Prepared By

Ajay R Kamath, B.Com, LL.B, PGDHR. Trivandrum, Kerala

1. Important Dates & Information

MRTP Act – 1969 (Sachar Committee) | Competition Act – 2002 (Raghavan Committee)
Amendment to Competition Act – 2007 | Notification on “Combination”- 2009

2. Definitions

Acquisition Sec 2 (a)

- ***Acquisition*** means , directly or indirectly, acquiring or agreeing to acquire
  - ***Shares*** of any enterprise
  - ***Voting*** rights of any enterprise
  - ***Assets*** of any enterprise
  - ***Control*** over management of any enterprise
  - ***Control*** over assets of any enterprise

Agreement Sec 2 (b)

- ***Agreement*** includes any arrangement or understanding or action in concert:
  - Whether or not, Such arrangement, understanding or action is ***formal or in writing*** or,
  - Whether or not such arrangement, understanding or action is intended to be enforceable by legal proceedings.

Cartel Sec 2 (c)

- Cartel includes an ***association*** of:
  - Producers,
  - Sellers,
  - Distributors,
  - Traders or,
  - Service providers,

Who by agreement amongst themselves, ***limit, control or attempt to control*** the:

- Production , distribution ,sale or,
- Price of or trade in goods or provision of services

Goods Sec 2 (i)

- **Goods** means good as defined in the Sale of Goods Act 1930 and includes:
  - Products manufactured, processed or mined.
  - Debentures, stock and shares after allotment.
  - In relation to goods supplied, distributed or controlled in India , goods imported into india

Consumer Sec 2 (f)

- ***Consumers*** means any person who:
  - ***Buys any goods for a consideration which has been paid or promised*** or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, whether such purchase of goods is for resale or for any commercial purpose or for personal use
  - ***Hires or avails of any services for a consideration which has been paid or promised*** or party paid and partly promised, or under any system of deferred payment and includes any beneficiary of such services other than then person who hires or avails of the services for consideration paid or promised, or partly paid or partly promised or under any system of deferred payment, when such services are availed of with the approval of the first –mentioned person whether such hiring or availing of services is for any commercial purpose or for personal use

Enterprise Sec 2 (h)

- ***Enterprise*** means a person or a department of the Government, who or which is, or has been, engaged in any activity,
  - Relating to the production, storage, supply, distribution, acquisition or control of articles or goods, or the provision of services, of any kind, or in investment, or in the business of acquiring, holding, underwriting or dealing with shares, debentures or other securities of any other body corporate, either directly or through one or more of its units or divisions or subsidiaries, whether such unit or division or subsidiary is located at the same place where the enterprise is located or at a different place or at different places

But does not include any activity of the Government relatable to the **sovereign functions** of the Government including all activities carried on by the departments of the Central Government dealing with ***atomic energy, currency, defense and space***

Person , it includes :

- An individual, HUF, company body corporate, firm.
- AOP whether incorporated or not ,in india or outside india
- Any co operative society
- A local authority
- Every Artificial juristic person

AAEC - Appreciable adverse effect on competition **PSU** – Public Sector Undertaking

CCI – Competition Commission of India **CAT**- Competition Appellate Tribunal

Group

Group means, ***Two or more enterprise*** which directly or indirectly

1. Have ***26% or more Voting Right*** in the other Enterprise
2. Ability to ***appoint more than half of the members*** of Board of Directors
3. Ability to ***control the management or affairs*** of the other enterprise

Control includes

Controlling the affairs or management by

1. One or more Enterprise Jointly or singularly over another Enterprise
2. One or more Group Jointly or singularly over another group or enterprise

Predatory Pricing- It means the sale of goods or provision of services, at a price below cost of production to reduce competition or eliminate the competitors. The main objective of such price is to reduce competition or to eliminate the competitors

