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Ainara Rentería

Senior counsel, Automotive GA_P

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Judgments and decisions

Spain

Judgment no. 148/2018 of the Pamplona High Court of Justice (Employment Division, First Chamber) of 17 May 2018.

Lawsuit filed by the trade union within Volkswagen Navarra S.A., in a claim for damages against the company for union busting. The trade union claims that the company r**eplaced workers who supported the called strike with internal strike-breakers.**

At the court of first instance, the judge found against the claimant on the basis that no evidence or indication that the manufacturer acted with the intention or goal of reducing the effects of the strike could be inferred from the facts as found.

The trade union appeals and claims as the sole cause of action the infringement by the vehicle manufacturer of the right to strike contained in Article 28(2) of the Spanish Constitution, contending that legal doctrine and case law hold that *"the internal replacement of strikers during a labour dispute is an abusive exercise of the power to vary an employment contract"*. In the appellate court's opinion, it is amply proven that **there was no union busting**, with a significant reduction in production on strike days, and the court affirms the appealed decision.

Judgment no. 357/2018 of the Barcelona Provincial Court (Thirteenth Chamber) of 29 May 2018.

Lawsuit filed by Volkswagen Finance S.A., E.F.C. against an individual to recover the principal of a **vehicle loan** terminated early due to said individual's default. The defendant claims that the loan agreement was a standard form contract, entered into without due information and with **unconscionable clauses**. The court of first instance finds for the claimant, ordering the individual to pay the amounts claimed.

The individual, on appeal, requests that the 'early termination' clause be held void on the grounds of unconscionability. This clause gives the lending institution the possibility of terminating the loan agreement in the event of non-payment of any two instalments.

The appellate court concludes that the aforementioned clause cannot be held void because *"not only is it not contrary to the law, but Article 10(1) of the Sale of Movable Goods by Instalments 28/1998 of 13 July expressly sanctions its validity (...)". In addition, the Supreme Court holds, in, inter alia, its Judgment of 07.09.2015, that "the clause that allows early termination of a loan agreement for the purchase of movable property in instalments when at least two instalments are unpaid cannot be considered unconscionable insofar as it is a straightforward transcription of the legal regime that regulates said agreement".*

The appeal fails and the judgment a quo is affirmed.

Judgment no. 367/2018 of the Barcelona Provincial Court (Fourth Chamber) of 29 May 2018.

Lawsuit filed by Volkswagen Audi España S.A. ("VAESA") against a dealer for breach of dealer agreements.

At the court of first instance, the judge finds that there has been a breach of contract on the part of the dealer and orders it to make payment of 25,000 euros in liquidated damages.

The dealer appeals against the judgment, claiming a lack of sufficient written justification for contractual termination by VAESA.

The appellate court affirms the judgment, arguing that both parties had the power, insofar as bound by agreements without term, to **terminate them unilaterally** subject to the two-year notice period and to setting out the circumstances that lead to such termination. The appellate court is of the opinion that VAESA *"terminated the dealer agreements with exquisite respect for the agreed terms, (...) and* **without evidence of unconscionable conduct** *(...)". As regards the compensation claimed by the dealer for losses arising from the termination, the appellate court believes that "the contractual clause establishing the exclusion of all compensation in the event of unilateral termination is valid, for which reason the claimant is not entitled to compensation".*

Judgment no. 387/2018 of the Barcelona Provincial Court (Fourth Chamber) of 1 June 2018.

Lawsuit filed by a dealer against two other dealers for breach of a non-compete and change-of-use clause of an assets sale and purchase agreement concluded between the claimant and one of the defendants. A penalty clause and, cumulatively, damages were agreed for an event of breach.

The buyer-claimant dealer (the new Porsche workshop) argues that the seller-defendant dealer leased its premises to its partner (third party co-defendant), a company set up for the purpose of being used as a workshop for the repair of, inter alia, Porsche vehicles.

At the court of first instance, the seller-defendant dealer is ordered to pay the agreed penalty and the two co-defendants (the seller dealer and its partner) are held jointly and severally liable for damages.

