

II. Summary Analysis

Processing of Cases

1. Cases Received

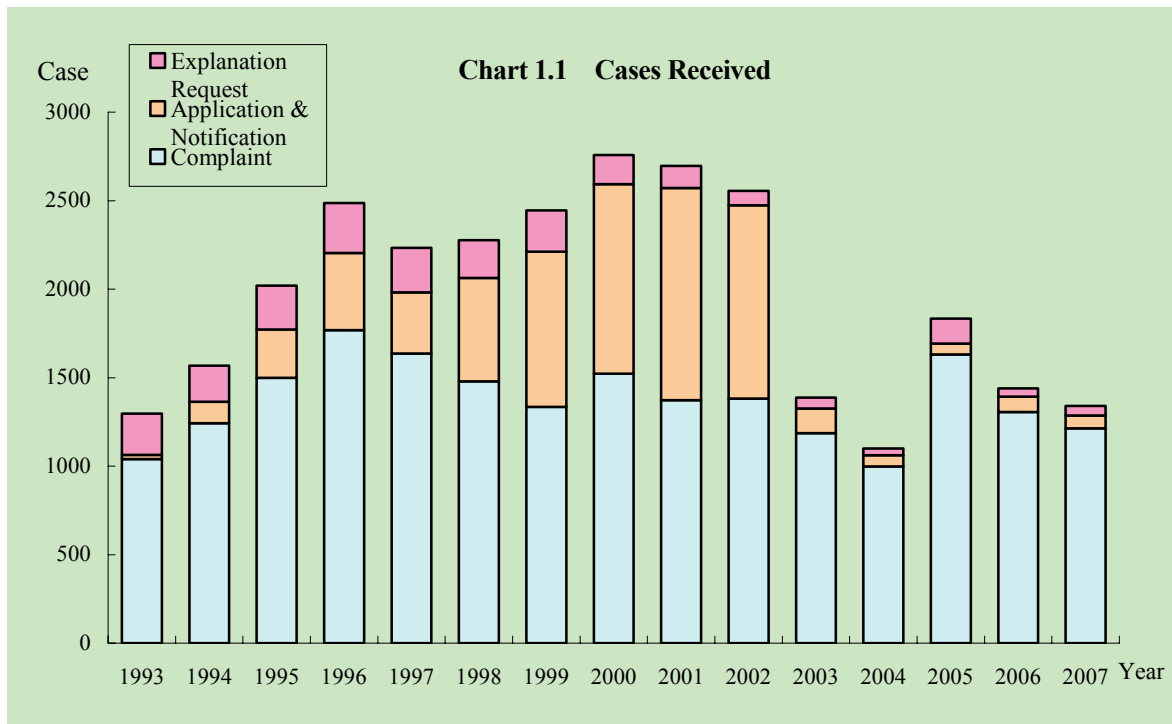
The Fair Trade Commission (hereinafter referred as the “FTC”) received 1,340 cases in 2007, 99 cases or 6.88% down from the preceding year. Under processing in 2007 were 1,761 cases (including 421 cases carried over from the preceding year). Of the total, 1,433 cases were closed, 5 cases or 0.35% down from the preceding year. Pending as of the end of 2007 were 328 cases. (Table 1.1)

Year	Cases under Processing		Cases Closed	Cases Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year		
2005	326	1,833	1,739	420
2006	420	1,439	1,438	421
2007	421	1,340	1,433	328
% Change 07/06	0.24	-6.88	-0.35	-22.09

By type of cases received in 2007, complaints decreased 92 cases or 7.05% from the preceding year to 1,213 cases. Concerted action applications decreased 6 cases or 66.67% to 3 cases. Merger notifications decreased 10 cases or 12.66% to 69 cases. Explanation requests increased 9 cases or 19.57% to 55 cases. By composition, complaints ranked the top, accounting for 90.52% of total cases received in 2007, followed by merger notifications, accounting for 5.15%. The cumulative total number of cases received by the FTC as of the end of 2007 was 30,581. (Table 1.2 and Chart 1.1)

Year	Total	Complaint	Concerted Action Application	Merger Notification	Request for Explanation
2005	1,833	1,632	7	54	140
2006	1,439	1,305	9	79	46
2007	1,340	1,213	3	69	55
% Change 07/06	-6.88	-7.05	-66.67	-12.66	19.57
Year	Composition (%)				
2005	100.00	89.03	0.38	2.95	7.64
2006	100.00	90.69	0.63	5.49	3.20
2007	100.00	90.52	0.22	5.15	4.10
PP Change 07/06	--	-0.17	-0.41	-0.34	0.90

Note: PP stands for percentage point.



Of 1,761 cases processed in 2007, 1,433 cases were closed in the year. The case conclusion ratio was 81.37%, 4.02 percentage point up from the preceding year. Cumulatively, from 1992 to the end of 2007, 30,253 cases were concluded, and the average case conclusion ratio was 98.93%. (Table 1.3)

Table 1.3 Case Conclusion Ratio

Unit: %

Year	Case Conclusion Ratio in Current Year				
	Total	Complaint	Concerted Action Application	Merger Notification	Request for Explanation
2005	80.55	78.99	75.00	94.74	96.50
2006	77.35	76.03	90.91	93.90	90.16
2007	81.37	80.30	100.00	90.54	98.31
PP Change 07/06	4.02	4.26	9.09	-3.36	8.15
Year	Cumulative Case Conclusion Ratio				
2005	98.49	97.86	98.51	99.95	99.79
2006	98.56	97.99	99.30	99.92	99.83
2007	98.93	98.52	100.00	99.89	99.96
PP Change 07/06	0.37	0.53	0.70	-0.03	0.13

Note: PP stands for percentage point.

1) Complaints

Complaints received in 2007 totaled 1,213 cases, 92 cases or 7.05% down from 1,305 cases in the preceding year. Under processing in 2007 were 1,624 complaints (including 411 cases carried over from the preceding year). Of the total, 1,304 cases were concluded in 2007. By result of processing, decisions were made for 112 cases or 8.59% of total cases concluded in 2007, the number of cases subject to decision increased 11 from the preceding year. No-action decision was set for 342 cases or 26.23% of total cases concluded, and the number of cases subject to no-action decision decreased 48 from the preceding year. The reasons for no-action decision were that those cases did not meet the substantive criteria for decision. Two cases or a share of 0.15% were subject to administrative measurements, 13 cases down from the preceding year. Those administrative measurements included: (1) recommending competent authorities to take measures in line with the FTC, (2) advising enterprises in question to take corrective measures, and (3) issuing business warnings.

Review and processing were terminated for 762 cases or 58.44% of total cases under processing, and the number of such cases increased 49 from the preceding year. For the reason of terminating processing, 7 cases or a share of 0.92% were involved in criminal charges, 221 cases or a share of 29.00% were involved in civil matters, and 333 cases or a share of 43.70% were outside the FTC's jurisdiction or were in other agencies' portfolio. Other 201 cases or a share of 26.38% of terminating processing didn't meet the procedural requirements, including complaints withdrawn, the complainants not reachable, documents required not met, or complaints reported anonymously. (Table 1.4)

Table 1.4 Results of Complaints

Unit: Case, %

Year	Cases Processed		Result of Processing						Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year	Total	Decision	No-action Decision	Administrative Action	Review Terminated	Cases Consolidated	
2005	319	1,632	1,541	97	225	11	1,114	94	410
2006	410	1,305	1,304	101	390	15	713	85	411
2007	411	1,213	1,304	112	342	2	762	86	320
Year	% Change		Composition (%)						% Change
2005	16.85	54.25	100.00	6.29	14.60	0.71	72.29	6.10	28.53
2006	28.53	-20.04	100.00	7.75	29.91	1.15	54.68	6.52	0.24
2007	0.24	-7.05	100.00	8.59	26.23	0.15	58.44	6.60	-22.14

Complainants and complained entities could be classified into categories as the general public, business firms, trade associations, government agencies, foundations, and elected representatives. In 2007, of 1,304 cases of complaints concluded, 76.84% filed by the general public formed the largest category, and the percentage share showed increased 3.99%. Next one was the business firms posting a share of 15.87%, 2.61% down from the preceding year. Of complained entity, business entities represented the largest category accounted for 91.33%, and the second largest was individual persons posting a share of 3.30%. (Tables 1.5)

