

## Legal and Structural Analysis of the Supervisory Authority in Implementing Competitive Policy (comparative study: Iran and U.S.A)



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### Abstract

Competition law is a newcomer to the legal system recently. A sound understanding of competition policy can provide us with sufficient bases to apply a fundamental and normative view of the issues of competition law. The difference in supervision and regulation determines how the market functions and in order to understand this difference one must understand competition policy. Competition policy may be based on governmental support for national production and industry or on a non-interventional and regulatory posture.

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Moreover, supervision, based on the principle of non-intervention in the market mechanism, is rooted in liberal ideas; however, regulation, whether as a rule or an exception, is based on the assertion that the market has been ineffective in attaining its goals. Therefore, the government will resort to interventions to regulate inefficiencies. This paper aims to analyze Supervisory Authority in Implementing Competitive Policy by employing the description method. In this article the author tries to first delineate competition policy, its related requirements and imposed deviations to the market. Then, by defining the supervisory entity and clarifying its distinction from the regulatory institutions, the author considers the characteristics of an appropriate supervisory entity conducting a comparative study of this issue in Iran and the U.S.A. This form of Competition policy because of its applicable experiences which have been well described by recent scholarship is considered suitable for the native system.

**Keywords:** Competition policy, Competition Law, Competition Supervisory Authority, Regulatory Body, Administrative Police, comparative study



## INTRODUCTION

In fact, the hypothesis of this article is based on the issue that the supervisory body has a decisive role in the implementation of competition laws and in order to answer this fundamental problem that the mentioned topic has not been sufficiently localized in the domestic laws, therefore it has been decided to study a comparison in the law of the United States of America will provide a solution in this regard.

To begin our discussion of the role of a competitive observer institution in implementing competitive policy, it is necessary to first explain the philosophy of competitive supervision. Secondly, the difference between monitoring and regulator is should be determined. Hence, first these issues are addressed.

In the course of history, societies have evolved from being traditional to modern. Some people may look for the development of knowledge and human skills in order to make this change anonymous, whereas others see this change as an understanding of a social need and believe that the transition from a traditional society to modern one to achieve is for the better conditions. They interpret the traditional society as a state or a natural society, while regarding the modern society as a society in which the state is formed. There may be war or peace in the natural community, which have led to the formation of a modern society by achieving better conditions by creating the state and guaranteeing the rights and freedoms of people.<sup>1</sup>

There are, however, disagreements between the proponents of social contracting theory that are effective and have practically shaped different political regimes. Lock believes that, through the social contract, the freedom of individuals is only partially entrusted to the government, and there is always the possibility of insurrection and protesting against the function of the state. That is why Locke is one of the founders of liberal thought. But Rousseau believes that, through the social contract, all individual's freedom is left to the government, the majority's decision must be accepted by everyone, and protesting

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<sup>1</sup> - Yin Zhongqing, **The Political System Of China**, Translated By Wang Pingxing, China Intercontinental Press, 2007.

against this decision is unacceptable. Hence, Rousseau is considered a supporter of the majority's tyranny.<sup>1</sup>

In free-market thinking, supervision is important, and in order to safeguard the rights of market actors, there is always a possibility of protesting the decisions of the supervisory authority in front of the judicial judiciary. But in a setting based on maximum state intervention, there is no sense in essentially judicial arbitrariness. Also, the only guarantee to compensate for active labor rights is rooted in principles such as equalizing people against the protections and imperatives of public power.

Competition law has several goals that can be divided into general and specific ones. General goals are goals that competition law strives to achieve everywhere and in every market, but specific goals differ depending on the market analyzed. Among the general goals of competition law, one can also count on a degree of ranking, in which competition and the elimination and avoidance of monopolies can be seen as the direct objectives of direct competition law and the protection of consumer rights is the general secondary (indirect) objective of competition law.

Each country focuses on its general goals in terms of economic growth, distribution, and adherence to justice-based considerations. For example, a country with a high class distance may, due to its adherence to the notions of justice, focus its attention on consumer rights. When a country that wants to support its domestic market against the backdrop of foreign economic activists will try to prevent the monopoly from being the primary objective of competition law and even protecting domestic producers on its agenda.

Aside from general objectives, competition law has specific goals, as stated above, depending on the market that the competition law wants to control, these goals are different. For example, in energy markets, goals such as ensuring access to energy, denying government discriminations can be addressed. Goals may be Support state and

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<sup>1</sup> -Today, Rousseau's views on the organization of the United Kingdom and the People's Republic of China are clearly visible. Get informed about the political structure of the People's Republic of China at :

Ibid.

national activists, increase productivity and efficiency in using infrastructure, encouraged investment in the transmission and distribution network, and etc.<sup>1</sup> The World Bank and the member countries of the Organization for Economic Co-operation Development<sup>2</sup> have aimed to preserve competition law and promote consumer protection and improve their welfare. It also aims to control competition law by eliminating restrictive agreements or agreements between firms, or taking over and abusing the dominant position and market power of firms in the market and eliminating constraints that have a negative impact on domestic, foreign and economic development:<sup>3</sup>

**Table: Arguments about competition law**

Opponents adopt competition law	Advocates adopting competition law
1. Monopoly is not always bad.	1. Monopoly and lack of competition leads to inefficiency.
2. Monopoly reflects the company's superior performance.	2. Monopoly creates disturbance in the optimal allocation of resources.
3. Monopoly is formed due to efficiency.	3. Monopoly and non-competitive practices reduce consumer welfare.
4. The compilation of the competition law and the creation of antitrust commission imposes a high level of oversight on society.	4. Monopoly and non-competitive environment has a negative impact on innovation and (R & D)

<sup>1</sup> -Based on the lectures on competition law Dr. Mohsen Sadeghi, academic year 2011-2012. First semester, Tehran University, Faculty of Law and Political Science.

<sup>2</sup> -OECD

<sup>3</sup> - See, The Fundamental Principles Of Competition Policy, Working Group on the Interaction between Trade and Competition Policy, WT/WGTCP/W/127, 7 June 1999, pp5-7.

5. Non-competitive behaviors are fragile.

6. Monopoly and non-competitive behaviors will only survive when supported by the state.

7. Monopoly does not always reduce the welfare of consumers, possibly leading to an increase in their welfare.

### **Definition of competitive policy**

Competitive policy refers to policies related to market competition, including commercial policy, regulator policy, and policies adopted by the government to redress the antitrust practices of private or public companies.

Competition policy is governed by the regulations on firm behavior and the structure of the industry, which is designed to prevent the abuse of monopoly situations and to prevent the emergence of monopolies. The key distinction between competition law and competitive policy is that competitive policy involves both public and private sectors, while the competition law only includes private firms.<sup>1</sup>

It is true that competition law also includes the performance of state-owned enterprises, and the key distinction of competition law and competition policy is that government functions, whether they are governance or business. The administration of a state enterprise, such as private economic activists, is subject to competition law, but government sovereignty is subject to competitive policy.<sup>2</sup>

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<sup>1</sup> - Farhad Khodadad Kashi and Mohammad Nabi Shahi Tash, The scope and scope of the competition law according to the economic structure (Case study of Iran), Journal of Law and Policy Research, p. 146.

