

□ Five enterprises violated Articles 21 and 24 of the Fair Trade Law by placing false advertisements on debt negotiation and loan brokerage. 【April 13, 2006】

During its 753rd Commissioners' Meeting on April 13, 2006, the FTC determined that OK Bank and Sinheng Marketing Consultants (a.k.a. Chia-ka-er Wealth Management Center, hereafter Chia-ka-er Wealth Management) violated Article 21, paragraph 1 applied *mutatis mutandis* to paragraph 3 and Article 24 of the Fair Trade Law by placing false ads on debt negotiation. In addition, FTC determined that Taiwan You Da Co., Ltd., Taiwan United Consultants Co., Ltd., and Hong Sheng International Marketing Co., Ltd. (hereafter Taiwan You Da, Taiwan United, and Hong Sheng, respectively) placed false ads on loan brokerage and violated Article 21, paragraph 1 applied *mutatis mutandis* to paragraph 3 of the Fair Trade Law. In addition to ordering the aforementioned five enterprises to immediately cease the unlawful acts, the FTC also imposed a fine of NT\$1.85 million on OK Bank, NT\$120,000 on Chia-ka-er Wealth Management, NT\$210,000 on Taiwan You Da, NT\$500,000 on Taiwan United, and NT\$500,000 on Hong Sheng. The fines on the five enterprises totaled NT\$3.18 million.

As early as May 2004, the FTC had received complaints and imposed punishment on a loan broker. Due to the increasing number of ads on loan brokerage and debt negotiation, the FTC was concerned that the ads could undermine competitive order within the financial industry and go against consumers' interests. The FTC thus initiated investigations on ads by loan brokers claiming "low interest rates," "big loan sums," "fast cash disbursements," and "actual case examples." The investigation results were submitted for review during the FTC Commissioners' Meeting. As a result, six companies were punished for using false or misleading representations in their ads, and the fines totaled NT\$3.15 million. At the same time, the FTC has since the end of 2005 started to monitor ads on "loan negotiation" and investigate parties suspected of unlawful conduct.

The FTC also monitored the websites and ads on the loan brokerage and debt negotiation of 46 enterprises mentioned in a letter from the Financial Supervisory Commission under the Executive Yuan. The FTC established more than 70 cases involving false advertisements, and investigations on the above five enterprises have been completed. OK Bank and Chia-ka-er Wealth Management were involved in false advertisements on debt negotiation, while Taiwan You Da, Taiwan United, and Hong Sheng were involved in false advertisements on loan brokerage.