Table 1.5 Composition of Complaints – By Complainant and Complained Entity

Unit: %

Year	Total	General Public	Business Firm	Foundation	Trade Association	Elected Representative/Cooperative Association	Gov't Agency	Others
Complainant								
2005	100.00	78.00	12.98	0.19	1.30	0.45	6.16	0.65
2006	100.00	72.85	18.48	0.46	0.92	0.54	5.83	0.84
2007	100.00	76.84	15.87	0.77	1.46	0.46	3.22	1.38
PP Change 07/06	--	3.99	-2.61	0.31	0.54	-0.08	-2.61	0.54
Complained Entity								
2005	100.00	3.05	88.90	0.91	2.86	0.06	2.60	1.49
2006	100.00	2.91	91.41	0.84	0.69	-	2.30	1.76
2007	100.00	3.30	91.33	0.54	0.77	0.15	1.99	1.92
PP Change 07/06	--	0.39	-0.08	-0.30	0.08	0.15	-0.31	0.16

Note: PP stands for percentage point.-0.30

For cases concluded in 2007, to divide complained enterprises in terms of the Standard Industrial Classification of the Republic of China (SIC), trade ranked the top, reporting 26.76% of the total complaints which showed a decrease of 4.61 percentage point from the preceding year. Finance and Insurance came next with a share of 12.96%, 4.68 percentage point up from the preceding year. Information and communications counting the third reported a share of 10.89%, 1.99 percentage point down from the preceding year. (Table 1.6)

Table 1.6 Industrial Classification of Complained Enterprises

Industry	Unit: %			
	2005	2006	2007	Change in PP
Total	100.00	100.00	100.00	--
Agriculture, Forestry, Fishing, Animal Husbandry & Mining and Quarrying	0.58	0.69	0.92	0.23
Manufacturing	9.41	11.20	10.58	-0.62
Electricity & Gas Supply	1.36	2.07	1.84	-0.23
Water supply & Pollution Treatment	0.13	0.31	0.08	-0.23
Construction	0.91	0.54	1.69	1.15
Trade	31.86	31.37	26.76	-4.61
Transportation & Storage	2.60	2.07	1.53	-0.54
Accommodation & Eating-drinking Place	1.88	1.61	2.53	0.92
Information & Communications	12.46	12.88	10.89	-1.99
Finance & Insurance	8.96	8.28	12.96	4.68
Real Estate	8.57	9.28	9.20	0.08
Professional, Scientific & Technical Services	1.75	1.00	0.92	-0.08
Supporting Services	2.60	2.61	2.30	-0.31
Public Administration, National Defense, Compulsory Social Security	1.95	1.15	0.38	-0.77
Educational Services	3.44	3.30	3.37	0.07
Health Care & Social Work Services	1.23	0.92	1.30	0.38
Art, Entertainment & Recreational Services	1.43	1.61	1.84	0.23
Other Services	5.84	4.29	5.06	0.77
Other Businesses or Individuals	3.05	4.83	5.83	1.00

In 2007, 456 complaints applicable to the Fair Trade Act were concluded. Other closed cases were not within the FTC's jurisdiction, not in conformity with the required procedures, or in duplicate with other cases. By type of illegal action, 47 cases or a share of 10.31% (of total cases) were anti-competitive practices, including 23 (5.04%) illegal concerted actions, and 11 (2.41%) impeding fair competition conducts. Three hundred and twenty-six cases or a share of 71.49% (of total cases) were unfair trade practices, including 275 (60.31%) false, untrue or misleading advertisements, 32 (7.02%) deceptive or obviously unfair conducts, and 16 (3.51%) counterfeiting commodities or trademarks cases. Seventy-eight cases or a share of 17.11% were illegal multi-level sale practices. (Table 1.7)

In 2007, 112 complaints or 24.56% of total complaints were decided to be against the FTA. Following statistics included the multiple charges: on the top there were 81 (72.32%) unfair trade practices (73 cases were false, untrue or misleading advertisement, and 9 deceptive or obviously unfair conducts), 18 (16.07%) illegal multi-level sale practices, and 12 (10.71%) anti-competitive practices (5 illegal concerted actions, 3 cases of resale price maintenance and improper merger respectively, and 1 impeding fair competition). (Table 1.8)

Table 1.7 Cases of Complaints Concluded – By FTA-regulated Action

Unit: Case

Year	Total	Anti-competitive Practice	Monopolies	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2005	333	65	9	-	31	6	19
2006	506	49	6	1	13	4	25
2007	456	47	6	3	23	4	11
Year	Unfair Trade Practice	Counter-feiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement	Damage to Business Reputation	Deceptive or Obviously Unfair Conducts	Improper Multi-level Sales practices	Others
			(Article 21)	(Article 22)	(Article 24)	(Articles 23 & 23-1-23-4)	(2nd Part of Article 41 & Article 43)
2005	218	12	141	3	62	46	4
2006	368	26	250	12	80	85	4
2007	326	16	275	3	32	78	5

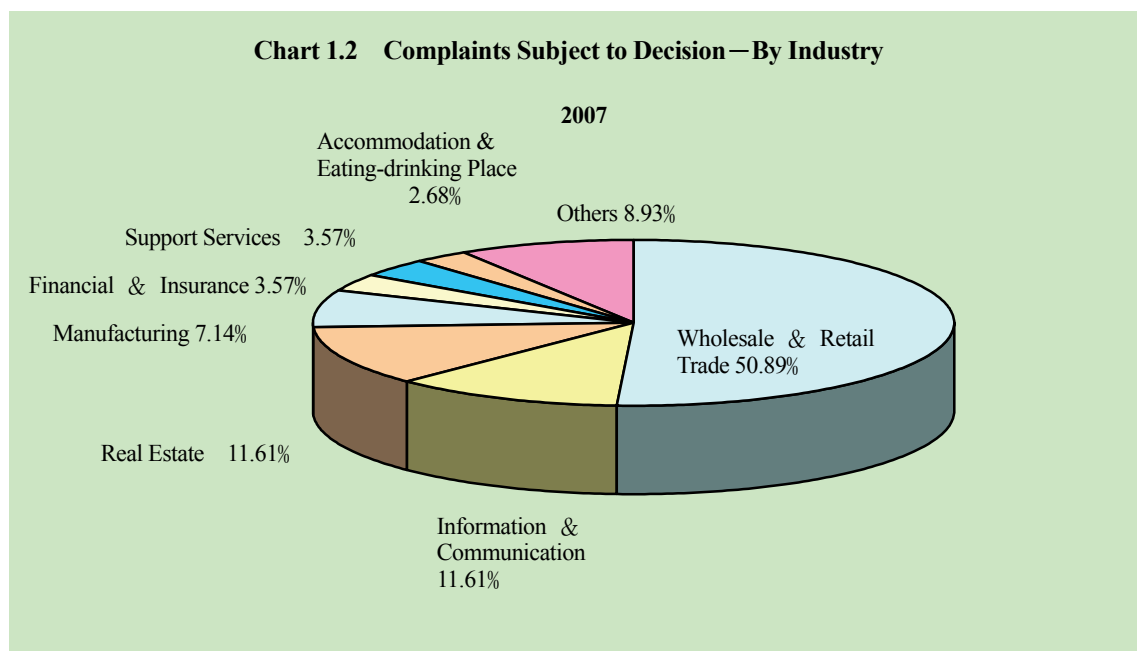
Table 1.8 Complaints Subject to Decision Ruling – By Action against Fair Trade Act

Unit: Case

Year	Total	Anti-competitive Practice	Monopolies	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2005	97	14	1	-	9	2	2
2006	101	13	-	1	6	3	3
2007	112	12	-	3	5	3	1
Year	Unfair Trade Practice	Counter-feiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement	Damage to Business Reputation	Deceptive or Obviously Unfair Conducts	Improper Multi-level Sales	Others
			(Article 21)	(Article 22)	(Article 24)	(Articles 23 & 23-1-23-4)	(2nd Part of Articles 41 & 43)
2005	61	2	41	-	24	19	3
2006	82	-	61	2	22	7	-
2007	81	1	73	-	9	18	4

Note : Illegal actions adding up may exceed the total case of complaints subject to decision ruling because a complaint may involve more than one illegal action.