<sup>2</sup> - For more information, see Kamarkhani, Days, Government Responsibility in the Law of Internal and International Competition, Master's Thesis for International Commercial Economic Rights, University of Tehran, Dr. Jafar Nouri, October 2013.

Basically, competition law and competition policy and regulation are designed to protect the public interest against the abuses of monopolies. Although both of these establishments give the government significant contributions to achieving the goal, these two have different methods of intervention and scope. According to my opinion in practice, law enforcement and competition policy can be regulated by regulation in four ways:

1. Regulation in conflict with competitive policy. Regulation may result in behavior and actions that conflict with competition law. For example, regulation may prohibit pricing, banning advertising, or geographically dividing the market. Modifying and suspending these regulations will force institutions affected by these regulations to change habits and expectations.

2. Regulation of the successor of competitive policy. In natural monopolies, regulation may, through direct pricing and monopolistic product access control, act in direct control of market power. Changes in technology and other institutions may provide grounds for rethinking in some of the key foundations of regulation, that is, the competition policy and institutions from now on to prevent monopolies and to control market power inappropriately.

3. Regulation of Competition Policy Reproduction. Harmonious actions and acts of intentional abuse may be prohibited by regulation and transitional institutions as may be prohibited by competition policy and competition law. For example, regulation may define rules for fair competition or define the rules for conducting tenders in order to guarantee the implementation of competitive tenders. However, different transitional institutions may use different rules. Also, changes and differences in regulatory institutions may indicate that different rules result in different results.

4. Utilization of regulations from competition law institutions. The tools designed to study regulatory goals may be used in the interests of competition law such as the dynamics of competition. To achieve this, it is necessary to coordinate between transitional institutions and competitive policymakers in defining the goals of using their tools.

This policy includes rules and regulations to promote and promote a competitive environment in a national economy, one of its components being the creation of a more efficient allocation of resources.

The rules of competition in many countries cover mainly four disciplines of corporate behavior that are: (a) horizontal arrangements, which include most of the arrangements between firms to maintain and control prices; (b) vertical arrangements that may include specific arrangements for maintaining prices, sales Restrictions on geographical constraints and practices and behaviors; (c) preventing the abuse of market power by monopolists and large firms; (d) Controlling mergers in order to ensure that these mergers do not undermine the general competitive conditions of the market.

Another key objective of competition policy is to protect and protect the interests of the consumer. The rules and regulations in the context of the aforementioned are often referred to as restrictive and restrictive terms in the name of competitive policy, but since the 1980s the concept of competitive policy has been added to the circle of many industrialized countries so that today it can increase the welfare effects through the opening of non-exchangeable sectors. It also competition covers that in the term of the process, extensive competitive policy is meant to be said, which includes gas, electricity and electricity, time called title of natural monopolies<sup>1</sup>.

Adam Smith (1996) has discussed the riches of his nations about the destructive effects of monopoly and the benefits of competition. The benefits of competition today are shown by economists with the term "allocation term", the allocation of resources is the condition in which the resource is consumed in the way that consumes the most, and the consumer can produce the products at the lowest price. The monopoly situation deviates from this situation, which results in lowering the level of production, increasing the level of prices, reducing public welfare and .... Therefore, a competitive policy is needed to

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<sup>1</sup> - Seyfollah Sadeghi Yarandi, Masoud Tarmasri, Descriptive Culture of International Trade Marks and World Trade Organization, Institute for Trade Studies and Research, First Printing, 2006, pp. 87-88.

eliminate monopolies in order to encourage competition and achieve the welfare effects of competition.

While competitive policy may be beneficial to a particular firm, it is not specially designed for this purpose, and the main objective of competitive policy is to create competitive conditions. One of the key features of the competitive market is that "potential vendors or vendors are so freeloading that they can freely enter the market when they need to know, in other words, that the market is competitive."<sup>1</sup>

### **1. Regulation Difference with Supervision**

Firstly, according to many economists and jurists, the main objective of competition law is to strengthen economic efficiency, and other goals aim at achieving this goal, and secondly, consumer welfare is also the result of increased efficiency. Also from this writer's perspective, social competition has social objectives including: 1. Growth of personal freedoms and business units; 2. Support for small and medium business enterprises; 3. Establish justice and ... And the political goals of the competition law include: 1. Avoid the accumulation of wealth in particular hands; 2. Avoid political interference of strong firms and etc.<sup>2</sup>

The other two authors of the competition law for competition law, economic and non-economic objectives, are briefly set out below<sup>3</sup>: Economic Objectives: 1. Economic efficiency; 2. Increased prosperity; 3. Avoid abuse of market power; 4. Protecting freedom of competition and preventing it from being restricted. Non-economic objectives: 1. Fair distribution of economic power and support for small enterprises; 2. Supporting individual autonomy and the enjoyment of all equal economic opportunities; 3. Protecting workers and creating jobs.

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<sup>1</sup> - Milberg, William, Trade and Competition Policy, UNDP background paper for Making Global Trade Work for People, New York, 2003, p2.

<sup>2</sup> - Ibid.

<sup>3</sup> - Mohammad Hossein Sagi Moghadam and Behnam Ghaffari Farsani, The Spirit of Competition Law - A Comparative Study on the Purposes of Competition Law, Journal of Legal Justice, 75, No. 73, Spring 2012, pp. 118-125.

Harvard School, as one of the most important schools in competition law, has countless efforts and discussions, has four goals for competition laws<sup>1</sup>: 1. Achieving favorable economic outcomes such as efficiency, progress, stability in employment and the fair distribution of wealth; 2. Establishing and sustaining the competition process: In this way, competition was promoted to an independent goal and no longer considered as a means to achieve the desired economic results; 3. Protecting Fair Behavioral Needs in the Marketplace 4. Limiting the growth of large firms. This issue refers to the analytical aspect and not only descriptive: Hence its necessary that concentrate on substantive things:

Based on two recent goals, Harvard followers allowed the government to intervene in the market to protect Cooper companies against the power of big rivals, even at the expense of the community. In their belief, competitive politics should move towards the diffusion and decentralization of economic power and preventing the growth of firms. That is, limiting market power should be at the center of competitive policy, and since barriers to entry will lead to higher prices, they should be eliminated.<sup>2</sup>

Bork, one of the Chicago school's celebrities about the goals of competition laws, believes that the goal of competition laws and economic efficiency should only be to ensure the consumer's welfare and maintain the competitive spirit rather than protecting competitors. In addition, only a small number of commercial actions are prohibited in competition rules, such as cartels that seek to fix price and market share, or mergers seeking to create monopolies or dominant firms that are pricing aggressively.

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<sup>1</sup> - Behnam Ghaffari Farsani, Guarantee of Civic Performances, Violation of Competition Law Rules, by Dr. Mahmood Bagheri, Resale for Ph.D., Faculty of Law and Political Science, University of Tehran, May 2012, p. 69.

<sup>2</sup> - Behnam Ghaffari Farsani, Guarantee of Civic Performances, Violation of Competition Law Rules, by Dr. Mahmood Bagheri, Resale for Ph.D., Faculty of Law and Political Science, University of Tehran, May 2012, p. 69.

### **1. 1. The Principle of Supervision and Subordination of Regulators:**

In a free economic system, it is assumed that the market is capable of providing more community needs. Therefore, the government's interventions will be very limited. In both cases, it takes adjusting measures to protect the interests of consumers and maintain the public order of the state.

