

## **BACKGROUND NOTE: DRAFT CCI (COMBINATIONS) REGULATIONS, 2023**

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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 the 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 (**Amendment Act**) introduced various changes to the provisions relating to regulations of combinations in the Act. These include (i) a new notification criteria i.e., deal value threshold, for mergers and acquisitions where value of transaction exceeds INR 2000 crore and the enterprises being acquired/ taken control of / merged or amalgamated have substantial business operations in India; (ii) provision for relaxing application of Section 6(2A) of the Act to transactions involving implementation of an open offer or purchase of securities on a regulated stock exchange, subject to certain conditions; (iii) reduction in the overall timeline for assessment of combinations from 210 to 150 days; (iv) introduction of an intermediate time limit of 30 days for forming a *prima facie* opinion; (v) amendment to the scheme for review of combinations, such as issue of statement of objections by the Commission; and (vi) change in process for proposing modification to the combinations.

In view of the significant changes introduced by the Amendment Act, the CCI proposes the Competition Commission of India (Combinations) Regulations, 2023 (**Draft CCI Combinations Regulations 2023**), which will repeal and replace the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. The Draft CCI Combinations Regulations 2023, *inter alia*, provide for the following:

- (a) Value of transaction and criteria for substantial business operations in India;
- (b) Form of notice for the proposed combination;
- (c) Exercise of rights in case of open offer and acquisitions on stock exchanges;
- (d) Amount of fee and mode of payment;
- (e) Procedure for filing notice and scrutiny of notice; and
- (f) Procedure for modification to the proposed combination.

The CCI invites stakeholders to submit written comments on the draft Combinations Regulations within 21 (twenty-one) days from 5.09.2023 to 25.09.2023. 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>