



Safeguard your purchases from unauthorised sources and counterfeit products

When purchasing products, knowing the risks associated with unauthorised sources and counterfeit products is important. Purchasing products from unauthorised sources can expose you and your customers to serious risks.

The risks include no warranty, hidden costs, regulatory compliance, and legal implications, which may result in the possible impairment of sustainable business relationships.

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What are “grey market” products?

Grey market goods, in many cases, are original products initially placed on the market by the brand owner. Nevertheless, in some instances, counterfeit items may be deceitfully marketed as genuine. How do these products become “grey market” items? Possible origins of products that are not purchased directly from Siemens or an authorised partner could be:

- Warehouse liquidations / clean-ups.
- Bankruptcy / claims administrator (e.g. following a fire, water damage or other events).
- Internet trade (import / export).

However, the use of grey market products could entail several potential disadvantages, even dangers, for your customers, which we have regularly emphasised in the past and which we summarise again below:

- In contrast to original products purchased over the Siemens sales network, unusually high discounts are only possible in the grey market for repaired, used, obsolete or individual products that no longer have the original packaging. It has been proven in the past that counterfeit products are also offered there.
- The scope of the warranty is reduced, e.g. shortened warranty period with reduced scope (e.g. exclusion of replacement delivery).
- Grey market product offers are regularly from abroad, and they generally will only be delivered when prepaid.
- Brand-new products, in larger quantities and in their original factory packaging are only available via standard commercial channels and are not available from grey market channels’ stock. This statement has been substantiated in the past through numerous test purchases.
- When purchasing products, it is important to be aware of the risks associated with unauthorised sources and counterfeit products. Purchasing Siemens products from unauthorised sources can expose you and your customers to serious risks.

Some of these risks include: no warranty, hidden costs, regulatory compliance, and legal implications.

Why are there “grey market” products on the market?

Currently there are large quantities of ageing and obsolete stock on the marketplace. During the COVID-19 pandemic, many companies globally built up their stock. These stocks are now increasingly flowing into the international market and often offered below the purchase price to generate cash flow.

Technical support and warranty concerns with grey market products

Grey market products often appear on online trading platforms or via email cold calling (also known as spamming). Depending on the origin, however, the buyer generally cannot recognise beyond doubt whether they are going to receive standard technical support and full statutory warranty for the products purchased, or whether they are buying used, refurbished, out-of-date, damaged, non-functional, or even, potentially counterfeit products. For products purchased from the grey market, Siemens does not provide full statutory warranty or standard technical support.

Therefore, products obtained from unauthorised sources may lack coverage under the manufacturer’s warranty. This implies that you may not be eligible for free repairs or replacements if the product encounters defects or malfunctions. In contrast, Siemens Australia & New Zealand take pride in offering a complimentary 3-year extended warranty exclusively for products acquired through our authorised channels. Opting to buy from Siemens and our trusted partners ensures the highest quality and provides you with the added security of extensive warranty coverage.

Risks of use

The risks associated with the use of grey market products may range from machine/factory downtime due to product failures to longer throughput times and additional costs for repairs. Such productivity losses or operational disruptions can have a lasting negative impact on customer relationships. Siemens is not liable for risks and damages resulting from the use of these products purchased via grey channels.



Hidden cost

While grey market products may seem initially cost-effective, knowing the potential hidden costs and fees are crucial. Import duties, taxes, and additional warranty or support service charges may be applicable, diminishing the perceived cost advantage associated with grey market purchases. Opting for Siemens and its authorised partners ensures transparent pricing, helping you make informed decisions without the risk of unexpected expenses.

Possible impairment of a sustainable business relationship

At first glance, the grey market can be perceived as an attractive and cost-effective source, however, viewed holistically, our authorised partners offer clear advantages when it comes to issues such as “total cost of ownership”, “brand and reputation”, and “risks”.

Regulatory compliance and legal implications

Purchasing from the grey market raises serious concerns about regulatory compliance and legal consequences. Counterfeit products, commonly found in the grey market, may fail to meet established regulations and standards, potentially rendering them illegal for use and posing risks to public health and safety. This lack of adherence to regulatory standards underscores the potential dangers customers may face when opting for grey market items. Additionally, engaging in the unauthorised import and resale of products from the grey market can lead to infringement of intellectual property rights, with potential legal ramifications for sellers and buyers. Customers, unwittingly involved in these legal disputes, may experience financial losses and inconveniences. Consumers must be aware of these regulatory and legal risks, emphasising the importance of choosing authorised purchase channels.

How do I know if a source is authorised?

To minimise safety and security risks to your supply chain, it's important to verify your sources. Siemens offers a Partner Network that source their products directly from Siemens or an authorised distributor. To find a Certified Solution Partner that fits your companies needs, you can use the [Siemens Partner Finder](#). Alternatively, you can find a list of our Authorised Distributors from our [Siemens AUNZ Partner website](#).

I suspect I purchased or received a grey market product. What to do?

If you come across any indications that you or one of your customers received a grey market product, please contact your regional account manager immediately. Please have your product serial number ready.

Siemens has been a trusted brand in Australia for over 150 years, establishing a legacy of reliability, quality, and innovation. Our partners are also experts in their fields. To safeguard your purchases and ensure product authenticity, buying directly from Siemens and our authorised partners is imperative to avoid risks.

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