On appeal, the court ad quem is of the opinion that the non-compete and change-of-use clause is lawful (the Supreme Court, in a judgment of 9 May 2016, considers the **non-compete agreement** to be intrinsic to the contract, the limitation of two years being a reasonable period).

With respect to the **limitation in time** of the change of use or closure, it cannot be perpetual, being linked to the non-compete agreement.

The judgment a quo is affirmed, except in relation to the order not to carry out Porsche workshop activity in the facilities of the co-defendant partner of the seller dealer, which is limited to a period of two years, more than three years having elapsed since the signing of the asset sale and purchase agreement.

Judgment no. 1196/2018 of the Basque High Court of Justice (First Chamber, Employment Division) of 5 June 2018.

Class action brought by a trade union against Mercedes Benz España, S.A.U., in which it requested the adjudication of compensation with fourteen hours "credited" to the banking of hours of workers affected by the **activation to work certain Saturdays in the defendant company.**

At the court of first instance, the claimant fails with the claim.

The claimant appeals on the basis of two arguments:

- The first is that the form of communication, activation and confirmation of work on Saturdays by the company prior to the union claim is different from that made after the same.

- The second reason adduces the harm to workers in the family sphere, not only financially, caused by the infringement of the collective agreement by the defendant company as regards the period of notice and prior confirmation of the notice of activation.

The High Court of Justice upholds the first ground, confirming the differences in the communication, activation and confirmation before and after the claim.

Regarding the second ground, on the validity of the activation, the court holds that such must comply with the cumulative requirements of planning and activation in the month, as well as its confirmation one week in advance. While the first of the requirements might have been met, it is believed that the second was never met.

The union's appeal is upheld, adjudicating the affected workers' entitlement to compensation with fourteen hours "credited" to their banking of hours.

Judgment no. 786/2018 of the Castilla la Mancha High Court of Justice (First Chamber, Employment Division) of 6 June 2018.

Class action brought by a trade union against Mercedes Benz España, S.A.U. in response to a material change in working conditions by reason of the **approval of the bank holiday calendar** for 2016.

The court of first instance gives judgment for the claimant, holding the measure void. This judgment was appealed by Mercedes Benz España, S.A.U., claiming several reasons, among which the following should be highlighted: (i) the inadequacy of the procedure, since there was no material change in working conditions, and (ii) the violation of various constitutional rules, as well as of the Collective Bargaining Agreement, by reason of not having previously appealed to the joint committee.

The first ground is rejected by the court, deeming the procedure carried on by the claimant is in accordance with the law. With regard to the second ground, it is also rejected, reasoning that "prejudicial procedures for the settlement of disputes cannot be understood as an obstacle to judicial remedies, but at most as supplement".

The appealed judgment is affirmed and the affected workers are restored to their situation prior to the approval of the 2016 bank holiday calendar.

Judgment no. 236/2018 of the Girona Provincial Court (First Chamber) of 7 June 2018.

Lawsuit filed by ALD Automotive, S.A. against an individual, director of the private limited company that signed a **renting agreement** with the claimant, **claiming an amount for early termination** of the aforementioned agreement.

At the court of first instance, the claimant fails with the claim, the debt claimed by ALD Automotive S.A. being deemed to have arisen prior to the company's winding up event, since the time at which the debt arose was that of signing the agreement itself.

ALD Automotive, S.A. lodges an appeal that is upheld. The appellate court concludes that it was amply proven that the company's winding up event was triggered during the same year in which the renting instalments were not paid.

The defendant is ordered to pay the amounts claimed by ALD Automotive, S.A.

Judgment no. 308/2018 of the Barcelona Provincial Court (Fourteenth Chamber) of 7 June 2018.

Lawsuit filed by the financial institution Banco Bilbao Vizcaya Argentaria, S.A. "("BBVA") against two individuals, claiming a **debit balance of a loan agreement** concluded to finance the purchase of a vehicle.

The defendants, when they failed to pay the installments, returned the financed vehicle on account of the outstanding debtor balance, assuming that the debt was settled.