By major division of industrial classification of enterprises subject to decision, trade ranked the top, accounting for 50.89%, information and communications and real eEstate came next, accounting for 11.61% respectively. The top three together accounted for 74.11%. (Chart 1.2)



2) Explanation Requests

The Fair Trade Act is a set of economic codes regulating both restricting competition and improper competition behaviors. It covers a scope running wide and deep. However, the actions regulated and the contents of the law itself leave ample room for explanation. To ensure smooth enforcement of the FTA and give a clear direction for enterprises to follow, the FTC has, since its establishment, been devoting to publish explanation statements and to issue guidelines for enterprises. The enterprises can therefore better understand the FTC's positions and enforcement direction and adjust their business conducts to be in line with the spirit of free and fair competition.

In 2007, the FTC received 55 explanation requests, showing an increase of 9 requests or 19.57% from 46 requests in the preceding year. For 39 requests of 58 concluded in 2007, the FTC had come up with explanation statements, responded with established precedents, or replied according to clear-cut provisions of laws. The FTC did not respond the other 19 requests because they were outside the FTC's responsibility or because their submissions were not in the proper procedure. (Table 1.9)

Table 1.9 Results of Explanation Requests

Unit: Case

Year	Processing of Case		Results of Case Processing					Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year	Total	Explanation	Reply	Review Terminated	Cases Consolidated	
2005	3	140	138	6	58	73	1	5
2006	5	46	47	-	35	12	-	4
2007	4	55	58	3	36	19	-	1
% Change 07/06	-	19.57	23.40	100.00	2.86	58.33	-	-75.00

By identification of explanation applicants, the business firm was the largest category, which accounted for 48.28% of total applicants. Following behind was general public with a share of 17.24%. (Table 1.10)

Table 1.10 Explanation Requests—By Identification Classification of Applicants

Unit: %

Year	Total	General Public	Business Firm	Foundation	Trade Association	Gov't Agency	Others
2005	100.00	62.32	19.57	2.17	1.45	10.87	3.62
2006	100.00	19.15	46.81	-	10.64	23.40	-
2007	100.00	17.24	48.28	1.72	13.79	10.34	8.63

3) Mergers

By merger, an enterprise may expand its business scale to enhance the efficiency of operation and gain advantages from the economy of scale. However, expanding the scale of an enterprise might raise concentration of a market to the extent that weakens or even impedes free competition. To avoid the undesired results, the Fair Trade Act required that once a merger reaches certain thresholds, the parties shall apply for the FTC's prior approval. In February 2002, to respond to Taiwan's economic development and international trend, the "pre-merger approval application" regulations in the Fair Trade Act was amended to the "pre-merger notification" scheme, merger threshold was restricted and changed into a dual model, in terms of financial sectors and non-financial sectors.

In 2007, a total of 69 mergers were notified to the FTC, showing a decrease of 10 cases or 12.66% in the preceding year. In all 67 merger notifications reviewed in 2007, 37 were not prohibited, 29 terminated due to non-notifiable nature or incomplete documentation, 1 were prohibited. (Table 1.11)

Table 1.11 Merger Notifications

Unit: Case

Year	Cases under Processing		Results of Case Processing	
	Carried Over from Preceding Year	Received in Current Year	Total	Merger not Prohibited
2005	3	54	54	34
2006	3	79	77	34
2007	5	69	67	37
Year	Results of Case Processing			Cases Pending at Year-end
	Merger Prohibited	Termination of Review	Cases Consolidated	
2005	-	20	-	3
2006	-	42	1	5
2007	1	29	-	7

Thirty-seven mergers were not prohibited in 2007 under the FTC's review. By type of merger (which may be classified into more than one type will be included in the classification categories accordingly), 21 cases or a share of 56.76% were acquiring or holding equity shares in or contributing capital for another enterprise (per Sub-paragraph 2, Paragraph 1, Article 6 of the Fair Trade Act) ranking the top. 18 cases or a share of 48.65% were directly or indirectly controlling business operation or personnel change of other enterprise (per Sub-paragraph 5); 8 cases or a share of 21.62% were assigned by or leases from another enterprise the whole or the major part of the business or properties of such other enterprise (per Sub-paragraph 3); 4 cases or a share of 10.81% were merged with another enterprise (per Sub-paragraph 1), 4 cases or a share of 10.81% were operating jointly with another enterprise on a regular basis or entrusted by another enterprise to operate the latter's business (per Sub-paragraph 4). Please refer to Appendix 3 for merger notifications not prohibited in 2007. (Table 1.12)

Table 1.12 Mergers Not Prohibited

Unit: Case

Year	Numbers of Mergers Notified	By Type of Merger Pattern (Per Paragraph 1, Article 6, Fair Trade Act)				
		Subpara. 1	Subpara. 2	Subpara. 3	Subpara. 4	Subpara. 5
2005	34	6	23	4	3	12
2006	34	6	25	1	2	22
2007	37	4	21	8	4	18
% Change 07/06	8.82	-33.33	-16.00	700.00	100.00	-18.18

Note: Figures adding up may exceed the total because a merger might be classified into more than one category.

4) Applications for Concerted Action

To prevent concerted action conducted by enterprises in the same line of business from impeding the market function and jeopardizing consumers' interests, the Fair Trade Act specifically prohibits horizontally concerted actions which damage the market function in such aspects as production, merchandise trade, and servicing demand and supply. However, 7 types of concerted action listed in per Subparagraph 7, Article 14 of the FTA, considered advantageous to the economy and in the interests of the public, can be exempted from the prohibition provided that prior-approval is obtained from the FTC.

There were 3 applications for concerted action in 2007, 6 cases down from the preceding year. All 4 applications concluded in 2007 received approvals. Among them 2 applications were in accordance with the Subparagraph 1, the rest 2 with the Subparagraph 5, paragraph 1, Article 14 of the Fair Trade Act. (Table 1.13 ~ Table 1.14)

Table 1.13 Applications for Concerted Action

Unit: Case

Year	Cases under Processing		Results of Processing					Cases Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year	Total	Approved	Rejected	Partially Approved	Termination of Review	
2005	1	7	6	5	-	-	1	2
2006	2	9	10	9	-	-	1	1
2007	1	3	4	4	-	-	-	-

Table 1.14 Types of Applications for Concerted Action

Unit: Case

Year	Concerted Action Approved	By Type of Concerted Action (Per Paragraph 1, Article 14, Fair Trade Act)		
		Subpara. 1	Subpara. 2	Subpara. 5
2005	5	1	1	3
2006	9	5	-	4
2007	4	2	-	2

Note: Figures adding up may exceed the total because a concerted action may be classified into more than one category.

Fourteen concerted actions approved by the FTC remained effective as of the end of 2007. Seven were joint imports of such bulk cargoes as wheat, barley, soybean, and corn. Most enterprises participating in the above-mentioned concerted actions were food processing companies. And one was joint import of materials

and equipments purchased by government agencies and public owned enterprises. These concerted actions were approved in the reason that the applications were expected to lower import costs, reduce required capital funds, reduce procurement risks, and increase bargaining power and therefore were in the interests of the economy (per Subparagraph 1, paragraph 1, Article 14 of the FTA).

