

II. Summary Analysis

Processing of Cases

1. Cases Received

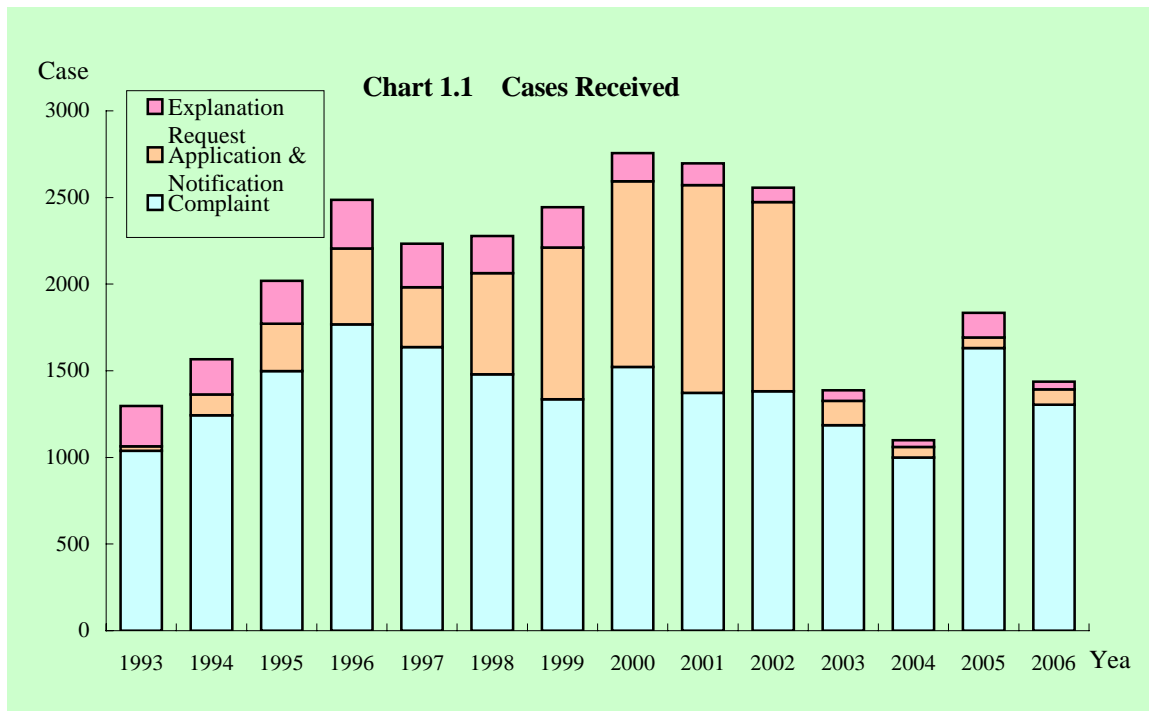
The Fair Trade Commission (hereinafter referred as the “FTC”) received 1,439 cases in 2006, 394 cases or 21.49% down from the preceding year. Under processing in 2006 were 1,859 cases (including 420 cases carried over from the preceding year). Of the total, 1,438 cases were closed, 301 cases or 17.31% down from the preceding year. Pending as of the end of 2006 were 421 cases. (Table 1.1)

Table 1.1 Processing of Cases				
Unit: Case, %				
Year	Cases under Processing		Cases Closed	Cases Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year		
2004	277	1,148	1,099	326
2005	326	1,834	1,739	420
2006	420	1,439	1,438	421
% Change 06/05	28.83	-21.49	-17.31	-

By type of cases received in 2006, complaints decreased 328 cases or 20.10% from the preceding year to 1,304 cases. Concerted action application increased 2 cases to 9 cases. Merger notifications increased 25 cases or 46.30% to 79 cases. Explanation requests decreased 93 cases or 66.43% to 47 cases. By composition, complaints ranked the top, accounting for 90.75% of total cases received in 2006, followed by merger notifications, accounting for 5.49%. Compared with the preceding year, the shares of complaints, concerted action applications and merger notifications increased 1.59, 0.25 and 2.54 percentage point respectively, decreased. Meanwhile, the shares of explanation requests decreased 4.37 percentage point. The cumulative total number of cases received by the FTC as of the end of 2006 was 29,241. (Table 1.2 and Chart 1.1)

Table 1.2 Cases Received by Type					
Unit: Case, %					
Year	Total	Complaint	Concerted Action Application	Merger Notification	Request for Explanation
2004	1,148	1,058	2	33	55
2005	1,833	1,632	7	54	140
2006	1,439	1,304	9	79	47
% Change 06/05	-21.49	-20.10	28.57	46.30	-66.43
Year	Composition (%)				
2004	100.00	92.16	0.17	2.88	4.79
2005	100.00	89.03	0.38	2.95	7.64
2006	100.00	90.62	0.63	5.49	3.27
PP Change 06/05	--	1.59	0.25	2.54	-4.37

Note: PP stands for percentage point.



Of 1,859 cases processed in 2006, 1,438 cases were closed in the year. The case Conclusion Ratio was 77.35%, 3.20 percentage point down from the preceding year. Cumulatively, from 1992 to the end of 2006, 28,820 cases were concluded, and the average case Conclusion Ratio was 98.56%. (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
2004	77.12	76.03	50.00	91.18	94.83
2005	80.55	78.99	75.00	94.74	96.50
2006	77.35	76.08	90.91	93.90	90.38
PP Change 06/05	-3.20	-2.91	15.91	-0.84	-6.12
Year	Cumulative Case Conclusion Ratio				
2004	98.74	98.18	99.21	99.95	99.86
2005	98.49	97.86	98.51	99.95	99.79
2006	98.56	97.99	99.30	99.92	99.83
PP Change 06/05	0.07	0.13	0.79	-0.03	0.04

Note: PP stands for percentage point.