At the court of first instance, the judge ordered the defendants to pay and held the clause relating to **late payment interest, agreed at 29%,** unconscionable, ordering the deduction from the debt claimed the amounts invoiced under said item.

This judgment is appealed by the defendants, who claim a **unilateral restoration of the agreement** by the financial institution BBVA after cancelling the unpaid instalments with the return of the vehicle. The Court holds that such restoration cannot be unilateral, but must respond to an agreement between both parties, where the defendants show their disagreement with the restoration.

The late payment interest clause having been voided, part of the price obtained with the return of the vehicle should have been assigned to the payment of said interest. Consequently, the financial institution is obliged to submit a new settlement of the debt.

Judgment no. 226/2018 of the Murcia Provincial Court (First Chamber) of 11 June 2018.

Lawsuit filed by BBVA Autorenting against two individuals for breach of the **renting agreement** signed. The purpose of the proceedings is to determine the unconscionability of a clause inserted in the renting agreement that establishes a penalty in the event of early cancellation at the request of the lessee.

At the court of first instance, the claimant succeeds with the claim, the defendants being held jointly and severally liable for the amount claimed as compensatory damages. The decision is appealed by the defendants, claiming that the termination clauses in question are unconscionable by virtue of Article 85(6) of Royal Legislative Decree 1/2007, of 16 November, approving the Consumer and User Protection Act, which establishes the unconscionable nature of clauses *"that involve the imposition of a disproportionately high compensation to the consumer or user who does not comply with their obligations"*.

In this respect, the case law is unanimous (among others, Judgment no. 324/2014 of the Murcia Provincial Court of 22 May 2014, with reference to the judgments of the same Court of 18 February 2010), when it holds that *"it is considered that the term providing for compensatory damages for*

early termination is not unconscionable, even if it has not been individually negotiated and appears in a standard form contract, as it is ***not contrary to good faith nor does it establish a significant imbalance*** *in terms of the rights and obligations of the parties, as it is provided for an unjustified and voluntary breach of the lessee".* In addition, the court itself argues that liquidated damages are intended to alleviate the ***loss of earnings or expectations of business profit*** for the lessor who, in this case, acquires property according to the lessee's specifications for his exclusive availability.

The appellate court affirms the judgment against the defendants.

Judgment of the Supreme Court (Employment Division, First Chamber) of 12 June 2018.

Action for the violation of fundamental rights (right to strike and freedom of association) brought by a trade union and several workers against Peugeot Citroën Automóviles España, S.A., requesting damages.

The court of first instance gives judgments against the claimants, against which they appeal. On appeal, the Galicia High Court of Justice concluded that the workers had suffered non-pecuniary losses, ordering Peugeot Citroën Automóviles España, S.A. to pay the amount claimed. The court bases this order on the unconscionable or disproportionate use of the power to vary an employment contract by the defendant company, considering that the defendant replaced strike workers with others, **thus diluting the effect of the strike.**

Peugeot Citroën Automóviles España, S.A., appeals for the reconciliation of contradictory decisions (as basis for a new decision). The Supreme Court strikes out the appeal as it does not find any contradiction amongst the judgments provided in the appeal.

Judgment no. 346/2017of the Pola de Siero (Asturias) Court of First Instance No. 3 of 14 June 2018.

Money claim filed by a **consumer** against the dealer that sold him a vehicle, following the **termination of the sale and purchase agreement.** The consumer believes that the purchased vehicle has defects since its purchase that make the vehicle unfit for use. The defendant dealer objects, arguing that the claimed defects could not be detected.

The judge concludes that, given the claimant's consumer status, in the event of the failure of the dealer to deliver the item sold suitable to serve the purpose for which it is intended, the defendant has the right "to the vehicle's repair, to its replacement, to a price reduction or to termination of the agreement", by virtue of Article 118 of Royal Legislative Decree 1/2007, of 16 November, approving the Consumer and User Protection Act.

The judge finds for the claimant in the sense of terminating the sale and purchase agreement, ordering the dealer to the return of the full price of the vehicle plus the appropriate statutory interest.