Anti Trust law-The antitrust laws apply to virtually all industries and to every level of business, including manufacturing, transportation, distribution, and marketing. They prohibit a variety of practices that restrain trade **[**Examples are illegal practices of price-fixing, corporate mergers likely to reduce the competitive vigor of particular markets, and predatory acts designed to achieve or maintain monopoly power]

Monopoly - A market structure characterized by a single seller, selling a unique product in the market. In a monopoly market, the seller faces no competition, as he is the sole seller of goods with no close substitute

Perfect Competition- Perfect competition is a market system characterized by many different buyers and sellers. In the classic theoretical definition of perfect competition, there are an infinite number of buyers and sellers. With so many market players, it is impossible for any one participant to alter the prevailing price in the market. If they attempt to do so, buyers and sellers have infinite alternatives to pursue.

Oligopoly- An oligopoly is similar in many ways to a monopoly. The primary difference is that rather than having only one producer of a good or service, there are a handful of producers, or at least a handful of producers that make up a dominant majority of the production in the market system. While oligopolists do not have the same pricing power as monopolists, it is possible, without diligent government regulation, that oligopolists will collude with one another to set prices in the same way a monopolist would.

Monopolistic competition is a type of market system combining elements of a monopoly and perfect competition. Like a perfectly competitive market system, there are numerous competitors in the market. The difference is that each competitor is sufficiently differentiated from the others that some can charge greater prices than a perfectly competitive firm. An example of monopolistic competition is the market for music. While there are many artists, each artist is different and is not perfectly substitutable with another artist.

Criteria	Perfect	Monopolistic	Oligopoly	Monopoly
No of Firms	Very large	Many	Few	one
Type of product	Standard	Differentiated	Std / Diff	unique
Control o Price	None	Slight	Considerable	Considerable, if not regulated
Entry / Exit	Free	Free	Barriers	Barriers
Example	Agri product like wheat, soybeans etc	Restaurants, Retail stores etc	Automobiles, airlines, Baby foods etc	Patented drugs, Electric goods etc

Bid Rigging- Agreement between enterprise or person engaged in similar production or trading of goods or provisions of service which has effect of eliminating or reduce the competition for bid.

3. Introduction to Competition Act, 2002

Competition Law for India was triggered by ***Articles 38 and 39*** of the Constitution of India. These Articles are a part of the ***Directive Principles of State Policy.*** Based on the Directive Principles, the first Indian competition law was enacted in 1969 and was labeled the MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969 (MRTP Act).

Articles 38 and 39 of the Constitution of India mandate, inter alia, that the State shall strive to promote the welfare of the people by securing and protecting as effectively, as it may, a social order in which justice – social, economic and political – shall inform all the institutions of the national life, and the State shall, in particular, direct its policy towards securing

1. That the ownership and control of material resources of the community are so Distributed as best to sub serve the common good; and
2. that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

One of the ***main goals*** of the MRTP Act was to ***encourage fair play*** and ***fair deal*** in the market besides promoting healthy competition. They seek to afford protection and support consuming public ***by reducing*** Monopolistic, Restrictive and Unfair Trade Practices from the market

Globalization has the fundamental attributes of relying significantly in the market forces, ensuring competition and keeping market functioning efficiently.

In the ***Pre-1991*** Reforms period, India's planned strategic and economic development stressed the broad policy objectives of

1. The development of an industrial base with a view to achieving self reliance and
2. The promotion of social justice

The MRTP Act has become ***obsolete*** in certain areas in the light of international economic developments relating to competition laws and hence focus was shifted from ***curbing monopolies*** to ***promoting competition***

In October, Central government appointed high level committee under the chairmanship of Mr. Raghavan, the aim of the committee was to formulate the competition law in tune with economic reforms and international development. The committee presented its report on May 2000, The draft competition law was presented on November 2000. After certain amendments the parliament passed the new law, called completion Act 2002. The act came into force on ***January*** **2003**

The Act was amended by the Competition Amendment Act, 2007 and became fully operational from **1 June 2011**,

- The provisions relating to competition advocacy was notified ***in 2003***,
- The provisions regulating anti-competitive agreements and abuse of dominance were notified with effect from ***20 May 2009***
- The provisions regulating mergers and acquisitions were notified on **June 2011**

Both the Competition Commission of India (CCI) (which administers the law) and the Competition Appellate Tribunal (CAT) are operational.

