



NO 063

TAIWAN FTC NEWSLETTER

2015.06

▶ Selected Cases

- ▶ Concentration of Toucheng Whale-watching Boat Ticketing Counters Not Joint Monopolization
- ▶ Swan Pansia Violated Fair Trade Act by Restricting Resale Prices
- ▶ Non-Prohibition of Merger between Cheng Loong and Shan Fu
- ▶ Tian Ran Violated Fair Trade Act for Marketing Gas Safety Devices through Illegitimate Measures
- ▶ Bao Shun Construction Violated Fair Trade Act for Posting False Advertisements
- ▶ Household Appliance Service Station Violated Fair Trade Act for Posting False Advertisements

▶ Regulation Report

Enactment of the FTC Disposal Directions on Relevant Market Definition

▶ FTC Statistics

Statistics on Reported Cases

▶ FTC Activities

FTC Activities in March and April 2015

▶ FTC International Exchanges

FTC International Exchanges in March and April 2015


Concentration of Toucheng Whale-watching Boat Ticketing Counters Not Joint Monopolization

With whale-watching becoming a booming business, most operators would normally put up a shelter on the quay of Wushi Port to sell tickets and the surrounding environment was affected. At the same time, there was no place for tourists waiting to board a boat to stay out of the sun. As a consequence, the neighboring Toucheng Fishermen's Association decided to provide the ground floor of its building for whale-watching boat operators to set up service counters where passengers could check in and also have a short rest. The decision was to help maintain the overall environment and order in Wushi Port in accordance with the policy of Yilan County Government to promote the local tourism and recreation industries. It could also increase the utilization and income of the Toucheng Fishermen's Association Building. Whale-watching boat operators were free to decide whether they wanted to set up a counter on the ground floor of the building and some of them chose to have their counters installed in the Wushi Port Tourist Center.

The services that the whale-watching boat operators offered included (1) cruising around the island, (2) whale watching and cruising around the island, (3) visiting the island and cruising around the island, (4) whale watching, visiting the island and cruising around the island, (5) visiting the 401 Highland, and (6) a four-in-one tour. Tourists could choose different tours and schedules according to their preferences. The whale-watching boat operators offered similar prices for some of the tours (cruising around the island, whale watching and cruising around the island, visiting the island and cruising around the island, and whale watching + visiting the island and cruising around the island) as indicated on the DM and the same prices had been adopted for over a decade since Guishan Island had been open to public access. Some whale-watching boat operators had even set up their own websites and posted their various tours, prices and schedules thereon while the price lists were also available at their service counters. As the trading information was fully open to

public access, each operator could easily learn about the prices being charged by competitors. Moreover, since the services offered were highly homogeneous, the operators could only compete reasonably. There were no incentives to set higher or lower prices. Under such circumstances, the prices offered by different whale-watching boat operators had to be close or consistent because of the service characteristics and market structure, but the phenomenon still caused misunderstandings among the public from time to time.


However, the whale-watching boat operators only

ran certain tours by appointment only and would give such customers a special offer. In general, the special prices or discounts were decided in accordance with the number of passengers on a boat. In other words, the actual prices charged depended on the number of passengers that there were and the results of negotiation; they were not collected according to the prices indicated on the DM. In reality, the whale-watching boat operators did not charge their passengers consistent rates. Hence, after the investigation, the FTC concluded that the whale-watching boat operators had not engaged in joint monopolization. 

Swan Panasia Violated Fair Trade Act by Restricting Resale Prices

The FTC decided at the 1212th Commissioners' Meeting on Jan. 28, 2015 that Swan Panasia Co., Ltd. (hereinafter referred to as Swan Panasia), a table game business, had violated Article 18 of the Fair Trade Act for demanding that its downstream businesses not sell its table game products for less than the suggested prices. The conduct had restricted the freedom of the downstream businesses to decide their own prices and also jeopardized the price competition mechanism in the market. The FTC therefore imposed an administrative fine of NT\$200,000 on the company.

