

COMPETITION LAW REVIEW COMMITTEE

Prelims: Governance- Regulatory Bodies, Economics

Mains: GS-II- Statutory, regulatory and various quasi-judicial bodies.

Why in News?

- ▶ Shri Injeti Srinivas, Secretary (Corporate Affairs) presented the Report of the Competition Law Review Committee

Highlights:

- ▶ The Government constituted a Competition Law Review Committee on 1st October, 2018 to review the existing Competition law framework and make recommendations to further strengthen the framework to inter alia meet new economy challenges.
- ▶ The Committee was chaired by Shri Injeti Srinivas

Recommendations:

- ▶ Introduction of a 'Green Channel' for combination notifications to enable fast-paced regulatory approvals for vast majority of mergers and acquisitions that may have no major concerns regarding appreciable adverse effects on competition. The aim is to move towards disclosure based regime with strict consequences for not providing accurate or complete information.
- ▶ Combinations arising out of the insolvency resolution process under the Insolvency and Bankruptcy Code will also be eligible for "Green Channel" approvals.
- ▶ Introducing a dedicated bench in NCLAT for hearing appeals under the Competition Act.
- ▶ Introduction of express provisions to identify 'hub and spoke' agreements as well as agreements that do not fit within typical horizontal or vertical anti-competitive structures to cover agreements related to business structures and models synonymous with new age markets. Additional enforcement mechanism of 'Settlement & Commitments" in the interests of speedier resolution of cases of anti-competitive conduct.
- ▶ Enabling provisions to prescribe necessary thresholds, inter alia, deal-value threshold for merger notifications.
- ▶ CCI to issue guidelines on imposition of penalty to ensure more transparency and faster decision making which will encourage compliance by businesses.

- ▶▶ Strengthening the governance structure of CCI with the introduction of a Governing Board to oversee advocacy and quasi-legislative functions, leaving adjudicatory functions to the Whole-time Members. Merging DG's Office with CCI as an 'Investigation Division' as it aids CCI in discharging an inquisitorial rather than adversarial mandate. However, functional autonomy must be protected.
- ▶▶ Opening of CCI offices at regional level to carry out non-adjudicatory functions such as research, advocacy etc. and interaction with State Governments and State regulators.

