

The Fair Trade Commission (FTC) has released its draft of the ‘White Paper on Competition Policy in the Digital Economy’, inviting comments and feedback from the public.

In the digital economy, the rising number of digital platforms has driven the development of new business models. To address the competition issues arising from the business models implemented by digital platform operators, the Digital Economy Competition Policy Task Force at the FTC has dedicated itself to preparing a White Paper on Competition Policy in the Digital Economy since March 2021. The Task Force organized several meetings to develop an outline and a draft of the proposed White Paper. The proposed draft was then submitted to the Commissioners’ meetings for review and consideration, and finally completed at the end of February 2022.

The competition issues explored in the FTC’s draft White Paper include: 1) challenges in adapting conventional approaches to defining relevant markets and assessing market power in the digital economy; 2) platform operators’ business practices, for example, self-preferencing, tying, predatory pricing/ illegal inducement with low prices, price discrimination, Most-Favored-Nation Clause, resale price maintenance and restrictions on online sales; 3) the interface between data privacy and market competition, news media bargaining conduct, killer acquisitions, and false and misleading online advertising; 4) the legality of algorithm-facilitated collusion under the Fair Trade Act. In the draft White Paper, the FTC looks into other foreign competition authorities’ enforcement activities and decisions, as well as the FTC’s past experience, and points out its enforcement stance and future direction on the

above-mentioned competition concerns.

The White Paper is the FTC's first comprehensive overview of competition issues specific to the digital economy along with its relevant enforcement stance and policy direction. The published draft is available for download from the FTC's website. The FTC is now inviting comments and feedback from the public on this draft. Any written submissions in response to the draft White Paper should be provided by 31 March 2022 through post or by completing online forms ([link of the web page for public consultation](#)).

In addition to public consultation, the FTC also plans to invite academics, industry experts and relevant regulatory agencies to share their views and insights on the draft White Paper. The FTC will consider these opinions and revise the draft. The final version of the White Paper then will be submitted to the Commissioners' meeting for approval before making it to the public.

The FTC expects that the White Paper on 'Competition Policy in the Digital Economy' will provide transparent and clear guidance for businesses, enabling them to continue to innovate and enhance overall social welfare in a way without distorting or hindering competition.