Swan Panasia had established suggested prices for the table game products that the company released as an agent and most of its downstream businesses, including retailers and distributors with a physical outlet or operating online, would sell such products in accordance with the suggested prices. Therefore, it was reasonable to conclude that Swan Panasia had the unquestioned right to determine the prices of its table game products for distributors and retailers. The party concerned in this case marketed Swan Panasia's table game products on the ruten auction website but was selling them at 90% of the suggested prices. In Dec. 2013, the said party received an email from Swan Panasia warning it not to continue to sell such table game products at prices lower than the

suggested ones. It was evident that Swan Panasia not only had the absolute right to decide the prices of its table game products, but would also send emails to warn downstream businesses to adhere to the suggested prices. The company even threatened to cut supply to force them to cooperate and make price adjustments. In fact, Swan Panasia did stop supplying the said party on the same day it sent the email. Supply was resumed only after the said concerned party marked up the prices to the suggested levels. Meanwhile, Swan Panasia also admitted that it had requested that online retailers price the company's products as suggested on various online sale sites and warned that it would stop doing further business with those failing to comply after receiving the company's admonitions. This proved that besides establishing suggested prices for its products, Swan Panasia would also give warnings through emails or other measures and threaten to cut supply to force downstream businesses to sell the products at suggested prices. Hence, it was certain that Swan Panasia did impose restrictions on the resale prices of its downstream businesses. By combining the above, the FTC concluded that Swan Panasia had violated Article 18 of the Fair Trade Act by demanding that downstream businesses not sell its table game products at prices lower than the suggested rates. 


Non-Prohibition of Merger between Cheng Loong and Shan Fu

The FTC decided at the 1201st Commissioners' Meeting on Nov. 12, 2014 to act according to Article 12 (1) of the Fair Trade Act and approve the merger between Cheng Loong Corp. (hereinafter referred to as Cheng Loong) and Shan Fu Corrugated Carton Co., Ltd. (hereinafter referred to as Shan Fu) as stated in the merger notification filed with the FTC regarding the intention.

Cheng Loong intended to issue new shares through the merger to raise funds to purchase the outstanding shares of Shan Fu that it had not yet had in possession. After the merger, Cheng Loong would be the surviving company and Shan Fu the dissolved company. The condition met the merger description in Subparagraph 1 of Article 6 (1) of the Fair Trade Act. In the meantime, as Cheng Loong accounted for over one quarter of the share of the industrial paper market, the situation also complied with Subparagraph 2 of Article 11 (1) of the Fair Trade Act while none of the exemption provisions in Article 11-1 of the same act applied. The two companies were therefore required to file a merger notification with the FTC.


There were no overlaps between the two merging parties' business operations except that the stationery paper produced by Cheng Loong and the various types of office paper manufactured by Shan Fu had

an upstream-downstream relationship. Therefore, the merger was a vertical one. Since over 50% of stationery paper used in the country was imported, related manufacturers had to cope with competition from importers. Cheng Loong only accounted for a limited portion of the share of the stationery paper market and there was no capital or technical barrier in the office paper market while there were many suppliers. Shan Fu was also not a major buyer of stationery paper. Hence, the FTC's analysis indicated that after the merger between Cheng Loong and Shan Fu, there would be no significant changes in other competitors' choice of trading counterparts. The level of difficulty for other businesses to enter the market would not be increased and the two merging enterprises would not be in any position to abuse their market power in any specific market. Therefore, it was unlikely that the merger could lead to market foreclosure.

The FTC concluded that it was not possible for the merger to result in any significant competition restriction and the overall benefit from the merger would be greater than the likely disadvantages from the competition restrictions thereof incurred. Therefore, the FTC acted according to Article 12 (1) of the Fair Trade Act and did not prohibit the merger. 

Tian Ran Violated Fair Trade Act for Marketing Gas Safety Devices through Illegitimate Measures


The FTC decided at the 1205th Commissioners' Meeting on Dec. 10, 2014 that Tian Ran Co., Ltd. (hereinafter referred to as Tian Ran Co.) had violated Article 24 of the Fair Trade Act for using the pretext of performing gas safety inspections or providing after-sales service to market gas safety devices. The overall marketing practice was deceptive conduct able to affect trading order. Acting according to the first section of Article 41 (1) of the same act, the FTC ordered the company to immediately cease the unlawful act and also imposed on it an administrative fine of NT\$50,000.

As a seller of gas breakers, Tian Ran Co. had no right to perform gas safety inspections in private homes. However, the company adopted the pretext of performing gas safety inspections or providing after-sales service to enter private homes. Then it used the gas leak detection function of the gas breaker to perform gas safety inspections and pushed its gas breakers. The overall marketing approach of concealing the purpose of selling gas breakers was deceptive conduct able to affect trading order in violation of Article 24 of the Fair Trade Act. 

Bao Shun Construction Violated Fair Trade Act for Posting False Advertisements

The FTC decided at the 1215th Commissioners' Meeting on Feb. 11, 2015 that Bao Shun Construction Co., Ltd. (hereinafter referred to as Bao Shun Construction) had violated Article 21 of the Fair Trade Act for marking part of the parking space and balconies as the interior space in an advertisement for its "Broad View" housing project. The conduct was a false, untrue and misleading representation with regard to use and content of product. The FTC therefore imposed an administrative fine of NT\$100,000 on the company.