1) Complaints

Complaints received in 2006 totaled 1,304 cases, 328 cases or 20.10% down from 1,632 cases in the preceding year. Under processing in 2006 were 1,714 cases of complaints (including 410 cases carried over from the preceding year). Of the total, 1,304 cases were concluded in 2006. By result of processing, decisions were made for 101 cases or 7.74% of total cases concluded in 2006, the number of cases subject to decision increased 4 cases from the preceding year. No-action decision was set for 390 cases or 29.91% of total cases concluded, and the number of cases subject to no-action decision increased 165 from the preceding year. The reasons for no-action decision were that those cases did not meet the substantive criteria for decision. 15 cases or a share of 1.15% were subject to administrative measurements, 4 cases up 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 713 cases or 54.68% of total cases under processing, and the number of such cases decreased 401 cases from the preceding year. For the reason of terminating processing, 9 cases or a share of 1.26% were involved in criminal charges, 179 cases or a share of 25.11% were involved in civil matters, and 336 cases or a share of 47.12% were considered outside the FTC's jurisdiction or were fallen into other agencies' portfolio. For cases didn't fit the procedural requirements such as complaints withdrawn, the complainants not reachable, documents required cannot be met, or complaints reported anonymously totally counted 189 cases or a share of 26.51%. (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	
2004	273	1,058	1,012	101	176	8	680	47	319
2005	319	1,632	1,541	97	225	11	1,114	94	410
2006	410	1,304	1,304	101	390	15	713	85	410
Year	% Change		Composition (%)						% Change
2004	-17.27	5.91	100.00	9.98	17.39	0.79	67.19	4.65	16.85
2005	16.85	54.25	100.00	6.30	14.60	0.71	72.29	6.10	28.53
2006	28.53	-20.10	100.00	7.74	29.91	1.15	54.68	6.52	0.00

Complainants and complained entities could be classified into categories as the general public, business firms, trade associations, government agencies, foundations, and elected representatives. In

2006, of 1,304 cases of complaints concluded, 72.85% filed by the general public formed the largest category, and the percentage share showed decreased 5.15 percentage point. Next one was the business firms posting a share of 18.48%, 5.50 percentage point up from the preceding year. Of complained entity, business entities represented the largest category accounted for 91.41%, and the second largest was individual persons posting a share of 2.91%. (Tables 1.5 and 1.6)

Table 1.5 Composition of Complaints—By Identification Classification of Complainant

Unit: %

Year	Total	General Public	Business Firm	Trade Association	Gov't Agency	Foundation	Elected Representative	Others
2004	100.00	67.29	22.73	1.88	5.83	0.39	0.79	1.09
2005	100.00	78.00	12.98	1.30	6.17	0.19	0.45	0.91
2006	100.00	72.85	18.48	0.92	5.89	0.46	0.54	0.92
PP Change 06/05	--	-5.15	5.50	-0.38	-0.28	0.27	0.09	0.01

Note: PP stands for percentage point.

Table 1.6 Composition of Complaints—By Identification Classification of Complained Entity

Unit: %

Year	Total	General Public	Business Firm	Trade Association	Gov't Agency	Foundation	Cooperative Association	Others
2004	100.00	2.27	89.72	1.58	3.26	0.99	0.20	1.98
2005	100.00	3.05	88.90	2.86	2.60	0.91	0.06	1.62
2006	100.00	2.91	91.41	0.69	2.30	0.84	-	1.84
PP Change 06/05	--	-0.14	2.51	-2.17	-0.30	-0.07	-0.06	0.22

Note: PP stands for percentage point.

For cases concluded in 2006, to divide complained enterprises in terms of the Standard Industrial Classification of the Republic of China (SIC), trade ranked the top, reporting 31.37% of the total complaints which showed a decrease of 0.49 percentage point from the preceding year. Information and communications came next with a share of 12.88%, 0.42 percentage point up from the preceding year. Manufacturing counting the third reported a share of 11.20%, 1.79 percentage point up from the preceding year. (Table 1.7)

Table 1.7 Industrial Classification of Complained Enterprises

Unit: %

Industry	2004	2005	2006	Change in PP
Total	100.00	100.00	100.00	--
Agriculture, Forestry, Fishing and Animal Husbandry & Mining and Quarrying	1.38	0.58	0.69	0.11
Manufacturing	12.25	9.41	11.20	1.79
Electricity & Gas Supply	0.99	1.36	2.07	0.71
Water supply & Pollution Treatment	0.59	0.13	0.31	0.18
Construction	0.49	0.91	0.54	-0.37
Trade	32.21	31.86	31.37	-0.49
Transportation & Storage	2.57	2.60	2.07	-0.53
Accommodation & Eating-drinking Place	1.98	1.88	1.61	-0.27
Information & Communications	13.83	12.46	12.88	0.42
Finance & Insurance	11.56	8.96	8.28	-0.68
Real Estate	6.62	8.57	9.28	0.71
Professional, Scientific & Technical Services	2.27	1.75	1.00	-0.75
Supporting Services	2.27	2.60	2.61	0.01
Public Administration & National Defense; Compulsory Social Security	2.47	1.95	1.15	-0.80
Educational Services	1.48	3.44	3.30	-0.14
Health Care & Social Welfare Services	0.89	1.23	0.92	-0.31
Art, Entertainment & Recreational Services	1.58	1.43	1.61	0.18
Other Services	3.75	5.84	4.29	-1.55
Other Businesses or Individuals	0.79	3.05	4.83	1.78

In 2006 there were 506 complaints concluded applicable to the Fair Trade Act. 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, 49 cases or a share of 9.68% (of total cases) were anti-competitive practices, including 25 (4.94%) impeding fair competition conducts, and 13 (2.57%) illegal concerted actions. A total of 368 cases or a share of 72.73% were unfair trade practices, including 250 (49.41%) false, untrue or misleading advertisements, 80 (15.81%) deceptive or obviously unfair conducts, and 26 (5.14%) counterfeiting commodities or trademarks cases. Eighty-five cases or a share of 16.80% were illegal multi-level sale schemes. (Table 1.8)

In 2006, 101 complaints or 19.96% of total complaints were decided to be against the FTA. Following statistics included the multiple charges: on the top there were 82 (81.19%) unfair trade practices (61 cases were false, untrue or misleading advertisement, and 22 deceptive or obviously unfair conducts), 7 (6.93%) illegal multi-level sale schemes, and 13 (12.87%) anti-competitive practices (6 cases were illegal concerted actions, 3 cases of resale price maintenance and impeding fair competition respectively, and 1 improper merger). (Table 1.9)

