



FACULTY OF JURIDICAL SCIENCES

**COURSE: B.B.A.LL.B. IX th
Semester**

SUBJECT: COMPETITION LAW

SUBJECT CODE: BBL 901

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LECTURE 15

TOPIC: ANTI-COMPETITIVE AGREEMENTS

What is an Anti-competitive Agreement?

Section 3 of the Competition Act, 2002

The Act under Section 3(1) prevents any enterprise or association from entering into any agreement which causes or is likely to cause an **appreciable adverse effect on competition (AAEC)** within India. The Act clearly envisages that an agreement which is contravention of Section 3(1) shall be void.

How to determine AAEC?

The Act provides that any agreement including cartels, which-

- Directly or indirectly determines purchase or sale prices;
- Limits production, supply, technical development or provision of services in market;
- Results in bid rigging or collusive bidding

Shall be presumed to have an appreciable adverse effect on competition in India

Proviso to Section 3 of the Act provides that the aforesaid criteria shall not apply to joint ventures entered with the aim to increase efficiency in production, supply, distribution, acquisition and control of goods or services.

Anti-competitive agreements are further classified into **Horizontal agreements** and **Vertical agreements**.

Exercise:

1. Bid rigging has been defined as explanation to section _____ of the Competition Act
 - a) 3
 - b) 2
 - c) 4
 - d) 5

2. Bid rigging means any agreement between enterprises or persons referred to in Section _____ of Competition Act engaged in identical or similar production
 - a) 3 (3)
 - b) 3 (2)
 - c) 4(3)
 - d) 4(2)

3. Tie in arrangement includes any agreement requiring a _____ of goods, as a condition of such purchase, to purchase some other goods
 - a) Purchaser
 - b) Seller
 - c) Broker
 - d) Producer

4. Exclusive supply agreement includes any agreement _____ in any manner the purchaser in course of his trade
 - a) Liberating
 - b) making free
 - c) restricting
 - d) none

5. Resale price maintenance includes any agreement to _____ good on condition that the prices to be charged on the resale by the purchaser shall be prices stipulated by seller

- a) Purchase
- b) Seller
- c) Mediate
- d) brokerage