

Regulation on Mergers between Business Groups in the Fair Trade Act

ABSTRACT

Key Words: Fair Trade Act, Business Group, Merger, Controlling Company, Media Business

In March 2013, four domestic business conglomerates (including Formosa Plastics), filed a merger notification to the FTC regarding its intention to acquire more than one third of the shares of a subsidiary of Hong Kong-based Next Media Co., Ltd through Global Professional Investment Limited based in the British Virgin Islands. Since the case, in addition to Article 6(1)ii of the Fair Trade Act, meets the merger type set forth in Article 6(1)iii, the ultimate controlling companies of the four would-be joint-purchasers of the print media business of Hong Kong-based Next Media Co., Ltd. as well as Hong-Kong based Next Media Co., Ltd. were all required to file a merger notification. However, in the case, there are some issues in computing the shares or capital contributions of another enterprise held or acquired by an ultimate controlling company and affiliated companies. Therefore, this study attempt to investigate the regulations of business groups merger in the Fair Trade Act.