In the said advertisement, Bao Shun Construction marked the parking space in the 1F floor plan for A-type shop and home units and B-type home units as part of the shop and bedrooms and also indicated the balconies in the 2F-4F floor plan with dotted lines as part of the living room and bedrooms. The content of the advertisement could easily mislead consumers to believe the interior space was to be used as designed. However, according to the Miaoli County Government, the indication of balconies as

part of the interior and the parking space on the ground floor for other purposes were inconsistent with the original design approved. The company was required to apply for a change of design to make the actual layout and the blueprint consistent before the building use permit could be issued. Failing to use the building in accordance with the approved plan and making unauthorized changes after obtaining the building use permit was in violation of Article 73 of the Building Act. In other words, the content of the said advertisement was inconsistent with the original design approved and could mislead consumers to believe that the building could be used as indicated. The difference was obviously beyond what the public could accept. It could lead to wrong perceptions and decisions and also disrupt the competition and order in the relevant market. Law-abiding competitors would thus be deprived of potential customers and such a result would be unfair competition. Therefore, the FTC concluded that the practice was a false, untrue or misleading representation in violation of Article 21 of the Fair Trade Act. 

Household Appliance Service Station Violated Fair Trade Act for Posting False Advertisements

The FTC decided at the 1215th Commissioners' Meeting on Feb. 11, 2015 that Mr. Tsai's claim of being a "repair service for TECO household appliances throughout Taiwan" and "TECO service station" had been a misleading representation with regard to quality and content of service in violation of Paragraph 3 of Article 21 of the Fair Trade Act at the time and Paragraph 1 of the same article was applicable *mutatis mutandis*. Therefore, the FTC imposed an administrative fine of NT\$80,000 on Mr. Tsai.

Mr. Tsai posted on a website the wording of "repair service pioneer providing service for TECO household appliances throughout Taiwan," and "repair pioneer, TECO service station" as well as telephone numbers for different counties and cities. It gave the impression that the website had to be associated with TECO's service centers or stations. Meanwhile, the home

page of the website showed pictures of washing machines, LCD TVs, refrigerators and air-conditioners being repaired. At the same time, on the service web page the operation was advertised as a "repair service pioneer, TECO service station" providing repair service for "TECO air-conditioners," "TECO LCD TVs," "TECO washing machines," "TECO refrigerators" and "TECO household appliances" all around Taiwan. The contents of the website were mainly intended to emphasize that repair service for TECO household appliances was available. The wording could easily mislead people to believe that the website was either directly operated by or was related to TECO. In reality, however, the operation had never been licensed by TECO or given agency. Therefore, the FTC concluded that the advertisement had been a misleading representation in violation of Article 21 of the Fair Trade Act at the time. 

Enactment of the FTC Disposal Directions on Relevant Market Definition

In the enforcement of the Fair Trade Act, the definition of a relevant market often has a decisive effect on the final result of case disposal. This is because whether an enterprise has significant market power or whether its conduct can lead to competition restrictions in the relevant market and weaken the competition therein is closely associated with the size of the relevant market defined. Therefore, besides the establishment of precise disposal directions, the accumulation of precedents and experience is also needed to make clear-cut definitions.

To make the criteria regarding the definition of a relevant market more precise, the FTC started to regard the enactment of the disposal directions on relevant market definition as a key work target after creating the Information and Economic Analysis Office in 2012. Finally, after studying the administrative guidelines of the competition authorities in the US, the EU, Singapore and other countries for the definition of a market and also by referring to cases processed in the past, the FTC announced the FTC Disposal Directions on Relevant Market Definition (hereinafter referred to these disposal directions) on Mar. 6, 2015. In addition to facilitating the FTC's case examination, these directions can also serve as business practice guidelines for enterprises. The following are the key considerations in the enactment of these disposal directions:

1. Fundamental Principles in Market Definition

As stated in Article 5 of the Fair Trade Act, "The term "relevant market" as used in this Act means a geographic area or a coverage wherein enterprises compete in respect of particular goods or services." This means the term "market" used in the Fair Trade

Act does not refer merely to a congregation of products or services with similar characteristics. It is a range within which the products or services that enterprises provide may or may not lead to restraints in the competition among such enterprises. The sources of such restraints include demand substitution and supply substitution. Hence, these two aspects need to be scrutinized in market definition. Scrutiny of demand substitution comes first and it will be time for the scrutiny of supply substitution when the effectiveness and immediacy it creates is equivalent to demand substitution. This happens when a supplier switches to produce and market other related products on a short-term basis as a response to small but continuous relative price fluctuations in order to prevent a significant increase in extra costs or risk. At this point, supply substitution analysis can also be performed.