Judgment of the *Audiencia* Nacional (Judicial Review Division, Sixth chamber) of 14 June 2018.

Appeal lodged by Suzuki dealer against the Spanish Markets and Competition Authority's ("CNMC") fine for **collusive practices** imposed on Suzuki Motor España, S.A., and other Suzuki dealers.

The dealer contended in its appeal, inter alia, the violation of the **principle of proportionality in the calculation of the penalty,** since it considers that its conduct had a slight impact on the market. The appeal was partially upheld, reducing the amount of the fine by half. The dealer appeals once more, contending that the penalty fails to state reasons due to the CNMC's impossibility of knowing some data (turnover in the affected market) that are essential for the quantification of the fine, as well as the disproportionality of the same.

With respect to the turnover in the affected market, the court calculated the fine on the basis of reliable data on turnover obtained during the years prior to the litigation, which is why it considers it to be sufficiently proven.

As regards the disproportionality of the fine, since it is a **single-product company,** the court considers that the penalty is proportionate (in multi-product companies, the penalty is adjusted to the percentage of their business relevant to the specific product in question).

The appeal lodged by the dealer is not upheld and the fine previously imposed by the CNMC is affirmed.

Judgment of the *Audiencia* Nacional (Judicial Review Division, Sixth chamber) of 21 June 2018.

Appeal lodged by Dickmanns Rent a Car against the decision of the CNMC imposing on it a fine for being part of a **cartel** consisting of the f**ixing of prices and commercial terms.**

The sanctioned establishment claims that the appealed decision is vitiated by a failure to state reasons and that it infringes the principles of proportionality, individualisation of the penalty and equal treatment.

With regard to the infringement of the principle of individualisation and equal treatment, the court considers that, since Dickmanns Rent a Car did not provide the turnover figure after having been requested to do so, the accounts deposited with the Register of Companies, which attests to their content, were taken as a reference for the estimation of its share of interest and the consequent quantification of the fine.

Furthermore, with regard to the failure to state reasons, the Court takes account of the finding of the Court of Justice of the European Union (Case C-194/14), when it states that ***"in the determination***

of the amount of the fine in a case of infringement of the competition rules, the Commission fulfils its obligation to state reasons when it indicates in its decision the factors which enabled it to determine the gravity of the infringement and its duration, and it is not required to indicate the figures relating to the method of calculating the fines".

The appeal lodged by Dickmanns Rent a Car is not upheld, holding the contested decision lawful.

Judgment no. 458/2018of the Barcelona Provincial Court (Fourth Chamber) of 26 June 2018 (Hybrid vehicles).

Lawsuit filed by a private transport company against an official Volvo and Volvo S.A. dealer, in a claim for compensation for breach of contract based on the **discrepancy between the pre-contractual information offered and provided** by the dealer and the reality with which the claimant was confronted, in relation to the sale and purchase of a hybrid lorry.

The court of first instance found against the claimant, such being a company with more than 60 years of experience in the transport of goods industry, which has several lorries and examined other offers before deciding. In addition, the documentation provided to the claimant was **merely indicative, not binding** on the seller-dealer. The court also found Volvo S.A. not liable, since it did not intervene in the provision of the pre-contractual information.

The claimant appeals against the judgment, contending that the information provided by the dealer led it to acquire a specific vehicle to the detriment of a conventional and cheaper one. The applicant claims recurrent failures of loss of power as well as high consumption during the route it covers in its activity as a carrier. The court does not uphold the appeal. It considers that, as a professional in the sector, it should be aware of the behaviour of hybrid vehicles and of their advantages and disadvantages. It also emerges from the experts' assessment that the failures in the vehicle are due to the type of driving carried out during the route. Furthermore, there is no evidence of a discrepancy between the information offered and provided by the dealer and the reality with which the claimant was confronted, since there is no reference whatsoever to the hybrid vehicle having a specific purpose related to the route that the purchased lorry was to follow.