The Framework of Competition Act 2002 has essentially four compartments:

1. Anti- Competitive Agreements [Section 3]
2. Abuse of Dominance [Section 4]
3. Combination Regulation [Section 5 & 6]
4. Competition Advocacy [Section 49]

Difference between MRTP ACT and Competition Act

Basis	**MRTP**	**Competition ACT**
Base	It is based upon Pre- Liberalization	It is based upon Post-Liberalization
Focus	Curbing Monopolies	Promoting Competition
Registration of Agreements	Compulsory registration of agreements relating to restrictive trade practices	It does not provide for registration of agreement
Dominance	Under MRTP, Dominance itself is bad	Under Competition Act, Dominance per se is not but only abuse of dominance is considered bad
Provisions for combination	Does not contain provisions of combination	Competition Act contain provisions of combination
Penalties	No Penalties for offences	Penalties for offences
Principles	Rule of law approach	Rule of reason approach
Competition Advocacy	No competition Advocacy role for the MRTP	CCI has competition advocacy role
Exclusion	Blanket exclusion of intellectual property rights	Exclusion of intellectual property rights, but unreasonable restriction covered
Provision for Unfair Trade practices	Provisions was there in MRTP Act (Section 36A)	Not included in the new completion Act and now under purview of Consumer protection Act

The Competition Act, 2002 was enacted to enacted to fill the gaps left open by the MRTP Act — certain offending trade practices such as
1. abuse of dominance,
2. cartels,
3. bid rigging,
4. collusive agreements,
5. price fixing,
6. Predatory pricing, etc.

5. Salient Features of the Competition Act, 2002

Objective of the Act

- Facilitate & Foster Competition
- Establish a Commission to prevent practices having adverse effect on competition
- Promote and sustain competition in markets
- Protect the interests of consumers
- Ensure freedom of trade in the Indian markets

Duties of the Commission [Sec 18]

- Eliminate Practices that have an adverse effect on competition
- Promote & Sustain Competition
- Protect the interest of Consumers, economy and nature

Scope or Focus of the Act

1. Enquire into Anti Competitive Agreements [Section - 3]
2. Enquire Abuse of Dominant Position [Section – 4]
3. Regulation of Combination & Mergers [Section – 5 to 6]
4. Undertake Competition Advocacy [Section – 49]

Exclusion from Jurisdiction

1. Those right protected as intellectual property
2. Agreement exclusively for experts

6. Anti-competitive agreements [Section 3]

Any agreement for goods or services which has ***appreciable adverse effect on competition*** in India is ***prohibited***. These kinds of agreements are known as anti-competitive agreements.

Anti competitive agreement of entered into shall be ***void***

Section 3 of the Act states that no enterprise shall enter into:

1. Any agreement With respect to ***production***, **supply** ***distribution***, ***storage***, ***acquisition*** or ***control of goods/provision of services*** which is anti-competitive is prohibited and void.
2. Such agreements must cause or be likely to cause appreciable adverse effect on competition (AAEC) in a relevant market in India.

The relevant market may be a geographical or a products market.

There are Two kinds of agreements

1. Horizontal agreements (→)
2. Vertical agreements. (|)

Horizontal agreements (see Table 1)

They are Agreements Between Parties in the same line of production. Example - Agreement between Manufactures, Agreement between Distributors.

