

European Union's new Digital Markets Act

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Context

Apple, Alphabet's Google and Meta Platforms to be investigated for potential breaches of the **European Union's new Digital Markets Act**.

About the Act

- **Came into Force:** The DMA fully came into effect on March 7 and seeks to regulate large online companies called 'gatekeepers', whose products and services are utilized by some 450 million EU users.
- **The DMA had designated six 'gatekeepers':** Alphabet, Amazon, Apple, ByteDance (proprietors of TikTok), Meta and Microsoft.
- **Aim:** It aims to challenge the power of the tech giants by making it easier for people to move between competing online services like social media platforms, internet browsers and app stores.
 - That should in turn open up space for smaller companies to compete.
- **Fines:** Violations could result in fines of as much as 10% of the corporations' global annual turnover.

Laws in India Related to Fair Competition

- **Competition Act, 2002**
 - The Competition Act, 2002, as amended by the **Competition (Amendment) Act,**

2007, follows the philosophy of modern competition laws.

- **Aim:** Promoting and sustaining competition in markets, stopping anti-competitive practices, and defending the interests of consumers.
 - The Act changed the erstwhile Monopolies and Restrictive Trade Practices Act.
- **Abuse of Dominant Position:** The Act prohibits entities with a dominant role in a market from abusing their dominance, along with implementing unfair or discriminatory prices, limiting production or supply to the detriment of consumers, or engaging in practices that restrict competition.
- **Penalties and Enforcement:** The Act provides for consequences for violations, including fines and orders to end anti-competitive practices.
 - It empowers the CCI to conduct inquiries, investigations, and impose penalties on entities determined to be violating the provisions of the Act.

About Competition Commission of India (CCI)

- The Competition Commission of India has been established to put into effect the competition law under the **Competition Act, 2002**.
- It comes under the Ministry of Corporate Affairs. It is a quasi-judicial body.
- The primary goal of the CCI is to make sure that there is no abuse of dominance with the aid of firms, prevent anti-competitive agreements, and alter combos (mergers and acquisitions) that could have damaging outcomes on competition in India.
- The Commission consists of a Chairperson and not more than 6 Members appointed by the Central Government.

Source: The Indian Express

UPSC Mains Practice Question

Q. Recently there is an increase in focus on bringing changes in the Competition Act, 2002. In this context discuss the proposed changes in the Competition Bill, 2023. (250 Words)