



CCI to Probe Google

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Why in News

The **Competition Commission of India (CCI)** has initiated a probe into alleged abuse of dominant position by the company to promote its **payments app, Google Pay**.

Key Points

- CCI highlighted **two main anti market practices** by google to unfairly **push Google Pay** it's payment app:
 - **Mandatory Use:** Google's policy of **mandatory use** of **Google Play's payment system** for purchasing the apps and IAPs (in-app purchases) in the Play Store.
 - **Exclusionary Practices:** It **excluded** other mobile **wallets/UPI (Unified Payments Interface)** apps as one of the effective payment options in Google Play's payment system.
- The CCI also criticised Google's policy to charge **30% commission for all app and in-app purchases**. Since Google's Play store cornered about 90% of all downloads, a **significant volume of payments being processed** in the market would thus be **controlled** by it.

If the application developers raise their subscription fees **to offset the costs** of google's commission or remove/reduce premium/paid subscription offers for users, **it may affect user experience, cost and choice**. Such conditions imposed by the app stores **limit the ability of the app developers** to offer payment processing solutions of their choice to the users.
- CCI also highlighted reports of Google abusing its **dominant position in the Android-television market by creating barriers for companies** which wanted to use or modify its Android operating systems for their smart televisions.
- The probe against Google Pay comes days after the **National Payments Corporation of India (NPCI)** allowed rival **Facebook-owned WhatsApp to go live on the UPI** in the multi-bank model.

- This is Google's **third major antitrust challenge** in India:
 - In 2018, the CCI fined Google \$21 million for '**search bias**':
It was alleged that Google was indulging in abuse of a dominant position in the market for online search through practices leading to search bias and search manipulation, among others.
 - In 2019, the CCI started probing Google for allegedly misusing its **dominant position to reduce the ability of smartphone manufacturers** to opt for alternate versions of its Android mobile operating system.
- **Other countries where Google facing antitrust probe:**
 - Regulatory scrutiny in the European Union for anti-competitive behaviour.
 - The **United States Department of Justice (DoJ) also sued Google** alleging the company had abused its dominant position in a way that had harmed its competitors as well as customers.

The Competition Act, 2002

- It was passed in 2002 and was amended by the **Competition (Amendment) Act, 2007**. It follows the philosophy of modern competition laws.
- The **Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act)** was repealed and **replaced by the Competition Act, 2002**, on the recommendations of **Raghavan committee**.
- The Act **prohibits** anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations, which causes or likely to cause an appreciable adverse effect on competition within India.
- In accordance with the provisions of the Amendment Act, the **Competition Commission of India** and the **Competition Appellate Tribunal (COMPAT)** were established.
- The government replaced COMPAT with the **National Company Law Appellate Tribunal (NCLAT) in 2017**.

Competition Commission of India

- It is a statutory body responsible for enforcing the objectives of the **Competition Act, 2002**.
- Composition: A **Chairperson and 6 Members** appointed by the Central Government.
- **Objectives:**
 - To eliminate practices having adverse effects on competition.
 - Promote and sustain competition.
 - Protect the interests of consumers.
 - Ensure freedom of trade in the markets of India.

- The Commission is also required **to give an opinion on competition issues** on a reference received from a statutory authority established under any law and to undertake competition advocacy, create public awareness and impart training on competition issues.

Source: IE