One case was joint venture to manufacture and sell 69KV-161KV connecting appliances, proved per Subparagraph 2, Paragraph 1, Article 14 of the FTA. One case concerned with joint IC card sales & services between financial institutions and the United Credit Card Processing Center, and another 2 cases regarding unconditional endorsement and transfer of ticket vouchers on Taipei-Tainan and Taipei-Kaohsiung routes between airline companies, 1 case regarding joint scheduling, joint ticketing and ticket sharing on Tungkang-Little Okinawa route between cruise liner companies, and 1 joint program of developing specifications of composition of notebook computer, proved per Subparagraph 1, Paragraph 1, Article 14 of the FTA. (Table 1.15)

Table 1.15 Concerted Actions Remaining Valid

End of December 2007

Concerted Action	Valid Period of Concerted Action	No. of Enterprises	Applicable FTA Article
1. Joint manufacture, sales & imports of 69KV-161KV connecting appliances by a new joint venture under extended joint program	03/11/1999 ~ 02/14/2008	9	Subpara. 2, Para. 1, Article 14 & Para. 2, Article 15
2. Joint shipping of corn under joint procurement program (Major League)	09/01/1999 ~ 8/31/2008	61	Subpara. 5, Para. 1, Article 14 & Para. 2, Article 15
3. Joint shipping of corn under joint procurement program (Feed League)	03/01/2000 ~ 02/28/2009	40	Subpara. 5, Para. 1, Article 14 & Para. 2, Article 15
4. Joint shipping of soybean under joint procurement program	08/30/2000 ~ 08/31/2009	20	Subpara. 5, Para. 1, Article 14 & Para. 2, Article 15
5. Joint shipping of wheat under joint procurement program	10/01/2003 ~ 09/30/2009	39	Subpara. 5, Para. 1, Article 14 & Para. 2, Article 15
6. Joint IC card sales & services by financial institutions under extended joint program	01/01/2007 ~ 12/31/2009	30	Subpara. 1, Para. 1, Article 14
7. Joint shipping of corn under joint procurement program (Great Wall League)	06/01/2003 ~ 05/31/2009	12	Subpara. 5, Para. 1, Article 14
8. Joint shipping of materials and equipments purchased by government agencies and public owned enterprises under joint carriage program	Three years after approval received	15	Subpara. 1, Para. 1, Article 14
9. Joint developing specifications of composition of notebook computer under joint program	04/19/2006 ~ 04/19/2009	3	Subpara. 1, Para. 1, Article 14

10. Joint applying unconditional endorsement and transfer of ticket vouchers on Taipei-Tainan route	04/26/2007~ 04/30/2009	2	Subpara. 1, Para. 1, Article 14 Article 15
11. Joint applying unconditional endorsement and transfer of ticket vouchers on Taipei-Kaohsiung route	04/26/2007~ 04/30/2009	4	Subpara. 1, Para. 1, Article 14
12. Joint scheduling, joint ticketing and ticket sharing on Tungkuang-Little Okinawa	11/22/2006~ 07/01/2009	5	Subpara. 1, Para. 1, Article 14
13. Joint shipping of corn under joint procurement program	01/26/2007~ 01/25/2010	20	Subpara. 5, Para. 1, Article 14
14. Joint shipping of wheat under joint procurement program	09/10/2007~ 09/09/2010	7	Subpara. 5, Para. 1, Article 14

2. FTC Self-initiated Investigations

Since its establishment, the Fair Trade Commission has dedicated itself to establish a fair and reasonable market order. It has not only carefully handled all kinds of complaints but actively taken initiative to conduct special investigation on matters which are governed by the Fair Trade Act and which may damage the public interests. The FTC initiated 173 investigation cases in 2007. The cumulative number of investigation activities initiated by the FTC as of the end of 2007 totaled 1,158 cases. Of the total, 1,045 cases were concluded and the remaining 113 cases were under processing. For the 176 cases concluded in 2007, the FTC had devoted 1,525 persons in manpower and investigated 485 enterprises. By processing result, decision ruling was handed down for 66 cases due to violation against the FTA. A total of 72 decision statements were issued for 100 enterprises. 89 cases were found not violating the FTA, or not subject to the FTC's jurisdiction, or simply required attention to their development. 21 cases referred by other government agencies or complained by the general public were in duplicate with other cases. (Table 1.16)

Table 1.16 FTC Self-initiated Investigation

Unit: Case

Year	Cases Subject to Decision			No-action Decision	Administrative Action	Investigation Terminated	Others
	Initiated Cases	Decision Statements	Firms Subject to Decision				
2005	44	44	54	27	10	41	6
2006	58	74	91	131	4	35	31
2007	66	72	100	32	23	34	21

Note : The pieces of decision statement and the firms subject to decision ruling were net of those whose decision ruling had been revoked or which had been included in cases of complaints.

Among concluded self-initiated cases in 2007, 41 deceptive or obviously unfair conducts ranked the top, 15 false, untrue or misleading advertisements came next, and then there were 11 illegal multi-level sales schemes. (Table 1.17)

Table 1.17 Decision for FTC Self-initiated Investigations—By Pattern of Action against FTA

Unit: Case

Year	Case of Decision for FTC Self-initiated Investigation	Anti-competitive Practice	By Pattern of Action				Impeding Fair Competition (Article 19)
			Merger (Article 11)	Concerted Actions (Article 14)	Resale Price Maintenance (Article 18)	Others	
2005	44	1	-	1	-	-	
2006	74	6	2	3	-	1	
2007	72	3	1	2	-	-	

Year	Unfair Trade Practice	Counterfeiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement (Article 21)	Deceptive or Obviously Unfair Conducts (Article 24)	Improper Multi-level Sales (Articles 23 & 23-1~23-4)	Others (Latter Part of Articles 41 & 43)
2006	57	-	34	25	11	-
2007	56	-	15	41	11	2

Note : The discrepancy between the cases of decision ruling and the number of illegal actions was caused by a fact that a case might involve more than one illegal action.

3. Decision Rulings for Fair Trade Act Enforcement

In 2007, decision rulings of complaints and FTC self-initiated investigation were set for 184 cases, 9 cases or 5.14% up from the preceding year. A case of complaint or investigation may involve more than one illegal action. Following analysis is based on the number of illegal actions. By type, 8.15% of total illegal actions were anti-competitive practice, 74.46% unfair trade practice, and 15.76% illegal multi-level sale practices. (Table 1.18)

Table 1.18 Decision Ruling by FTC—By Illegal Action

Unit: Case

Year	Cases of Decision	Anti-competitive Practice	By Pattern of Action				Impeding Fair Competition (Article 19)
			Monopoly (Article 10)	Mergers (Article 11)	Concerted Actions (Article 14)	Resale Price Maintenance (Article 18)	
2005	141	15	1	-	10	2	2
2006	175	19	-	3	9	3	4
2007	184	15	-	4	7	3	1

Year	Unfair Trade Practice	Counterfeiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement (Article 21)	Damage to Business Reputation (Article 22)	Deceptive or Obviously Unfair Conducts (Article 24)	Improper Multi-level Sales (Articles 23 & 23-1~23-4)	Others (Latter Part of Article 41 & Article 43)
2006	139	-	95	2	47	18	-
2007	137	1	88	-	50	29	6

Note: The number of illegal actions may exceed the cases of decision ruling because a case may involve more than one illegal action.

In 2007, by major division of the ROC Standard Industrial Classification (SIC), trade ranked the top, accounting for 45.11% of total cases of decision ruling and 8.54% up from the preceding year. The next was finance and insurance which reported a share of 21.20%, 13.77 percentage point up. By division of various trades, retail trade ranked the top, accounting for 35.33% of total cases of decision ruling (including nonstore retailing accounting for 23.91%). (Table 1.19)

Table 1.19 Composition of Decision Ruling Cases—By Industry

Unit: %

Year	Total	Agriculture, Forestry & Animal Husbandry, Mining & Quarrying	Manufacturing	Power Supply & Gas Supply	Water Supply & Pollution Treatment	Construction	Trade
2005	100.00	-	2.84	2.84	-	-	58.15
2006	100.00	9.72	9.14	-	-	-	36.57
2007	100.00	-	7.61	-	-	0.54	45.11
Year	Transportation & Storage	Accommodation & Eating-drinking Places	Information & Communication	Finance & Insurance	Real Estate	Professional, Scientific & Technical Services	Supporting Services
2005	0.71	2.84	5.67	2.84	6.38	-	7.09
2006	1.14	-	6.29	7.43	4.57	0.57	13.14
2007	0.54	1.63	9.78	21.20	8.15	-	2.17
Year	Public Administration & National Defense; Compulsory Social Security	Educational Services	Health Care & Social Welfare Services	Art, Entertainment & Recreational Services	Other Services	Other Businesses or Individuals	
2005	-	1.42	-	-	6.38	2.84	
2006	0.57	1.72	-	1.14	3.43	4.57	
2007	-	0.54	1.09	0.54	-	1.09	

