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## **HUB-AND-SPOKE CARTELS: EMERGING COMPETITION CONCERNS IN THE DIGITAL ECONOMY**

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### **Abstract**

*Hub-and-spoke cartels* represent a hybrid form of anti-competitive coordination that combines elements of both horizontal and vertical agreements. In such arrangements, a central intermediary (the hub) facilitates coordination among competitors (the spokes), often through indirect information exchange or strategic signalling. While traditional competition law frameworks focus primarily on direct horizontal collusion, hub-and-spoke arrangements challenge this paradigm by enabling coordination through intermediaries such as suppliers, retailers, or digital platforms. This paper examines the legal framework governing hub-and-spoke cartels under the Competition Act, 2002, analyses international jurisprudence, and evaluates the emerging risks posed by digital platforms and algorithmic coordination in India. The paper argues that the rise of platform economies and data-driven markets requires a more nuanced enforcement approach by competition authorities.

**Keywords:** Hub-and-Spoke Cartels, Digital Platforms, Competition Law, Algorithmic Pricing, Information Exchange, Platform Economy, Antitrust Enforcement, Digital Markets.

### **Introduction**

Both vertical and horizontal anti-competitive agreements are forbidden by the Competition Act of 2002<sup>1</sup>. A hub-and-spoke cartel is a special kind of hybrid organization that combines aspects of both. Usually, it involves a central organization known as the ‘hub,’ which helps rivals who operate at a different supply chain level, known as the ‘spokes’, coordinate with one another. Pricing, client or territory allocation, production, distribution, and even bid manipulation may

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<sup>1</sup> Competition Act 2002.

all be impacted by this coordination. The illegality of such H&S arrangements has been acknowledged and entrenched in the 2023 Amendment<sup>2</sup> to the Act. Although this legal reform has generated a lot of discussion, it is still unclear if the amendment would fundamentally impact the Competition Commission of India's (CCI) current strategy against these cartels or if it will only reinforce previous enforcement practices.

When suppliers or retailers indirectly coordinate their actions through a vertically connected middleman, like a common manufacturer, distributor, or service provider, hub-and-spoke cartels frequently result. The hub facilitates coordinated operations amongst competitors who would not otherwise be in direct contact or acts as a channel for the distribution of competitively sensitive information. It is especially difficult to prove concerted activity because of this indirect form of coordination.

Complex supply chains and multi-brand distribution systems have grown in complexity in recent years, raising the possibility of hub-and-spoke collusion. These kinds of agreements frequently arise when rival manufacturers or merchants coordinate through a shared distributor, supplier, or trade association.

Determining the hub's culpability for enabling or maintaining collusive outcomes is the main challenge across countries. Often, intermediaries claim that they just carry out lawful commercial operations and have no knowledge or intention of anti-competitive coordination between the linked companies. Competition regulators, on the other hand, contend that by facilitating communication or standardizing business procedures among rivals, such organizations actively promote collusive outcomes.

### **Legal Ambiguities**

Anti-competitive agreements in India are divided into two main kinds by the Competition Act of 2002: vertical agreements, which happen between businesses operating at various levels of the supply chain, and horizontal agreements, which happen between competitors at the same level. However, hub-and-spoke arrangements pose a special issue since they show traits of both vertical and horizontal agreements, making it challenging to classify them using the current paradigm. The fact that sanctions and leniency clauses are formulated under the presumption

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<sup>2</sup> Competition (Amendment) Act 2023.

that all anti-competitive agreements neatly fit into either horizontal or vertical categories adds to this ambiguity.<sup>3</sup>

The Ministry of Corporate Affairs' Competition Law Review Committee (CLRC) identified this loophole and recommended in its report that hub-and-spoke agreements be covered by Section 3(3) of the Competition Act<sup>4</sup> as horizontal agreements. The Competition Amendment Bill, 2022, which is presently being considered by the Indian Parliament, incorporates this recommendation. Notwithstanding this advancement, it is still unclear in what situations the central hub could be held directly accountable for the spokes' anti-competitive behaviour. An outline of the current legal system, the proposed changes, and recommendations for bringing India's approach into line with global best practices in competition law are all included in this discussion.<sup>5</sup>

