

There is a need for an effective competition compliance programme w.r.t digital markets. Elaborate.

Recently the competition commission of India slapped ₹1300 crore fine on Google for anti competition practices and another ₹934 crore for abusing the dominant position. Effective competition compliances can save the companies from such punitive measures.

Digital markets and competition laws

To restrict the digital giants reaping uncontrolled benefits the government came up with equilisation levy 2.0 in budget 2020.

The competition laws in India are stricter any contravention will attract a penalty of upto 10% of their revenue.

The dominant industries cannot fix prices arbitrarily and limit production else they would be covered under the anti trust

framework for breaching the Section (3) of the competition act.

The firms must also ensure that their conduct is not leading to denial of market access to others. The competition law also covers the individuals who hold a position in the company that undergoes violation.

Benefits of competition compliance

It can avoid costs and prevent the reputational damage. Reputational damage can dent the company's funding and credibility ~~area~~ with the public.

It also reduces the ~~compliance~~ litigation costs and runs up the courts.

India is the fifth largest economy and complies with the competition laws can foster profitable mergers and acquisitions for our startup ecosystem.