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# Digital Markets and India: Demystifying the Digital Competition Bill

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**The Centre for Internet and Society**

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# To contribute to the draft DCB's public consultation process, this event focuses on six essential elements

## Existing provisions under the Bill

- I. Comparing *ex-ante* and *ex-post* approaches to regulation
- II. Building regulatory capacity for the proposed *ex-ante* approach
- III. Setting threshold values for Systemically Significant Digital Enterprises (SSDEs) and Associate Digital Enterprises (ADEs)
- IV. Identifying impactful and feasible remedies

## Themes overlooked by the Bill

- V. Absence of a specific focus on digital mergers and acquisitions
- VI. Limited representation from workers and MSMEs involved in digital markets

# Shift from an *ex-post* approach to an *ex-ante* approach of competition regulation requires capacity building for CCI

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## Comparing *ex-ante* and *ex-post* approaches to regulation

- Effectiveness in regulating digital competition
  - Potential concerns and the role of multi-regulator setups
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## Building regulatory capacity for the proposed *ex-ante* approach

- Staffing constraints for CCI viz-a-viz other countries
- Inter-regulatory coordination

# CDCL's rationale for arriving at the threshold values and the imposed penalties remains unclear

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## Threshold values for SSDEs and ADEs

- Reliance on standards set under the DMA
  - Sector-agnostic versus sector-specific thresholds
  - 'Global Merchandise Value' and 'Gross Market Capitalisation' parameters
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## Identifying impactful remedies

- Penalties and fines under the DCB
- Progressive penalisation for repeat offences
- Other potential enforcement remedies - Behavioural and Structural

# Lastly, the draft DCB overlooks two important themes: regulating digital M&As and including diverse perspectives

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## **Absence of a specific focus on digital mergers and acquisitions**

- Mergers and Acquisitions (M&As) as anti-competitive tools
  - Role of the Competition [Amendment] Act, 2023 - *are deal values enough?*
  - M&As across two or more core digital services
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## **Limited representation from workers and MSMEs**

- Concentrated buyer power as a threat to competition
- Platform economy and the gig workforce
- Digitisation of MSMEs and other small businesses