

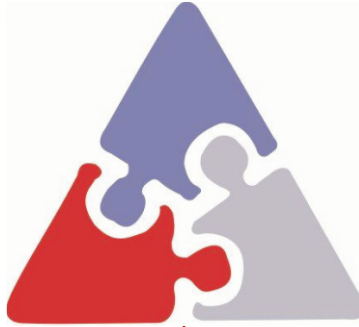
# Competition News Alert

April 06, 2013

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## Competition Commission of India further amends Combination Regulations

The Competition Commission of India ('CCI') vide Gazette Notification No. **F.No.3-1/Amend/Comb. Regl./2013/CD/CCI - dated April 04, 2013** has published the "The Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Amendment Regulations, 2013 (No. 1 of 2013)", under section 64 of the Competition Act, 2002 further amending the existing Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011. ("**Combination Regulations**").



The Combination Regulations were brought in to force on June 1, 2011. The Combination Regulations were first amended through the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Amendment, Regulations 2012 (**1st Amendment**) on February 23, 2012. CCI has now further amended the Combination Regulations vide this recent Notification of April 4, 2013, with a view to providing greater clarity on filing requirements and generally reducing the burden on compliance. The changes are all in **Schedule I** of Regulation No. 4 of the Combination Regulations.

The major changes made in Schedule I (Regulation 4) of the Combination Regulations are as under:

- A new **Category IA** has been inserted which provides that there is no requirement to file the notice if an acquisition of additional shares or voting rights of an enterprise by the acquirer or its group, not resulting in gross acquisition of more than 5% of the shares or voting rights of such enterprise in a financial year, where the acquirer or its group, prior to the acquisition, already holds 25% or more shares or voting rights of the enterprise, but does not hold 50% or more of the shares or voting rights of the enterprise, either prior to or after such acquisition, provided that such acquisition does not result in acquisition of sole or joint control of such enterprise by the acquirer or its group.
- In **Category 5** two new items— "trade receivables" and "other similar current assets" have been inserted.
- **Category 8** has been modified to provide more clarity for intra-group acquisitions. As per the new Category 8 substituted for the existing one, an acquisition of shares or voting rights or assets, by one person or enterprise, of another person or

enterprise within the same group, is exempted, except in cases where the acquired enterprise is jointly controlled by enterprises that are not part of the same group.

- **Category 8A** stands omitted.
- **Category 9** has been substituted by inserting that there is no requirement to file the notice if a merger or amalgamation of two enterprises where one of the enterprise has more than 50% shares or voting rights of the other enterprise, and/or merger or amalgamation of enterprises in which more than 50% shares or voting rights in each of such enterprises are held by enterprise(s) within the same group: provided that the transaction does not result in transfer from joint to

sole control. This means that the exemption granted to the *intra-group mergers and amalgamations between holding companies and its subsidiaries and between subsidiaries owned by enterprises belonging to the same group, by the 1st Amendment has now been modified to the above extent.* Further, now the exemption earlier granted to acquisition of current assets in the ordinary course of business by the 1st Amendment has now been included in Category 5, as above.

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