Horizontal agreements are presumed to have AAEC if they:

1. Directly or indirectly determine purchase or sale prices
2. Limit or control output, technical development, services etc.
3. Share or divide markets
4. Indulge in rigging or collusive bidding

Cartels prohibited (Use the same definition Cartel and Horizontal Agreement)+ Add

1. Agree to limit,
2. Control or attempt to control production, distribution, sale or price

Types of Horizontal Agreements

1) **Price Fixing Agreement**
   a) Agreement to raise or stabilize price
   b) Establish uniform discount or eliminate discount
   c) Set uniform price as Starting point for negotiation
   d) Discontinue free service
   e) Impose Mandatorily surcharge
   f) Restrict price advertising

2) **Facilitating practices**

   This include agreements that make it easier for competitors to collectively exercise market power, and to avoid competing with each other

   Eg- Agreements to share information
   Sellers agrees either to meet any price, The buyer is able to obtain from another supplier or release the buyer to purchase from another seller

3) **Quiet Life Agreements**

   They are Agreements that restrict competition by free competitors form some significant aspect of competition

   Eg- Agreement not to advertise Agreements to limit business hours

4) **Group Boycotts**

   These are agreements among competitors not to deal with other competitors, suppliers distributors or retailers

5) **Trade Associations**

Vertical Agreements (see Table 1)

Vertical agreement are those agreements between Non-Competition undertaking operating at different levels of manufacturing and distribution process

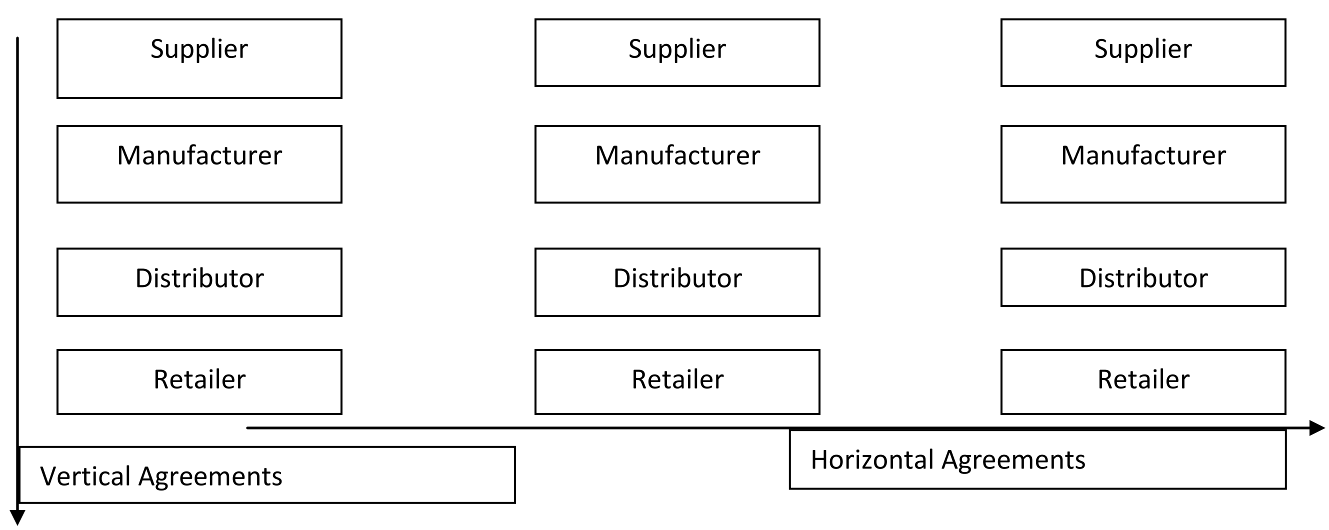
EX- , the agreement between manufacturers of components , manufactures of products, between producers and whole- sellers or between producers, whole sellers and retailers