Judgment no. 1241/2018 of the Supreme Court (Second Chamber, Judicial Review Division) of 17 July 2018.

The competent Tax Administration Office issued to the taxpayer, a spare parts company, provisional VAT assessments in which it reduced to 50% the tax liability for renting a certain vehicle, on the basis that Article 95(3) of the Value Added Tax Act ("LIVA") provides that in the case of "passenger cars, it shall be presumed that the business or professional activity is affected in the proportion of 50%", and that the taxpayer does not prove more than 50%.

The company filed a claim against this decision, considering that the reduction should be 100%. The claim failed, after which the spare parts company lodged an appeal, which was upheld by the High Court of Justice, quashing the reduction made previously, based on the fact that the Court of Justice of the European Union had already clarified the issue in its ruling in the Lennartz Case, Case C/97/90, in the sense that the Spanish rules (LIVA) are contrary to Article 17 of the Sixth Directive.

The State Attorney lodged an appeal on the grounds of a breach of the rules governing the determination of disputes against the decision of the High Court of Justice, which was identified as suitable for consideration by the Supreme Court.

The Supreme Court (Judgments of 5 February 2018, 17 April 2018 and 21 May 2018), understands that the interpretation made by the High Court of Justice cannot be accepted when the aforementioned Article 17 of the Sixth Directive and Articles 168(a) and 173(1) of the Directive on the common system of VAT limit themselves to establishing that the right of deduction must be recognised "in so far as the goods and services are used for the purposes of
the taxed transactions of a taxable person".

The Supreme Court concludes that the reduction to 50% of the tax liability borne by renting a certain vehicle for lack of proof of use in a higher percentage is in accordance with the law.

Judgment of the *Audiencia* Nacional (Sixth Chamber, Judicial Review Division) of 25 July 2018.

Faurecia Automotive Exteriors, S.A.U. appeals against the Investigation Order issued by the CNMC authorising the inspection by this body of the manufacturer's headquarters in Spain, in order to verify the existence of actions in the market for car components that could constitute **restrictive practices of competition,** consisting of the sharing of clients in said market and the exchange of commercially sensitive information.

In the opinion of the Audiencia Nacional, the **Order of Investigation in question is not justified as its content is "*excessively generic,*** *with the consequence that the rights of the appellant are not protected"*. The court points out that *"nothing is indicated about the subject matter and purpose of the inspection", nor is "any specific data provided about the justification for the entry" or about the specific reasons that justify the entry, nor is "anything related to the relationship of the company with the facts under investigation"*.

The court concludes that the content of the Order of Investigation is insufficient and represents an infringement of the rights recognised to the appellant under Article 18 of the Spanish Constitution.

The appeal is upheld, quashing the Order of Investigation for being contrary to Law.

Judgment no. 1362/2018 of the Supreme Court (Second Chamber, Judicial Review Division) of 10 September 2018.

Judicial review appeal lodged by General Electric Auto Service Lease, GmbH against the rejection of the claims made to the Spanish Tax Management Office in which it requested a refund of the VAT paid in previous years in respect of the supply of cars to Spanish companies under capital (finance) leases.

The Spanish Tax Management Office considers that General Electric Auto Service Lease GmbH did not provide the required documentation on time - it provided documentation, but did not prove its entitlement - which is why it issued decisions rejecting the refund applications, decisions which were appealed against by General Electric Auto Service Lease, GmbH.

The appeal was not upheld. The court holds that the documents requested by the Spanish Tax Management Office could not be provided later in the judicial review track.

General Electric Auto Service Lease, GmbH lodged an appeal which the Supreme Court upheld and, consequently, overturned the judgment at first instance. It argues that in judicial review the taking of evidence is possible with the submission of documents by the taxpayer.

The Supreme Court quashes the decision of the Spanish Tax Management Office and orders the *Audiencia Nacional* to give a new judgment after having analysed the evidence.

Legislation

Spain

Order PCI/810/2018 of 27 July amending Schedules II, XI and XVIII to the General Vehicle Regulations, approved by Royal Decree 2822/1998, of 23 December. BOE of 31 July 2018, no. 184.