Table 1.8 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)
2004	285	40	5	7	13	3	12
2005	333	65	9	-	31	6	19
2006	506	49	6	1	13	4	25
Year	Unfair Trade Practice	Counter-feiting 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)	(2nd Part of Article 41 & Article 43)
2004	214	25	114	6	69	25	6
2005	218	12	141	3	62	46	4
2006	368	26	250	12	80	85	4

Table 1.9 Complaints Subject to Decision Ruling – By Action against Fair Trade Act

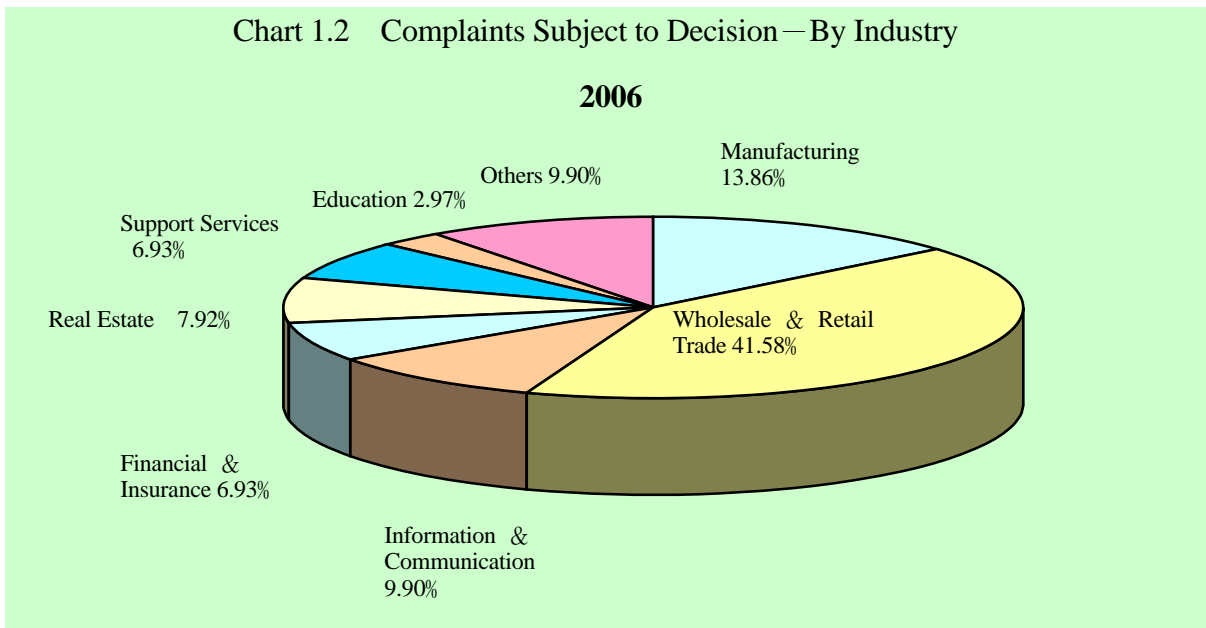
Unit: Case

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)
2004	101	10	-	4	3	-	3
2005	97	14	1	-	9	2	2
2006	101	13	-	1	6	3	3
Year	Unfair Trade Practice	Counter-feiting 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)	(2nd Part of Articles 41 & 43)
2004	69	1	38	1	30	20	3
2005	61	2	41	-	24	19	3
2006	82	-	61	2	22	7	-

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 41.58%, manufacturing came next, accounting for 13.86%, and information and communications ranked the third, accounting for 9.90%. The top three together accounted for 65.34%. (Chart 1.2)

Chart 1.2 Complaints Subject to Decision – By Industry



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 pursue smooth enforcement of the FTA and give a clear direction for enterprises to follow, the FTC has, since its establishment, been devoting to express explanation statements and setting guidelines for enterprises to better understand the FTC’s positions and policy direction regarding enforcement of the law. From such understanding, enterprises can adjust their business conducts to conform to the spirit of free and fair competition.

Table 1.10 Results of Explanation Requests

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	
2004	3	55	55	9	31	14	1	3
2005	3	140	138	6	58	73	1	5
2006	5	47	47	-	35	12	-	5
% Change 06/05	-	-66.43	-65.94	-100.00	-39.66	-83.56	-100.00	0.00

In 2006, the FTC received 47 explanation requests, showing a decrease of 93 requests or 66.43% from 140 requests in the preceding year. For 35 requests of 47 concluded in 2006, 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 12 requests because they were outside the FTC’s

responsibility or because their submissions were not in the proper procedure. (Table 1.10)

By identification of explanation applicant, the business firm was the largest category, which accounted for 46.81% of total applicants. Following behind was government agency with a share of 23.40%. (Table 1.11)

Table 1.11 Explanation Requests – By Identification Classification of Applicants

Unit: %

Year	Total	General Public	Business Firm	Foundation	Trade Association	Gov't Agency	Others
2004	100.00	25.45	30.91	3.64	18.18	20.00	1.82
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	-

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" system, merger threshold was loosened and changed into a dual thresholds model, in terms of financial sectors and non-financial sectors.

In 2006, a total of 79 mergers were notified to the FTC, showing an increase of 25 cases or 46.30% in the preceding year. In all 77 merger notifications reviewed in 2006, 34 were not prohibited, 42 terminated due to non-notifiable nature or incomplete documentation. (Table 1.12)

Table 1.12 Notifications for Merger

Unit: Case

Year	Cases under Processing		Results of Processing	
	Carried Over from Preceding Year	Received in Current Year	Total	Merger not Prohibited
2004	1	33	31	17
2005	3	54	54	34
2006	3	79	77	34
Year	Results of Case Processing			Cases Pending at Year-end
	Merger Prohibited	Termination of Review	Cases Consolidated	
2004	-	14	-	3
2005	-	20	-	3
2006	-	42	1	5

Thirty-four mergers were not prohibited in 2006 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), 25 cases or a share of 73.53% 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. Twenty-two cases or a share of 64.71% were directly or indirectly controlling business operation or personnel change of other enterprise (per Sub-paragraph 5); 6 cases or a share of 17.65% were merged with another enterprise (per Sub-paragraph 1,); 2 cases or a share of 5.88% 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), and 1 case or a share of 2.94% was 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). Please refer to Appendix 3 for merger notifications not prohibited in 2006. (Table 1.13)