They are prohibited if such agreements cause or are likely to cause AAEC

Types of Vertical Agreements

1. **Tie-in arrangement**
   Agreement between manufacturer and distributor not to sell manufactures product at or above a price floor at or below a price ceiling (e.g. requiring a purchaser of goods to purchase some other goods as condition of such purchase)
2. **Exclusive supply arrangement**
   Agreement restricting the purchase in course of trade from acquiring the goods of trade from acquiring the goods of any other seller
   (e.g. restricting a purchaser in course of his trade from dealing in any goods other than those of the seller)
3. **Exclusive distribution arrangement**
   Agreement to limit or restrict the output or supply of any goods to ant market or area (e.g. limiting/restricting supply of goods or allocate any area or market for sale of goods)
4. **Refusal to deal**
   (e.g. restricting by any method any person/classes of persons to whom goods are sold)
5. **Resale price maintenance**
   (e.g. selling goods with condition on resale at stipulated prices)

<u>Chain Of Production (Table No :1)</u>



Horizontal vs vertical agreements

- Horizontal agreements **are presumed to have AAEC**

  Vertical agreements, the onus / **Burden of proving AAEC lies on the CCI**.

  Horizontal Agreement :- (**Per Say**) Vertical Agreement : (**Rule or Reason**)

- Joint venture agreements are an exception to horizontal agreements, provided such agreements increases efficiency in production, supply, distribution, storage acquisition or control of goods or provisions of services.
- Export agreements and agreements to protect intellectual property are allowed to have protective clauses.

Anti competitive Agreement under Different laws of Different Country

USA	European Union	Australia	Canada
Section 1 Of the Sharman Act	Article 81, Treaty of Rome	Part 4 of Trade Practice Act 1974	Section 45 Anti Trust law

Anti Competitive Agreement [Vertical Agreement - Rule of Reason] (Essay)

(ADD What is Anti competitive Agreements - Section 3 then)

Vertical agreement are those agreements between Non-Competition undertaking operating at different levels of manufacturing and distribution process

EX- , the agreement between manufacturers of components , manufactures of products, between producers and whole- sellers or between producers, whole sellers and retailers

The Following Agreement may be considered as Ant Competitive by applying the rule of reason

1. **Time in Arrangement**
   Any agreement requiring a purchaser of goods as a condition to purchase some other goods. Tie in agreement is also known as conditional sale or purchase
2. **Exclusive supply agreement**
   Agreement restricting the purchase in course of trade from acquiring the goods of trade from acquiring the goods of any other seller
   (e.g. restricting a purchaser in course of his trade from dealing in any goods other than those of the seller)
3. **Exclusive distribution Agreement**
   Agreement to limit or restrict the output or supply of any goods to ant market or area
   (e.g. limiting/restricting supply of goods or allocate any area or market for sale of goods)
4. **Refusal to deal**
   Any agreement which restrict or is likely to restrict by any method any person/classes of persons to whom goods are sold or from whom goods are brought

5. **Resale price maintenance**
   Any Agreement to sell goods on condition that the price to be charged on the resale by the purchaser shall be stipulated by the seller unless it is clearly stated that prices lower than those price may be charged
   (e.g. selling goods with condition on resale at stipulated prices)

Enquiry under section 19 (Step -2)

In case on any agreement mentioned under Sec3, Comes before the CCI the CCI shall conduct an enquiry and adjudicate on whether the agreement has any adverse effect on competition based on the following facts

1. Whether there is creation of any barrier to new entrants into market
2. Whether the agreement drives out existing competitors in the markets
3. Whether there is any foreclosure of competition by hindering the entry into market
4. Whether there is any accrual of benefits to the consumers
5. Whether the agreement can produce any improvement in production, distribution or supply of goods
6. Whether the agreement promotes technical scientific or economic development

Orders by Commission after inquiry onto agreements [Section 27](Step-3)

If the commission finds that the agreement under sec3 is Anti competitive, it can pass following orders

1. Direct any enterprise or person to engage in such agreement to discontinue such agreement
2. Impose penalty not more than 10% of the average turnover of last 3 financial years
3. Modified the agreement to such extent and manner specified by CCI
4. Order for payment of cost
5. Any other orders as the CCI thinks fit

Exception to Section 3
Any agreement protecting rights conferred under:

1. Copyright Act 1956 (1999)
2. Patent Act 2005
3. Trademarks Act
4. Designs Act
5. Geographical indication Act

7. Abuse of Dominant position (Section 4) (essay)

It means a position of ***strength***, enjoyed by an enterprise, in the ***relevant market*** in India, which enables it to:

- ***Operate independently*** of competitive forces prevailing in the relevant market or,
- ***affects its competitors or consumers*** of the relevant market in its favor

Meaning of Relevant Market sec 2 (r)

In order to ascertain whether an enterprise has a dominant position it is to be determined on what the relevant market is. There are two kinds of relevant market

1. **Relevant product Market** sec 2 (t)
   On the demand side, Relevant product market include all the close Substitutes to which the consumer will shift to, if the price of the product increases
   On Supply side, Relevant product market include all the producers who can produce substitutes with the existing production facility
2. **Relevant Geographical Market** sec 2 (s)
   The geographic dimension within which competition can take place in the relevant market can be local ,National, International or global depending upon the product , Here pattern of consumption , Transportation are important factors

Enterprise or group ***shall not abuse*** its dominant position. Agreement by enterprise or group abusing its dominant position is ***prohibited***

An Enterprise or group is said to have abused its dominant position if it ***directly or indirectly:***

- Imposes ***unfair condition or price***
- ***Predatory pricing***
- Limit or restrict :
  - ***Production*** of goods or provision of services or market
  - ***Technical or scientific development*** relating to goods or services
  - Creating ***barriers to entry***
  - Denying of market access
  - Uses its dominant position in one market to ***gain advantage in other market***

Where there is abuse of dominant position then the CCI will issue the following orders Under Section 27 And Section 28

Criteria Considered by CCI while determining Abuse of Dominant position

1. Market Share
2. Size & importance of competitors
3. Economic Power of enterprise including Commercial advantage
4. Vertical integration of the enterprise
5. Dependence of consumers
6. Monopoly enjoyed by means of being a Government company or PSU
7. Counter veiling buying power
8. Market Structure
9. Social Obligation & Social Cost
10. Relative Advantage by way of contribution to economic development

11. Any other relevant factor considered by CCI

Orders by Commission after inquiry onto agreements [Section 27]

If the commission finds that the Act constitute Abuse of Dominant position, it can pass following orders

1. Direct any enterprise or person to engage in such agreement to discontinue such agreement
2. Impose penalty not more than 10% of the average turnover of last 3 financial years
3. Modified the agreement to such extent and manner specified by CCI
4. Order for payment of cost
5. Any other orders as the CCI thinks fit

If the commission finds any Division of Enterprise enjoying dominant position (Section 28)

Then the CCI can direct the Enterprise to divide in such manner that the Enterprise does not Abuse its dominant position for this purpose the CCI Can Provide for

1. Transfer of any existing liability or property
2. Adjustment or discharge of any Contract
3. Any other orders as the CCI thinks fit

8. Regulation of Combination (Section 5 to 6)

What is Combination

The Acquisition of one or more enterprise by way of ***merger or amalgamation or control over*** enterprise is regarded as combination

A Combination is an ***acquisition of one or more enterprises*** by one or more persons, ***merger or amalgamation*** of enterprises, if it meets the prescribed ***monetary thresholds*** and involves:

- Any acquisition of control, shares, voting rights or assets of any enterprise
- Any acquisition of control by a person over an enterprise, where such person already has direct/indirect control over another enterprise in a similar business
- Any merger or amalgamation of enterprises

Combinations above the defined monetary thresholds require filing and prior approval of the CCI before they can be made effective. CCI has powers to investigate combinations and modify/reject them.

Separate provisions exist in case of acquisitions pursuant to loan/ investment agreements of public financial institutions, FII, banks or VC funds.