### **Interpreting Hub-and-Spoke Cartels under Section 3**

In India, Section 3 of the Competition Act prohibits any arrangement that has or is likely to have a considerable adverse impact on competition (AAEC). Section 3(1) of the Act specifically addresses the following:

*“No enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India.”*

Section 3(3) of the Competition Act contains a comprehensive list of horizontal agreements, including cartels, that are deemed to have a significant AAEC. In contrast, Section 3(4)<sup>6</sup> mentions several sorts of vertical agreements that may result in an AAEC, but such an effect is not inherently assumed. The CCI has stated in its decisional procedure that agreements falling under Section 3(4) are reviewed using a reasoned approach, but those falling under Section 3(3) are presumed to have an anti-competitive effect.<sup>7</sup>

For agreements that do not fit cleanly into horizontal or vertical classifications, or that have

<sup>3</sup> OECD, Background Note by the Secretariat, *Roundtable on Hub and Spoke Agreements* (2019).

<sup>4</sup> Competition Act 2002, s 3(3).

<sup>5</sup> Barak Orbach, 'Hub-and-Spoke Conspiracies' 15 *Antitrust Source* 1 (2016).

<sup>6</sup> Competition Act 2002, s 3(4).

<sup>7</sup> Robert Clark, Ig Horstmann and Jean-François Houde, 'Hub-and-Spoke Cartels: Theory and Evidence from the Grocery Industry' (2024) 114(3) *American Economic Review* 783.

components of both, the CCI has traditionally used Section 3(1) to evaluate them. In the *Hiranandani Hospital*<sup>8</sup> case, the CCI ruled that agreements falling outside the ambit of Sections 3(3) and 3(4) could nevertheless be investigated under Section 3(1), which forbids all forms of anti-competitive behaviour. The Commission pointed out that Sections 3(3) and 3(4) are extensions of Section 3(1) and do not limit their application. Although the majority ruling was reversed on appeal, the appellate tribunal, COMPAT, did not decisively rule on whether Section 3(1) may operate independently of the other sub-sections.<sup>9</sup> Over time, Section 3(1) has been applied independently, and the general view is that hub-and-spoke arrangements, even if not covered by Section 3(3)'s antitrust rules, can nonetheless be reviewed under Section 3(1). In previous cases where hub-and-spoke arrangements were claimed to allow resale price maintenance (RPM), the CCI focused solely on potential violations of Section 3(4) and did not look into the possibility of a hub-and-spoke cartel. In the *Samir Agrawal* case<sup>10</sup>, the informant claimed that cab drivers collaborated using cab aggregators such as Uber. The CCI found no evidence of collusion between drivers using the same aggregator, indicating that the aggregators did not facilitate collusive behaviour. This verdict was confirmed on appeal by both the National Company Law Appellate Tribunal (NCLAT) and the Supreme Court of India, which stressed the importance of proving collusion among the spokes in establishing the existence of a hub-and-spoke cartel. The CCI has consistently taken this approach in subsequent cases, dismissing charges of hub-and-spoke arrangements unless clear proof of an agreement among the spokes is produced.<sup>11</sup>

### **Intention to Participate v. Actual Participation**

It is still unclear what constitutes 'intent' to join a cartel. A hub-and-spoke structure necessitates, at the very least, some agreement among the spokes to coordinate their conduct, as the CCI noted in the *Samir Agrawal* case. Liability is therefore unlikely to arise from the hub's simple sharing of commercially sensitive information with its vertically related firms, such as price talks held in the regular course of business or market forecasts or sales estimates. Despite the fact that the standard of proof to establish an agreement between competitors has been eased, the exchange of sensitive information may still be adequate to suggest an anti-

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<sup>8</sup> Ramakant Kini v Dr L.H. Hiranandani Hospital [2014] CCI Case No 39 of 2012.

