

MRTP ACT, 1969 & COMPETITION ACT, 2002

The following are the basic differences between MRTP and Competition Act:

S. no	MRTP ACT, 1969	COMPETITION ACT, 2002
1	It is based on the pre-liberalisation and globalisation era.	It is based on the post-reforms scenario.
2	The objective of the Act is to prevent concentration of economic power to common detriment to control of monopolies, prevention of monopolistic and restrictive trade practices.	The objective of the Act is prevent practices having adverse effect on competition and to promote as well as sustaining the competition to protect consumer interests at market place and ensuring freedom of trade.
3	It lists out 14 offences, which are against the principle of natural justice.	It recognises only 4 offences, which are deemed to be against the principle of natural justice.
4	MRTP Commission has the power to pass only "Cease" and "Desist" orders.	The Competition Act can pass an order to prevent and punish such of those activities, which abuses competition.

5	The MRTP Act did not provide for the formation of fund for its activities.	The Competition Act provides competition fund for promotion of competition advocacy and creation of awareness about competitive issues and training as may be prescribed in its rules.
6	Entity having status of dominant position is itself considered as bad.	Entity having status of dominant position is not considered as bad. Whereas abuse of dominant position affecting consumer interest is considered as immoral.
7	In general registration of agreement was mandatory.	It does not lay down any such requirement for registration of agreements.
8	The definition of 'group' was wider.	The 'group' definition has been simplified.
9	The size of the firm, is the factor for determining dominance etc.	It focusses on the firm's structure not on the size factor.
10	MRTP Commission role was only advisory.	Competition Commission can initiate the suo motu proceedings and levy penalties.

11	MRTP Commission dealt with the unfair trade practices.	The cases relating to unfair trade practices will be transferrd to consumer courts.
12	Focussed on consumer interest at large.	Focusses on public at large.
13	The chairman of MRTP Commission was appointed by Central Government.	The chairman of the commission will be appointed by a committee consisting of retired