Total of 242 firms were subject to the decision ruling for offending the Fair Trade Act in 2007, showing an increase of 15 firms or 6.61% from the preceding year. A firm may commit more than one illegal action. Following analysis is based on the duplicate calculation. By type of illegal action, under the category of anti-competitive practice, 40 firms committed concerted action. Under the category of unfair trade practice, 112 firms committed false, untrue or misleading advertisement, 50 firms committed deceptive or obviously unfair conducts, and 30 firms committed illegal multi-level sales practices. (Table 1.20)

Table 1.20 Firms Subject to Decision Ruling by FTC – By Illegal Action

Unit: Firm

Year	Business Subject to Decision	Anti-competitive Practice	Monopoly	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2005	222	62	1	-	57	2	2
2006	227	55	-	3	44	3	5
2007	242	49	-	5	40	3	1
Year	Unfair Trade Practice	Counterfeiting Commodities or Trademarks	False, Untrue or Misleading Advertisement	Damage to Business Reputation	Deceptive or Obviously Unfair Conducts	Improper Multi-level Sales	Others
		(Article 20)	(Article 21)	(Article 22)	(Article 24)	(Articles 23 & 23-1~23-4)	(Latter Part of Articles 41 & 43)
2005	106	2	82	-	28	51	3
2006	155	-	111	2	46	18	-
2007	161	1	112	-	50	30	6

Note: Firms may add to exceed total because one firm may commit more than one illegal action.

An analysis of penalties (duplicate calculation adopted for an illegal action liable to more than one penalty) showed that in 2007, 173 cases were ordered to stop illegal actions or take corrective measure, 4 case of them required by Article 13, 150 cases required by Article 41, and 19 cases required by Article 42 of the FTA. There were 194 cases imposed of administrative fines, including 4 cases under Article 40, 147 cases under the former part of the Article 41, 2 cases under the latter part of the Article 41, 11 cases under paragraph 2, the Article 42, 26 cases fined for illegal multi-level sales according to paragraph 3, the Article 42, 4 cases under the Article 43 of the of FTA. The fines totaled NT\$ 239.79 million. (Table 1.21)

Table 1.21 Penalty under Decision Ruling by FTC

Unit: Case

Year	Cases of Decision	Ordered to Stop or Correct Action			Fined		
		Article 13	Article 41	Article 42	Article 40	Former Part of Article 41	Latter Part of Art. 41
2005	141	-	99	32	-	104	2
2006	175	1	160	14	3	159	-
2007	184	4	150	19	4	147	2
Year	Fined				Operation Suspended (Article 42)	Ordered to Close Business (Article 42)	
	Article 42			Article 43			
	Para. 1	Para. 2	Para. 3				
2005	-	14	35	1	-	-	
2006	-	6	15	-	-	-	
2007	-	11	26	4	-	-	

Note: Cases of penalties may not add up to the number of decision ruling because one decision may involve more than one penalty.

4. Decisions Repealed

One decision made by the Fair Trade Commission in 2007 was repealed by appeals or administrative proceedings. The cumulative number of decisions made by the FTC as of the end of 2007 totaled 2,831 cases. Of the total, 109 decisions were overruled or partially overruled, 2,742 decisions were sustained, accounted 96.86% of all decisions. By type of illegal actions repealed, 35 cases concerning with deceptive or obviously unfair conducts ranked top, 28 false, untrue or misleading advertisement cases came next. (Table 1.22)

Table 1.22 Decisions Repealed – By Type of Illegal Actions

The year decisions made	Number of decisions repealed	Unit: Case				
		Monopoly (Art. 10)	Concerted Actions (Art. 14)	False, Untrue or Misleading Advertisement (Art. 21)	Illegal Multi-level Marketing Practice (Art. 23, & 23-1~23-4)	Deceptive or Obviously Unfair Conducts (Art. 24)
2005	4	-	-	2	-	2
2006	1	-	-	1	-	-
2007	1	-	-	1	-	-

Notes: 1. Number of decisions repealed includes decisions overruled and decisions partially repealed.
2. Number of decisions repealed is not the same with illegal actions due to some cases involved with more than one action or decisions repealed for reason other than the actions involved. (e.g. penalties)

5. Appeals

The Fair Trade Commission has authority to impose administrative penalty on enterprises violating the Fair Trade Act. To protect the rights of the penalized enterprises, in accordance with the Appeal Act effective on July 2000, enterprises concerned can raise appeal to the Executive Yuan. There were 154 appeal cases in 2007, 166 cases were concluded, 147 of them were rejected, 2 the original decisions were repealed, 16 cases were not accepted, and 1 case was partially rejected partially not accepted.

From July 2000 to the end of 2007, the cumulative number of appeal cases reached 1,259. The number of appeal cases concluded was 1,208. Among them, 992 cases or 78.79% were raised in objection to decision, 199 cases or 15.81% were raised in objection to no-action decision. (Table 1.23)

Table 1.23 Results of Appeal

Unit: Case

Year	Case Received		Cases Concluded		
	Carried Over from Preceding Year	Received in Current Year	Total	Rejected	Original Decision Repealed
2005	32	113	103	92	2
2006	42	174	153	141	3
2007	63	154	166	147	2

Year	Cases Concluded				Case Pending
	Not Accepted	Withdrawn	Partially Rejected, Original Decision Partially Repealed	Partially Rejected, Partially Not Accepted	
2005	5	2	2	-	42
2006	9	-	-	-	63
2007	16	-	-	1	51

From July 2000 to the end of 2007, a cumulative 447 cases of administrative petition raised to the High Administrative Court were closed. Sixty-one cases were rejected due to not in conformity with the law, and 291 cases were rejected due to unreason. For 45 cases, original decisions and decisions of appeal were repealed. For 2 cases, original decisions, decisions of appeal, and decisions of re-appeal were repealed. For 22 cases, original decision and decision of appeal were partially repealed. For 2 cases, decisions of appeal were repealed and other charges were rejected. For 3 cases, original decisions were repealed and other charges were rejected. Twenty-one cases were withdrawn. One hundred and eighty-nine administrative petitions raised to the Supreme Administrative Court were closed. 30 cases were rejected due to not in conformity with the law, 110 cases were rejected due to unreason, and 1 case was withdrawn. For 1 case, original decision, decision of appeal and decision of re-appeal were all repealed. For 41 cases, the original judgments were abolished and the cases were returned to the High Administrative Court. For 5 cases, the original judgments were abolished and the Supreme Administrative Court made its own judgments. For 1 cases, the original judgments were partially abolished and the cases were returned to the High Administrative Court, the case re-raised partially rejected.

6. Court Cases

According to the statistics of the Judicial Yuan, in 2007, the district criminal courts concluded 9 first trial Fair Trade Act cases, 29 defendants were involved. Divided by behaviors, there were 20 defendants suspected violating multi-level sales provisions, and 6 defendants charged violating the business disparagement article. According to the judgments, 23 defendants were judged guilty, including 16 set in prison, 4 imposed criminal fines and 3 taken into custody. Among the 23 defendants, 19 violated multi-level

sales provisions, 3 were not accepted, 2 were free from charge, and 1 was found not guilty. (able 1.24)

Table 1.24 Judgments of the First Trial Fair Trade Act Cases by the District Criminal Courts

Unit: Defendant, Case

Year / Illegal Practices	Case Closed	Defendants			
		Total	Guilty	Not-guilty	Free from charge
2005	12	48	22	4	1
2006	13	50	26	7	1
2007	9	29	23	1	2
Illegal Concerted Action	--	3	1	-	2
Impeding Fair Competition	--	-	-	-	-
Counterfeiting	--	-	-	-	-
Business Disparagement	--	6	3	-	-
Illegal Multi-level Sales	--	20	19	1	-

Year / Illegal Practices	Defendants			
	Not Accepted	Listed as Wanted	Withdrawn	Others
2005	12	3	2	4
2006	8	-	8	-
2007	3	-	-	-
Illegal Concerted Action	-	-	-	-
Impeding Fair Competition	-	-	-	-
Counterfeiting	-	-	-	-
Business Disparagement	3	-	-	-
Illegal Multi-level Sales	-	-	-	-