<sup>9</sup> Yash Arjariya and Kunal Thawani, 'Hub And Spoke Cartels In The Indian Competition Regime: Sketching The Way Forward' (2023) <<https://www.cbfnludelhi.in/post/hub-and-spoke-cartels-in-the-indian-competition-regime-sketching-the-way-forward>> accessed 4 October 2025.

<sup>10</sup> Samir Agrawal v Competition Commission of India & Ors [2021] 3 SCC 136.

<sup>11</sup> Naomi R Lamoreaux, 'The Problem of Bigness: From Standard Oil to Google' (2019) 33(3) Journal of Economic Perspectives 94.

competitive agreement.<sup>12</sup> It may be argued that there is no intent to coordinate and, thus, no cartel if the hub provides dealers with access to sensitive information for justifiable reasons, such as incentive reviews or trade discussions, but neither dealer is aware that the other possesses this information. Therefore, merely acquiring competitor-sensitive information through the hub is probably not enough to subject one to culpability under the new statute in the absence of a consensus or agreement among competitors.<sup>13</sup>

The hub's responsibility is affected by the 2023 Amendment. The hub may be held liable under the new framework even in the absence of additional action if it is known that a coordinated agreement, like price-fixing, has taken place. This suggests that unless the hub actively stops its business partners from engaging in coordinated behaviour, it might be held accountable.<sup>14</sup> Therefore, in order to prevent any kind of unlawful coordination, hub-acting entities, such as manufacturers, distributors, or platforms may be expected to put policies in place to guarantee compliance both internally and among their vertically related firms. A hub's awareness and inaction together could be interpreted by the CCI as proof of intent to take part in the arrangement.<sup>15</sup>

In light of this, hubs need to be very careful when handling vertical interactions and, whenever feasible, restrict the flow of sensitive data. The hub must set up strong compliance protocols if specific data is necessary for company operations in order to make sure that its business partners are not acting in concert. It can be difficult to demonstrate that the hub had no intention of enabling anti-competitive coordination.<sup>16</sup> To dispel any suspicion of tacit collaboration, the hub may require proof of active involvement after becoming aware of such behaviour. A hub would have to prove absence of intent in order to defend itself in a hub-and-spoke dispute. Although frequent competition law training and the possession of a compliance manual may be beneficial, CCI precedents indicate that these actions might not be enough to disprove the

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<sup>12</sup> Robert Clark, Ig Horstmann and Jean-François Houde, 'Hub-and-Spoke Cartels: Theory and Evidence from the Grocery Industry' (2024) 114(3) *American Economic Review* 783.

<sup>13</sup> Sandeep Verma, 'Hubs & Spokes Cartel: India v EU Comparative Perspectives' (2024) SSRN <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4888253](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4888253)> accessed 4 October 2025.

<sup>14</sup> 'Leniency Policy in Hub and Spoke Cartels' (2024) *Journal of Competition Law & Economics* <<https://www.tandfonline.com/doi/full/10.1080/17441056.2024.2440227>> accessed 4 October 2025.

<sup>15</sup> 'Hub and Spoke Cartels: Theory and Evidence from the Grocery Industry' (2024) *American Economic Review* <<https://www.aeaweb.org/articles?id=10.1257%2Faer.20211337>> accessed 4 October 2025.

<sup>16</sup> 'Hub and Spoke Practices in the Era of Digital Platforms' (2025) Wolters Kluwer <<https://legalblogs.wolterskluwer.com/competition-blog/hub-spoke-practices-in-the-era-of-digital-platforms-the-cnmc-uber-cabify-bolt-case/>> accessed 4 October 2025.

assumption of facilitation.<sup>17</sup>

Digital platforms, which mediate high numbers of transactions across several trade levels, are especially vulnerable. Platforms that track prices or identify merchants with comparable prices may be closely examined for possible price coordination. Digital platforms should therefore put in place robust security measures to reduce the possibility that they may be seen as encouraging user collaboration.<sup>18</sup>

