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CASE CARD | 28 August 2026

Cyprus Import Corporation and Daimler v Commission for the Protection of Competition (727/2015 and 831/2015)

Selective distribution

1. CASE SUMMARY

A. Summary of facts

Daimler is a motor vehicle manufacturer and wholesale supplier of genuine Mercedes Benz spare parts. CIC acted as the importer and distributor of genuine Mercedes Benz spare parts in Cyprus. Daimler operated a selective distribution system, under which CIC remained the sole authorised distributor of genuine Mercedes Benz spare parts in Cyprus.

The proceedings originated from a complaint lodged with the CPC by Chr. Kapodistrias & Sons Ltd ('Kapodistrias') and Kyros Auto Services Ltd ('Kyros'), independent importers and distributors of spare parts for Mercedes Benz vehicles. The complainants alleged that the selective distribution system prevented them from obtaining and importing genuine Mercedes Benz spare parts and eliminated intra brand competition in Cyprus.

In its decision no. 11/2015, the CPC found that the arrangements between Daimler and CIC infringed Section 3(1)(b) of the Protection of Competition Laws of 2008 to 2014 (the 'Law') and the corresponding Article 101(1) TFEU. According to the CPC, the selective distribution system restricted the distribution of genuine Mercedes Benz spare parts in Cyprus. The CPC imposed fines of 20 million EUR on Daimler and 700,000 EUR on CIC. The CPC did not establish an infringement of Sections 6(1) or 6(2) of the Law or the corresponding provisions of Article 102 TFEU.

Daimler and CIC appealed the CPC decision before the Administrative Court. On 31 December 2024, the Administrative Court annulled the CPC decision.

B. Notes on case history

In CPC decision no. 11/2015, the CPC concluded that the selective distribution system did not satisfy the requirements applicable to selective distribution systems. The CPC considered that CIC remained the sole authorised distributor in Cyprus, that Daimler had failed properly to implement the selective distribution system and that the arrangements eliminated intra-brand competition in the market for the wholesale supply of genuine

Mercedes Benz spare parts.

The CPC further found that the conditions for exemption under Section 4(1) of the Law and Article 101(3) TFEU were not satisfied and imposed fines on Daimler and CIC.

Daimler and CIC challenged those findings before the Administrative Court, arguing, inter alia, that the CPC had erred in defining the relevant market and in its assessment of competitive constraints in the spare parts sector.

C. Legal analysis

C.1 - CPC decision no. 11/2015

The CPC found that the selective distribution system implemented by Daimler in Cyprus infringed Section 3(1)(b) of the Protection of Competition Laws of 2008 to 2014 (the 'Cypriot Competition Law') and Article 101(1) TFEU. According to the CPC, CIC remained the sole authorised distributor of genuine Mercedes-Benz spare parts in Cyprus and Daimler had failed properly to implement the selective distribution system. As a result, the CPC considered that the arrangements restricted the availability of genuine Mercedes-Benz spare parts and eliminated intra-brand competition in Cyprus.

The CPC defined the relevant market as the market for the wholesale supply of genuine Mercedes-Benz spare parts. It further concluded that the parties had failed to demonstrate that the conditions for exemption under Section 4(1) of the Cypriot Competition Law and Article 101(3) TFEU were satisfied. Administrative fines of 20 million EUR and 700,000 EUR were imposed on Daimler and CIC respectively.

C.2 - Administrative Court judgment

The Administrative Court annulled CPC decision no. 11/2015 on the basis of errors relating to the definition of the relevant market and the CPC's interpretation of the Supplementary Guidelines on Vertical Restraints in Agreements for the Sale and Repair of Motor Vehicles and for the Distribution of Spare Parts for Motor Vehicles ('Supplementary Guidelines').

In its assessment, the Court referred, inter alia, to the Supplementary Guidelines and the Market Definition Notice. Particular emphasis was placed on paragraph 15 of the Supplementary Guidelines, according to which spare parts bearing the motor vehicle manufacturer's brand face competition from parts supplied by original equipment suppliers ('OES') and by other suppliers.

The Court considered that the assessment of competitive constraints in the spare parts sector formed a key element of the market definition exercise. In particular, it focused on the relationship between spare parts supplied under the vehicle manufacturer's brand ('OEM') and equivalent spare parts marketed by the same suppliers under their own brand ('OES').

Against that background, the Court concluded that the CPC had erred in its market definition analysis and in its interpretation of the Supplementary Guidelines. Those errors affected the basis of the CPC's infringement assessment and resulted in the annulment of the decision.

2. RELEVANT LEGISLATION

- Sections 3, 4 and 6 of the Protection of Competition Laws of 2008 & 2014
- Article 101 TFEU
- Article 102 TFEU
- Supplementary Guidelines
- Market Definition Notice

3. PRACTICAL SIGNIFICANCE

The judgment highlights the importance of correctly assessing competitive constraints in the market for motor vehicle spare parts. In particular, it illustrates the relevance of competition between vehicle manufacturer-branded spare parts and spare parts supplied by original equipment suppliers when defining the relevant market. The case further demonstrates that errors in market definition may undermine the validity of an infringement decision and lead to its annulment on appeal.