

Competition (Amendment) Bill, 2022

July 21, 2022

In news– The Union government has recently introduced the Competition (Amendment) Bill that seeks to bring changes in the governing structure of the Competition Commission of India (CCI).

About the bill-

- It seeks to modify the substantive provisions to **address the needs of new age market.**
- The revamp of the Competition Act **aims to check anti-competitive practices in the digital economy**, a sector that has seen intense litigation and regulatory scrutiny as traditional brick-and-mortar traders question the business practices of new age firms, including deep discounts.
- It also seeks **improve regulatory set-up by increasing the CCI's accountability**, giving it flexibility and enforcement efficiency.

Proposed changes-

Following are some some of the changes proposed under the bill-

- **A board with part-time members** to supervise CCI activities.
- CCI to **mandatorily issue penalty guidelines** and give reasons in case of any divergence.
- CCI to be able to engage in **structured negotiations with parties and arrive at mutually-workable solutions** without having to go through lengthy formal proceedings, thus **bringing it on par with the Securities and Exchange Board of India (SEBI).**

- **CCI can make appeals to the National Company Law Appellate Tribunal** conditional on a pre-deposit of up to 25% of the penalty imposed by the CCI.
- Shortening of the merger review period from 210 to 150 days.
- **Introduction of a green channel** for merger applications.

Competition Commission of India(CCI)-

- **CCI, set up under the Competition Act 2002, has the mandate to promote competition and curb unfair business ways across sectors.**
- It **consists of a chairperson and 6 members** appointed by the Centre.
- The Chairperson and every other Member shall hold office as such for a **term of five years** from the date on which he enters upon his office and shall be eligible for re-appointment.
- It is the duty of the commission to **eliminate practices having adverse effect on competition**, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in the markets of India.
- The commission is also required to **give opinion on competition issues** on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.