

BACKGROUND NOTE:
DRAFT CCI (SETTLEMENT) REGULATIONS, 2023

The Competition Act, 2002 (Act) aims to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India. Section 64(1) of the Act empowers the Competition Commission of India (CCI) to make regulations consistent with the Act and the rules made thereunder for carrying out the purposes of the Act.

The Competition (Amendment) Act, 2023 introduced Section 48A of the Act to create a settlement mechanism. Section 48A of the Act enables an enterprise against whom an inquiry under Section 26(1) of the Act is initiated for an alleged contravention of Section 3(4) or 4 of the Act, as the case may be, to apply for settlement before the CCI. The intent of creating a procedure for settlement is driven by the need to reduce litigation and to ensure quicker market correction.

The CCI proposes the Competition Commission of India (Settlement) Regulations, 2023 (Settlement Regulations). The Settlement Regulations provide the procedure to be followed during settlement proceedings including the following:

- (a) Form and contents of the application for settlement along with fee payable;
- (b) Procedure of settlement proceedings;
- (c) Period during which settlements may be proposed;
- (d) Manner in which the CCI will invite objections and suggestions to the settlement terms;
- (e) Factors to be considered by the CCI in assessing the settlement terms;
- (f) Manner of determining the settlement amount;
- (g) Nature and effect of the settlement order;
- (h) Implementation and monitoring of the terms of the settlement order; and
- (i) Revocation of the settlement order.

The CCI invites stakeholders to submit written comments on the draft Settlement Regulations within 21 (twenty-one) days from 24.08.2023 to 13.09.2023. The comments must be sent only by duly filling the form hosted on the CCI's website at:

<https://cci.gov.in/stakeholders-topics-consultations>