

Fair Trade Commission Disposal Directions (Guidelines) on Reviewing Cases Involving Consigning of Household Production

Passed by the 327th Commissioners' Meeting on February 11, 1998
Circulation by Order (87) Kung Er Tzu No. 00957 on March 16, 1998
Amended by the 688th Commissioners' Meeting on January 13, 2005
Promulgated by Order (94) Kung Yi Tzu No. 0940001278 on February 24, 2005
Amended by Order (94) Kung Fa Tzu No.0940006991 on August 26, 2005
Amended by the 809th Commissioners' Meeting on May 10, 2007
Promulgated by Order (97) Kung Er Tzu No.0960004543 on May 28, 2007
Amended by the 1057th Commissioners' Meeting on February 08, 2012
Promulgated by Order Kung Zhi No. 10113601141 on March 03, 2012
Amended by the 1199th Commissioners' Meeting on October 29, 2014
Promulgated by Order Kung Zhi No. 10313606551 on November 14, 2014
Amended by the 1221st Commissioners' Meeting on April 1, 2015
Promulgated by Order Kung Zhi No. 1041360211 on April 21, 2015

1. (Purpose)

These guidelines are adopted to ensure free and fair competition, maintain trading order and consumers' interests, and effectively review cases involving consigning of household production.

2. (Definition)

The term "household production consigner" as used in this Guidelines refers to an enterprise soliciting nonspecific plural persons (hereinafter referred to "home workers") by advertising or make it known to the public in any other way to undertake household production, while paying the remuneration to home workers after completion of the work.

3. (Prohibited Deceptive or Obviously Unfair Conducts)

Household production consigners shall not engage in any of the following acts which are deemed deceptive or obviously unfair:

- (1) Entering into a household production contract with home workers by misleading them through active deception or through passive concealment of material trading information relating household production;
- (2) Entering into a household production contract with home workers and directly or indirectly selling household production materials or equipment

to home workers or collecting fees in other names as the main source of income of the household production consigner.

- (3) Entering into a household production contract with home workers by means of coercing or harassing home workers so that to suppress their free will regarding whether to deal with the household production consigner.

The enterprise shall be presumed, as the preceding paragraph (2) stated, to have sold materials or equipment to home workers or collected fees in other names as its main source of income if any of the following acts has conducted:

- (1) The selling price of household production materials or equipment to home workers is obviously incommensurate with their purchase cost.
- (2) Rejecting the finished products without any justified reason.
- (3) There are no sales channels for the finished products, or the sales proceeds are obviously less than the fixed expenses.

4. (Legal Effect)

An enterprise, which meets the descriptions set forth in Article 3 of this Guidelines and is likely to affect trading order, is in violation of Article 25 of the Fair Trade Act.