If the government does not regulate natural monopolies such as energy transmission lines or electricity transmission networks, a single monopoly, with all kinds of Anti-competitive measures, puts the natural benefit of natural monopolies at the expense of consumers, while deserving such a benefit does not have. Secondly, in the legal monopolies of the state or, exceptionally, of the private sector, the lack of regulator will become a kind of rentier, and the profits from this monopoly must be adequately explained.

For example, in a contract for the construction, operation and transfer of a highway operated by the private sector, the government may, for a specified period, transfer the exclusive right to the highway in exchange for costs incurred to the contract, but the assignment of this right as exclusive does not mean that the pricing of tolls will be left to the contract, but the government will always have to be in a position to intervene in setting road toll rates.

### **1. 2. Being Supervised:**

Administrative police is precautionary measures that, given the extent to which the scope of state intervention know widespread or limited, the amount of these preventive measures will vary in terms of regulation Economic goals, according to this author, include :

1. Maintain and enhance competition;
2. Protecting consumers and improving their well-being;
3. Control or eliminate restrictive agreements or agreements between firms or take over and abuse the dominant position and market power of firms in the market and remove restrictions that have a negative impact on domestic, foreign and economic development;
4. Achieving economic efficiency and ...

Amir Hossein Aladdini ultimately believes that all of the economic goals that can be combined are twofold:

1. Increased economic efficiency;
2. Raising consumer welfare.

Unregulated Settlement does not have meaning; therefore, any regulator is based on supervision, but no regulation is equal to regulation.

### **1.3. Intermediary of the observer:**

In comparison between the supervisory authority and the regulator, the supervisory authority is an intermediary entity which informs the judicial authority or the regulator of the results of its studies and studies of the market. Of course, the implication is that monitoring will not always lead to unilateral adjustment by the government, but will, in many cases, lead to the prosecution.

Unfortunately, in designing the system of competition law of Iran, the separation between the supervisory authority and the institution of the judiciary and the separation of the supervisory authority from the regulator has not been taken into account. If the market is based on a free economic doctrine, there must be a separation between the supervisory authority and the institution of the judiciary, because one cannot imagine that the plaintiff is a court in his case in a judicial case.

If the market is in the state of monopoly or legal monopoly, the separation of the supervisory authority and the regulator position is not necessary, since the regulator is for the sake of preserving the public interest, and in this regard it does not take arbitrariness and judgment to gather the position of the supervisor and the judge.

The supervisor monitors the natural monopoly and legal monopoly to investigate and if a change in the monopoly function is required to be transferred to the monopoly through the regulator's authority and the monopolist is required to accept this change and has the right to have Claiming compensation from the government.

The root of this subordination and the obligation is, in principle, the oversight authority (administrative office)<sup>1</sup>. For example, if the Radio Control and Regulatory Organization oblige the first mobile operators and Irancell<sup>2</sup> to pay infrastructure investments in villages and reduce tariffs in line with consumers' rights and increase the access of rural consumers to mobile services and they are obliged to this is the case. But the claims made by these companies to compensate them for damages by the government is reasonable.

## 2. Comprehensive policy imperatives

In this way, the identity and characteristics of the winners or losers in the market, as long as they are efficient, are of no importance, Even if this process leads to the creation of preponderant or exclusive but efficient enterprises. But Freiburg fans, while accepting market liberalization, regard the free market as having to accept some of the government's interventions in the economy. In the belief of these German scholars, the market economy system is not optimal and automatic. Thus, by accepting the utility of the free market, they reject self-regulation and self-reliance. Hence, it is necessary to adopt a specific regulatory policy.

There are limitations and no good government interventions in the economy. In the light of this policy, firms must take steps to meet consumer demands and compete with each other.

Also, they do not exercise their power in other areas, such as interfering in political affairs or preventing competition from occurring. Together, these policies are politics to regulate competition. In fact, the school's attitude toward the goal of competition law is

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<sup>1</sup> - In administrative law, supreme and central officials always supervise subordinate and on-site positions. Supervision by central government officials applies to local government officials and non-governmental institutions and institutions is called "guardian of office". The example of this monitoring can be found under the supervision of the central government on the Islamic councils of the city and the village, the organization of the engineering system, and the organization of the medical system. These institutions, while having independent legal personality, are subject to central government oversight as providing a range of public services. For more information, see Tabatabaei Mo'tamani, former, pp. 80-89.

<sup>2</sup> -A ATM services in Iran comes next of mobile services named Hamreh-e-aval.

based on the notion of fairness. Consequently, it is believed that dominant and market-leading firms should behave in such a way that if there were strong competitors in the market, they behaved like that.<sup>1</sup>

Now that we outline the objectives of the competition law, we need to answer the question of which of these goals are based on. For example, why upgrade efficiency and prevent restrictive measures is from competition law goals? Should the fundamentals of competition law be understood by the will of governments or be taken into account in the market and in the economic situation and in order to derive these bases?

Undoubtedly, answering these questions will require lengthy discussions and sharing of ideas from various scholars of various sciences, especially economics and law. It can be argued that, first of all, the context and field always has an impact on the actors and activists of that context. Therefore, the market and the situation and economic conditions affect the performance of economic and market actors, including the government.

Second, today it cannot be expected that the activists of the full-length private sector be in compliance with the demands of the state. As cooperation with the private sector is necessary, it cannot be accepted that the bases of competition law, reflect the will of the government.

Third, the businessman cannot be the ruler of the law as he has some interests in conflict with those of the same law.

Fourth, the freedoms recognized in private law, including contractual freedom and property rights, cannot be regulated by law. The reason for this is unclear and only the will of the ruler is the reason for these restrictions.

Thus, the rules restricting the rights to competition should be based on market conditions and predictability and non-discrimination in regulation.

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<sup>1</sup>- Behnam Ghaffari Farsani, Guarantee of Civic Performances, Violation of Competition Law Rules, Dr. Mahmoud Bagheri's Guide, Ph.D., Faculty of Law and Political Science, University of Tehran, May 2012, pp. 64-65 and 72.-

The public order has different dimensions, social order, general economic order, and so on.<sup>1</sup> The maintenance of public order is a task of the law, but its protection specifically falls within the scope of police action, including administrative police and judicial police. In general, the actions of the police will take place when necessary and it is always possible to sue the judiciary from these decisions. However, at this stage, there is no need to hear the heart of the lawsuit. The administrative police who must justify their preventive measures, whereas the judicial police are pursuing. In the judiciary, the police will identify the offender after knowing the violation of the rules and the occurrence of the offense, and will give the prosecutor the necessary judiciary. From the viewpoint of the authors, the supervisory authority should be considered as a judicial police, but the regulatory body falls into the category of administrative police.

The experiences of developed countries with regard to the adoption of domestic competition policy will have useful lessons for developing countries, which we will mention in three examples :

### **2-1. The United States**

In the United States, the acute problem was the dilemma of trusts, which over time fluctuated in how the legal system interacts with it. In the law of the country, the investigation and pursuit of antitrust was primarily based on "*Per Se Rule*",<sup>2</sup> but recently

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<sup>1</sup> - For more information, see Saface, Seyed Hossein, *General Rules of Contracts*, Publishing, Second Edition, 2012, pp. 50-59.