2. Considerations in Product Market Definition

The term "product market" refers to the reach of products or services that are highly substitutable in demand or supply in the aspect of function, feature, usage or price. After studying the Commission Notice on the Definition of the Relevant Market for the Purposes of Community Law from the European Commission and the 2010 Horizontal Merger Guideline of the US and also reviewing related cases that the FTC processed in the past, the FTC has reached the conclusion that the following factors may be taken into account when defining a product market based on the demand substitution or supply substitution of products or services:

- (1) Product price changes
- (2) Product characteristics and usages

- (3) Situations where trading counterparts have looked to substitutes
- (4) The cost for trading counterparts to switch between different products
- (5) The level of price adjustment that can cause trading counterparts to switch to other products
- (6) The viewpoints of trading counterparts and competing enterprises towards substitutability between products
- (7) Related regulations or administrative rules
- (8) Other facts related to product market definition

3. Considerations in Geographic Market Definition

A geographic market is the region in which trading counterparts can easily choose or switch to other providers for a specific product or service that an enterprise supplies. It is specified in these disposal directions that the following factors may be taken into account in geographic market definition based on the demand substitution or supply substitution of a product or service:

- (1) The extent of price change and amount of transportation cost in different regions
- (2) Product characteristics and usages
- (3) The amount of transaction cost when trading counterparts purchase the product in a different region
- (4) The level of ease for trading counterparts to obtain the product
- (5) The level of price adjustment that can cause trading counterparts to purchase in a different region
- (6) The viewpoints of trading counterparts and competing enterprises towards the substitutability between regions where the product is available

- (7) Related regulations or administrative rules
- (8) Other facts related to geographic market definition

4. Approaches to Analysis in Market Definition

Qualitative analysis and quantitative analysis can be applied in market definition, sometimes simultaneously. Typical qualitative analysis examines the reasonable interchangeability of use but the hypothetical monopoly test (HMT), using the concept of small but significant non-transitory increases in price (SSNIP), can also be adopted in market definition. There are several types of quantitative analysis, such as the calculation of the critical elasticity between a product and its substitutes, price correlation analysis, the Granger causality test, the Elzinga-Hogarty test, and the transportation cost method, etc. Since most of them are based on analysis of reasonable interchangeability of use and cross elasticity and hypothetical monopoly tests may also be applied, the above-mentioned approaches are therefore also described separately in these disposal directions.

5. An Approach to Analysis in Market Definition: Analysis of Reasonable Interchangeability of Use

Analysis of reasonable interchangeability of use is applied to assess from the viewpoint of trading counterparts whether a product or service involved is substitutable by other products or services from the aspect of function, feature, usage or price in order to define the product market or geographic market. If reasonable interchangeability exists, the products involved belong to the same relevant market. Otherwise, they do not. As for what level of substitutability is reasonable enough to determine whether such products belong to the same relevant market, no conclusion has been achieved in academic theories or through law enforcement in and outside

the country. It can only be assessed on a case-by-case basis.

6. An Approach to Analysis in Market Definition: The Cross Elasticity Test

Cross elasticity refers to the ratio of influence of the price change rate of a product on the quantity change rate of another product. The cross elasticity between a product and its substitutes or between geographic regions can be applied to measure the substitutability between two products or geographic regions in order to define the relevant market. However, when cross elasticity is applied to define a relevant market, there are certain limitations, especially the following:

- (1) Cross elasticity can only be applied to evaluate a single substitute and not all substitutes and it has to be applied under the premise that “all other transaction conditions remain unchanged.” For example, when the prices of the instant noodles of a certain brand go up, consumers will switch to instant noodles of other brands. Yet the percentage of instant noodles of each brand thus purchased may not be big. Therefore, the cross elasticity between any two brands will be small but this does not mean they do not belong to the same relevant market.
- (2) The competing prices adopted to evaluate cross elasticity should be as close to the costs as possible to determine whether the products belong to the same market. It is inappropriate to use a monopolistic price to calculate cross elasticity since a monopolistic (or dominating) supplier will set the price when the price elasticity of demand is larger. When the price of such a product is raised, most consumers will switch to other substitutes. Nevertheless, this does not mean that these other products and the product in question are highly interchangeable. On the contrary, it is a sign that the supplier has set

a monopolistic price and this is the so-called cellophane fallacy phenomenon. The range of the relevant market can be unjustifiably extended and the market power of the enterprise will be underestimated.