Schedule II "Definitions and categories of vehicles" of the General Vehicle Regulations is amended to incorporate a new section that envisages the **classification of vehicles according to polluting criteria.**

Schedule XI "Signals on vehicles" is also amended to add a new sign relating to the different **environmental label**s assigned to each vehicle category according to its polluting potential.

Together with the above, the definition of shared-use vehicle is incorporated in section A, "Definitions" in Schedule II, and the mark identifying it in Schedule XI, "Signs on vehicles" is included with the designation "V-26 Shared use mark".

Finally, Schedule XVIII of the General Vehicle Regulations is amended, on **number plates**, to establish that in the case of motor vehicles intended for taxi service and hire with driver for up to nine seats, the background of the rear ordinary number plates will be blue, instead of the current white colour. As a consequence of this amendment and in order to make it easier to see, the characters in the plates are changed from black to white.

Royal Decree-Law 15/2018 of 5 October on urgent measures for energy transition and consumer protection. BOE of 6 October 2018, no. 242.

Royal Decree-Law 15/2018 of 5 October on urgent measures for energy transition and consumer protection ("RDL 15/2018"), which came into force on 7 October, includes the following measures affecting the automotive sector:

- It liberalizes the activity of electric recharging, **eliminating the role of charging manager** provided in the Electricity Sector Act, as well as repealing Royal Decree 647/2011 of 9 May, regulating the activity of the charging manager of the system for the realization of electric recharging services.

- **Consumers**, who purchase electricity for their own consumption, will be able to supply it for the provision of vehicle recharging services, provided that they comply with the requirements established by regulations. Likewise, **distribution companies** may now be the holders of regulated infrastructure for vehicle recharging provided that following a competitive procedure it is decided that there is no interest therein for a private initiative.

- Recharging facilities must **comply with relevant legislation** in the field of industrial safety and a register of information should be kept for the purpose of the monitoring of the activity by the authorities. This information will be available for citizens through a large database on location and characteristics of harmonised public recharging points.

Sustainable Mobility Ordinance (Madrid City Council) of 5 October 2018. BOCM of 23 October 2018, no. 253.

The new Sustainable Mobility Ordinance issued by the Madrid City Council (the "Ordinance") contains, in articles 175 et seq., the following regulation of **Urban Mobility Vehicles** defined in Instruction 16/V-124, of 3 November 2016, of the Directorate-General for Traffic, as electric scooters, Segways, skateboards and akin ("VMU"):

- **The minimum age for using a VMU is set at 15**. Children under the age of 15 may only drive off-road and accompanied.

Users of VMU types A and B (electric scooters and Segways) **under the age of 16 must wear a helmet**. VMUs of types B and C must have a duly approved bell, lights and reflective elements.

- With regard to the regulation of the circulation of VMUs, the Ordinance stipulates that, in general, ***"it is forbidden to use VMUs on sidewalks*** *and other spaces exclusively reserved for the transit, stay and leisure of pedestrians"*, as well as on bus lanes and through accesses and non-lighted sections of the M-30. For use on the road, VMUs type A and B (electric scooters and Segways) must have a duly approved bell, braking systems, lights and reflective elements.

- VMUs used **for economic activities** (sightseeing, distribution of goods) must have **civil liability insurance** in order to be used.

Europe

Proposal for a Directive of the European Parliament and of the Council amending Directive 2009/103/EC of the European Parliament and the Council of 16 September 2009 relating to insurance against civil liability in respect of the use of motor vehicles, and the enforcement of the obligation to ensure against such liability.

On 24 May 2018, the European Parliament and the Council of the European Union adopted a Proposal for a Directive amending Directive 2009/103/EC. It is interesting to note the reference to an autonomous vehicle in the Explanatory Memorandum, which expressly states that the obligation under the Directive to take out a compulsory motor liability insurance also applies to autonomous and semi-autonomous vehicles.