<sup>2</sup> - The application of this rule is based on Article Sherman's law. Sherman's Law is based on the notion of per se illegitimacy. In this sense, based on a judicial procedure, certain agreements (such as horizontal constraints, certain vertical constraints for price fixing, bidding, types of interconnection agreements, market sharing or customers based on agreement and group bickets) are prohibited because such Measures are so impersonal that no defense or justification is acceptable to them. "There are some agreements that are inherently unreasonable and illegal due to their anti-competitive effect on competition and the absence of any positive aspects (Redeeming Virtue). Therefore, the need to examine Precisely what harmful effects or justification are It is not conceivable for this to happen" at. Broder, Douglas "U.S. Antitrust Law and Enforcement" Oxford University Press, 2010, p272.

the use of a reasonable standard<sup>1</sup> has become more important. For example, in the past, vertical agreements were certainly pursued in the form of a rule of law and justification was not accepted. Today, Federal Trade Commission and Department of Justice enforcement agencies are on the agenda. In the European Union, competition policy has been drawn up in line with the growth of economic convergence and the development of competitive policies of member countries. EU competition law has relied more on static efficiency, and has lowered competition-related issues, such as government support and social goals. In Japan, in particular, when Japan was rapidly developing its economic growth after the Second World War (1950-1973), competitive politics was in sharp harmony with industrial policy. The industrial policy that was run by the Japanese Ministry of Industry and Trade was dominated by the competitive policy implemented by the Fair Trade Office of Japan. The Japanese Ministry of Industry and Trade has demanded a high rate of return and high investment in industries, which were designed to support antimicrobial actions such as cartels, coordination between commercial rivals, and interference with the entry and exit of firms. To achieve these goals, the Japanese Ministry of Industry and Trade contributed to the formation of a market with an

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<sup>1</sup> - Rule Of Reason - In the definition of the "reasonable" rule, "this rule is used to examine the limits, agreements and unilateral actions that prevent the creation of a competitive business, but are not subject to self-regulation as the rule." The main question during the implementation of this The rule is whether the positive aspects of this practice (such as increasing efficiency, reducing costs and consumer welfare) are more than negative aspects of this practice, and, contrary to the rule of law, in line with this rule, a comprehensive review of legal, market, and objective issues, It is necessary to determine whether this action violates the antitrust rules No, but the practice of this rule is not always accompanied by a positive or negative response, but it is being sought by all parties to be treated as practicable as possible to the extent possible. According to the American judiciary, you are calling for the practice to be effective in proving It is necessary to prove by accurate examination that this practice has been an unconventional restriction on competition. In this regard, factors such as; market information, whether before or after the operation, may include information about the background, nature and The effect of operation and ... at" Broder, Douglas, p. 277.

oligopoly<sup>1</sup> structure, thereby sacrificing static efficiency<sup>2</sup>, yielding a dynamic performance guaranteeing the long-term growth of Japan's economy. Given this diversity, it suggests the fact that the same competitive policy was not the cause of the development of developed countries.<sup>3</sup> Each country should be able to draw its competitive policy in line with its long-term development strategy and pay close attention to its level of development and its position in the global economy. Given the rapid technological changes and the high fluidity of capital in the present world, developing countries must pay attention to the above factors in order to develop their competitive policy.

## 2-2. The developed countries

Developed countries have a selective approach to implementing a competitive policy, and have made serious exceptions to the process of implementing a competitive policy with regard to their domestic economy. America's competitive policy has always been in

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<sup>1</sup> - When it comes to the number of vendors in the market, they are referred to as the multilateral monopoly market or "Eligopoly." The most important feature of this market is that each vendor can have a dramatic effect on pricing and product decisions of its competitors. This is because, because the number of vendors is limited, whether by any vendor, it can affect the supply of goods on the market, so each vendor takes its opponent's response when it decides to decide on the price of the product. The same characteristic of the "intra-market" affiliation is one of the major features of the multilateral monopoly market. A market is likely to be monopolized by the fact that several vendors are so large in size as they can be in market prices. In the industrialized countries, what is there is a monopoly of monopoly rather than a pure monopoly. An industry that is in a monopoly of multilateralism is composed of a massive corporate group, each of which closely monitors the operations of others. Hassan Tavanayan-e Fard, Anatomy of Economics, Electronic Publishing and Computer Science Information, Second Edition, 2007, p. 737.

<sup>2</sup> - Static Efficiency is related to the combination of resource efficiency at a given time. For example, static efficiency includes the concept of production efficiency, which is related to production at the lowest price, in the shortest time. Dynamic Efficiency is associated with the development of technology and the advancement of production techniques over time. Ford's performance, for example, was effective in the 1920s, but in contrast to decades later, Ford's performance could not be judged by the same level of technology and production techniques. In other words, it is imperative that the firm, in addition to using the resources of the optimal use, is also effective over time. Economists have tried to answer the question which one is more important.

<sup>3</sup> - One Size Does Not Fit All

keeping with the public interest in regulatory provisions, such as transportation, telecommunications, public services, and so on, and the industrial policy of agriculture and technology has been overtaken by other industrial policies. In financial markets, competitive politics has always seen discriminatory practices.

Competitive politics in developed countries, in contrast to the current situation in developing countries, has been at the forefront of the development of the development process. In the United States, there are hundreds of years old competition rules, while the EU and Japan have only been effectively enforcing competition rules for 50 years.

In countries such as Great Britain and France, more competitive rules have aspect of theoretical. In a country such as Germany, cartels were not only opposed but sometimes backed up. Therefore, it is necessary for developing countries to take into account their degree of development at the time of adopting a competitive policy.

Thus, it should be noted that the competitive policy of the developed economies has expanded in recent times, and even after the competition policy was adopted differently, these countries did not run equally in the various industries and sectors of the economy.

This approach should not be surprising, since all of these countries have followed their own specific strategy for economic development, which includes Protectionism and encouragement of some antidecubilitative actions for the growth and development of domestic industry capacities and the achievement of dynamic efficiency in the form of technological growth.

As these countries are redefining their own competitive policies, developing countries should take advantage of the experience of developed countries in industrialization.<sup>1</sup> Among the issues that arise in competition law is the conflict of competition policy with the rules of competition, the most important reasons for this conflict are as follows :

1. While competitive policy relies on the correction of imperfect market imperfections, competition law cannot be equally defined as competitive politics over all anti-

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<sup>1</sup> - Milberg, William, Trade and Competition Policy, UNDP background paper for Making Global Trade Work for People, New York, 2003,pp3-6.

competitive practices. For example, the adoption of the rule of law in dealing with the price fixing situation is more appropriate than the adoption of a reasonable standard in other situations, such as more exclusive transactions, that engagement in the pursuit of competition law implies an instance and a practice of doing so in a general manner in competitive policy.

2. There is a kind of hierarchy among various types of government policies that, for example, in developed and industrialized countries, govern the law of competition for all sectors of the economy in particular, and pursue different policies of competition policy and competition law.

