

Report of the Standing Committee on Finance - Evolving Role of Competition Commission of India in the Economy, particularly in the Digital Landscape

I. Background of the Report

On August 11, 2025, the Standing Committee on Finance (**Committee**) presented its twenty fifth report on '*Evolving Role of Competition Commission of India in the Economy, particularly in the Digital Landscape*' (**Report**) before the Parliament.

The Committee considered various aspects of the regulatory framework for competition law in India and as part of its deliberations, sought details from the Ministry of Corporate Affairs (**MCA**), the Competition Commission of India (**CCI**), and other stakeholders. The Committee's deliberations touched upon key aspects of competition policy and regulation including: (i) the need for a National Competition Policy (**NCP**); (ii) strengthening of institutional capacity at the CCI; (iii) interplay of data protection law and draft Digital Competition Bill (**DCB**); (iv) *ex-ante* regulation under the DCB; and (v) protection of the interests of micro, small & medium enterprises (**MSMEs**).

II. Key Recommendations

The key recommendations under the Report include:

- **National Competition Policy.**
 - The Committee recommended that an NCP must be adopted to harmonize law and policy across India and to strengthen the CCI's autonomy and coordination amongst regulators.
- **Ex-ante regulation under the DCB.**
 - **Refining approach through market studies.** The Committee recommended that the DCB must be refined further based on market studies on artificial intelligence (**AI**) and other sectors, to ensure that it reflects evidence-backed rules.
 - **Shift towards pro-active ex-ante regulations.** The Committee noted that a shift to proactive *ex-ante* regulatory framework under the DCB is required to pre-empt and address issues like self-preferencing, predatory pricing, and tying or bundling by dominant digital platforms
 - **Evidence based assessment.** The Committee recommended that the DCB should avoid blanket prohibitions and instead allow for context-specific, fact-driven assessments that support regulatory flexibility
 - **Thresholds and mechanisms.** Taking note of the treatment of SSDEs (**Systemically Significant Digital Enterprises**) under the DCB, the Committee noted that the designation thresholds (which are based on end-users or business-users) and mechanisms under the DCB must be refined to target genuinely systemic players without prematurely subjecting fast-growing domestic players to heavy compliance burdens. The Committee also recommended that a formal process allowing designated SSDEs to contest classification, similar to the approach under the European Union's Digital Markets Act, should be incorporated under the DCB.

- **Inclusion of virtual assistants.** The Committee noted that virtual assistants (which are softwares that can process tasks based on various inputs and enable access on connected physical devices based on such tasks) should be included under the DCB in line with international practices.
- **Enhancement of institutional capacity and adequate funding.**
 - **Requirements for specialized personnel.** The Committee noted that moving towards *ex-ante* regulation will require recruitment of specialized personnel including data scientists, technologists, and market analysts.
 - **Increase in strength.** The Committee recommended an increase in the sanctioned strength of the CCI, particularly prioritizing technical roles in the Digital Markets Division.
 - **Talent retention.** To give a filip to retention of talent, the Committee recommended the adoption of flexible hiring models to attract specialized talent.
 - **Continuous training.** The Committee also stressed on continuous staff training in emerging technologies, and expansion of collaboration with academic institutions and international regulators for knowledge sharing and best practice adoption.
 - **Adequate funding.** The Committee noted that the MCA should ensure that Grants-in-Aid allocated to CCI match actual budgetary needs, reducing reliance on internal funds and enabling investment in advanced analytical tools and digital market studies.
- **Effectiveness of enforcement.**
 - **Enhance enforceability and expedite litigation.** With a view to expedite litigation and enhance enforcement, particularly in the digital sector, the Committee recommended the implementation of suitable mechanisms.
 - **Strengthening legal defence.** The Committee also recommended that defence of the CCI's orders pending before appellate courts should be further enhanced through strengthening legal defence.
 - **Monitoring enforcement tools.** The Committee also recommended that mechanisms such as the pre-deposit regime to ensure deterrence of anti-competitive conduct and promote accountability in digital markets must be continuously assessed.
- **Protection of MSMEs.**
 - **Review of deal value threshold.** The Committee recommended that the current deal value threshold should be reviewed and lowered further to ensure that acquisitions of MSMEs by dominant players do not inadvertently fall outside the purview of the CCI's jurisdiction.
 - **Proactive monitoring.** The Committee recommended that practices such as predatory pricing and deep discounting by major online platforms should be proactively monitored and investigated.
 - **Data access for MSMEs.** To facilitate data access for MSMEs, leveling the playing field with larger players with substantial data control, the Committee recommended the establishment of formal mechanisms.
- **Cross-jurisdictional and inter-regulatory coordination.**
 - **Strengthening domestic cooperation.** Pertinently, the Committee recommended that active inter-regulatory coordination should be implemented through engagement with other regulators such as the Data Protection Authority and Ministry of Electronics and Information Technology, formalizing MoUs, and creating strong protocols for information sharing and joint enforcement in digital markets.
 - **Expanding international collaboration.** The CCI, according to the Committee, should deepen its international cooperation through expanded bilateral and multilateral initiatives, which is essential for sharing enforcement experience, leveraging collective regulatory strategies, and counteracting global anti-competitive practices.
- **Proactive safeguarding of consumer welfare.**

- **Evidence based policy through market studies.** The Committee recommended that sector-specific market studies should be undertaken more frequently, focusing on disruptive trends and innovative business models and findings from market studies must guide policy formation.
- **Non-price considerations for consumer welfare.** In the Committee's view, considerations, including non-price dimensions such as data privacy and service quality, should inform the CCI's enforcement and rulemaking functions.
- **Integrated approach to data, competition, and consumer rights.** The Committee recommended strengthening the collaboration between the CCI and the soon-to-be-established Data Protection Authority to ensure that interventions appropriately and effectively address the interconnected challenges of data, competition, and consumer rights.

III. Conclusion

The Report has clearly emphasized the need for an *ex-ante* regulatory framework under the DCB. However, the Report also calls for a more nuanced approach to *ex-ante* regulation, which is tethered to market realities, aligned with changing trends, and international best practices. The criticality of institutional capacity building for more effective market regulation has been recognized by the Committee as well. The imperativeness of consumer welfare and safeguarding MSME interests has also been highlighted. A shift from policy making on "first impressions" to a more "evidence-based" approach is a welcome step. It remains to be seen how the Recommendations of the Committee are implemented at a time when timely and effective enforcement of competition law has become even more critical.

We hope you have found this information useful. For any queries/clarifications please write to us at insights@elp-in.com or write to our authors:

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