Table 1.13 Mergers

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
2004	17	3	12	2	-	4
2005	34	6	23	4	3	12
2006	34	6	25	1	2	22
% Change 06/05	-	-	8.70	-75.00	-33.33	83.33

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 mechanism in such aspects as production, merchandise trade, and servicing demand and supply. However, seven 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 9 applications for concerted action in 2006, 2 cases up from the preceding year. Nine of ten applications concluded in 2006 received approval and one was terminated. Among 9 approvals 5 were in accordance with the Subparagraph 1, the rest 4 with the Subparagraph 5, Article 14 of the Fair Trade Act. (Table 1.14 、 Table 1.15)

Table 1.14 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	
2004	-	2	1	1	-	-	-	1
2005	1	7	6	5	-	-	1	2
2006	2	9	10	9	-	-	1	1

Table 1.15 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
2004	1	-	-	1
2005	5	1	1	3
2006	9	5	-	4

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

Thirteen concerted actions approved by the FTC remained effective as of the end of 2006. Six 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. Another 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 5, 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 notebook computer base, proved per Subparagraph 1, Paragraph 1, Article 14 of the FTA. (Table 1.16)

Table 1.16 Concerted Actions Remaining Valid

End of December 2006

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 barley under joint procurement program	01/01/2000~ 12/31/2008	7	Subpara. 5, Para. 1, Article 14 Para. 2, Article 15
4. 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
5. 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
6. Joint shipping of wheat under joint procurement program	10/01/2000~ 09/30/2009	38	Subpara. 5, Para. 1, Article 14 Para. 2, Article 15
7. Joint IC card sales & services by financial institutions under extended joint program	12/13/2000~ 12/31/2009	30	Subpara. 1, Para. 1, Article 14 Para. 2, Article 15
8. Joint shipping of corn under joint procurement program (GreatWall League)	06/01/2003~ 05/31/2009	12	Subpara. 5, Para. 1, Article 14 Para. 2, Article 15
9. 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. 5, Para. 1, Article 14
10. Joint developing specifications of notebook computer base under joint program	Until 04/19/2009	3	Subpara. 1, Para. 1, Article 14
11. Joint applying unconditional endorsement and transfer of ticket vouchers on Taipei- Tainan route	Until 10/31/2008	2	Subpara. 1, Para. 1, Article 14
12. Joint applying unconditional endorsement and transfer of ticket vouchers on Taipei- Kaohsiung route	Until 10/31/2008	4	Subpara. 1, Para. 1, Article 14
13. Joint scheduling, joint ticketing and ticket sharing on Tungkang-Little Okinawa	Until 04/19/2009	4	Subpara. 1, 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 302 investigation cases in 2006. The cumulative number of investigation activities initiated by the FTC as of the end of 2006 totaled 985 cases. Of the total, 869 cases were concluded and the remaining 116 cases were under processing. For the 259 cases concluded in 2006, the FTC had devoted 2,285 persons in manpower and investigated

636 enterprises. By processing result, decision ruling was handed down for 58 cases due to violation against the FTA. A total of 74 decision statements were issued for 91 enterprises. One hundred seventy cases were found not violating the FTA, or not subject to the FTC's jurisdiction, or simply required attention to their development. Thirty-one cases referred by other government agencies or complained by the general public were in duplicate with other cases. (Table 1.17)

Table 1.17 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				
2004	34	34	38	16	8	26	-
2005	44	44	54	27	10	41	6
2006	58	74	91	131	4	35	31

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 2006, 34 false, untrue or misleading advertisements ranked the top, 25 deceptive or obviously unfair conducts came next, and then there were 11 illegal multi-level sales schemes. (Table 1.18)

Table 1.18 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	Merger	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 11)	(Article 14)	(Article 18)	(Article 19)
2004	34	3	-	2	-	1
2005	44	1	-	1	-	-
2006	74	6	2	3	-	1

Year	Unfair Trade Practice	Counterfeiting or Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement (Article 21)	Deceptive or Obviously Unfair Conducts (Article 24)	Improper Multi-level Sales	Others
					(Articles 23 & 23-1-23-4)	(2 nd Part of Articles 41 & 43)
2004	13	1	10	2	18	1
2005	23	-	21	2	20	-
2006	57	-	34	25	11	-

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 Activities

In 2006, decision rulings of complaints and FTC self-initiated investigation were set for 175 cases, 34 cases or 24.11% 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, 10.86% of total illegal actions were anti-competitive practice, 79.43% unfair trade practice, and 10.29% illegal multi-level sale schemes. (Table 1.19)

Table 1.19 Decision Ruling by FTC – By Illegal Action

Unit: Case

Year	Cases of Decision	Anti-competitive Practice	Monopoly	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2004	135	13	-	4	5	-	4
2005	141	15	1	-	10	2	2
2006	175	19	-	3	9	3	4
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)	(2nd Part of Article 41 & Article 43)
2004	82	2	48	1	32	38	4
2005	84	2	62	-	26	39	3
2006	139	-	95	2	47	18	-

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

In 2006, by major division of the ROC Standard Industrial Classification (SIC), trade ranked the top, accounting for 36.57% of total cases of decision ruling, 21.58 percentage point down from the preceding year. The next was supporting services which reported a share of 13.14%, 6.05 percentage point up. By division of various trades, retail trade ranked the top, accounting for 31.43% of total cases of decision ruling (including nonstore retailer accounting for 13.71%). (Table 1.20)

Table 1.20 Composition of Decision Ruling Cases – By Industry

Unit: %

Year	Total	Agriculture, Forestry & Animal Husbandry, Mining & Quarrying	Manufactur- ing	Power Supply & Gas Supply	Water Supply & Pollution Treatment	Construction	Trade
2004	100.00	0.74	7.41	0.74	-	1.48	62.22
2005	100.00	-	2.84	2.84	-	-	58.15
2006	100.00	9.72	9.14	-	-	-	36.57
Year	Transportatio n & Storage	Accommodati on & Eating- drinking Places	Information & Communicat ion	Finance & Insurance	Real Estate	Professional, Scientific & Technical Services	Supporting Services
2004	-	1.48	10.37	3.71	3.71	0.74	0.74
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
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	
2004	-	1.48	-	1.48	2.22	1.48	
2005	-	1.42	-	-	6.38	2.84	
2006	0.57	1.72	-	1.14	3.43	4.57	

