

Competition Commission of India (CCI)

[UPSC Notes]

What is Competition Commission of India?

CCI or Competition Commission of India is one of the most important statutory bodies in India, formed by the Vajpayee Government in 2003. However, the Commission became completely functional by March 2009 and is responsible for regulating the CCI act, 2002.

The Indian government came up with the Competition Commission of India to establish a highly competitive environment in the economy by enforcing the Competition Act, 2002. This was made possible by having a pro-active involvement and engagement among the stakeholders, international jurisdictions, and the Indian government.

Competition Commission of India (CCI) Highlights

Below is the basic overview of the Competition Commission of India:

CCI Highlights	Details
CCI Full form	Competition Commission of India
Competition Commission of India established	March 2009
Competition Commission of India Composition	one chairperson and six members, appointed by the central government
Competition Act, 2002	Enacted by the Indian Parliament.
13th Annual Day commemoration of CCI	Finance Minister launched CCI website (upgraded one)

What is Competition Act, 2002?

The Competition Act, 2002, enacted by the Indian Parliament follows the modern Competition laws philosophy. Later, this act was amended by the

Competition (Amendment) act 2007. Here are the important key points of the Competition Act, 2002:

- Initially, the Competition Commission of India was responsible for enforcing The Monopolies and Restrictive Trade Practices Act, 1969. Later, on the recommendations of the Raghavan Committee, the Competition Act, 2002, repealed and replaced the MRTP act.
- The Competition Act, 2017 bars the abuse of the dominant position by the enterprises, along with the anti-competitive agreements. This act is also responsible for regulating the combinations that can cause a good impact on the Competition within the country.
- Along with the Competition Commission of India, the Competition Appellate Tribunal was also established following the amendment act provision. Moreover, the Competition Appellate Tribunal COMPAT was replaced with the National Company Law Appellate Tribunal (NCLAT, 2017 by the government of India).

These Acts are responsible to uphold free enterprise and that is why the Competition law is also known as the Magna Carta of free enterprise. With the increase in globalization, the domestic industries are at a high chance of getting suppressed so this law ensures the domestic industrial promotion as well. As the dominant enterprises can make use of their power to get involved in the anti-competitive activities within the market, it ensures the security against such kinds of market distortions and makes it safe.

Members Composition of Competition Commission of India

The members of the Competition Commission of India are selected under certain eligibility criteria. There can be a chairperson and up to six members can be a member of the Commission. These members are appointed by the Central Government of India.

At present, the Commission is functioning with two members and a chairperson. Here are the key details of the member composition of the Competition Commission of India:

- Initially, it was finalized that a maximum of six members and a minimum of two members were required to Run the Commission.
- But, the number was reduced to 1 chairperson and three members only. The change in the number of members was for the purpose of coming

up with running the Commission. But, the number was reduced to 1 chairperson and three members only. The change in the number of members was for the purpose of coming up with faster hearings and quicker approval.

- All the members of the Commission and the chairperson are appointed as full-time members. As the full-time members.

Eligibility Criteria for CCI Members

The members of the Competition Commission of India must fulfill the eligibility criteria. The eligibility criteria for the chairperson and the members include:

- The chairperson and the other members shall be An individual of integrity and ability.
- They need to be qualified as a High Court judge or, must possess the special knowledge of the same.
- They must have a professional experience in economics, international trade, commerce, business, law, accountancy, finance, management, public affairs, industry, and administration for 15 years or more than that.

Objectives of Competition Commission of India

The Competition Commission of India holds the vision of upholding free enterprise, ensuring domestic industrial promotion, and securing the market from anti-competitive activities. Here are the major objectives of the Competition Commission of India:

- To ensure freedom of trade.
- To prevent the market from the anti-Competition practices.
- To protect and add to the interests of customers.
- To sustain the healthy Competition in markets.

Functions and Role of CCI

The powers of the Competition Commission are subjected to the welfare of the economical market. The function and the role played by the Competition Commission of India are:

- **Accelerates Consumer Welfare:** It ensures that the Indian market is sustainably maintaining the welfare of the customers.
- **Undertake Competition Advocacy:** Competition advocacy comes under the Competition Commission of India.
- **Effective working of Competition Advocacy:** The Commission spreads the information among the stakeholders to get the best possible benefits of the Competition.
- **Giving Opinions on Competition issues:** Being the statutory authority, The CCI is set to provide opinions on any such Competition issues.
- **Implies Competition policies:** Since it aims to put into force the productive utilization of economic resources, the Commission works to implement the competitive policies.
- **Blocking the Anti-competitive activities:** It has the power to go against all the Anti-competitive. It is responsible for ensuring freedom of trade in the Indian market.
- **Antitrust ombudsman for small organizations:** With the increase in globalization, the domestic industries / small organizations are at a significant chance of getting suppressed by the already established dominant enterprises, so this law ensures the domestic industrial promotion as well.

Competition Commission of India Achievements

The Competition Commission of India is working fairly for the welfare of consumers in the Indian market and has marked certain achievements by far in 18 years. The Competition Commission of India's achievements can be summarized as follows:

- By 2022, more than 1200 antitrust cases have been adjudicated by the Commission.
- More than 900 mergers and acquisitions have been reported by the Commission and most among them are cleared. (Record Av. 30 days)
- It came up with 'Green Channel' and other similar innovations for an automated transaction/combination approval process (50 such transactions are already cleared).

Challenges of Competition Commission of India

Though the Competition Commission of India has performed exceptionally well in the Indian market, there are certain internal and external challenges

that the Commission had to face while trying to implement these laws. These challenges are-

- **Antitrust issues:** The ever-increasing Antitrust issues hinder the Commission.
- **Challenges because of Digitization:** The increase in the modern business model that deals with the e-commerce and digital economy. Because of the digital economy, it is important to have network effects, data accessibility, etc.
- **Cartelization Threat:** The pandemic has resulted in the shortage of commodities on a global level. This has affected the supply chain very drastically.
- An increase in the benches caused the increase in demand to make a judgment more speedily.
- **New Requirements:** The Market definitions as per the CCI has no boundaries in the digital space, so there is a need to come up with a new definition of what a market is.

Future of Competition Commission of India

Since a lot of enterprises have opted for the digital market with the introduction of new technologies like AI, IoT, Web 3.0, Blockchains, etc. It has become a necessity to have complete knowledge of these latest technologies. This will help the Competition Commission of India to hold complete transparency for the effectiveness of consumers' benefit.