The CCI must be notified within ***30 days*** of the '**trigger event'** of such combinations

Trigger Event

- ***Board approval*** of the enterprises in case of a ***proposed merger/ amalgamation***; or
- ***Execution of any agreement*** or 'other document' in case of a proposed acquisition

Exemption of Notification to CCI

Under the Combination Regulations, Decision taken for the Amalgamation, Mergers, Acquisition prior to June 1, 2011 have been exempted from notifying to CCI

When acquisition, Mergers or Amalgamation would constitute a Combination :

When in individual

- If the parties to that process have an asset of more than 1000 Cr or turnover of more than 3000Cr inside india or
- If it is an entity having operation inside & Outside india ,it has an asset of more than 500 million $ including at least 500 crore in india or a turnover of 1500 Million USD of which at least 1500 crore in india

The Value of Asset & Turnover is based on Book Value

When in Group, If one of the parties of Combination belongs to a Group which control it,

- The Threshold limits is 4,000 Cr in terms of asset & 12,000 Cr in terms of Turnover.
- If the group has asset or turnover inside & outside india then the threshold limit is 2 billion $ of assets or 6 billion $ of turnover

Regulation of Combination (Section 6) (Essay)

(ADD What is combination, then)

Any combination which has an adverse effect on competition can be declared void by the CCI.

8.1 Procedure to be followed for the combination

Any person or enterprise proposes to enter into combination shall give ***notice to competition commission*** in prescribed form ***within 30 days*** to

- ***Approval of the Board of*** Directors of proposal relating to ***merger or amalgamation***
- ***Execution of any agreement*** relating to acquisition or acquiring control

No combination shall come into effect ***until 210*** days from the day on which notice has been given to commission or order has been passed

8.2 Procedure for Investigation into Combination by CCI

Step 1

The CCI will issue a notice to the parties to the combination to reply within 30days of such combination for not declaring it as Void
The CCI will direct the Director General to submit a report on combination, on receipt of such report, If the CCI is satisfied that the combination has an Adverse effect on competition, it can pass the following order

Step 2 (Section 31)

- It can direct the combination shall not be in effect
- If the Adverse effect can be rectified by suitable modification the CCI will order such modification should be performed by the parties. (In this case the parties shall submit the modified combination within 30 Working days if the CCI agrees with the modification, It can accept the Combination)

Step 3

If the CCI is not satisfied by the modification effected by the parties, It can grant 30 Days further to the party to accept that modification proposed by the commission

Step 4

If the part still falls to accept the modification the commission can declare the combination as void as well as it can impose such penalties mentioned in the Act (1 % of Turnover)

9. Powers and Function of CCI

The CCI can exercise power subject to the Act and the Rules. It should be guided by the principles of ***natural justice*** and provisions of the act

1. The Commission shall have the powers to ***regulate its own procedure***. [Section 36 (1)]
2. Commission has a power of ***civil court*** [Section 36 (2)]
    A. Summon & Enforcing Attendance of any person on oath
    B. Requiring the Discovery and production of Document
    C. Receiving evidence as affidavit
    D. Issue commission for examination of witness or documents
    E. Requisitioning any public record on document or copy of such document form any office
    F. Power to conduct enquiry
3. Commission may ***call the experts*** on respective field i.e Economics', Commerce, Accountancy which may be necessary [Section 36 (3)]
4. Direct any person [Section 36 (4)]
    I. Produce Book , Accounts or other documents
    II. Furnish information about trade in procession of such persons

5. Issue cease and desist orders
6. Impose **fines and penalties** (Section 27)
7. Declare agreement having Appreciable adverse effect on competition (AAEC) void
8. Pass orders modifying agreement

In case of abuse of dominance

9. order for division of dominant enterprise (Section 28)

In case of combinations: (Section 31)

10. Approve Combination
11. Approve with modifications
12. Direct that combinations shall not take effect
13. To order demerger

Other Powers

14. In case of companies, individuals may also be held liable if consent, connivance or neglect is proved
15. CCI has extra-territorial reach
16. To order ***cost for frivolous complaint***

Functions of CCI

1. Make the markets work for the benefit and welfare of consumers.
2. Ensure fair and healthy competition in economic activities in the country for faster and inclusive growth and development of economy.
3. Implement competition policies with an aim to effectuate the most efficient utilization of economic resources.
4. Develop and nurture effective relations and interactions with sectorial regulators to ensure smooth alignment of sectorial regulatory laws in tandem with the competition law.
5. Effectively carry out competition advocacy and spread the information on benefits of competition among all stakeholders to establish and nurture competition culture in Indian economy.

