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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NOTICE 4269 OF 2026

NOTICE IN TERMS OF SECTION 10(6) OF THE COMPETITION ACT NO. 89 OF 1998 (AS AMENDED)

THE COMPETITION COMMISSION OF SOUTH AFRICA

NOTICE OF APPLICATION FOR AN EXEMPTION

1. Notice is hereby given in terms of section 10(6)(a) of the Competition Act, No. 89 of 1998, as amended ("the Act") that the Collision Repairers Association ("**CRA**") has, on behalf of its members, applied to the Competition Commission ("the Commission"), in terms of section 10(1) of the Act, to be exempted from certain provisions of Chapter 2 of the Act.

2. The CRA, established in 2012, is a registered non-profit organisation, representing motor body repairers, structural and panel beaters ("autobody repairers") in South Africa. The CRA currently represents about 169 independently owned and accredited collision repairers across the country, with approximately 80% of its membership comprising small, medium and micro enterprises ("SMMEs").

3. The CRA submits that its primary purpose is to promote the integrity, sustainability, and technical excellence of South Africa's collision repair industry. This is achieved through; (i) ensuring that repair work is performed by appropriately trained and accredited technicians; (ii) using Original Equipment Manufacturer ("OEM")-approved methods and equipment; (iii) using the appropriate safety and quality controls; and (iv) facilitating meeting regulated compliance requirements, including safety and OEM structural accreditation.

4. The exemption is sought to permit CRA members to engage in collective discussions for purposes of negotiating with insurers and in some cases OEMS on commercial matters. Specifically, CRA members seek to collectively discuss and come up with possible rates, discounts, pricing and mark-ups for the various services (such as, labour, car parts, and other related services) offered to insurers' customers who want their vehicles attended to by auto body repairers. The exemption also seeks to ensure insurers/OEMs fairly appoint/allocate work to autobody repairers. The objective is to facilitate the development of fair and reasonable industry standards and to promote

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long-term sustainability of the collision repair industry through balanced and transparent engagement between repairers, insurers and OEMs.

5. It is submitted that there has been an increasing number and variety of imported vehicles, particularly from Chinese OEMs in South Africa. In order to remain compliant with manufacturer (OEM) standards and industry safety requirements, repairers are increasingly required to invest in specialised tooling, diagnostic and Advanced Driver Assistance Systems ("ADAS") calibration equipment, electric and hybrid vehicle repair capabilities, technician training and access to proprietary repair information. Certain imported vehicle brands also require specialised repair methodologies and enhanced quality-control, further increasing the capital and operational cost of complaint collision repair facilities.

6. This has increased the technical complexity of repairs due to differing construction methods, materials, electronic systems and proprietary repair technologies. It is further submitted that these developments have imposed significant financial and operational pressures on collision repairers, particularly SMMEs, many of which lack the resources necessary to make substantial investments in new technologies and capabilities required to service modern vehicles.

7. The CRA contends that the increased costs and investment requirements necessitate commercially sustainable repair frameworks that adequately compensate repairers for the costs associated with repairing increasingly sophisticated vehicles. The CRA further submits that balanced engagement with insurers is necessary to ensure that independent repairers remain financially viable, maintain industry capacity, uphold consumer safety standards, and support the long-term sustainability of both the collision repair industry and the insurance sector.

8. The CRA submits that the current insurer procurement practices are materially skewing repair volumes, work allocation and the commercial viability of collision repairers. According to the CRA, access to insurer panels remains restricted for many independent accredited repairers, while panel admission criteria, direction of spend and the rates and terms on which repairers are remunerated by insurers create bargaining asymmetries that disproportionately affect SMMEs. Repairers may be required to accept commercial terms that do not adequately reflect the costs of providing safe, OEM-compliant repairs in order to obtain or retain claims work. The CRA submits that this may discourage or exclude accredited repairers from insurer

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panels, limit access to claims work and threaten the long-term sustainability of the independent collision repair sector. According to the CRA, these conditions have, in some instances, resulted in independent and SMME repairers exiting the market after being excluded from insurer panels or being unable to sustain operations under existing commercial arrangements. The CRA therefore submits that collective engagement with insurers is necessary to facilitate discussions around transparent panel-admission criteria, equitable procurement practices and sustainable rates and terms on which repairers are remunerated by insurers.

