

Competition Amendment Bill, 2023

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Context- Recently, Rajya Sabha has passed the Competition Amendment Bill, 2023.

Key Highlights

- The Competition (Amendment) Bill, 2023 tries to alter the Opposition Act, 2002 which controls rivalry in the Indian market and disallows hostile to cutthroat practices, for example, cartels, consolidations and acquisitions that might antagonistically affect rivalry.
- The Act's implementation and enforcement are the responsibility of the Competition Commission of India (CCI).

Amendments

- **Penalties:** The idea behind the bill is to move away from the current practice of penalizing a portion of a company's turnover in a particular local or relevant market and instead define "turnover" for the purpose of penalties as global turnover derived from all products and services provided by a person or business.
- **Decriminalization:** By replacing the imposition of fines with civil penalties, the Bill makes certain Act-related offenses less punishable.
 - Abuse of a dominant position and noncompliance with anti-competitive agreement directives from the Director General are examples of these crimes.
- **Enhances CCI's Scope:** The new arrangements grow the extent of CCI's consolidation guideline by bringing bargains worth more than 2,000 crore requiring controller leeway.
- **Settlement Instrument:** The purpose of the amendment is to reduce litigation through negotiated settlements by introducing a commitment and settlement scheme.
 - Abuse of dominance and anti-competitive agreements are eligible for this plan, but

cartels are not.

- **Reducing the influence of US monetary policy:** Countries can lessen the impact of US monetary policy on their own economies by using less of the dollar.

Importance

- **Facilitating Business Transactions:** The aim of the changes to the Competition Act is to make it easier to do business in India and cut down on the number of regulations. It is anticipated that the amendments will lessen the burden of compliance for businesses and provide businesses operating in India with more clarity.
- **Increasing Openness:** The Indian market's transparency and accountability will be enhanced by including global turnover in the definition of "turnover."
 - Companies cannot avoid penalties for violating competition laws by shifting revenue to other nations, as this amendment ensures.

Competition Commission of India

- The Competition Commission of India (CCI) is a statutory body established by the Indian government in March 2009 to enforce the Competition Act of 2002.
- The Act significantly harms competition in India by outlawing anti-competitive agreements, regulating combinations, and preventing businesses from abusing their dominant position.
- The Commission comprises one Executive and six Individuals who will be named by the Focal Government.
- The quasi-judicial commission handles antitrust cases in addition to providing opinions to statutory authorities.