10. Competition Advocacy [sec 49]

- Central government may ***obtain opinion*** of CCI on the possible effect of the policy on competition while formulating competition policy
- On receipt of deference, commission is required to give its opinion to central Government ***within 60days***
- The ***role*** of commission is ***advisory***
- Opinion given by commission is not binding upon the central Government

- The commission has also been assigned the role to take following suitable measured for:
    - ***Promotion*** of competition advocacy
    - ***Creating*** awareness about competition
    - ***Imparting*** Training about competition issue

11. Competition Appellant Tribunal

- Central Government shall by ***notification*** establish competition appellant tribunal
- Any person aggrieved by the order of the commission may appeal to CAT within ***60days.***
- CAT may accept the petition after 60days if it is satisfied that there was sufficient cause for not filling appeal with in specified time
- CAT may ***confirm/modify/setting side*** decision of commission after giving ***opportunity to both parties***
- CAT shall send copy of order to parties to appeal
- CAT shall dispose the appeal ***within six months***

12. Major changes made by the Competition (Amendment) Act, 2007

The Competition (Amendment) Act, 2007 was approved by the Parliament in September 2007 and received Presidential assent on ***24 September, 2007***. The amendment brought significant changes in the then existing regulatory infrastructure established under the Competition Act. The major changes are:

1. Notification of all "***combinations***" i.e. mergers, acquisitions and amalgamations to CCI made ***compulsory***.

2. CCI to be an ***expert body*** which will function as a ***market regulator*** for preventing anti competitive practices in the country and would also have advisory role and advocacy functions.

3. CCI to function as a ***collegium*** and its decisions would be based on **simple majority.** Omits power of CCI to award compensation to parties against proven anti competitive practices indulged in by enterprises.

4. Establishment of a ***Competition Appellate Tribunal*** with a ***three-member quasi judicial body*** to be headed by a retired or serving Judge of the Supreme Court or Chief Justice of a High Court to hear and dispose of appeals against any direction issued or decision made or order passed by the CCI.

5. Competition Appellate Tribunal to also adjudicate upon claims of compensation and to pass orders for the recovery of compensation from any enterprise for any loss or damage suffered as a result of any contravention of the provisions of the Competition Act, 2002.

6. ***Orders*** of Competition ***Appellate Tribunal*** can be executed as a ***decree of a civil court***.

7. ***Appeal*** against the orders of the Competition ***Appellate Tribunal*** to the ***Supreme Court***.

8. New Powers upon ***sectorial regulators*** to make ***suo moto reference to CCI*** on competition issues in addition to the earlier provision of making a reference on a request made by any party in a dispute before it. Also, similar powers conferred upon CCI.

9. Allows continuation of the ***MRTPC till two years*** after the constitution of CCI for trying pending cases under the MRTP Act and to dissolve the same thereafter.

With the enforcement of ***sections 3 and 4*** of Competition Act, w.e.f. 20 May, 2009, there appeared ***no valid reason to keep MRTPC*** functional any more. More so, in terms of Section 66 of the Competition Act, MRTPC has to be dissolved within a period of two years of the constitution of the CCI and the MRTP Act repealed. The Government has now decided to remove this anomaly and *section 66 has been* ***notified from 1 September, 2009***.Consequently, the ***MRTPC will cease*** to exist after a ***"sun set "period of two years i.e. on 31 August, 2011.***