### **2-3. The Federal states**

In federal states<sup>1</sup>, each state having its own rules of competition, it is possible that the local and / or corporate companies of each of those states, by virtue of their respective state regulations, may escape the implementation of federal competition laws, or even by imposing political influence (lobbying), regulations in the state They will pass on such a possibility for them. Of course, this dilemma can also be seen at a time when several countries are taking steps towards economic unity, for example, to the European Union. Researchers believe that, in order to meet the need for the formation and definition of a competitive policy in international trade, it is important to consider four basic problems:

1. There are no anti-competitive behaviors that are not covered by any of the national qualifications alone. International cartels can be mentioned here, which is the main reason for their formation in international markets for some products.

2. The existence of a dilemma in the implementation of competition policy and competition rules in international trade. This is a dilemma when legal systems respond to a competing issue of solutions. For example, which the Federal Trade Commission had approved, the EU was threatening to prevent and prevent the merger. One can also point out the superficial application of the US antitrust law of the 1970s, which has been marked by strong opposition from some European countries by recognizing the right of

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<sup>1</sup> - UNTAD, Model Law On Competition, New York and Geneva, 2007, pp61-64.

appeal to companies condemned in US courts based on the excessive application of US antitrust law.

3. There are problems with access to the market. This dilemma demonstrates public and private Restraints to international competition. For example, tariffs by countries are among the obstacles to competition, which is hoping that the World Trade Organization will provide the ground for removing its unnecessary issues. Among the cases reviewed by the World Trade Organization, children's case will be dealt with in the second chapter.

4. The problem of unnecessary costs in adapting to different competitive regimes. This dilemma stems from the acceptance of competition law rules in different countries in different countries, and when it comes to external emergence, for example, a cross-border merger requires licensing from several different country's competitive institutions. The costs that this adaptation entails and the risks of disclosure of business information may prevent the formation of an unplanned merger.<sup>1</sup>

#### **2-4. The competitive politics evaluation**

For competitive politics, there are two main and subsidiary categories of sub-goals that conceivable controversy in pursuit of these goals. One of the main goals of competitive policy can be to preserve the process and structure of competition in the market (freedom of trade, freedom of choice and freedom of market access), and minimize the negative effects of government interventions in the market and preventing the abuse of market power and achieving economic efficiency Cited. One of the main objectives that competitive policy seeks to achieve is to support small and medium enterprises, maintain and maintain fairness in the market, and so on. As stated, there is a conflict in the implementation of these goals, for example, supporting small and medium enterprises is in conflict with economic efficiency, and policymakers at the time of decision-making should note that the public interest in pursuing primary is which of the objectives of a competitive policy.

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<sup>1</sup> - Tarullo, Daniel K., Competition Policy For Global Markets, Oxford University Press, Journal of International Economic Law (1999) 445-450.

Politics Competition is not just about economic efficiency, and what is called a policy of competition by the people's parlement deputies forms the law has major goals under the title of public interest, and although economic analysis suggests the superiority of the efficiency and dynamics of economic behaviors, the law is nothing but the economy.<sup>1</sup>

Competitive politics generally has two sets of tools, structural tools and behavioral instruments, to achieve its goals. Structural Instruments are more relevant to issues such as mergers, dominant positions in the market, and monopolies. Also, behavioral tools are more in relation to issues such as price fixing, collusion-based agreements, vertical barriers, vertical domination and misuse of dominant positions. While these two sets of tools are generally used individually, there is a close connection between the two types of tools when they are used.<sup>2 3</sup>

With the emphasis on practical competition and empirical evidence of the degree of focus in different sectors and industries, Harvard School presented the structure-behavior-performance theory to competition law.

Contrary to Harvard's supporters, market orientation is the result of a firm-driven enterprise that, by dropping its rivals, has more market volumes from the market. Chicago School allows government intervention in competitive politics only through permissible means of action, and contrary to the Harvard school, it supports the application of a reasonable and customary rule that made possible justification for possible defenses.<sup>4</sup>

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<sup>1</sup> - Kheman ,R .Shyam, objectives of competition policy, A Framework For The Design And Implementation Of Competition Law And Policy,pp2-5.

<sup>2</sup> - Ibid, p5.

<sup>26</sup> - To learn about approaches to maintaining effective competition in the marketplace Sadraei Javaheri, Ahmad, Industrial Economics, Industrial Management Organization Publications, 2011, pp. 212-217.

<sup>4</sup> - Behnam Ghaffari Farsani, Guarantee of Civilian Violations of the Rules of Competition Law, by Dr. Mahmoud Bagheri, Dr Assistant Professor, Faculty of Law and Political Science, University of Tehran, May 2012, pp. 67-76.

Legislation in the issue of competition generally governs all economic activities and, in certain cases, there is no exception to this rule. This extends the possibility of a collision between other economic policies. Although the nature of these collisions depends entirely on the economic situation of each country, the number of these economic policies is often high, and it does not fluctuate with the outcome of a competitive policy.

Since all types of regulation as one of the types of government interventions can affect the process of competition, it is necessary that a competitive regulator, which is responsible for monitoring and enforcing the rules of competition law, during the regulatory process as the keeper of competition become active participation and take into account the efficiency criterion in this regard.<sup>1</sup>

The key issue in this regard is the priority given to a competitive policy in a series of government policies. The economic policies that fluctuate the performance and outcome of a competitive policy are as follows :

1. Commercial policy, including tariffs, quotas, grants, anti-dumping measures, domestic content regulation and export barriers.
2. Industrial policy
3. Regional development policy
4. Intellectual property policy
5. Privatization and legal reforms
6. Policy related to the protection of science and technology
7. Tax and investment policies
8. A policy on the granting of a trade license and the employment of specific words.

In addition, some government policies such as environmental, agriculture, telecommunications, healthcare, financial markets and cultural industries generally have tools that restrict competition policy objectives more generally. Therefore, the formulation and implementation of these conflicting and complementary policies should be taken into consideration by the policy makers of the policy of competition, thus

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<sup>1</sup> - UNTAD, Model Law On Competition, New York and Geneva, 2007, p59.

ensuring consistency and coherence in national policies and avoiding market distortions. In fact, it is necessary to consider competitive policy as the fourth pillar of the state's economic policies, along with financial, monetary and commercial policies.<sup>1</sup>

### **3. Deviations imposed on competitive policy**

In this section, we try to examine the most important reasons that cause deviations in the explanation and implementation of competitive policy. One of the authors of competition law, believing that "the nature of competition law is fluid and dynamic, and is capable of accepting economic development and political situations and new social conditions." Therefore, it is unessential to enumerate the goals and objectives of the competition law, in particular, in essence... ", the goals of competition law include economic, social and political objectives.<sup>2</sup>

#### **3.1. Litigation:**

In many legal systems, competitive disputes have been recognized by private individuals as suffering from certain economic practices. For example, collusion of active companies in a market with no reaction from officials is possible. But private parties may complain to the authority of Saleh. Litigation and, consequently, administrative and judicial proceedings may result in a conflict with the competitive policy of the competition policy-makers.

#### **3.2. Deviation in regulation and stakeholder groups.**

Regulation is a strategy for the Chinese plan, mobilization and the requirement for state institutions to achieve public goals. Of course, regulation can also have implications for the probable behavior of private individuals. But what is in store is important for regulators to regulate the interests of a particular group rather than public interest; in this case, we will be distracted. The way of avoiding this deviation is only through the

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<sup>1</sup> - Ibid, p8.