Total of 227 firms were subject to the decision ruling for offending the Fair Trade Act in 2006, showing an increase of 5 firms or 2.25% 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, 44 firms committed concerted action. Under the category of unfair trade practice, 111 firms committed false, untrue or misleading advertisement, 46 firms committed deceptive or obviously unfair conducts, and 18 firms committed illegal multi-level sales. (Table 1.21)

Table 1.21 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)
2004	160	31	-	6	21	-	4
2005	222	62	1	-	57	2	2
2006	227	55	-	3	44	3	5
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
							(2nd Part of Articles 41 & 43)
2004	89	2	55	1	33	38	4
2005	106	2	82	-	28	51	3
2006	155	-	111	2	46	18	-

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 2006, 169 cases were ordered to stop illegal actions or take corrective measure, 1 case of them required by Article 13, 160 cases required by Article 41, and 14 cases required by Article 42 of the FTA. There were 174 cases imposed of administrative fines, including 3 cases under Article 40, 159 cases under the former part of the Article 41, 6 cases under paragraph 2, the Article 42, 15 cases fined for illegal multi-level sales according to paragraph 3, the Article 42 of the of FTA. The fines totaled NT\$ 231.04 million. (Table 1.22)

Table 1.22 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
2004	135	3	94	21	4	70	4
2005	141	-	99	32	-	104	2
2006	175	1	160	14	3	159	-
Year	Fined				Operation Suspended (Article 42)	Ordered to Close Business (Article 42)	
	Article 42			Article 43			
	Para. 1	Para. 2	Para. 3				
2004	-	9	35	2	-	-	
2005	-	14	35	1	-	-	
2006	-	6	15	-	-	-	

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

No decision made by the Fair Trade Commission in 2006 was repealed by appeals or administrative proceedings. The cumulative number of decisions made by the FTC as of the end of 2006 totaled 2,648 cases. Of the total, 108 decisions were overruled or partially overruled, 2,652 decisions were sustained, accounted 96.75% of all decisions. By type of illegal actions repealed, 35 cases concerning with deceptive or obviously unfair conducts ranked top, 26 false, untrue or misleading advertisement cases came next. (Table 1.23)

The year decisions made	Number of decisions repealed	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)
2004	6	-	-	1	-	3
2005	4	-	1	2	-	1
2006	-	-	-	-	-	-

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 new Appeal Act effective on July 2000, all appeal cases should raise to the Executive Yuan. There were 174 appeal cases in 2006, 154 cases were concluded, 141 of them were rejected, 3 original decisions were repealed, 9 cases were not accepted, and 1 case was withdrawn.

From July 2000 to the end of 2006, the cumulative number of appeal cases reached 1,908. The number of appeal cases, net of these double appealed, was 1,540 cases. Among them, 1,044 cases or 67.79% were raised in objection to decision, 338 cases or 21.95% were raised in objection to no-action decision, respectively accounted 39.43% and 8.80% of the decisions and no-action decisions of the FTC. (Table 1.24)

Table 1.24 Results of Appeal

Unit: Case

Year	Case Received		Cases Concluded		
	Carried Over from Preceding Year	Received in Current Year	Total	Rejected	
2004	87	79	134	116	
2005	32	113	103	91	
2006	42	174	154	141	
Year	Cases Concluded				Case Pending
	Original Decision Repealed	Not Accepted	Withdrawn	Partially Rejected, Original Decision Partially Repealed	
2004	2	13	3	-	32
2005	2	5	3	2	42
2006	3	9	1	-	62

From July 2000 to the end of 2006, a cumulative 399 cases of administrative petition raised to the High Administrative Court were closed. 61 cases were rejected due to not in conformity with the law, and 248 cases were rejected due to unreason. For 41 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. 20 cases were withdrawn. 138 cases of administrative petition raised to the Supreme Administrative Court were closed. 25 cases were rejected due to not in conformity with the law, 88 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 19 cases, the original judgments were abolished and the cases were returned to the High Administrative Court. For 4 cases, the original judgments were abolished and the Supreme Administrative Court made its own judgments.

6. Court Cases

According to the statistics of the Judicial Yuan, in 2006, the district criminal courts concluded 13 first trial Fair Trade Act cases, 50 defendants were involved. Divided by behaviors, there were 28 defendants suspected violating multi-level sales article, and 13 defendants charged violating the business disparagement article. According to the judgments, 26 defendants were judged guilty, 22 were set in prison, 3 were imposed criminal fines and 1 was taken into custody. 23 of them violated

multi-level sales article. 8 cases were rejected, 7 were found not guilty, 1 was exempted from penalty, and 8 were withdrawn. (Table 1.25)

Table 1.25 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	Exempted from penalty
2004	15	44	28	9	-
2005	12	48	22	4	1
2006	13	50	26	7	1
Illegal Concerted Action	--	6	-	6	-
Impeding Fair Competition	--	2	2	-	-
Counterfeiting	--	1	-	-	1
Business Disparagement	--	13	1	-	-
Illegal Multi-level Sales	--				

Year / Illegal Practices	Defendants			
	Rejected	Listed as Wanted	Withdrawn	Others
2004	4	1	2	-
2005	12	3	2	4
2006	8	-	8	-
Illegal Concerted Action	-	-	-	-
Impeding Fair Competition	-	-	-	-
Counterfeiting	-	-	-	-
Business Disparagement	8	-	4	-
Illegal Multi-level Sales	-	-	4	-

Source : Statistics Department, Judicial Yuan

In 2006, the High Criminal Courts concluded 4 second-trial Fair Trade Act cases, 16 defendants were involved. Divided by behaviors, there were 11 defendants charged violating the multi-level sales article, another 5 defendant charged violating business disparagement article. According to the judgments, 8 defendants were judged guilty, 7 were set in prison, and 1 was taken into custody. 7 of them violated the multi-level sales article, 1 violated business disparagement article. 3 were judged not guilty, and 5 were withdrawn. (Table 1.26)

Table 1.26 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
2004	8	28	11	14	3
2005	5	5	3	2	-
2006	4	16	8	3	5
Business	--	5	1	-	4
Disparagement	--	11	7	3	1
Illegal Multi-level Sales	--	11	7	3	1