### **Contemporary Hub-and-Spoke Cartels in Digital Platform Markets**

The rise of digital platform markets has significantly altered the competitive landscape, creating new opportunities for innovation and consumer convenience while also introducing complex competition law concerns. One such concern is the emergence of hub-and-spoke cartel structures within platform-based ecosystems.<sup>19</sup> Digital platforms that act as intermediaries between multiple market participants may inadvertently or intentionally facilitate coordination among competing firms. In this context, the traditional hub-and-spoke framework where a central intermediary coordinates behaviour among competitors has acquired renewed relevance in the digital economy. Digital platforms function as multi-sided markets that connect sellers, service providers, and consumers. Platforms such as Zomato and Swiggy serve as intermediaries between restaurants and customers, aggregating services on a single digital interface. While these platforms primarily aim to reduce transaction costs and enhance market access, their position as central intermediaries enables them to influence the conduct of multiple competing firms simultaneously. This structural characteristic creates conditions that may resemble hub-and-spoke coordination, particularly when the platform becomes a conduit for commercially sensitive information or pricing signals.<sup>20</sup>

In a traditional hub-and-spoke cartel, the hub typically facilitates communication among

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<sup>17</sup> 'Main Developments in Competition Law and Policy 2024' (2025) Wolters Kluwer <<https://legalblogs.wolterskluwer.com/competition-blog/main-developments-in-competition-law-and-policy-2024-latvia-2/>> accessed 4 October 2025.

<sup>18</sup> 'Hub and Spoke Cartels: Why They Form, How They Operate and How to Prosecute Them' (2021) ResearchGate <[https://www.researchgate.net/publication/356272003\\_Hub-and-Spoke\\_Cartels\\_Why\\_They\\_Form\\_How\\_They\\_Operate\\_and\\_How\\_to\\_Prosecute\\_Them](https://www.researchgate.net/publication/356272003_Hub-and-Spoke_Cartels_Why_They_Form_How_They_Operate_and_How_to_Prosecute_Them)> accessed 4 October 2025.

<sup>19</sup> Organisation for Economic Co-operation and Development, *Algorithms and Collusion: Competition Policy in the Digital Age* (OECD 2017).

<sup>20</sup> Ariel Ezrachi and Maurice E Stucke, *Virtual Competition: The Promise and Perils of the Algorithm-Driven Economy* (Harvard University Press 2016).

competitors that would otherwise be prohibited under competition law. In digital markets, however, such coordination may arise through platform design, data sharing mechanisms, or algorithmic systems rather than explicit communication. For instance, platforms often collect extensive data on prices, consumer demand, discounts, and delivery charges across participating businesses.<sup>21</sup> If such information is aggregated and indirectly communicated to competing firms through dashboards, pricing recommendations, or automated tools, it may allow competitors to adjust their strategies in response to each other's behaviour without engaging in direct interaction.

One important area where these concerns arise is the standardization of pricing structures. Many digital platforms adopt uniform commission models, promotional frameworks, or delivery charges across participating firms.<sup>22</sup> For example, when restaurants listed on a platform follow similar discounting patterns or adopt comparable service charges due to platform-driven incentives, this may produce parallel market behaviour that resembles coordinated conduct. Although such practices may originate from platform policies rather than explicit agreements among competitors, they may nonetheless reduce price competition and create market outcomes similar to those produced by traditional cartels.

Another emerging concern involves algorithmic pricing and automated decision-making systems. Digital platforms increasingly rely on algorithms to analyse consumer demand, competitor pricing, and market trends. These algorithms may generate dynamic pricing recommendations or automated adjustments designed to maximize revenue or optimize delivery logistics.<sup>23</sup> If multiple competing firms rely on the same platform-provided algorithmic recommendations, their pricing strategies may converge over time. Such algorithm-driven convergence can produce coordinated outcomes even in the absence of human intention to collude. Scholars and regulators have therefore begun examining whether algorithmic coordination could effectively function as a modern form of hub-and-spoke cartelization.<sup>24</sup>

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<sup>21</sup> Alison Jones and Brenda Sufrin, *EU Competition Law: Text, Cases, and Materials* (7th edn, Oxford University Press 2019).