- (3) When the cross elasticity test is applied, it is also necessary to include the factors specified in these disposal directions to be considered in the definition of a product market or geographic market to make a general assessment according to the facts, the evidence obtained and the results of investigation in each case.

7. An Approach to Analysis in Market Definition: The Hypothetical Monopoly Test

When the hypothetical monopoly test is applied, it is assumed that there is a monopoly in the market and the change in profit for the hypothetical monopoly before and after it makes a small but significant non-transitory increase in price (SSNIP) is measured. When the price increase lessens the profit of the hypothetical monopoly, it means that the relevant market originally defined is too small and other substitute products or geographic regions have to be included and tested repeatedly until the price increase does not lessen the profit of the hypothetical monopoly. Only then can the definition of a relevant market be considered to be complete. When using the hypothetical monopoly test to define a relevant market, there are certain limitations, especially the following:

- (1) When the hypothetical monopoly test is applied, the price increase ratio should be set in accordance with the characteristics of the product and industry of concern and the current price should be adopted as the baseline of the price increase. However, if prices have obviously been affected by abuse of market dominance or concerted actions, a price level more consistent

with the current competition in the market should be adopted as the baseline of the price increase.


- (2) When the hypothetical monopoly test is applied and a small but significant non-transitory increase in price is also analyzed, the margin of increase is normally set between 5% and 10%. However, it should be adjusted in accordance with the characteristics of the industry or market in question in each case.
- (3) When the hypothetical monopoly test is applied to define a relevant market, it is also necessary to include the factors specified in these disposal directions to be considered in the definition of a product market or geographic market to make the general assessment.

8. The Opinions of the Competent Authority of the Industry in Question

The term “relevant market” as used in the Fair Trade Act refers to the “antitrust market.” The concept is different from that of a regular market. Since the competent authority of the industry in question has the information and knowledge about the industrial structure and product characteristics, the FTC may

seek the opinions of the competent authority of the industry when defining the market of a specific industry.

9. Review Standards for Specific Industries

In Point 4 of the FTC Disposal Directions (Policy Statements) on the Telecommunications Industry, Point 4 of the FTC Disposal Directions (Guidelines) on Mergers and Concerted Actions of Domestic Civil Air Transport Enterprises, Point 4 of the FTC Disposal Directions (Policy Statements) on the Cross-industry Business Practices of Enterprises Engaging in Digital Convergence, Point 2 of the FTC Disposal Directions (Policy Statements) on Electronics Markets, Point 4 of the FTC Disposal Directions (Guidelines) on Handling Mergers and Concerted Actions of Domestic Civil Air Transport Enterprises, and Point 2 of the FTC Disposal Directions (Policy Statements) on the Business Practices of LPG Distribution Centers are stipulations regarding the market definition of the corresponding industry and market definition is to be conducted accordingly. These disposal directions shall be applied to define the relevant market of other industries. 

Statistics on Reported Cases

A reported case is a case in which a known informer presents a written statement or oral statement (which is then officially established as a record or report) to the FTC about an activity possibly in violation of the Fair Trade Act or the Multi-level Marketing Supervision Act or such a case transferred from another agency. Statistics show that the FTC received 255 reported cases (accounting for 62% of the total number of cases) and reviewed 364 cases (including 109 unclosed cases from 2014) between January and March 2015.

The FTC closed 257 cases between January and March 2015. Sanctions were administered in 9 cases and no sanctions were handed down in 19 cases. From 2010 to the end of March 2015 (hereinafter referred to as the five recent years) the FTC closed 8,026 reported cases in total, administered sanctions in 493 cases (issuing 523 dispositions), did not administer sanctions in 1,379 cases mostly due to the inadequacy of substantial conditions for the imposition of sanctions, and decided on administrative disposal in 25 cases to request the concerned authorities to admonish the industries or individuals involved. Meanwhile, suspension of review was determined in 5,690 cases (about 7 out of every 10 reported cases) because they involved criminal cases, civil cases, the jurisdiction of other agencies, or procedural irregularities. There were also 439 cases that were consolidated with other cases (Table 1).

Table 1 Statistics on Reported Cases Received and Results

Unit: case; %

Year	Reported Cases		Result of Disposal					
	No. of Cases Received	Ratio to Total No. of Cases	Total	Sanctions	No Sanctions	Administrative Disposal	Review Suspension	Consolidation with Other Cases
Total (2010-Mar. 2015)	7,939	72.7	8,026	493	1,379	25	5,690	439
2010	1,206	83.9	1,243	109	291	1	793	49
2011	1,362	73.1	1,346	110	278	15	898	45
2012	1,955	76.5	1,895	86	316	6	1,340	147
2013	1,623	71.2	1,643	102	276	1	1,160	104
2014	1,538	64.8	1,642	77	199	2	1,275	89
Jan.-Mar., 2015	255	62.0	257	9	19	-	224	5

Note: The total number of cases includes reported cases, concerted action applications, merger notifications, regulation interpretation requests, and ex officio investigations.