Source : Statistics Department, Judicial Yuan

Regulation of Multi-level Sales Enterprises

1) Recordation

Any enterprise engaged in multi-level sales is required to report to the Fair Trade Commission for record in accordance with the “Supervisory Regulations governing Multi-level Sales” before commencing the business. In 2006, 186 enterprises completed the required recordation, and 217 enterprises withdrew their recordation. The cumulative number of enterprises ever reporting to the FTC was 704 by the end of 2006, 31 enterprises or 4.22% less than that of 2005. (Table 2.1)

Table 2.1 Recordation of Multi-level Sales Enterprises

Unit: Firm				
Year	Enterprises Recordation at End of Preceding Year	Enterprises Recordation in Current Year	Enterprises Withdrawing Recordation	Enterprises Recordation at End of Current Year
2004	745	230	236	739
2005	739	242	246	735
2006	735	186	217	704

By location, Taipei Municipality ranked the top, reporting 241 enterprises or 34.23% of total recorded enterprises. Coming next was Taichung City reporting 156 enterprises or a share of 22.16%, and Kaohsiung Municipality reporting 83 enterprises or a share of 11.79%. These three cities accounted for nearly 70% 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 2005, Taichung City decreased 18 firms, Taipei Municipality decreased 11 firms, and Kaohsiung County and Hualien County increased 3 firms respectively. (Table 2.2)

Table 2.2 Location of Multi-level Sales Enterprises

Unit: Enterprise					
Area	Number of Enterprises		Area	Number of Enterprises	
	2006	2005		2006	2005
Total	704	735			
Taipei Municipality	241	252	Tainan County	11	13
Kaohsiung Municipality	83	87	Kaohsiung County	6	3
Taipei County	71	75	Pingtung County	7	6
Yilan County	2	4	Taitung County	1	-
Taoyuan County	51	52	Hualien County	6	3
Hsinchu County	4	4	Penghu County	-	-
Miaoli County	3	2	Keelung City	5	4
Taichung County	16	18	Hsinchu City	3	1
Changhua County	8	7	Taichung City	156	174
Nantou County	5	4	Chiayi City	1	2
Yunlin County	4	4	Tainan City	16	16
Chiayi County	2	2	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 recorded. The purpose is to uncover problems and prevent them from occurring beforehand.

The FTC has conducted 77 times such review in 2006 in response to complaints or on its own schedule. Of the total, 38 times or 49.35% complied with the regulations while 25 times or 32.47% did not. Reasons for the enterprises failing to comply with regulations included: 20 firms violated the Fair Trade Act (80.00%), 11 firms failed to report to the FTC regarding its changes of previous recordation (44.00%), 7 firms’ practice of returning goods did not comply with the Regulation, 3 firm’s written contracts were different from their recordation, and 1 firms failed to display required documents at place of business. (Tables 2.3 and 2.4)

Table 2.3 Inspection of Multi-level Sales Enterprises

Unit: Firm

Year	Enterprises Inspected	Results of Inspection				
		Complying with Regulations	Not Complying with Regulations	Not in Operation	Operation Suspended	Location Unknown
2004	65	26	34	3	1	1
2005	65	39	19	2	1	4
2006	77	38	25	-	2	12

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: Firm

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
2004	34	5	4	16
2005	19	1	5	8
2006	25	-	3	7

Year	Causes for Violation			
	Failure to Display Relevant Documents at Place of Business	Violating Fair Trade Act	Operation without Reporting in Advance	Practicing Changes to Recordation without Reporting in Advance
2004	2	21	4	10
2005	4	16	2	11
2006	1	20	-	11

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 2006, the Fair Trade Commission set decision rulings for 18 multi-level sales enterprises, which showed a decrease of 21 cases from the preceding year. Among 18 multi-level sales enterprises penalized, divided by provisions of violations, 16 cases violated the Supervisory Regulations Governing Multi-level Sales. Among them, 7 cases failed to specified in the contract the method for returning goods under the request by a participant who is liable for breaching operational rules violated Article 14 of the Regulation ranking the first, and 6 cases violated Article 5, Article 7, Article 13, and Article 15 respectively. Fines in 2006 totaled NT\$ 7 million. By the end of 2006, the cumulative cases of decision ruling reached 353, and the multi-level sales enterprises subject to such ruling totaled 394 firms. (Tables 2.5 and 2.6)

Table 2.5 Illegal Multi-level Sales Actions

Unit: Case

Year	Case of Decision	Article 23	Article 23-1	Article 23-2	Article 23-3	Article 23-4 Supervisory Regulations Governing Multi-level Sales
2004	38	1	-	4	5	36
2005	39	1	3	11	3	34
2006	18	-	2	3	4	16

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

Unit: Case

Year	Cases of Decision	Article 5	Article 7	Article 8	Article 11	Article 12	Article 13	Article 14
2004	36	6	21	1	-	15	2	6
2005	34	8	21	-	-	15	8	6
2006	16	6	6	-	-	4	6	7
Year	Article 15	Article 16	Article 17	Article 18	Article 19	Article 20	Article 22	
2004	7	2	-	4	1	1	-	
2005	6	6	3	4	-	-	2	
2006	6	-	1	5	-	-	-	

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 2006, the FTC held 54 Commissioners Meetings, including 2 urgent Commissioners Meetings, to review 600 submissions. The submissions included 356 discussions and 244 reports. On the average, each Commissioners Meeting heard 11.11 submissions, including 6.59 discussions and 4.52 reports. In 2006 the number of submissions increased 36 (6.38%) submissions from the preceding year, including 31 more discussions and 5 more reports. (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
2004	534	100.00	228	42.70	306	57.30
2005	564	100.00	239	42.38	325	57.62
2006	600	100.00	244	40.67	356	59.33

The 356 discussions reviewed in 2006 included 167 complaints, 81 self-initiated investigation cases, 38 applications and notifications, 41 draft amendments of laws and regulations, 1 request of explanation of laws, 13 research projects, and 15 other cases. Results of the deliberation showed that of total review cases, 239 cases or 67.14% were passed as proposed, 83 cases or 23.31% were passed with amendments, 34 cases or 9.55% pending for further deliberation and others. (Table 3.2 and Chart 3.1)