<sup>2</sup> - Amir Hossein Aladdini, Competition Law in the Mirror of Legislative Transition, Majd Publications, 2012, pp. 73-77.

application of a series of a priori and follow-up on regulation, but regulation may nonetheless be in conflict with broader and generally competitive policies.<sup>1</sup>

### **3.3. Global trade:**

interaction with other economic systems, and differences in the level of development of countries and, consequently, the modern or traditional nature of the legal system of the interconnected countries, will necessarily bring about conflicts, and one of the most important areas of conflict, the field of competition policy of the parties. And maybe one of the parties to the relationship can impose its policies on the other side, and the other side will actually abandon its official policy.

### **3.4. Judicial review of competitive cases:**

The degree of influence of the judiciary is to a degree that some thinkers and the effectiveness of the separation of powers doctrine consider all the oversight of the judiciary. Obviously, judicial review, especially in the countries of the Commonwealth, is very powerful and can change not only official policies, but also virtually do their own interpretations of politics. For example, the doctrine has always been in place in the United States, but the US Supreme Court, by issuing its own opinions and diverting to a reasonable doctrine, not only provided the basis for the growth of competitive observing institutions, but also allowed the growth and innovation of the private sector. Has established. Another argument is that judicial review can make the predictability of a competitive policy problematic and fluctuate.<sup>2</sup>

## **4. Supervisory and Regulatory Authorities**

The purpose of the supervisory bodies in this article is an institution that is responsible for monitoring and enforcing competition law. Accordingly, in every country where competition law rules are accepted, there will actually be two types of supervisory entity :

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<sup>1</sup> - Kamarkhani, ayyam, Government Responsibility in Internal and International Competition Law, Dissertation for Mastering Degree by Dr. Jafar Noori, University of Tehran, Autumn 2013, pp. 41-51.

<sup>2</sup> - OECD, Judicial Enforcement of Competition Law, OCDE/GD(97)200, 1996, p14.

#### **4-1. The body of the observer**

In particular, this body is responsible for monitoring and enforcing competition law in all sectors and industries of a country. This is the responsibility of the Competition Council in Iran.

#### **4-2. Supervisory body**

Unlike the above, this institution monitors the enforcement of competition law in the industry or a particular sector of the economy, including regulatory observers in Iran. this can be referred to the Regulatory and Radio communication Organization, whose regulatory tasks are limited to the field of communication and information technology is. In the following, it is necessary to search this issue specifically in Iranian law: The competition council is constituted in accordance with the law implementing Article 44 of the Constitution to facilitate competition and prohibit monopolies in the economy of the country. As stated in this law, the decisions made by this, can apply to all natural and legal persons in the public, private, public and cooperative sectors. The authority of the council also encompasses a wide range: the identification of the anti-competitive practices and exemptions from the subject of this law until the approval of the price regulation and the order to transfer the shares and the revocation of any merger.

#### **4-3. The National Competitiveness Center**

However, the National Competitiveness Center, which has been envisaged by Article 54 of the Act of Law on the implementation as an independent state institution for conducting bachelor and secretary work and executive council work, does not have a proper structure to carry out this wide range of duties and powers, however, It was possible to take the intended organization with little neglect. On the other hand, there is an overlap between some of the tasks foreseen for the Competition Council and other government agencies that have much more experience of the council, such as the Radio Regulations and Radio communication Organization and the government.<sup>1</sup>

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<sup>1</sup> - Weber Waller, Spencer, The Next Generation Of Competition Law, Loyola University Chicago School Of Law, Electronic Copy Available At: <http://ssrn.com/abstract=2028014>.

According to Article 59 of the Act of Article 44 of the Constitution of Iran, the Competition Council may, in the field of goods or services where the market is subject to natural monopoly propose the establishment of a regulating body for approval to the Council of Ministers and part of its duties and regulatory powers in the area. The members of the regulating bodies shall be appointed by the composition of the members of the regulating body on the proposal of the Competition Council by the approval of the Cabinet of Ministers.

The conditions for the election of the members of these bodies shall be in accordance with paragraph (b) of Article 53 of this law and their members within the scope of their duties and powers Mandated, the responsibilities foreseen in this law the members of the council are competing. In any case, no regulatory body can decide or take any measures contrary to this law or the decisions of the Competition Council on facilitating competition. The meaning of this article is that the establishment of a regulator requires the proposal of the Council of Competition and the approval of the Council of Ministers, and whenever, as an observer or regulator, an institution of doubt should establish the principle of its oversight. For example, the Central Insurance Agency has the authority to supervise and insure the insurance in accordance with the law on the establishment of central insurers and insurers in Iran, the question now is whether the central insurance in the field of insurance services that are subject to a monopoly is based on the Central Insurance Establishment Act And insurance is merely observer or has the right to regulate?

In this case, according to Article 59 of the Law on the implementation of Article 44 of the Central Insurance Law, it is merely observant and, in the event of a breach of competition, it is obliged to report it to the Competition Council, especially since so far no central insurance has been identified as part of the regulation. However, some of the regulations adopted by the Supreme Insurance Board, such as the Financial Insolvency

Oversight Regulations, adopted by the Supreme Council for Insurance for Central Insurance, have been considered as a clear example of regulation.<sup>1</sup>

As stated at the beginning of the article, the market is a process that requires continuous monitoring of its efficient performance. Supervision in modern governments is generally due to the complexity of such oversight capabilities by the Federal Trade Commission and the Department of Justice's Competing Circle in the United States. The result of this monitoring will be referred to the relevant administrative and judicial authorities in the form of reports of market performance and examples of criminal behavior. According to the standards of justice, observer events reporting market performance and referring instances of antitrust to a judicial authority cannot be the reviewer and judge of the claim and report; therefore, it is advisable that the investigating authority and the prosecutor submit a separate institution from the supervisory authority. Of course, to protect the rights of the accused, there is always the possibility of complaining about the decision of the supervisory authority in the judicial authorities.<sup>2</sup>

Apart from this exception, it is generally necessary to separate the competitive mechanism of the market between the supervisor and the prosecutor's office. In practice, however, the general separation between the two institutions would make it impossible to make a proper decision due to incomplete knowledge of the judiciary by issues of economic and competition law; hence, the Federal Trade Commission and the Deputy General Director of the Competition The EU Commission has an intergovernmental supervisory authority. However, although there is institutional unity, there must be a specialist in the supervisor's structure, each of which has a separate duty.

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<sup>1</sup> - Yousefi, Salah, Competition Law in the Insurance Industry, Master's Thesis for International Commercial Economic Rights by Mahmoud Bagheri, Faculty of Law and Political Science, University of Tehran, October 2014, pp. 39-43.

<sup>2</sup> - Ganglmair, Bernhard and Gunster, Andrea, Separation of Powers: The Case of Antitrust, May 15, 2011, pp 4-5.

## 5. The characteristics of a competent competitive watchdog in both system

As mentioned, competition law is a set of rules that are used to regulate the relationships between economic actors and the economic structure of one or more relevant markets. It is known that regulations are not mere logical perceptions that are recognized and enforceable through the adoption process. Relying solely on regulating competition law cannot be considered an appropriate remedy for anti-trust measures. Therefore, it is important to explain the practical mechanisms for implementing these regulations.