Source : Statistics Department, Judicial Yuan

In 2007, the High Criminal Courts concluded 4 second-trial Fair Trade Act cases, 19 defendants were involved. All 19 defendants charged violating the multi-level sales provisions. According to the judgments, 17 defendants were judged guilty, including 15 set in prison, and 2 imposed criminal fines. The other 2 defendants were judged not guilty. (Table 1.25)

Table 1.25 Judgments of the Second Trial Fair Trade Act Cases by the High Criminal Courts

Unit: Defendant, Case

Year / Illegal Practices	Case Closed	Defendants			
		Total	Guilty	Not-guilty	Withdrawn
2005	5	5	3	2	-
2006	4	16	8	3	5
2007	4	19	17	2	-
Business Disparagement	--	-	-	-	-
Illegal Multi-level Sales	--	19	17	2	-

Source : Statistics Department, Judicial Yuan

Regulation of Multi-level Sales Enterprises

1. Recordation

An enterprise engaged in multi-level sales is required by the Supervisory Regulations Governing Multi-level Sales to report to the Fair Trade Commission for recordation before commencing the business. In 2007, 164 enterprises completed the required recordation, and 148 enterprises withdrew their recordation. The cumulative number of enterprises ever reporting to the FTC was 720 by the end of 2007, 16 enterprises or 2.27% more than that of 2006. (Table 2.1)

Year	Enterprises Recordation at End of Preceding Year	Enterprises Recordation in Current Year	Enterprises Withdrawing Recordation	Enterprises Recordation at End of Current Year
2005	739	242	246	735
2006	735	186	217	704
2007	704	164	148	720

By location, Taipei Municipality ranked the top, reporting 235 enterprises or 32.64% of total recorded enterprises. Coming next was Taichung City reporting 161 enterprises or a share of 22.36%, and Kaohsiung Municipality reporting 83 enterprises or a share of 11.53%. These three cities accounted for 66.53% of total recorded enterprises, and implied that most multi-level sales businesses prefer to locate in cities with high density of population. Compared with the figure in the end of 2006, the number of firms in Taipei Municipality decreased 6, and increased 5 in Taipei County, Taoyuan County, Tainan County and Taichung City respectively. (Table 2.2)

Area	Number of Enterprises		Area	Number of Enterprises		Area	Number of Enterprises	
	2007	2006		2007	2006		2007	2006
Total	720	704						
Taipei Municipality	235	241	Changhua County	8	8	Hualien County	8	6
Kaohsiung Municipality	83	83	Nantou County	3	5	Penghu County	-	-
Taipei County	76	71	Yunlin County	3	4	Keelung City	4	5
Yilan County	3	2	Chiayi County	1	2	Hsinchu City	1	3
Taoyuan County	56	51	Tainan County	16	11	Taichung City	161	156
Hsinchu County	8	4	Kaohsiung County	7	6	Chiayi City	3	1
Miaoli County	3	3	Pingtung County	7	7	Tainan City	17	16
Taichung County	13	16	Taitung County	2	1	Outside the Border	2	2

2. Review of Operation

The Fair Trade Commission adopts “full-scale review” and “prevention in advance” ways to monitor the multi-level sales operation in order to effectively prevent them turning into illegal pyramid selling schemes. If an enterprise’s recorded materials are found against regulations, the enterprise is required to correct prior to a set date. In addition, the FTC staff reviews multi-level sales enterprises on an irregular basis to check on the spot if they keep and display the written statements as required by law and if business actions conform to what they have reported. The purpose is to uncover problems and prevent them from occurring beforehand.

The FTC has conducted 64 times such review in 2007 in response to complaints or on its own schedule. Of the total, 31 times or 48.44% complied with the regulations while 16 times or 25.00% did not. By types of the enterprises failing to comply with regulations included: 12 firms violated the Fair Trade Act (75%), 5 firms failed to report to the FTC regarding its changes of previous recordation (31.25%), 3 firm’s written contracts were different from their recordation, 2 firms’ practice of returning goods did not comply with the Regulation, 2 firms failed to display required documents at place of business, and 1 firms operated without reporting in advance. (Tables 2.3 and 2.4)

Table 2.3 Inspection of Multi-level Sales Enterprises

Unit: Enterprise

Year	Enterprises Inspected	Results of Inspection				
		Complying with Regulations	Not Complying with Regulations	Not in Operation	Operation Suspended	Location Unknown
2005	65	39	19	2	1	4
2006	77	38	25	-	2	12
2007	64	31	16	4	3	10

Note: Enterprises complying with regulations included those, which had corrected minor violations after receiving inspection.

Table 2.4 Inspection of Multi-level Sales Enterprises – By Cause of Violation

Unit: Enterprise

Year	Enterprises against Regulations	Causes for Violation		
		Failure to Inform Participants of Duties in Details	Written Contract Inconsistent with Recordation	Procedure for Returning Products against Regulations
2005	19	1	5	8
2006	25	-	3	7
2007	16	-	3	2

Year	Causes for Violation			
	Failure to Display Relevant Documents at Place of Business	Violating Fair Trade Act	Operation without Reporting in Advance	Changes of Practicing without Reporting in Advance
2005	4	16	2	11
2006	1	20	-	11
2007	2	12	1	5

Note: Figures may add up to exceed the total because an enterprise may commit more than one irregularity.

3. Decision Ruling on Multi-level Sales Enterprises

In 2007, the Fair Trade Commission set decision rulings for 29 multi-level sales practices, which showed an increase of 11 practices from the preceding year. Among 30 multi-level sales enterprises penalized, divided by provisions of violations, 26 cases violated the Supervisory Regulations Governing Multi-level Sales. Among them, 11 cases failed to report to the FTC regarding its changes of previous recordation violated Article 7 of the Regulation ranking the first, and then 10 cases violated Article 12, 8 cases violated Article 15. Fines in 2007 totaled NT\$ 11.52 million. By the end of 2007, the cumulative cases of decision ruling reached 382, and the multi-level sales enterprises subject to such ruling totaled 424 firms. (Tables 2.5 and 2.6)

Table 2.5 Illegal Multi-level Sales Actions

Year	Case of Decision	Article 23	Article 23-1	Article 23-2	Article 23-3	Unit: Case
						Article 23-4 Supervisory Regulations Governing Multi-level Sales
2005	39	1	3	11	3	34
2006	18	-	2	3	4	16
2007	29	1	1	4	6	26

Note: According to decision ruling, some cases violate both of the Fair Trade Act and the Regulations for Multi-level Sales.

Table 2.6 Decision Ruling for Multi-level Sales Enterprises—By Articles of Supervisory Regulations Governing Multi-level Sales (SRGMS) Violated

Year	Cases of Decision	Unit: Case						
		Article 5	Article 7	Article 8	Article 11	Article 12	Article 13	Article 14
2005	34	8	21	-	-	15	8	6
2006	16	6	6	-	-	4	6	7
2007	26	4	11	-	1	10	4	4
Year	Article 15	Article 16	Article 17	Article 18	Article 19	Article 20	Article 22	
2005	6	6	3	4	-	-	2	
2006	6	-	1	5	-	-	-	
2007	8	2	2	1	-	1	1	

Note: Figures may add up to exceed the total because a case of decision ruling may involve violation of more than one article of SRGMS.

Commissioners Meeting

1) Deliberation

The decision-making body of the Fair Trade Commission is the Commissioners Meeting which functions through gathering of commissioners to deliberate and decide the FTC's major administrative programs. There are six main responsibilities of the FTC's Commission Meeting in accordance with the provisions of Article 14 of the Organization Statute of the Fair Trade Commission. They are: (1) deliberating fair trade policies; (2) deliberating and evaluating administration plans relate to fair trade; (3) assessing public notices, approvals, and disposition related to the enforcement of the Fair Trade Act; (4) deliberating laws and regulations related to fair trade; (5) deliberating proposals by commissioners; (6) deliberating other matters as provided by law.