This Proposal also identifies four areas where specific amendments would be desirable:

(i) Compensation of accident victims in the event of insurer insolvency: it is proposed that Member States set up a **body with the task of providing compensation** for material damage or personal injuries caused by a vehicle insured by an undertaking which is subject to bankruptcy or winding up proceeding or where the insurer has not provided a reasoned reply within three months of the date when the injured party presented a claim for compensation for which the insurer has not provided a reasoned reply

(ii) Minimum obligatory amounts of cover: it is proposed to set the following for insurance against civil liability in respect of the use of vehicles:

(ii) Minimum obligatory amounts of cover: it is proposed to set the following for insurance against civil liability in respect of the use of vehicles:

- In respect of personal injuries: EUR 6 070 000 per accident, whatever the number of victims, or EUR 1 220 000 per victim;

- In respect of material damage: EUR 1 220 000 per claim, whatever the number of victims.

(iii) Checks by Member States on the insurance of vehicles: it is proposed not to carry out **checks on civil liability insurance**. They could be carried out as long as they are in the context of control measures which are not exclusively aimed at the insurance check.

(iv) Use of policy holders' claims history statements by a new insurer: it is proposed that insurers should guarantee, in order to satisfy the right of the policyholder to request at any time a claims history statement, the use of a form of **claims history statement**.

It is also proposed to update the definition of the use of a vehicle in order to consider "any use of such vehicle, intended normally to serve as a means of transport, that is consistent with the normal function of that vehicle, irrespective of the vehicle's characteristics and irrespective of the terrain on which the motor vehicle is used and of whether it is stationary or in motion".

Emission performance standards for new passenger cars and new light commercial vehicles. Amendments adopted by the European Parliament on 3 October 2018 on the proposal for a regulation of the European Parliament and of the Council setting emission performance standards for new passenger cars and for new light commercial vehicles as part of the Union's integrated approach to reduce CO2 emissions from light-duty vehicles and amending Regulation (EC) No 715/2007 (recast).

On 3 October, the European Parliament adopted a legislative proposal aimed at speeding up the implementation of electric vehicles. MEPs call for a 40% **cut in emissions** from new passenger cars by 2030 (compared to the 30% proposed by the Commission, compared to the 2021 level), with an intermediate target of a 20% reduction by 2025. The text also sets similar figures for light commercial vehicles.

In addition, under this proposal, manufacturers who exceed the set emission percentages will have to pay a fine which the EU will invest in training workers in the industry affected by the changes linked to the ecological transition.

In addition, companies will be obliged to ensure that the least polluting vehicles - electric cars and those that emit less than 50g of CO2 per kilometre - account for 35% of new cars and vans in 2030 (20% in 2025). As from 2025, manufacturers will have to report to the Commission on CO2 emissions throughout the life cycle of vehicles put on the market from that date onwards on the basis of a common methodology.

On 9 October, at the Environment Council, Member States fixed their position on these proposals and, once they agree on the percentage reduction to be applied, negotiations will begin between the Council, the European Parliament and the Commission to fix the definitive rate which will become Union legislation.

Other

Agreement on Employment and Collective Bargaining, 5 July 2018. Commitments for the coming years.

On 5 July 2018, the most representative trade union and employer organisations (the "Parties") signed the IV Agreement for Employment and Collective Bargaining (the "Agreement"), effective for the years 2018, 2019 and 2020, which was published in the Official Journal of Spain on 18 July 2018. This Agreement pursues three fundamental objectives: the creation of employment, the improvement of the employability of workers and the competitiveness of companies and the fight against the black economy.

The interest of the Agreement is that it establishes a salary increase for each one of the years of its validity, in a fixed part of around 2% and in a variable part of 1%, linked to the items determined in each Collective Bargaining Agreement, such as the evolution of productivity, results, unjustified absenteeism and others. The Parties urge that, progressively, a minimum Collective Bargaining Agreement wage of 14,000 euros per year be established.

Another important aspect included in the Agreement are the measures that tend to promote the renewal and updating of the Collective Bargaining Agreements, with rules on their validity, survival and negotiating procedure.

On the other hand, an annex to the Agreement lists the agreements reached that must be concluded with the Government of Spain.