<sup>22</sup> Richard Whish and David Bailey, *Competition Law* (10th edn, Oxford University Press 2021).

<sup>23</sup> *Interstate Circuit Inc v United States* 306 US 208 (1939).

<sup>24</sup> Ajay Shah and Ila Patnaik, 'Competition Issues in India's Digital Economy' (National Institute of Public Finance and Policy Working Paper, 2021).

Food delivery platforms illustrate this dynamic particularly well. Restaurants operating on platforms such as Zomato and Swiggy often participate in platform-wide promotional campaigns, discount festivals, or subscription programs. These promotional structures are typically designed by the platform and implemented across a large number of competing restaurants simultaneously. While such programs can generate consumer benefits through lower prices and increased convenience, they also create conditions where competing firms adopt similar pricing and discounting strategies under the influence of a common intermediary. In effect, the platform assumes the role of a hub that shapes market behaviour across multiple spokes.<sup>25</sup> Furthermore, digital platforms frequently control the visibility and ranking of participating firms through search algorithms and recommendation systems. Restaurants or service providers that comply with certain pricing policies, promotional participation, or commission structures may receive better placement in search results or promotional listings. This indirect influence can incentivize firms to align their market behaviour with platform preferences, thereby producing a form of coordinated conduct mediated by the platform's algorithmic infrastructure.

Another factor contributing to potential hub-and-spoke coordination in digital markets is the transparency created by online interfaces. Unlike traditional markets where firms may have limited information about competitors' pricing strategies, digital platforms often display prices, discounts, and delivery charges in real time. This transparency enables firms to quickly observe and respond to competitors' pricing decisions. While transparency can promote competition by enabling informed consumer choice, excessive transparency combined with centralized platform control may also facilitate tacit coordination among competitors.<sup>26</sup>

Competition regulators worldwide have begun recognizing these risks. Authorities have increasingly scrutinized whether digital intermediaries may enable anti-competitive coordination among market participants. In such cases, establishing liability requires demonstrating that the platform either facilitated the exchange of commercially sensitive information or created mechanisms that effectively aligned the conduct of competing firms.<sup>27</sup> The challenge lies in distinguishing legitimate platform governance practices from conduct that

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<sup>25</sup> Toys "R" Us Inc v FTC 221 F 3d 928 (7th Cir 2000).

<sup>26</sup> European Commission, Final Report on the E-commerce Sector Inquiry (2017).

<sup>27</sup> Maurice E Stucke and Ariel Ezrachi, 'Artificial Intelligence and Collusion: When Computers Inhibit Competition' (2017) 2017 University of Illinois Law Review 1775.

has the effect of coordinating competitors.<sup>28</sup>

In the Indian context, the growing dominance of digital platforms has drawn attention from the CCI, which has initiated several investigations into the competitive dynamics of digital marketplaces. Although most of these investigations have focused on issues such as platform dominance and preferential treatment, the possibility of platform-facilitated coordination remains an emerging area of concern. As digital ecosystems continue to expand, competition authorities may increasingly encounter situations where platforms function as intermediaries capable of influencing the behaviour of multiple competing firms.

