

## **IAMAI Members Flag Concerns Regarding Ex-ante Regulations**

**New Delhi, May 16, 2023:** In their written submission to the Committee on Digital Competition Law (CDCL), the Internet and Mobile Association of India (IAMAI) members voiced their opposition to ex-ante regulations for digital markets in India.

According to IAMAI, size or scale-based applicability of regulations under an ex-ante digital competition policy will impact larger players in the market in their growth trajectory, while also limiting the growth potential of start-ups.

Regulations that kick in as soon as certain financial/size-based thresholds are met, will disincentivise Indian tech companies from scaling so as to avoid additional regulations. It is pertinent to note that ex-ante regulations may affect Indian companies even before they can achieve scale to compete globally or achieve profitability. This in turn will reduce value creation and valuations.

India has already experimented with ex-ante regulations under the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969. Size-based applicability of regulations under the MRTP Act limited the growth and scaling up of Indian companies. Notably, as part of various economic reform measures, India consciously moved away from an ex-ante regime under the MRTP Act. Taking competition policy for India's digital sector back to the MRTP era will burden India's most promising sector and inhibit its ability to scale, innovate and attract investments.

IAMAI members appreciate that antitrust enforcement has a vital role to play in keeping markets competitive. They are of the view that the extant rules and regulations sufficiently address competition concerns arising from the digital sector, while keeping the digital industry on a level playing field with other industries. The Competition Commission of India (CCI) has been promptly looking into various digital competition issues and has passed orders imposing penalties and requiring changes in the conduct of digital markets. Furthermore, the recent Competition (Amendment) Act, 2023 bolsters the existing regulatory framework for addressing competition issues in India.

### **About Internet and Mobile Association of India**

Established in 2004, the Internet and Mobile Association of India (IAMAI) is a not-for-profit industry body and the country's only organization representing the digital services industry with over 500 Indian and multinational corporations as its members, which include established companies in diverse sectors of the digital ecosystem as well as start-ups. Its mandate is to expand and enhance the online and mobile value-added services sectors. It is dedicated to presenting a unified voice of the businesses it represents to the government, investors, consumers and other stakeholders. IAMAI represents varied sectors such as digital advertising, digital entertainment, traveltech, online gaming, digital payments, fintech, digital commerce, edtech, healthtech, agritech, big data, ML, AI & IoT, AR/ VR, logistics-tech and so on.