The reported cases closed in Jan.-Mar. 2015 and, after deduction of the ones in which the review was suspended because they were not under the jurisdiction of the FTC or there were procedural irregularities and cases were repeatedly reported, there were 28 cases (hereinafter referred to as violation cases) that involved violation of FTC regulations. The FTC administered sanctions in nine cases (ratio of cases sanctioned 32.1%). 1,897 violation cases were closed in the five most recent years and the FTC administered sanctions in 493 cases (ratio of cases

sanctioned 26.0%). When analyzed by type of illegal conduct, there were 359 competition restriction cases (ratio of cases sanctioned 15.9%), 1,389 unfair competition cases (ratio of cases sanctioned 26.8%), and 143 illegal multi-level marketing cases (ratio of cases sanctioned 46.2%) (Table 2).

Table 2 Ratios of Cases Sanctioned--by Type of Illegal Conduct

Year	Total	Competition Restriction		Unfair Competition	False, Untrue or Misleading Advertising		Deceptive or Obviously Unfair Conduct	Illegal Multi-level Marketing Conduct	Others
		Competition Restriction	Concerted Action		False, Untrue or Misleading Advertising	Deceptive or Obviously Unfair Conduct			
Average Ratio of Cases Sanctioned (2010-Mar. 2015)	26.0	15.9	9.9	26.8	29.7	26.8	46.2	-	
2010	27.2	15.3	11.1	27.3	28.9	29.4	56.5	--	
2011	27.3	6.7	3.7	28.4	28.6	32.9	68.2	-	
2012	21.1	10.5	7.7	21.5	25.5	16.5	47.1	-	
2013	26.9	25.0	10.7	28.1	30.9	29.3	27.5	-	
2014	27.7	19.7	15.4	27.8	34.2	27.9	47.8	-	
Jan.-Mar., 2015	32.1	25.0	100.0	42.1	100.0	20.0	-	-	

Notes:

1. Ratio of cases sanctioned = No. of cases sanctioned ÷ No. of cases reviewed × 100
2. In Jan.-Mar. 2015, the FTC received and closed one reported illegal concerted action case (sanctioning one case) and seven reported false, untrue or misleading advertising cases (sanctioning all seven cases).

In Jan.-Mar. 2015, the FTC gave out sanctions in nine of the reported violation cases, issued 10 dispositions, sanctioned 26 businesses, and imposed administrative fines that totaled NT\$12.38 million. Among the sanctions administered in the five most recent years, the NT\$74.48 million in administrative fines imposed in 2011 was the largest amount (116 dispositions issued), followed by NT\$42.41 million (82 dispositions issued) in 2014 (Fig. 1).