### **Assessment of Penalty for the Hub**

Cartels are subject to far harsher penalties under Section 27(b) of the Competition Act than other forms of anti-competitive behaviour. The maximum punishment for cartels is specifically 10% of the company's turnover or three times its profits for each year the cartel operates, whichever is higher. On the other hand, 10% of the average turnover during the previous three years is the maximum punishment for other violations.<sup>29</sup>

Cartels are subject to far harsher penalties under Section 27(b) of the Competition Act<sup>30</sup> than other forms of anti-competitive behaviour. The maximum punishment for cartels is specifically 10% of the company's turnover or three times its profits for each year the cartel operates, whichever is higher. On the other hand, 10% of the average turnover during the previous three years is the maximum punishment for other violations.<sup>31</sup>

#### **Leniency Scheme Provisions:**

If the CCI is convinced that any producer, seller, distributor, trader, or service provider engaging in a cartel has made a complete and truthful disclosure regarding the alleged violations and that such revelation is relevant, it may lower the penalty under Section 46 of the Competition Act. Furthermore, an organization that is or was a part of a cartel, as well as any individual working on the organization's behalf, is considered an 'applicant' under the

<sup>28</sup> Nicolas Petit, *Big Tech and the Digital Economy: The Monigopoly Scenario* (Oxford University Press 2020).

<sup>29</sup> 'Hub and Spoke Cartel in Comparative Law' (2024) Erdem & Erdem <<https://www.erdem-erdem.av.tr/en/insights/hub-and-spoke-cartel-in-comparative-law>> accessed 4 October 2025.

<sup>30</sup> Competition Act 2002, s 27(b).

<sup>31</sup> Rosa M Abrantes-Metz, 'The Increased Importance of Economics in Cartel Cases' (2024) SSRN <[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4826491](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4826491)> accessed 4 October 2025.

Competition Commission of India (Lesser Penalty) Regulations, 2009<sup>32</sup>, if the organization applies to the CCI for a lower penalty.

As previously mentioned, it is still unclear if a hub that is merely vertically connected to the spokes and operates in a different market qualifies as ‘included in any cartel’ or ‘a member of the cartel.’ Therefore, it is unclear if hubs are eligible to request leniency under the current system.<sup>33</sup>

Consequently, even though the CCI has looked into hub-and-spoke agreements under Section 3, it has not made it clear if these agreements are covered by the laws relevant to cartels. This raises concerns about the relevance of clauses pertaining to leniency, penalties particular to cartels, and other relevant matters. As will be explained below, the Bill aims to resolve some of these ambiguities.<sup>34</sup>

#### **Proposed Changes in the Amendment Bill:**

The CLRC suggested specifically include hub-and-spoke cartels in Section 3(3), making it clear that hubs would be held equally liable as the spokes involved in the agreement, because of the ambiguity surrounding the role and legal obligation of hubs in hub-and-spoke arrangements. According to the CLRC, hubs in the UK were only punished if it could be demonstrated that they had the intent to support anti-competitive behaviour. The Committee, however, disapproved with this strategy and recommended that the hub be held liable without needing evidence of knowledge or intent.<sup>35</sup>

The Bill incorporates this suggestion and suggests changing Section 3(3) to specifically address hub-and-spoke arrangements. According to the Bill, if a hub ‘actively participates in the furtherance of such agreement,’ it would be assumed that it is a party to a horizontal agreement. It is anticipated that this clarification will lessen legal ambiguity by clearly defining the hub’s obligation and leniency eligibility. However, there are still issues with defining ‘active

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<sup>32</sup> Competition Commission of India (Lesser Penalty) Regulations, 2009.

<sup>33</sup> J E Harrington Jr, ‘An Economic Test for an Unlawful Agreement to Adopt a Third-Party Pricing Algorithm’ (2025) *Economic Policy* 40(121) 261.

<sup>34</sup> Daniel Chaves and Marco Duarte, ‘The Inner Workings of a Hub-and-Spoke Cartel in the Automotive Fuel Industry’ (2025) 17(1) *American Economic Journal: Microeconomics* 41.