In 2007, the FTC held 52 Commissioners Meetings, to review 491 submissions. The submissions included 296 discussions and 195 reports. On the average, each time the Commissioners Meeting heard 9.44 submissions, including 5.69 discussions and 3.75 reports. In 2007 the number of submissions decreased 109 (18.17%) submissions from the preceding year. (Table 3.1)

Table 3.1 Submissions to the Commissioners Meeting						
Unit: Case, %						
Year	Total		Report		Discussion	
	Case	% of Total	Case	% of Total	Case	% of Total
2005	564	100.00	239	42.38	325	57.62
2006	600	100.00	244	40.67	356	59.33
2007	491	100.00	195	39.71	296	60.29

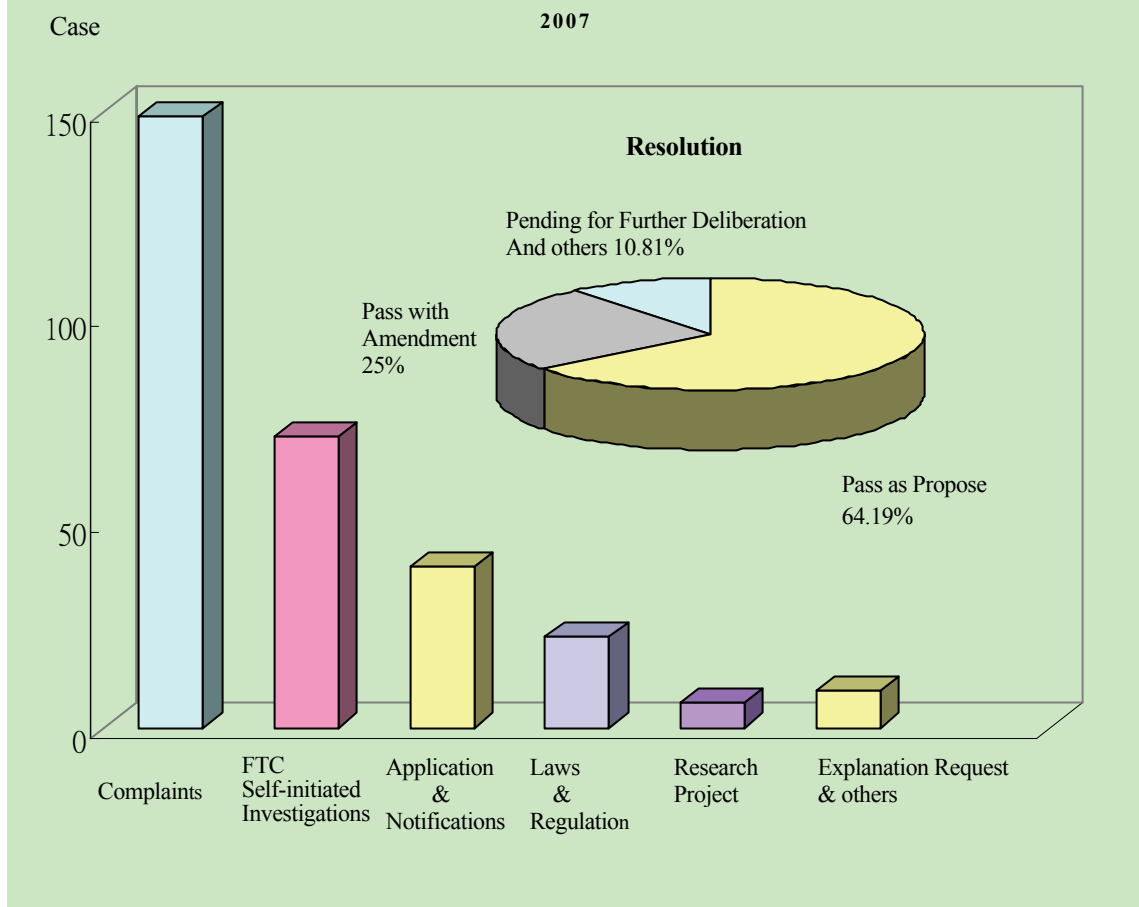
The 296 discussions reviewed in 2007 included 149 complaints, 71 self-initiated investigation cases, 39 applications & notifications, 22 draft amendments of laws and regulations, 1 request of explanation of laws, 6 research projects, and 8 other cases. Results of the deliberation showed that of total review cases, 190 cases or 64.19% were passed as proposed, 74 cases or 25% were passed with amendments, 32 cases or 10.81% pending for further deliberation and others. (Table 3.2 and Chart 3.1)

Table 3.2 Discussions by Type

Unit: Case

Year	Total	Laws & Regulations	Project Proposals	Complaints	Applications & Notifications	Requests for Explanation	Research Projects	FTC Self-initiated Investigations	Others
2005	325	22	6	179	40	5	3	49	21
2006	356	41	-	167	38	1	13	81	15
2007	296	22	-	149	39	1	6	71	8
Year	Ratio								
2005	100.00	6.77	1.84	55.08	12.31	1.54	0.92	15.08	6.46
2006	100.00	11.52	-	46.91	10.68	0.28	3.65	22.75	4.21
2007	100.00	7.43	-	50.34	13.18	0.34	2.03	23.99	2.70

Chart 3.1 Deliberation on Discussions



2) Meeting Time

On the average, each Commissioners Meeting in 2007 spent 2 hours 26 minutes, showing a decrease of 34 minutes from 2006. By time used per meeting, less than 2 hours ranked the top, accounted for 38.46%. The followings were 2-3 hours for 28.85%. (Table 3.3)

Time	2007		2006		1992~2007	
	No. of Meeting	% of Total	No. of Meeting	% of Total	No. of Meeting	% of Total
Total	52	100.00	54	100.00	845	100.00
Less than 2 hours	20	38.46	10	18.52	87	10.30
2 – 3 hours	15	28.85	13	24.07	162	19.17
3 – 4 hours	14	26.92	24	44.45	315	37.28
4 – 5 hours	3	5.77	7	12.96	206	24.38
5 – 6 hours	-	-	-	-	46	5.44
more than 6 hours	-	-	-	-	29	3.43
Average Time Consumption (time per meeting)	2 hrs. 26mins.		3 hrs.		3 hrs. 32mins.	

Consulting Services and Policy Implementation

1. Consulting Services

1) Service Center

Both the Fair Trade Commission and its south Taiwan branch set up service centers to provide enterprises and the general public with consulting services, answer questions concerning the Fair Trade Act and administrative projects. Services provided by the centers, according to the operation guidelines, can be classified into four categories: (1) explanation of the Fair Trade Act; (2) provision of educational materials; (3) explanation of application procedures; and (4) handling comments and input from public. The aforementioned services totaled 13,570 cases in 2007, 3.58% down from the preceding year. These services were mostly concerning explanation of Fair Trade Act and relevant regulations. (Table 4.1)

Table 4.1 Service Provided by FTC Service Center

Unit: Case

Year	Total	Explanation of Fair Trade Act	Provision of Educational Materials	Explanation of Application Procedures	Handling Comments and Input from Public
2005	15,882	14,403	587	412	480
2006	14,074	12,466	576	500	532
2007	13,570	11,912	576	491	591

2) Supporting Activities by Local Governments

The Fair Trade Commission has authority and responsibility to instruct and supervise local governments in enforcing Fair Trade Act related matters, and to entrust the local governments to provide supportive services. Supporting activities provided by local governments in 2007 were 1,242 cases, included 212 cases in providing forms and information, 563 cases for general survey of multi-level sales schemes, 60 cases in conducting educational programs, 129 cases in referring cases, 102 cases in collecting evidences and checking matters, 74 cases in collecting industrial data, and 102 other matters. (Table 4.2)

Table 4.2 Supporting Activities of Local Governments

Agencies	2007							Unit: Case
	Total	Providing Forms & Data	Referring Cases	Conducting Educational Program	Collecting Evidence & Checking Matters	Collecting Industrial Data	General Survey of Multi-Level Sales	Others
Total	1,242	212	129	60	102	74	563	102
Taipei Municipal Gov't	244	-	50	2	-	3	187	2
Kaohsiung Municipal Gov't	227	150	7	1	3	-	66	-
Twenty-one County/City Gov'ts	751	59	67	55	94	71	310	95
Kingmen County Gov't	19	3	5	1	5	-	-	5
Lien-chiang County Gov't	1	-	-	1	-	-	-	-