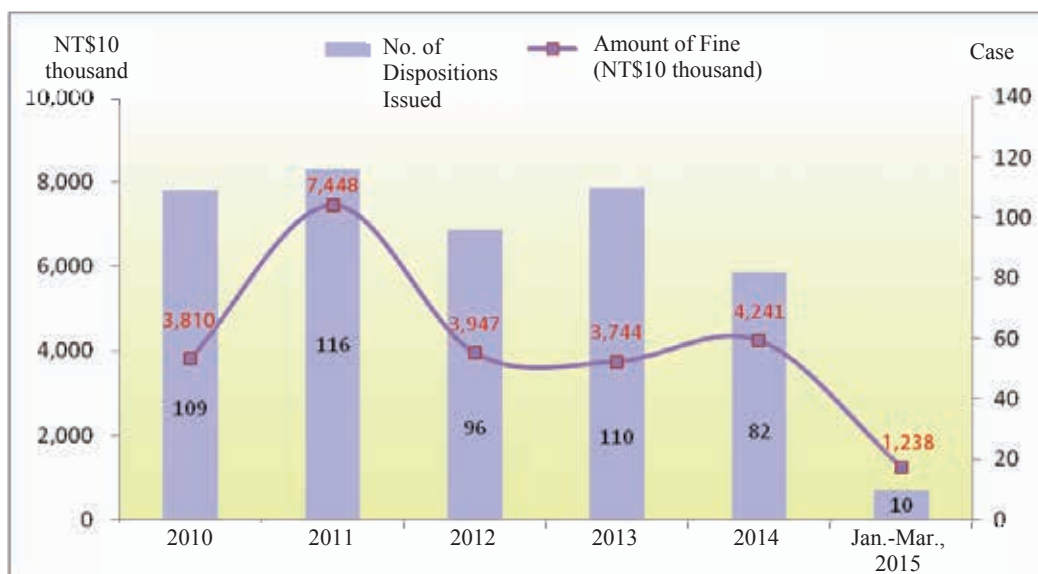


Fig. 1 Sanctions Administered in Reported Cases

FTC Activities in March and April 2015

- ▲ On Mar. 6, the FTC conducted a presentation on the “Fair Trade Commission Disposal Directions (Policy Statements) on the Business Practices of Franchisers” in Taichung City.
- ▲ On Mar. 6, the FTC conducted a presentation on “Multi-level Marketing Administration and Protection” in Kaohsiung City for participants in various multi-level businesses and members of multi-level marketing associations from different counties and cities.
- ▲ On Mar. 20, the FTC conducted a presentation on the “Fair Trade Commission Disposal Directions (Policy Statements) on Selling Presale Houses” in Taichung City.
- ▲ On Mar. 23, the FTC conducted a presentation on the “Fair Trade Commission Disposal Directions (Policy Statements) on Multi-level Marketing” in Tainan City for indigenous people, new immigrants, senior citizens and the public.
- ▲ On Apr. 2, the FTC conducted a presentation on the “Fair Trade Commission Disposal Directions (Policy Statements) on the Business Practices of Franchisers” in Kaohsiung City.
- ▲ On Apr. 9 and 15, the FTC held the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” at the FTC’s Competition Policy Information and Research Center respectively for the teachers and students of the Department of Economics and the Department of Accounting of Soochow University.
- ▲ On Apr. 14, the FTC conducted the “2015 Fair Trade Act Special Topic Lecture--An Overview of the Key Points in the Latest Amendment to the Fair Trade Act and the FTC’s Regulations on the Implementation of Leniency Policy” at the FTC.
- ▲ On Apr. 21, Associate Professor Chi Chen-ching of the Department of Law of the National University of Kaohsiung gave a lecture on “Standardization and Competition Law” at the invitation of the FTC.
- ▲ On Apr. 23 and 28, the FTC respectively conducted a presentation on “Fair Trade Commission Disposal Directions (Policy Statements) on Cable Television and Related Industries” in Taipei City and Kaohsiung City.



1



2

1. The FTC conducting a presentation on “Multi-level Marketing Administration and Protection” in Kaohsiung City for participants in various multi-level businesses and members of multi-level marketing associations from different counties and cities.
2. The FTC holding a presentation on the “Fair Trade Commission Disposal Directions (Policy Statements) on Multi-level Marketing” in Tainan City for indigenous people, new immigrants, senior citizens and the public.



- 3.The FTC conducting a presentation on the "Fair Trade Commission Disposal Directions (Policy Statements) on the Business Practices of Franchisers" in Kaohsiung City.
- 4.The FTC conducting the "Fair Trade Act and Multi-level Marketing Supervision Act Training Camp" at the FTC's Competition Policy Information and Research Center for the teachers and students of the Department of Economics of Soochow University.
- 5.The FTC conducting the "2015 Fair Trade Act Special Topic Lecture--An Overview of the Key Points in the Latest Amendment to the Fair Trade Act and the FTC's Regulations on the Implementation of Leniency Policy".
- 6.The FTC conducting a presentation on "Fair Trade Commission Disposal Directions (Policy Statements) on Cable Television and Related Industries" in Taipei City

FTC International Exchanges in March and April 2015

- ▲ On Mar. 10, the FTC attended the ICN Agency Effectiveness Working Group teleconference on “2015-2018 AEWG work plan and 2015-2016 AEWG R&D subgroup work plan”.
- ▲ On Mar. 10, the FTC attended the ICN Agency Effectiveness Working Group teleconference on “Complementarity and interplay between sanctions imposed by different agencies”.
- ▲ On Mar. 11, the FTC attended the ICN Unilateral Conduct Working Group teleconference on “UCWG Workbook Chapter on Tying and case presentation on coffee machines in French”.
- ▲ On Mar. 18, the FTC attended the ICN Agency Effectiveness Working Group teleconference on “Draft Guidance on Investigative Process”.
- ▲ From Mar. 24 to 26 , the FTC attended the OECD Competition Workshop on “Practical Aspects of Effective Merger Control” in Jeju Island, Korea.
- ▲ On Apr. 13, the FTC attended the ICN Unilateral Conduct Working Group teleconference on “Refusal to Deal in Regulated Markets”.
- ▲ On Apr. 14, the FTC attended the ICN Cartel Working Group webinar on “Specific sanctioning issues relevant to sanctioning of international cartels”.
- ▲ On Apr. 21, the FTC attended the Asian session of the ICN Cartel Working Group teleconference on “Sanctions”.
- ▲ On Apr. 22, the FTC attended the OECD videoconference on “ Capacity Building Workshop on the Ex-Post Evaluation of Competition Authorities’ Enforcement Decisions”.
- ▲ From Apr. 27 to May 1, the FTC Commissioner Tsai Hwei-An led a delegation and attended the 14th Annual Conference of the ICN and related meetings in Sydney, Australia.



