREQUENTLY ASKED QUESTIONS

The Competition Commission has, on 29 January 2021, published in the Gazette the Guidelines for Competition in the Automotive Aftermarket. These Guidelines encourage Original Equipment Manufacturers (OEMs) to remove the restrictions they place on car owners when they choose service providers to maintain and repair their cars. The Commission believes that adherence to these Guidelines will unleash entry and participation in the aftersales value chain by small and medium enterprises and firms owned by historically disadvantaged individuals (HDIs). In drafting the Guidelines, the Commission consulted industry stakeholders and followed international best practices.

This document is aimed at providing clarity to some frequently asked questions from stakeholders, however, it does not replace the Guidelines as gazetted.

01

WHAT IS THE 'AUTOMOTIVE AFTERMARKET'?

It is the market related to the repair and maintenance of vehicles after they are sold to consumers. This market includes maintenance services, repair services (e.g. mechanical repairs, structural repairs and non-structural repairs), the sale and administration of motor vehicle insurance, the sale and administration of service and maintenance plans, the trade of spare parts, tools and components.

02

WHY DID THE COMMISSION DECIDE TO DEVELOP THESE GUIDELINES?

The Guidelines seek to address practices and arrangements in the automotive aftermarket that prevent Independent Service Providers (ISPs) from being able to meaningfully participate in the repair, service and trade of motor vehicles and related components. The Commission has received multiple complaints over the past few years in this regard. The Guidelines also promote consumer choice, safety and price competitiveness for products and services rendered.

03

WHO IS AFFECTED BY THE GUIDELINES?

The Guidelines are applicable to all types of motor vehicles adapted for propulsion or haulage on a road by means of fuel within South Africa (e.g. buses, cars, trucks, motor cycles etc.). As such, the Guidelines affect a range of stakeholders, including consumers, OEMs, dealers, repairers, insurers and third-party providers of value-added services such as extended warranties, among others.

04

WHAT CHANGES DO THE GUIDELINES INTRODUCE IN THE AUTOMOTIVE SECTOR?

Consumers should have more channels to access ISPs:

- Consumers should be able to use an ISP for the service, maintenance and repair of motor vehicles covered by a warranty if the consumer carries the cost
- Consumers should be able to fit original or non-original spare parts by a repairer of their choice during the in-warranty period
- Consumers should be able to choose whether to purchase a maintenance or service plan along with a new motor vehicle or purchase such a plan separately from a third party

Appointment of service providers and allocation of work:

- All motor-body repairers should be able to join the panels of OEMs and insurers if they meet their standards and specifications
- OEMs and insurers should fairly allocate work to repairers on their panels