3) Competition Policy Information and Research Center

The Fair Trade Commission set up the Competition Policy Information and Research Center (CPIRC) in January 1997. The CPIRC is designed to provide domestic and foreign users with services on competition policy and laws as well as research and training services. Achievements of the CPIRC in 2007 were as follows:

1. Collection and maintenance of competition policy information, provision of professional consultant services: collecting competition policy data, including more than 19,000 volumes of books, more than 100 periodicals, 5 kinds of laser diskettes databases, and updating monthly the competition law newspaper clipping system and the APEC Competition Policy and Law Database which consists of data of the 21 APEC members.
2. Building of competition policy research environment to facilitate professional research: Holding the “15th Seminar on Competition Policy and Fair Trade Act” on 4 and 5 April 2007, in which 11 papers presented and 359 experts and scholars attended.
3. Provision of competition policy training services to promote competition policy concepts: (1) Inviting experts and scholars majoring in competition law to give lectures. In 2007 there were 12 lectures with 512 attendees. (2) Holding the Fair Trade Act Training Program for universities and colleges students, there were 95 attendees in 2007.
4. Publication of competition policy and law related materials to facilitate academic research and information sharing internationally: Publication of the “Competition Policy Newsletter” bi-monthly in Chinese and English versions, the “Gazette of Speeches in the Competition Policy information and Research Center, Fair Trade Commission, 2006”, the proceedings of the “14th Seminar on Competition Policy and Fair Trade Act”, and the proceedings of the “Taiwan 2006 International Conference on Competition Policies /Laws” in 2007. All those were sent to libraries of domestic and foreign universities, colleges, and research institutions.

2. Public Education and Issuing Guidelines

1) Public Education and Training

To facilitate the business community in general to understand the Fair Trade Act, the FTC has actively engaged in publicity works and design different contents tailor-made for the business in general, sector-specific practitioners, and students. In 2007 there were 104 seminars, including 48 seminars held by the FTC, 20 seminars by the contracted local governments, and 36 seminars supported by the FTC lecturers. (Table 4.3)

Year	Total	Conducted by FTC	Conducted by Contracted Local Governments	Conducted by Contracted Industrial Associations	Lectures on Fair Trade Act
2005	105	62	24	-	19
2006	117	58	22	-	37
2007	104	48	20	-	36

2) Issuing Guidelines

To enhance the transparency and effectiveness of the enforcement work, the Fair Trade Commission has been issuing guidelines in line with its own enforcement experiences, international trend of competition laws development, and legislation and enforcement of various countries. In 2007 the FTC issued and revised guidelines as follows:

1. Revised the “Guidelines on the Reviewing of Cases Involving Enterprises Issuing Warning Letters for Infringement on Copyright, Trademark, or Patent Rights by the Fair Trade Commission”
2. Revised the “Guidelines on Technology Licensing Arrangements by the Fair Trade Commission”
3. Revised the “Guidelines on Guidelines on Slimming and Beauty Cases by the Fair Trade Commission”
4. Revised the “Guidelines on Reviewing Cases Involving Illegal Commissioning of Household Production by the Fair Trade Commission”
5. Revised the “Guidelines on Handling Cases Governed by Article 21 of the Fair Trade Act by the Fair Trade Commission”

6. Revised the “Guidelines on Cases of Advertising in Real Estate by the Fair Trade Commission”
7. Abolished the “Guidelines on the Reviewing of Cases Involving Occasion for Assigned Brand or Recommended Brand and Identical Goods by the Fair Trade Commission”
8. Abolished the “Guidelines on the Reviewing of Cases Involving Contracted Agent of Public Bidding or Public Procurement Assigning Specific Brand or Patented Goods by the Fair Trade Commission”

3. Revision of the Fair Trade Act

To anticipate the smooth and effective enforcement of the Fair Trade Act in the future, the FTC established a task force to thoroughly re-examine the draft amendment of the Fair Trade Act submitted to the Executive Yuan earlier on January 12, 2007. The task force, in light of prospect and integrity, proposed a new draft focused on the Act’s scope of application and punishment provided in it. The major aspects included:

- (1) revising the definition of enterprise (amendment Article 2), and abolishing all provisions regarding the multi-level sales in the view of drafting the Multi-level Sales Management Act;
- (2) revising the notification thresholds of mergers (amendment Article 10);
- (3) adding the definition of relevant market (amendment Article 5);
- (4) adding the criteria for exemption for concerted actions (amendment Article 15);
- (5) adding the legal consequence of violating condition of approval for concerted action (amendment Article 17);
- (6) defining the effect of resale price maintenance (amendment Article 18);
- (7) abolishing the provision on unfair competition by acquiring trade secret (amendment Article 20);
- (8) abolishing the current Article 20 on trade mark protection;
- (9) revising the scope of handling untrue advertisement (amendment Article 21);
- (10) adding the FTC’s power to search and seize when investigating anti-competitive practice (amendment Article 27);
- (11) adding the FTC’s power to request result of statistical survey conducted by other government agency (amendment Article 28);
- (12) expanding the limits of accessing files for the administrative proceedings purpose (amendment Article 29);
- (13) adding the leniency program for concerted action (amendment Article 42);

- (14) revising the punishments for violating provisions of merger control, anti-competition, unfair competition and obligation of cooperation with investigation (amendment Article 40, 41, 43, 44);
- (15) adding the remedy procedure so that the relevant party can appeal to the High Administrative Court directly (amendment Article 48).

4. Enhancing International Cooperation

1) Bilateral Co-operations

Following the pace of globalization of economy, there is a trend of cross-border anticompetitive and unfair trade practices. In response, the FTC actively seeks opportunities to cooperate with foreign competition authorities. In 2007, the FTC and the Unfair Competition Regulatory Authority of Mongolia signed the Memorandum of Understanding Regarding the Cooperation of Competition Law Implementation. This is the FTC's 5th cooperation arrangement with foreign counterparts, showing an enthusiastic attitude to provide feedback to the international society. For the bilateral meetings, in 2007 the Chairman Tang of the FTC led a delegate to attend the OECD Competition Committee meeting in October, and had bilateral meeting with competition authorities from Germany, the Netherlands, the EU, France, Canada, and Japan to enhance the mutual understanding and long-lasting friendship for a better cooperation relationship in the future. The FTC also invited an expert from the US Department of Justice, Anti-trust Division to provide training programs on investigation of competition law cases, and the Head of the Outreach Program, the OECD Competition Division to give a lecture on leniency program. The FTC will keep developing closer relationship with the foreign competition authorities to support its participation in the international activities.

2) Participation in the international organizations

To exchange enforcement experience with the OECD countries and to learn from each other can facilitate the FTC to internalize the international trend of competition law. In 2007, the FTC kept attending international meetings on competition held by the OECD, ICN, and APEC, as well as international forums on competition held by Vietnam, Germany, the US, the Indonesia, Korea and Japan. In addition, the then Vice-Chairman Yu of the FTC attended the DSA's annual International Seminar in the US, Commissioner Lin attended the 13th International Conference on Competition and the 14th European Competition Day, and Commissioner Chen attended all three OECD Competition Committee meetings in February, June, and October. These participations helped building partnership between the FTC and competition authorities around the world, as well as enhancing visibility of the FTC.

3) Competition Law Technical Assistance

The FTC has been providing technical assistances to developing countries in the neighboring region or with close trade relationship. In 2007, the FTC provided technical assistances to Mongolia, the Indonesia, Thailand, and Vietnam through seminars, internships, visit studies, and lecturers. In addition, the FTC and the OECD jointly held a seminar on Mergers in the Developing and Transition Economies in Kuala Lumpur, Malaysia. Commissioner Chen and other lecturers from the OECD, Australia, Sweden, Japan and Korea provided experiences to attendees from the Indonesia, India, Malaysia, Thailand, and Mongolia. The technical assistance programs signified the major role of the FTC in this region.