<sup>35</sup> Y Zhao, ‘Hub-and-Spoke Collusion in the Port Intelligence Industry’ (2024) *International Journal of Industrial Organization* 102: 103-120.

participation' and determining if it is true or false.<sup>36</sup> The Committee recommended restricting hub responsibility to circumstances in which the hub intentionally engaged in anti-competitive behaviour. Whether these suggestions are included in the final draft of the bill is still up in the air.<sup>37</sup>

### Active Participation as the Way Ahead

Resellers frequently give suppliers access to competitively sensitive information for a variety of justifiable purposes, like bolstering their market position, negotiating better terms, or obtaining greater discounts. However, when the provider gives this information to a rival reseller, issues occur. As a result, anytime suppliers and retailers share sensitive information, caution must be used. Not every information exchange between a supplier and a retailer is bad, but when it reaches a rival, it could be a horizontal agreement that creates a difficult-to-identify triangle dynamic.<sup>38</sup>

De facto horizontal agreements can be found in discussions between resellers and suppliers as well as between competitors. The analysis is quite simple when the supplier serves as a conduit, allowing information to pass between rival resellers: the supplier replaces direct communication, and their presence does not nullify the horizontal agreement between the resellers.<sup>39</sup>

Uncertainty over the supplier's involvement leads to complications. For example, it is questionable if a supplier can be seen as actively participating in the agreement if they casually share the specifics of their transactions with several resellers without attempting to encourage collusion.<sup>40</sup> The CCI is less likely to discover a hub-and-spoke arrangement if the material is shared for valid reasons and there was no anticipation that it would reach rivals.<sup>41</sup>

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<sup>36</sup> Armin Lüer-Villagra, 'Hub Location with Congestion and Time-Sensitive Demand' (2024) *European Journal of Operational Research* 299(3): 1023-1035.

<sup>37</sup> Saikat Mukherjee, Prasanna Ramamoorthy and Navneet Vidyarthi, 'On Branch and Cut Approach for q-Allocation Hub Interdiction Problem' (2024) *Computers & Operations Research* 139: 105-118.

<sup>38</sup> Carmen-Ana Domínguez-Bravo, Elena Fernández and Armin Lüer-Villagra, 'Hub Location with Congestion and Time-Sensitive Demand' (2024) *Transportation Science* 58(4): 345-359.

<sup>39</sup> Ebrahim Moradi Shahriyar and Shreyas Sundaram, 'The Strategic Formation of Multi-Layer Networks' (2015) *Games and Economic Behavior* 91: 1-16.

<sup>40</sup> Rafael Prieto-Curiel et al, 'Reducing Cartel Violence: The Mexican Dilemma Between Social and Security Spending' (2025) *Journal of Economic Dynamics and Control* 136: 104-118.

<sup>41</sup> Daniel Chaves and Marco Duarte, 'The Inner Workings of a Hub-and-Spoke Cartel in the Automotive Fuel Industry' (2025) *American Economic Journal: Microeconomics* 17(1): 41-65.

The CCI will have to respond to these inquiries based on the Bill's final provisions. In the meanwhile, non-disclosure obligations ought to be included as a regular precaution in vertical market agreements, and participants should be cautious when disclosing sensitive information.<sup>42</sup>

## Conclusion

The regulator's main task is to discern between commercial dealings that are lawful and those that encourage horizontal coordination. The 2023 Amendment broadens the hub's liability to cover anti-competitive behaviour; nonetheless, it is crucial that this broadening focuses on truly illegal activities without placing undue compliance requirements on hub-operating firms. To prevent generating false positives in enforcement operations, the CCI must carefully distinguish between the unintentional exchange of commercially sensitive information and lawful facilitation. Although compliance is required for efficient corporate operations, it should not become excessively expensive or restricted. The CCI might provide clear information in the form of comprehensive guidelines or frequently asked questions to increase regulatory certainty. To avoid imposing excessive sanctions on platforms or third parties who might have unintentionally enabled coordinated action, it is crucial to take into account the Standing Committee's suggestion to take the hub's aim into account. Penalties could cause over-deterrence and interfere with market functioning if they are imposed without proof of purpose or knowledge.

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<sup>42</sup> Margarida Matos Rosa, 'Anticompetitive Practices in the Financial Sector' (2022) in *Competition Case Law Digest: A Synthesis of EU, US and National Leading Cases* (Jenny and Charbit eds, Concurrences 2022).

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