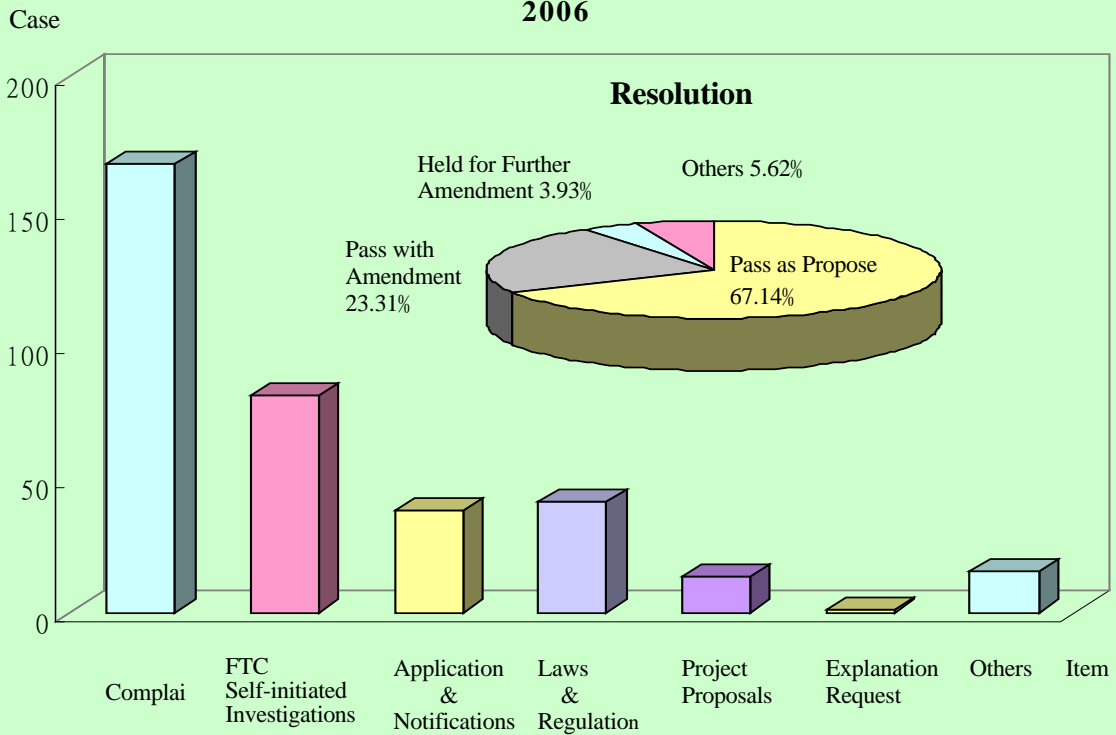
Table 3.2 Discussions by Type

Unit: Case

Year	Total	Laws & Regulations	Project Proposals	Complaints	Applications & Notifications	Requests for Explanation	Research Projects	FTC Self-initiated Investigations	Others
2004	306	20	11	199	21	4	-	38	13
2005	325	22	6	179	40	5	3	49	21
2006	356	41	-	167	38	1	13	81	15
Year	Ratio								
2004	100.00	6.54	3.59	65.03	6.86	1.31	-	12.42	4.25
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

Chart 3.1 Deliberation on Discussions

2006



2.Meeting Time

On the average, each Commissioners Meeting in 2006 spent 3 hours, showing a decrease of 8 minutes from 2005. By time used per meeting, 3-4 hours ranked the top, accounted for 44.45%. The followings were 2-3 hours for 24.07% and then less than 2 hours for 18.52%. (Table 3.3)

Table 3.3 Time Spent by FTC Commissioners Meeting

Time	2006		2005		1992~2006	
	No. of Meeting	% of Total	No. of Meeting	% of Total	No. of Meeting	% of Total
Total	54	100.00	52	100.00	793	100.00
Less than 2 hours	10	18.52	7	13.46	67	8.45
2 – 3 hours	13	24.07	14	26.92	147	18.54
3 – 4 hours	24	44.45	22	42.31	301	37.96
4 – 5 hours	7	12.96	8	15.39	203	25.60
5 – 6 hours	-	-	1	1.92	46	5.80
more than 6 hours	-	-	-	-	29	3.65
Average Time Consumption (time per meeting)	3 hrs.		3 hrs. 8 mins.		3 hrs. 37 mins.	

Consulting Services and Policy Implementation

1) Consulting Services

1) Service Center

Both the Fair Trade Commission and its south Taiwan branch set up a service center to provide enterprises and the general public with consulting services, answer questions concerning the Fair Trade Act and administrative programs. Services provided by the center, according to its 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 14,074 cases in 2006, 11.38% down from the preceding year. These services were mostly concerning explanation of Fair Trade Act and relevant regulations. (Table 4.1)

Year	Total	Explanation of Fair Trade Act	Provision of Educational Materials	Explanation of Application Procedures	Handling Comments and Input from Public
2004	15,539	13,696	843	453	547
2005	15,882	14,403	587	412	480
2006	14,074	12,466	576	500	532

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 2006 were 1,505 cases, included 366 cases in providing forms and information, 678 cases for general survey of multi-level sales schemes, 80 cases in conducting educational programs, 162 cases in delivering case document, 57 cases in collecting evidences and checking matters, 33 cases in collecting industrial data, and 129 other matters. (Table 4.2)

Table 4.2 Supporting Activities of Local Governments

2006

Unit: Case

Agencies	Total	Providing Forms & Data	Transmitting Case Document	Conducting Educational Program
Total	1,505	366	162	80
Taipei Municipal Gov't	311	10	8	2
Kaohsiung Municipal Gov't	305	200	19	1
Twenty-one County/City Gov'ts	878	154	128	75
Lien-chiang County Gov't	1	-	-	1
Kingmen County Gov't	10	2	7	1

Agencies	Collecting Evidence & Checking Matters	Collecting Industrial Data	General Survey of Multi-Level Sales	Others
Total	57	33	678	129
Taipei Municipal Gov't	-	2	237	52
Kaohsiung Municipal Gov't	3	-	82	-
Twenty-one County/City Gov'ts	54	31	359	77
Lien-chiang County Gov't	-	-	-	-
Kingmen County Gov't	-	-	-	-

