



Chairperson, Competition Commission of Pakistan (CCP) Vadiyya Khalil

ICMAP: Please tell us briefly about your authority, regulatory role, level of independence and the key stakeholders including organizations that come into your domain?

VK: On 2 November, 2007, the Government of Pakistan established the Competition Commission of Pakistan (the 'Commission') under the Competition Ordinance, 2007, with the objective to promote free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anti-competitive behaviour. The Competition Act, 2010 was promulgated by the Federal legislature on 6 October, 2010. It is a modern law based on best international practices aimed at creating a level playing field for all businesses as well as at ensuring consumer protection and welfare.

- o **Regulatory Role:** The Competition Act empowers the Commission to initiate proceedings in case of contraventions of the provisions of the Act, to conduct inquiries and pass orders after following the due process of law, to issue policy notes to the government on matters affecting the state of competition, to carry out sectoral studies, and to create awareness and understanding of the law by engaging in advocacy with its stakeholders.

- o **Level of Independence:** The Commission is administratively and functionally independent and the Government is required to use its best efforts to promote, enhance and maintain the independence of the Commission.
- o **Key Stakeholders:** All natural and legal persons, governmental bodies including regulatory authorities, corporations and associations of undertakings engaged in commercial activities constitute undertakings on which the Commission is empowered to monitor. Furthermore, consumers are also the key stakeholders as they are directly affected by the actions of the undertakings described above.

ICMAP: As per your charter, please identify the specific roles to promote the sector you are regulating and to protect the consumers' right?

VK: Under our law, all sectors of the economy fall within the purview of the Competition Act being administered by the Commission. The Commission strives to foster a robust economy by providing a level playing field for all businesses. This goal is achieved by enforcing the substantive provisions of the Competition Act, 2010, which prohibit the undertakings from:-

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- o Abusing their dominant position: i.e. when market power is used by an undertaking to exclude other players from competition or exploit other stakeholders in the market.
- o Entering into prohibited agreements or cartels: any agreement, arrangement or understanding between undertakings that has the object or effect of preventing, restricting or reducing competition within the relevant market resulting in price fixing, setting production, dividing markets, bid rigging, etc.
- o Following deceptive marketing practices: The Competition Act protects competitors and consumers against false and misleading information, and fraudulent use of trademarks, packaging etc.
- o Undertaking mergers or acquisitions without approval

The Commission pays special attention to issues involving price discrimination, limiting of production, supply or sales and unreasonable price hikes, for protecting the consumers. The Commission also keeps an eye on deceptive marketing practices and deters the distribution of any information that is false or misleading to the consumers, be it through advertisements or use of false names, logos or labels, etc.

ICMAP: How does the concerned ministry facilitate in achieving your objectives?

VK: The Commission functions as an autonomous statutory body created for the specific purpose of ensuring competition in the markets. It operates independently of the Government and provides annual reports regarding its activities to the Ministry of Finance to be forwarded for review before both Houses of Parliament.

ICMAP: Does the CCP regulate prices?

VK: Regulating prices does not come under the direct purview of the Commission. However, in some cases, price increases may be an indication of certain anti-competitive practices thus making a case for a competition probe. Section 3 of the Act specifically points towards "unreasonable increases in price" being a violation of the law and necessitating a probe by the Commission. Similarly, price fixing through cartelization is a violation of Section 4 of the Act that prohibits agreements for "fixing the purchase or selling price." The enforcement of competition law results in higher quality, lower prices, innovative products and wider choices for the consumers.

ICMAP: How do you interact with different stakeholders for formulating policies?

VK: The Commission regularly consults with its stakeholders on matters affecting the state of competition in Pakistan. Indeed, advocacy is a core function that the Commission has to perform under Section 29 of the Act and for this purpose, the Commission keeps regular interaction with the stakeholders through various forums. A Competition Consultative Group (CCG) has been set up for soliciting feedback and suggestions on competition related matters from the private sector, regulatory bodies, academia, media and the government and so far, 21 meetings of CCG have been held. The Commission is also mandated under the Competition Act to hold public hearings on matters affecting the state of competition in Pakistan. One of the most important advocacy function is to issue policy notes to the government on competition related matters, which is an important way of consultation with the government on policy formulation.

The interview ended with a vote of thanks to Ms. Vadiyya Khalil, Chairperson, Competition Commission of Pakistan (CCP), who spared his valuable time and gave his candid views exclusively for this journal. – Editor