*In order to realize politics, it cannot be relied solely on theory. If theory is not based on institutional design and installations, then the theory cannot be expected to be effective. The policy design is inclusive along with the initial question of how to implement It is important to have policy as an aircraft design, as it is important to build that aircraft. Having a great knowledge of physics without having a proper design is a formula for defeating the plan.*<sup>1</sup>

Since 2007, the Global Competitions Review (GCR) has been ranked among the top 40 observatories of the world. The ranking is based on interviewing and responding to the questionnaire, and the journalists acknowledged that their work, although not at the exact level of scientific research, was aimed at examining the position of supervisory institutions with greater care. In 2007 and 2008, European Commission's Competition Directorate (EUCD) supervisory bodies, United Kingdom's Competition Commission (UKCC) and the Federal Trade Commission (FTC) were topped by the ranking, but in 2009 the title was awarded to the Department of Justice (DOJ), the British Competition Commission, and the Federal Trade Commission.<sup>2</sup>

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<sup>1</sup> - Kovacic William E., Hyman David A., Competition Agency Design: What's On The Menu?, Illinois Public Law And Legal Theory Research Papers Series No.13-26, Illinois Public Law And Legal Theory Research Papers No.2012-135, Electronic Copy Available At: <http://papers.ssrn.com/abstract=2179279>, p4.

<sup>2</sup> -Kovacic, William E., Rating The Competition Agencies: What Constitutes Good Performance?, George Mason Law Review, 903, Vol 16, Number 4, Spring 2009, p904.

William Kwachic, a member of the Federal Trade Commission, in his review of US observer bodies, believes that an effective oversight body should function effectively in two categories :

1. Effect on economic efficiency. An oversight body has the capacity to deliver on quality improvement, cost reduction, and innovation in its agenda. (Substantive results)
2. Utilize superior administrative techniques to achieve substantive material outcomes. Among the administrative techniques, one can mention the following :
  - A. Adaptation of effective internal control mechanisms;
  - B. Applying transparency and accountability tools to enhance public awareness of the functioning of the supervisory entity;
  - C. Commitment to ongoing pursuit of improvement in the performance and objectives of the entity. (Shape results)<sup>1</sup>

According to the International Competition Network (ICN) on Observatory Organizations, it is important to consider three issues :

1. Explaining and designing the goals and priorities of the supervisory authority.
2. Explain how to allocate resources to the supervisor.
3. The effectiveness of decision-making in the supervisory entity.<sup>2</sup>

Competition lawyers in designing supervisors generally consider nine criteria. These criteria are summarized as follows.

#### **5-1. Independence s. Accountability:**

Establishing an observer institution requires an examination of the relationship that the supervisory authority has with the executive and judiciary. Ideally, a co-supervisory entity is also responsive to the executive and legislative powers, and maintains its independence from the political pressure of this power. But, no matter how much the

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<sup>1</sup> - Kovacic, William E., Rating The Competition Agencies: What Constitutes Good Performance?, George Mason Law Review, 903, Vol 16, Number 4, Spring 2009, p907.

<sup>2</sup> - International Competition Network, Agency Effectiveness Project, Kyoto, Japan, April 2008,p4.

<sup>41</sup>- International Competition Network, Agency Effectiveness Project, Kyoto, Japan, April 2008,p4.

independence of the supervisory body is, it will be reduced to the same degree as the accountability of this institution. But accountability requires that if an institution of accountability refused in many ways, the pressure that the ways imagined for this include: the need to pass the budget authority by the institutions above, the appointment of senior managers of the institution by the executive or the judiciary chief, The need to fully disclose the investigations and actions taken and etc.<sup>1</sup>

In many legal regimes, the supervisory authority is institutionalized distinctly from divisions and administrative structures, and is not under the control of any of the public powers. The benefits of this distinct entity can be seen in its ability to respond quickly to ongoing changes and the lack of a requirement for coordination with other agencies at the time of decision-making. Also, this kind of institution can quickly get its role by relying on having a separate title. But on the other hand, the supervisory authority may be part of a larger department. For example, the Directorate General for Competition of the European Union (EU), which together with 26 other general bodies, is considered a component of the European Commission.<sup>2</sup> A competitive entity, which is part of a larger administration, can benefit from its political credibility and influence, but it is necessary to compete with other departments in attracting funding and bureaucratic support.

### **5-2. Management structure:**

Structure of management may be single player or multi-channel board. Competent supervisory institutions usually use their own header or multi-player board model, or managed by the unit manager. In most competitive observatories throughout the world, the multi-channel board model is used less often due to political plurality in being

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<sup>42</sup> - Given that disclosure of information by competitive observatories principally relates to the disclosure of business information that this information has a financial value, disclosure of this information by anyone, if pursued to the detriment of the firm's business interests, It is proposed that this monitoring task be subject to the adoption of a law on the mandate of the regulator to disclose the information and to protect the institution from a claim for compensation for disclosure of information.

<sup>44</sup>- There is also a situation in the US Department of Justice, where the anti-terrorist department of this ministry is working alongside 7 sections, 5 circles, 27 offices, 4 programs, 2 commissions and 2 other institutes. at:

United States Department of Justice Agencies, available at: <http://www.justice.gov/agencies/index-list.html>.

distorted and abused, more legitimate, and the lack of a one-sided change due to political changes. Instead of monopoly or single player management, benefits such as the speed of decision making and implementation of decisions, the prestige and prestige of senior managers, the achievement of a coherent program and the lack of sufficient ground to cite the interference of political pressures on corporate governance<sup>1</sup>.

Of course, the British Fair Trade Office<sup>2</sup> uses an intermediate solution, in that it is run by a chairman and a senior executive, and is advised by an external delegation, and according to tradition, although these consultations are not subject-oriented, but these managers They are welcomed by the advice of this staff.

### **5-3. Single or multiple competition supervisory entity:**

The concept of several supervisory bodies depends on whether the scope of several institutions is precisely defined or there is a kind of overlap between the functions of the various institutions. For example, in the United States, the Department of Justice and the Federal Trade Commission have an overlapping field of operation, and in this legal regime, there are observatories whose scope of activity is limited to a particular sector or industry, but are required to cooperate with the above institutions. Such as the Federal Communications Commission. Being a multiple observer may be for the following purposes:

A. The multiplicity of supervisory institutions ensures that the probability of a failure to process the proceedings is due to corruption, limitation of financial and human resources, political pressures, and so on.

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<sup>43</sup> - When the management of the entity is unique, the probability that the institution's decisions will be attributed to a certain political pressure is small, since it is essentially a multidimensional entity that can be considered as a false decision due to acceptance by a fair majority. The individual manager is chosen because of this lack of legitimacy, and it is always possible to be privileged, so the exclusive manager who takes no such protection from him will do his utmost to make an informed decision.

<sup>2</sup> Kovacic, William E., Rating The Competition Agencies : What Constitutes Good Performance?, George Mason Law Review, 903, Vol 16, Number 4, Spring 2009, p907.

B. The number of supervisory institutions provides for competition among the supervisory authorities in order to improve the performance of institutions.

C. The multiplicity of field supervisor institutions provides for different solutions. On the other hand, a large number of supervisory bodies have their own costs as follows :

D. The multiplicity of supervisory institutions provides the context for creating and increasing tension among supervisory institutions.