1. The FTC attending the OECD Competition Workshop on “Practical Aspects of Effective Merger Control” in Jeju Island, Korea.
 2. The FTC Commissioner Tsai Hwei-An leading a delegation and attending the 14th Annual Conference of the ICN and related meetings in Sydney, Australia.



打擊聯合壟斷 確保自由競爭

Cracking cartel
Ensuring free competition



公平交易委員會

地址：10051台北市中正區濟南路一段二之二號十二樓
服務中心專線：(02) 2351-0022 / 2351-7588 轉 380
網址：<http://www.ftc.gov.tw>

公平交易委員會南區服務中心

地址：高雄市前金區成功一路四三六號五樓
服務專線：(07) 251-0022



打擊聯合行為

維持公平競爭

Cracking cartel

maintain fair competition



公平交易委員會

地址：10051台北市中正區濟南路一段二之二號十二樓

服務中心專線：(02) 2351-0022 / 2351-7588 轉 380

網址：<http://www.ftc.gov.tw>

公平交易委員會 南區服務中心

地址：高雄市前金區成功一路四三六號五樓

服務專線：(07) 251-0022

台灣

Taiwan FTC Newsletter

Publisher	Wu, Shio-Ming
Editor- in-Chief	Hsu, Shu-Hsin
Deputy Editor-in-Chief	Hu, Tzu-Shun
Co-editor	Cho, Chiu-Jung Chen, Chung-Ting Sun, Ya -Chuan Wu, Ting-Hung Yeh, Tien-Fu Cheng, Chia-Lin Li, Yueh-Chiao Lai, Hsiao-Ling
Publishers & Editorial Office	Fair Trade Commission, R.O.C. Address:12-14 F., No. 2-2 Jinan Rd., Sec. 1, Taipei, Taiwan, R.O.C. Website: http://www.ftc.gov.tw Telephone: 886-2-23517588 Fax: 886-2-23278155 E-mail: ftcnl@ftc.gov.tw
Date of Publication	June 2015
First Date of Publication	February 2008
Frequency of Publication	Bimonthly(the Chinese language edition during odd-number month, and the English language edition during even-number month.)
Price	NT\$ 15 per single copy, NT\$ 180 per year (both Chinese version and English version) and NT\$ 90 per language version
Subscription Phone Line	886-2-2351-0022
Subscription Fax	886-2-2397-4997
Exhibition Place	Service Center on the 13th Floor of the Commission Telephone:886-2-2351-0022 Address:13 F, No. 2-2 Jinan Rd., Sec. 1, Taipei, Taiwan, R.O.C. Wunan Book Co., Ltd. Telephone: 886-4-2226-0330 Address: No. 6, Chungshan Road, Taichung City, Taiwan, R.O.C. Government Publications Bookstore Telephone: 886-2-2518-0207 Address: 1F, No. 209, Sung Chiang Rd., Taipei, Taiwan, R.O.C.
Printer	Hon Yuan Printing Co., Ltd. Address: 9F-1, No. 602, Pa The Rd., Sec 4 Taipei, Taiwan, R.O.C. Telephone: 886-2-2768-2833



Attribution Non-Commercial No Derivatives (CC-BY-NC-ND) is released under the Creative Commons Attribution 2.5 License

An individual must attribute the work in the manner specified by the author or licensor, and may not use this work for commercial purposes, alter, transform, or build upon this work.



內 付
國 郵 資 已 付

台北郵局許可證
台北字第4682號
中華郵政台北雜字
第1309號執照
登記為雜誌交寄

雜誌

無法投遞請退回



FAIR TRADE COMMISSION, R.O.C.

12-14 F., No. 2-2 Jinan Rd., Sec. 1, Taipei, Taiwan, R.O.C.
Tel : 886-2-2351-7588
<http://www.ftc.gov.tw>

ISSN 2070124-1



9 772070 124009

GPN:2009700036
PRICE:NT\$15