

# AUTOMOTIVE SECTOR

The automotive sector is a principal industry in Germany and has traditionally been a focus of the work of our German and foreign offices. With new drive technologies, digital networking and self-drive vehicle concepts, the automotive industry is currently in a state of intense change. This yields many opportunities, but also challenges. New business models and mobility services further intensify the significant innovation challenges facing traditional OEMs and suppliers.

With an interdisciplinary team of experts, the BEITEN BURKHARDT Automotive Group advises motor vehicle manufacturers and OEMs, suppliers, dealers and service providers from the automotive industry on all legal issues arising in their daily business or in the context of transactions or legal proceedings. Our strengths lie in particular in the following areas.

## Contractual relations

Agreements with suppliers, customers and R&D partners are an important element of the ongoing legal advice we provide to the automotive sector. Increasingly complex supply chains have resulted in multifaceted, complex legal relationships. We know the typical contracts and standards of the industry and are up-to-date with the latest legal developments. This allows us to guide our clients through complicated and demanding contractual negotiations in both a national and international context.

## Product risks

Despite having the highest quality and safety standards, product defects can still occur in the automotive industry and the damage can be severe. Complex product recalls present significant organisational, commercial and legal challenges for OEMs and suppliers. Product liability or warranty claims can even threaten the existence of companies in the automotive industry. We understand the scenarios and risks in Germany and abroad and work with our clients to swiftly initiate the appropriate steps in order to prevent and minimise damage.

## Corporate transactions

M&A transactions, joint ventures and corporate measures are traditionally one of our strengths. This is particularly true for the automotive sector, where we have a strong track record in both national and cross-border transactions. Our many years of experience in this sector means significant added value for our clients right from very start - with the due diligence phase and designing and implementing the transaction. Close cooperation between offices enables us to assemble teams to provide the necessary resources for complex international transactions, even at short notice.

## Technologies

The development and protection of technologies and intellectual property is an essential factor for the success of companies in the automotive sector. Responsibility for development and the fair distribution of the benefit to such technologies have become central issues in legal relations between automotive manufacturers and suppliers. The rapid development of electronic systems in motor vehicles and the increasing significance of software have amplified the importance of intellectual property protection. Our experts for intellectual property and IT know the critical pressure points in the automotive sector and help our clients guarantee optimal protection for their intellectual property. This also applies to the drafting of contracts and to the enforcement and defence of protective rights in legal disputes.

## Labour law

With more than 800,000 employees and various large manufacturers, the automotive industry is one of the most important industrial employers in Germany. Labour law therefore plays a central role in the managing of companies in this sector. With more than 65 specialised lawyers, we have one of the largest labour law teams in Germany and advise numerous OEMs and suppliers on all labour law issues. This includes individual labour law matters, works constitution and collective bargaining law issues, as well as restructuring measures and transaction-related employment law. The labour law specialists from our international offices also advise on all issues of local labour law and on international secondment.

## Antitrust law risks

Over the past few years, all elements of the automotive value chain have been subject to antitrust scrutiny. As a result, the Federal Cartel Office (Bundeskartellamt), the European Commission and other national competition authorities have been keeping a very close watch on the sector. The significant risks associated with antitrust infringements have made their prevention a priority for top management in the automotive sector. Our experienced competition law experts support and advise our clients on the com-

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pliance of agreements with antitrust law, the adoption and implementation of compliance measures, and on the defence against administrative fine proceedings and cartel damages claims. We also assist with antitrust law due diligence for M&A transactions and with (multi-jurisdictional) merger control proceedings.

### Compliance

Corruption, embezzlement, fraud and other economic crimes are common, even in the automotive sector. The risks associated with increased levels of such crimes are significant and can jeopardise the very existence of companies. For many years, our experts for white-collar crime in Germany and abroad have helped our clients avoid and minimise such risks. This includes the introduction of preventative measures, such as the development of effective compliance structures and the improvement of existing structures, and providing a defence and representation in the case of prosecution. Moreover, we provide our clients with support in detecting and investigating crimes, protect witnesses, and deal with law enforcement authorities.

### Brussels

Like our German colleagues, we have been advising numerous actors of the automotive sector, including OEMs and aftermarket suppliers for many years.

Our merger control experience in this sector is strong, with both EU and multi-jurisdictional filings. We regularly advise on antitrust law and compliance with specific competition rules for the automotive sector. We are also experienced with the specific state aid regulations and with tailoring Greenfield projects to suit them.

Our trade law experts have been involved in most of the major trade defence cases and are experts at assessing the effect of import duties or other measures on this sector.

### Russia

Having long years of experience in this sector, we advise national and international automotive manufacturers and suppliers on the planning and implementation of their investments. Of course, we also represent our clients in their dealings with state authorities and in court.

A special focus lies on cross-border transactions and projects.

#### AT A GLANCE:

- Planning and management of the market entry
- Development of production facilities, including the acquisition of real properties (greenfield and brownfield) and advice on building law issues
- Import of equipment
- Financing of plants
- Formation of joint ventures
- Structuring of distribution channels, distributor agreements
- Tax assessment, including exemptions from customs duties and VAT
- Product liability: prevention and representation in damage claims

### China

In this highly competitive market, we offer enterprises more than 15 years of local experience in advising on the formation of companies and joint ventures and drafting industry-specific types of contracts such as development and supply agreements.

#### AT A GLANCE:

- Formation of joint ventures
- Development agreements for key components
- All agreements relevant for production
- Subcontracting agreements
- Product liability: prevention and representation in damage claims