E. The multiplicity of supervisory institutions may affect the unity of the country's competitive policy by adopting various measures and approaches. For example, in the field of studying the necessary licenses for integration, the adoption of various methods by various institutions may cause confusion and slow down the speed of competitive and commercial activities.

F. The plurality of supervisory bodies in the international arena will also make it difficult to adopt a single national competition policy.

#### **5-4. Supervisor with multiple assignments or unit assignments:**

the supervisory authority is solely responsible for monitoring the enforcement and enforcement of competition law . But in many other countries, the supervisory authority has other duties, such as the enforcement of a consumer protection law or the Public Procurement Act.

An entity with multiple tasks can better manage its costs and will be able to implement a more coherent and comprehensive competitive policy due to its related tasks. On the other hand, institutions that have multiple responsibilities in different markets will be less likely to be leveraged, and the likelihood that their performance will be in the interests of an industry or group of stakeholders will decrease.

#### **5-5. Guaranteed competitive policy or enforcement of competition law:**

The scope of the supervisory authority's operation may be limited to the enforcement of competition law, in which case investigations and prosecutions of offenses and offenses will be considered as instances of the entity's duties. But if the regulator is obliged to guarantee and interfere in the formation of a competitive policy, then the burden of political pressure on the institution will be increased and the institution will be required

to engage in a competitive policy in a scientific, research and collaborative field with government departments It is no longer active. The latter case, which is interpreted as the supportive role of the advocacy authority, allows the supervisor to confront the general barriers<sup>1</sup> to competition generally more sustainable.

#### **5-6. Interior design:**

The organizational structure of the supervisory body is of fundamental importance. An observer body may be formed in such a way as to distinguish between the expertise of their members, the difference between the domains and the economic sector covered, the difference in the regulatory set by which the circle must be executed, and so on. But anyway, the effects of these actions will affect each other. For example, at the beginning of the establishment of the Federal Trade Commission, economists and jurists worked in separate divisions, at that time, economists opposed the economic perspectives that lawyers took on the issues raised and called on lawyers to exercise more oversight of their activities. Economists were. Until between 1954 and 1960, these two circles merged, which meant that economists had to report to lawyers on their performance and was considered to be the preferred lawyers' point of view. While expressing economic and legal views without prioritization, policy makers will be able to deal with the issue in question immensely. But again they were separated in 1960, and so far the situation is the same. On the other hand, it is important to determine the processes involved in how information flow, make decisions and follow up proposals, and so on.

#### **5.7. Which guarantee is implemented:**

Civil enforcement, criminal enforcement or both? Exacerbation of penalties and assurances for antitrust enforcement increases the ability and credibility of the supervisory authority to deal with these acts. On the other hand, the supervisory authority

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<sup>45</sup> - Public barriers are caused by government measures that may have been created by law or custom or other government economic policies. An example of these obstacles in the international competition is the existence of heavy tariffs, and in the domestic competition, government grants may be used by some institutions, whose share of all of them is to impede competitive constraints due to government actions. At:

Muris, Timothy J., *State Intervention / State Action - A U.S. Perspective*, October 24, 2003, pp. 2-5.

may not have the power to pursue a criminal or civil proceeding, which would then need to be co-opted with an institution or authority with such authority, which would impede the process of pursuing antitrust actions.

### **5.8. Ritual justice and institutional legitimacy<sup>1</sup>:**

The enforcement of the competition law by the supervisory authority is subject to the possession of the following four functions and responsibilities that may be assigned to one or more entities :

- A. Competence to begin to investigate and investigate doubtful actions;
- B. Qualification for the prosecution of alleged charges;
- C. Competence to determine the culprit;
- D Competence to impose penalties.

In many countries, these tasks have been delegated to various institutions that refer to this model as the " Prosecutorial model." In this case, the supervisory authority has all the above powers to determine the culprit and impose a penalty. In this model, the discretionary powers have been delegated to the court, whether it is specialized or public. Typically, this approach applies in cases where the investigative action is criminalized and the criminalization is enforced. But in contrast to the European Commission and the Federal Trade Commission, these competencies have been merged into one another, with the difference that the decisions made by the Federal Trade Commission to re-examine the Commission's previous investigations into US courts, but the decisions of the European Commission It cannot be redefined at all.

However, the separation or integration of the above competencies in issues such as legitimacy and ritual justice, the speed of decision making, and the quality and expertise of the monitoring body is effective. For example, consolidation of these competencies in

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<sup>46</sup> - Legitimacy is the most fundamental pillar of any legal system that results from the conformity of the legal system with the values and principles accepted by the individuals associated with it, and this is the legitimacy that allows law enforcement to function. Righteous justice is also a way to gain legitimacy. For more information please see Seyyed Abolfazl Ghazi, Basic Law and Political Institutions, Publishing, Twelfth Edition, Winter 2004, p. 37.

a fast-track institution ensures decision-making and specialization, but on the other, questions the legitimacy and quality of the process.<sup>1</sup>

The design of the supervisory entity is an issue and its redevelopment to meet the needs of the day is another matter. Therefore, it is recommended that this process entity and its possible modifications and changes be made more effective and effective, and that the processes and procedures adopted by the supervisory authority should be delayed.

### Conclusions

In light of what has been said, in the conclusion and presentation of the proposal, the following can be counted:

1. It is imperative for the supervisory authority to have effective mechanisms and structure to accelerate the effective realization of a competitive policy. Of course, the presence of the supervisory authority of the mechanisms and efficient structure of the building will make the element of competition and protection of the goal of market efficiency simultaneously enhanced. An internal structure, worthy of an overseer's position, responds to the mistakes that are based on the principle of procedural justice.
2. Competitive government policies on other government policies need to include priorities such as the degree of development and support for the domestic market. Therefore, it is important to pay close attention to the level of desirable interventions that stem from the concerns of competitive politics. In this regard, an observer who at the same time is responsible for monitoring and prosecution can play a more significant role in better integrating policies and concepts.
3. It is recommended that the parliament, in the context of granting independence to the competition council, be dismissed from the executive branch and, like the Court of Auditors, be placed under the authority of the parliament, or to revive the role of the

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<sup>47</sup> - Trebilcock, Michael J., Edward M. Iacobucci, Designing Competition Law Institutions, World Competition, 2002, pp457-464.- Kovacic, William E., David A. Hyman, Competition Agency Design: What's on the Menu?, Public Law and Legal Theory Paper and Legal Studies Research Paper No. 2012-135, pp5-12, Electronic copy available at: <http://ssrn.com/abstract=2179279>

Ministry of Justice and to increase the level of legal analysis in Council decisions. As part of the competition, this institution will be placed under the supervision of the Ministry of Justice as one of the deputies of the Ministry of Justice along with government sanctions. In this way, by observing the sanctions imposed by the government and the judiciary, the Constitutional Council can take the first steps for separating the supervisor from the office of judge.

4. In regulating, an outbreak-based prosecution is not relevant, but merely for the purpose of compensating for natural or legal monopoly damages. Therefore, the internal organization and how enforcement of competition law in monopoly markets and legal monopoly markets differ from those of competitive markets, as the objectives of these markets Each other is different.

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