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. Works of the CPIRC in 2006 were as follows:

1. Collection and maintenance of competition policy information, provision of professional consultant services: collecting competition policy data, including more than 18,000 volumes of books, more than 150 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: (1) Holding the 6th "Seminar on Important Cases of the Fair Trade Act" on 9 May 2006. (2) Holding the "14th Seminar on Competition Policy and Fair Trade Act" on 28 November 2006, in which 8 papers presented and 252 experts and scholars attended. (3) Holding the "Taiwan 2006 International Conference on Competition Law and Policy", 15 countries and 3 international organizations, OECD, WTO and APEC were invited, in which 30 government officials, experts and scholars around the world made contributions on June 20-21, 2006.
3. Provision of competition policy training services to promote competition policy concepts: (1)

Inviting experts and scholars majoring in competition law to give lectures, with 500 persons attending 12 lectures in 2006. (2) Holding 12 Fair Trade Act Training Program for universities and colleges students.

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, 2005”, “Cases and Materials on Fair Trade Act of the Republic of China, Volume VIII”, and the proceedings of the “13th Seminar on Competition Policy and Fair Trade Act” in 2006. 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

The Fair Trade Commission has actively engaged in publicity works to educate business communities to understand what the Fair Trade Act regulates, to enable them to recognize the law and facilitating the enforcement of the Fair Trade Act. Publicity and education works in 2006 included: (1) 117 seminars of different contents tailor-made for the business in general, sector-specific practitioners, and students, and (2) the “Fair Trade Act Study Program”, under which 2,113 participants have graduated in 40 sessions by the end of 2006. (Table 4.3)

Table 4.3 Fair Trade Act Public Education Programs and Seminars

					Unit: Session
Year	Total	Conducted by FTC	Conducted by Contracted Local Governments	Conducted by Contracted Industrial Associations	Lectures on Fair Trade Act
2004	141	82	39	-	20
2005	105	62	24	-	19
2006	117	58	22	-	37

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 2006 the FTC issued and revised guidelines as follows:

1. Issued the “Mergers Guidelines by the Fair Trade Commission”
2. Issued the “Guidelines on Advertising for Electronic Appliances by the Fair Trade Commission”

3. Issued the “Guidelines on Advertising for Real Estate by the Fair Trade Commission”
4. Issued the “Guidelines on Slimming and Beauty Cases by the Fair Trade Commission”
5. Issued the “Guidelines on TV Rating Cases by the Fair Trade Commission”
6. Issued the “Guidelines on Advertising for Banking by the Fair Trade Law”
7. Issued the “Guidelines on Gas Safety Equipments Cases by the Fair Trade Law”
8. Revised 6 guidelines.

3. Revision of the Fair Trade Act

To be in line with the current social economic needs, the FTC drafted the revision proposal for the Fair Trade Act, which consisted of four major aspects: (1) adjusting patterns of anti-competitive and unfair competition behaviors; (2) refining the punishments; (3) reforming the agency’s structure; and (4) revising the limits of accessing files. The proposal intends to revise the following provisions: Article 5, 7, 11, 14, 18, 19, 21, 24, 26, 27, 28, 35, 38, 39, 40, 42, 43, and 48.

4. Enhancing International Cooperation

1) Participation in the international organizations

1. Peer Review by the OECD Competition Committee

The OECD Competition Committee invited the FTC to attend the Global Forum on Competition in February 2006 and receive a peer review activity by the OECD and more than 70 competition authorities around the world on Taiwan’s competition law and policy. Taiwan was the third non-member to be reviewed by the OECD, after South Africa and Russia. On 9 February 2006, the Chairman Dr. Hwang Tzong-Leh the delegate to attend the Global Forum on Competition in Paris, France to receive the peer review by the OECD. Through this activity, the FTC was fully aware of the views of the OECD members, relevant international organizations, experts in the competition law field towards Taiwan’s competition law and policy. This exercise helped the FTC to understand the soundness and effectiveness of Taiwan’s competition law and led to further review of its enforcement and revision of the law. Meanwhile, the FTC can have dialogue with other countries’ competition authorities recourse to an international platform like the OECD. The peer review also facilitated other countries to understand Taiwan’s competition law and policy, enhanced Taiwan’s visibility, and expanded room for international activity.

2. International Competition Forum

In June 2006 the FTC held the “Taiwan 2006 International Conference on Competition Law and Policy”, under the subject “The role play of the competition law and policy in social economic development”, government officials, experts and scholars from 15 countries and the OECD, the WTO and the APEC were invited to attend.

2) Bilateral Co-operations

In 2006, the FTC had fruitful discussions with the German Cartel Office, the French Competition Council and La Direction Générale de la Concurrence, de la Consommation et de la Répression des fraudes, the Directorate General for Competition in EU, the Australian Competition and Consumer Commission and National Competition Council, the New Zealand Commerce Commission, the Japan Fair Trade Commission, and the Indonesia Business Competition Supervisory Commission. In addition, the FTC heartily welcomed foreign competition authorities to visit Taiwan. In 2006, Dr. Walter Stoffel of the Swiss Competition Commission, Dr. Frederic Jenny of the OECD, Mr. Bruno Lasserre of the French Competition Council, Ms. Paula Rebstock of the New Zealand Commerce Commission, and Mr. Gerald Masoudi of the US Department of Justice, Antitrust Division visited the FTC to provide opportunities for enhancing mutual understanding.

3) Competition Law Technical Assistance

The FTC's enforcement efforts have been recognized internationally. It is then willing to provide competition law technical assistance to developing countries in the neighborhood or with major trade relationship. In 2006, the FTC sent staff to Thailand and Viet Nam to deliver competition law training programs, agreed to provide essential technical assistance to the Indonesia and Mongolia to enhance their capacity in enforcement. The FTC also continued to train officials from Viet Nam and Thailand. In September 2006, the FTC and the OECD jointly held a seminar on the Interaction between Competition and Consumer Protection and received 38 attendees from the Indonesia, Malaysia, the Philippines, Thailand, Viet Nam, Mongolia, and Russia. The number of attendees was more than previous years and signified thereof the effectiveness of this seminar to South-East Asian countries.