9. According to the CRA, without coordinated measures to address rising equipment and training costs, procurement practices and access to OEM technical information, there is a risk of workshop exits, reduced repair capacity and compromised repair quality. Conversely, appropriately safeguarded collaboration between repairers, OEMs and insurers could preserve productive capacity, support SMME participation and improve repair quality and consumer protection.

10. In light of the above, the CRA has, through this exemption, applied for its members to discuss and come up with rates/prices and terms that are sustainable for the industry. As a starting point, CRA members would collectively identify insurers that are already charging reasonable rates and terms to auto body repairers. Rates and terms for the identified insurers will be used as “base rates and terms” by CRA members. After consultations with insurers, these base rates and terms will be applied in the industry. This will be followed by a process through which CRA members and other stakeholders will conduct studies for purposes of coming up with sustainable rates and terms for services offered by autobody repairers. Finally, the CRA members will come up with revised rates and terms (informed by studies conducted) which will be discussed with insurers for purposes of implementing such rates and terms going forward. The specific aspects to be discussed by CRA’s members during the process are prices charged by autobody repairers for its services, and these include labour rates bands, vehicle parts mark-ups, discount structures, full repair costs recognition and annual price increases.

11. In addition, with regards to work allocation, the CRA submits that although it is aware of some of the factors (e.g. quality, service, B-BBEE, cost and customer satisfaction index ratings) that insurers take into account in allocating repair work to autobody repairers, CRA does not fully understand the criteria used by these insurers. As a result, CRA members plan to come together and engage insurers for purposes of understanding how they allocate work to repairers. The discussions will also revolve

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around possible weighting to be allocate to each factor that insurers take into account (e.g. quality, service, B-BBEE, cost and CSI ratings) in allocating work to different autobody repairers.

12. In addition, CRA members will also engage in discussions on the criteria that will lead to fair and transparent appointment and allocation of work by OEMs to all repairers.

13. To achieve the above, CRA and its members would require some coordination which would include:
    - The sharing of industry cost and technical data;
    - The formulation of accreditation criteria;
    - The development of transparent procurement and allocation principles; and
    - Structured engagement on commercial sustainability frameworks, including labour rate bands, parts pricing and mark-ups, discount parameters, OEM-related commercial considerations, and all ancillary repair-related cost elements.

14. The process by CRA members (who are competitors) of engaging and discussing issues relating to prices, as identified above, potentially amounts to price fixing which may contravene section 4(1)(b)(i) of the Act. In addition, the process by CRA members of engaging on how work should be allocated to autobody repairers and OEMs may amount to market allocation which contravenes section 4(1)(b(ii) of the Act.

15. The CRA anticipates that the above activities for which the exemption is applied will contribute to the following:
    - promotion of the effective entry, participation or expansion of small and medium businesses or firms controlled or owned by historically disadvantaged persons in the market for the provision of collision repair services in terms of section 10(3)(b)(ii) of the Act; and
    - change in productive capacity necessary to stop decline in an industry in terms of section10(3)(b)(iii) of the Act; and
    - increase competitiveness and efficiency gains that promote employment or industrial expansion in terms of section 10(3)(b)(v) of the Act.

16. The CRA further requests that the exemption be granted for a period of three (**3**) years, commencing from the date of approval.

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17. In CRA's view, sustainable competition in the collision repair industry requires repairers to be able to recover costs associated with providing safe, OEM-compliant repairs and to have fair opportunities to compete for insured repair work. The CRA contends that exclusion from insurer/OEM panels and commercially unsustainable rates and terms on which repairers are remunerated by insurers may reduce industry capacity, discourage investment in training and technology, and undermine the ability of independent repairers to meet evolving vehicle repair requirements.

18. Notice is hereby given in terms of section 10(6)(b) of the Act to allow interested parties twenty (**20**) business days from the date of the publication of this notice to make written representations to the Commission as to why the exemption should, or not, be granted.

19. All representations must be directed to Edward Chiweza and Nonkululeko Moeketsi on the following electronic mailing addresses – EdwardC@compcom.co.za and NonkululekoM@compcom.co.za

20. Kindly make use of the following case number when sending correspondences in relation to this notice: Case No: **2026AUG0041**