



# THE COMPETITION ACT, 2010



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# THE COMPETITION ACT, 2010

## ACT NO. XIX OF 2010

[13th October, 2010]

*An Act to provide for free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anti competitive behavior.*

Whereas, it is expedient to make provisions to ensure free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anti competitive behavior and to provide for the establishment of the Competition Commission of Pakistan to maintain and enhance competition; and for matters connected therewith or incidental thereto;

It is hereby enacted as follows:—

### CHAPTER I

#### PRELIMINARY

**1. Short title, extent, application and commencement.**— (1) This Act may be called the Competition Act, 2010.

(2) It extends to the whole of Pakistan.

(3) It shall apply to all undertakings and all actions or matters that take place in Pakistan and distort competition within Pakistan.

(4) It shall come into force at once.

**2. Definitions.**— (1) In this Act, unless there is anything repugnant in the subject or context; —

- (a) "acquisition" means any change of control of any undertaking by way of acquisition of Shares, assets or any other means;
- (b) "agreement" includes any arrangement, understanding or practice, whether or not it is in writing or intended to be legally enforceable;
- (c) "Chairman" means the Chairman of the Commission and includes the Acting Chairman;
- (d) "Commission" means the Competition Commission of Pakistan established under section 12;
- (e) "dominant position" of one undertaking or several undertakings in a relevant market shall be deemed to exist if such undertaking or undertakings have the ability to behave to an appreciable extent

independently of competitors, customers, consumers and suppliers and the position of an undertaking shall be presumed to be dominant if its share of the relevant market exceeds forty percent;

- (f) "goods" includes any item, raw material, product or by-product which is sold for consideration;
- (g) "Member" means a member of the Commission;
- (h) "merger" means the merger, acquisition, amalgamation, combination or joining of two or more undertakings or part thereof into an existing undertaking or to form a new undertaking; and expression "merge" means to merge, acquire, amalgamate, combine or join, as the context may require;
- (i) "Minister" means the Federal Minister for Finance and in his absence, the Advisor to the Prime Minister on Finance;
- (j) "Ordinance" means the Companies Ordinance 1984 (XLVII of 1984);
- (k) "relevant market" means the market which shall be determined by the Commission with reference to a product market and a geographic market and a product market comprises of all those products or services which are regarded as interchangeable or Substitutable by the consumers by reason of the products characteristics, prices and intended uses. A geographic market comprises the area in which the undertakings concerned are involved in the supply of products or services and in which the conditions of competition are sufficiently homogeneous and which can be distinguished from neighboring geographic areas because, in particular, the conditions of competition are appreciably different in those areas;
- (l) "retailer", in relation to the sale of any goods, means a person who sells the goods to any other person other than for re-sale;
- (m) "regulations" means the regulations made by the Commission under this Act;
- (n) "rules" means the rules made by the Federal Government under this Act;
- (o) "services" means a service of any description whether industrial, trade, professional or otherwise;
- (p) "Tribunal" means Competition Appellate Tribunal under section 43 of the Act;
- (q) "undertaking" means any natural or legal person, governmental body including a regulatory authority, body corporate, partnership, association, trust or other entity in any way engaged, directly or indirectly, in the production, supply, distribution of goods or provision or control of services and shall include an association or undertakings; and