

Government introduces amendment Bill to Competition Act

The government today introduced in Parliament the Bill to amend the Competition Act which, among other things, will require the Competition Commission to decide on corporate mergers within 180 days.

Once in place, the Bill will allow the Competition Commission of India (CCI) Chairperson to authorise 'search and seizure' to its Director General (DG) for investigations.

Corporate Affairs Minister Sachin Pilot introduced the 'The Competition (Amendment) Bill, 2012' in the Lok Sabha to amend the Competition Act 2002.

The amendments, approved by the Cabinet in October, are aimed at fine-tuning the regulations to bring rules on par with the prevailing scenario and in light of the experiences gained over the past years.

CCI has the mandate to ensure that the merger and acquisition deals between various entities do not lead to situations that affect competition in the marketplace.

Once passed, the time period for CCI to decide on combinations would come down to 180 days from 210 days.

The amended Act would grant powers to CCI chief to allow the DG to carry out search and seizure activities related to investigations. DG is the investigating arm of fair trade regulator CCI.

At present, CCI's Director General, upon authorisation by the Chief Metropolitan Magistrate, Delhi, has the powers to carry out search and seizure in any investigation. This is under Section 41(3) of the Competition Act, 2002.

Other amendments include change in the definition of terms like turnover and group in competition related matter.

Besides, a new Section 5A would be inserted into the Act. As per this section, "Notwithstanding anything in Section 5, the Central Government may, in consultation with the Commission, by notification, specify different values of assets and turnover for any class or classes of enterprise for the purpose of Section 5".

Section 5 relates to combinations of entities.

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