1) Firstly, an amendment to Article 42 of the Workers' Statute Act is required to ensure working conditions in productive decentralisation and outsourcing processes.

2) Secondly, reference is made to measures aimed at maintaining employment which favour alternatives to dismissals, for example by adapting the working day. It is proposed that a new measure be developed to encourage temporary reductions in working hours aimed at maintaining employment in distressed companies, ensuring that workers are not disadvantaged in terms of protection or pay, that the company maintains its workforce and that training processes are set up to provide them with higher qualifications.

3) Thirdly, all the proposals related to professional training and qualification are included. The Parties urge the establishment of a framework for dialogue in order to achieve an agreement on vocational training which reinforces the labour nature of the vocational training system.

4) Finally, special mention should be made of other subjects:

   - On the one hand, the signatories interpret that the current **situation of absenteeism** in our country requires the creation of an observatory to issue a report on the basis of which pilot tests can be carried out to improve all situations of unwanted absenteeism.

   - **Retirement** is alluded to, urging the Administration to make possible the termination of the employment contract on reaching the ordinary retirement age, provided that the worker concerned is entitled to a full retirement pension, in order to facilitate generational change.

   - Emphasis is placed on the need to recover the **relief contract**, as an element for the transmission of knowledge, the rejuvenation of workforces, the improvement of company productivity and job creation.

   - Reference is also made to the fight against the **black economy**, the current situation of which should be analysed in order to agree on a master plan leading to its reduction.

The Agreement contains a specific section that includes measures related to equality:

- On the one hand, the development of the system of care for dependents and children in order to provide the necessary cover so that the paid professional activity of the women in the companies are not as affected by these contingencies as they are today.

- On the other hand, the equalisation of the conditions for taking **paternity and maternity leave** or reductions in working hours, so that men and women can avail themselves of the exercise of the right in an equitable manner.

- And, finally, a study of the **system of bonuses and salary supplements** that measures their gender impact.

Worldwide harmonized light vehicles test procedure.

On 1 September 1 the new Worldwide harmonized light vehicles test procedure ("**WLTP**") came into force, a new type-approval cycle that all newly registered vehicles will have to pass. The WLTP has been in force since 1 September 2017, but not all vehicles were required to pass it, only affecting new vehicles.

This protocol replaces the New European Driving Cycle ("NEDC"), the previous type-approval cycle in force since 1992, which was based on theoretical driving and not on real driving situations.

The vehicles that have been approved with this WLTP, use an additional value for the registration tax that is very similar to the amount that would come out with the old emissions standard, with the aim of reducing the impact on the price that this new approval cycle will have. This is due to the fact that, with the simulation of real situations imposed by the WLTP, higher emission values will be obtained, which is why vehicles would become more expensive due to being subject to higher taxes.

However, on 31 August the Ministry of Industry approved a **moratorium on the application of the WLTP**, so that this additional value will continue to be used until 31 December 2020, which means that the industry will have two years of transition to update itself.

Re-labelling of petrol and diesel.

On 12 October, the new European legislation on **labelling for fuels and vehicles** came into force (Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure). The aim is for all vehicles and service stations (both in Spain and Europe) to have the same identification for fuel.

This regulation specifies the different labels for each type of fuel, from petroleum derivatives to biofuels, including natural gas, hydrogen and their mixtures, among others. The new fuel labeling is divided into three general types, gasoline, diesel, and gaseous fuels, which will be distinguished by the different shape of the labels: circular for gasoline, square for diesel and diamond shape for gaseous. In turn, each group will be subdivided into different nomenclatures according to the specific class.

Users will be able to find the new labels in the vicinity of the filler cap or the fuel cap of new vehicles, as well as in the user manuals of these, in the dispensers and in vehicle dealerships

For any questions please contact:

Ainara Rentería Tazo

Senior counsel, Automotive GA_P
Tel.: (+34) 91 582 91 00
arenteria@ga-p.com

For further information please visit our website at www.ga-p.com or send us an e-mail to: info@ga-p.com.