



NO 058

# TAIWAN FTC NEWSLETTER

2014.08

## ▶ Selected Cases

- ❏ Inappropriate Presale Houses Practices of Hao Han Development, Hokan Construction and Qin Jia Development in Violation of Fair Trade Act
- ❏ Cashbox and Holiday in Violation of Fair Trade Act for Not Filing Merger Notification before Merging
- ❏ Concerted Action of 16 Tainan Asphalt Businesses in Violation of Fair Trade Act
- ❏ Concerted Action of 7 Chiayi Asphalt Businesses in Violation of Fair Trade Act
- ❏ Yieh Mau Corp. and Tong Young Advertising in Violation of Fair Trade Act for Posting False Advertisements
- ❏ Yong Yin Construction in Violation of Fair Trade Act for Posting False Advertisements

## ▶ FTC Statistics

Overall Development of Multi-level Marketing Businesses in 2013

## ▶ FTC Activities

FTC activities in May and June 2014

## ▶ FTC International Exchanges

FTC international Exchanges in May and June 2014

## Inappropriate Presale Houses Practices of Hao Han Development, Hokan Construction and Qin Jia Development in Violation of Fair Trade Act


The FTC decided at the 1166<sup>th</sup> Commissioners' Meeting on Mar. 19, 2014 that Hao Han Development Construction Co., Ltd. (hereinafter referred to as Hao Han Development) and Hokan Construction Co., Ltd. (hereinafter referred to as Hokan Construction) had violated Article 24 of the Fair Trade Act for requesting that homebuyers pay a deposit to see the contract. The practice was obviously unfair conduct able to affect trading order. The FTC imposed administrative fines of NT\$600,000 on Hao Han Development and NT\$500,000 on Hokan Construction. Meanwhile, Qin Jia Development Co., Ltd. (hereinafter referred to as Qin Jia Development) failed to provide the list of unit shares and demanded that homebuyers pay a deposit to see the contract. It was also deceptive and obviously unfair conduct able to affect trading order in violation of Article 24 of the Fair Trade Act. The FTC imposed on it an administrative fine of NT\$600,000 and also ordered the said companies to cease their unlawful acts.

Compared to other consumer products, presale homes are "high in value." However, they have not taken form and the ownership is not yet registered. Hence, interested parties are unable to acquire related information from land administration agencies and transaction disputes often occur as a result of information asymmetry. To improve information transparency in presale home transactions, the FTC amended and announced the "Fair Trade Commission Disposal Directions (Policy Statements) on Selling Presale Houses" in Dec. 2011 and urged related businesses and

homebuyers to be aware of the regulations in relation to the disclosure of information before contract signature, the imposition of unjustifiable contract viewing restrictions on homebuyers, and deceptive or obviously unfair practices after contract signature, etc. In particular, practices such as failing to provide the list of unit shares and demanding that homebuyers pay a deposit to see the contract that are deemed likely to affect trading order are considered deceptive or obviously unfair conduct in violation of Article 24 of the Fair Trade Act.

To maintain trading order in the real estate market and enforce the aforesaid directions, the FTC has selected northern Taiwan where most presale homes are marketed and sends staff members to visit and investigate places where presale homes are being marketed. It was under such circumstances that the FTC discovered that Hao Han Development (the

Da Xue Yang project), Hoka Construction (Hoka New Era project) and Qin Jia Development (Qin Jia Qest project) had demanded that homebuyers pay a deposit to see the contract and also did not provide the list of unit shares. The practices of the said companies had already violated business competition ethics and order and the results could have led to unfair competition. Therefore, the FTC made the aforementioned decisions.


The FTC urges builders and developers to abide by the Fair Trade Act and regulations related to presale home marketing. It is their obligation to disclose related transaction information. The FTC will continue to keep a close watch on presale home projects and impose severe punishments when finding concrete evidence of violations to make sure that market trading order is well maintained and the rights and interests of homebuyers are safeguarded. 

## Cashbox and Holiday in Violation of Fair Trade Act for Not Filing Merger Notification before Merging

The FTC decided at the 1172<sup>nd</sup> Commissioners' Meeting on Apr. 23, 2014 that Cashbox Partyworld Co., Ltd. (hereinafter referred to as Cashbox) and Holiday KTV Co., Ltd. (hereinafter referred to as Holiday) had violated Article 11 (1) of the Fair Trade Act for failing to file with the FTC a merger notification regarding their frequent joint management operations. Acting according to Articles 13 (1) and 40 (1) of the same act, the FTC ordered both companies to cease and correct the unlawful act and also imposed administrative fines of NT\$5 million on Cashbox and NT\$4 million of Holiday. The fines totaled NT\$9 million.

The FTC's investigation revealed that between 2012 and 2013 Cashbox and Holiday rented a venue to be their headquarters where important business decisions were jointly made and the two companies were thus integrated as one business entity. All core operations in relation to their KTV singing services, including sales, planning and management, were consolidated. The staff members of both companies' procurement sections were seated in Holiday's office and the same employee was responsible for procuring the business equipment and products of the same

category or item for both companies. The operations and personnel of each department of both companies were no longer independent but consolidated. The intranets and telephone lines of both companies were connected and business instructions and operations were thus conducted and resources were shared. The overall business operation pattern met the merger type described in Subparagraph 4 of Article 6 (1) of the Fair Trade Act and both companies had also reached the merger filing threshold. According to law, they were required to file with the FTC before merging but failed to do so. Therefore, it was a violation of Article 11 (1) of the Fair Trade Act.

Since the two companies had been sanctioned previously for failing to file a merger notification regarding their jointly run customer service center and computer audio-video operations, the FTC therefore acted according to Article 13 (1) of the Fair Trade Act, ordered the two companies to make necessary corrections within three months, and also imposed administrative fines of NT\$5 million on Cashbox and NT\$4 million on Holiday according to Article 40 (1) of the same act. The fines totaled NT\$9 million. 



## Concerted Action of 16 Tainan Asphalt Businesses in Violation of Fair Trade Act


The FTC decided at the 1170<sup>th</sup> Commissioners' Meeting on Apr. 9, 2014 that Yong Deng Asphalt Co., Ltd., You Cheng Asphalt Co., Ltd, Jing Huang Construction Co., Ltd., Xin Tong Enterprise Co., Ltd., Zhan Yuan Asphalt Co., Ltd., Kun Qing Asphalt Industrial Co., Ltd., Jian Sheng Enterprise Co., Ltd., Zhi Sheng Asphalt Mixing Factory Co., Ltd., Yong Cheng Asphalt Enterprise Co., Ltd., Shi Cheng Enterprise Co., Ltd., Yong Peng Asphalt Co., Ltd., Hong Zhan Asphalt Co., Ltd., Dong Bo Co., Ltd., Fu Guang Xin Asphalt Co., Ltd, Ji Feng Asphalt Co., Ltd. and Jian Zhong Engineering Co., Ltd. (Yong Kang Plant) had violated Article 14 (1) of the Fair Trade Act for establishing a mutual understanding and collecting stabilization funds from their downstream customers as the practice had resulted in pushing up the prices of asphalt and was able to affect the supply-demand function of the asphalt market in the Tainan area. The FTC therefore imposed administrative fines ranging between half a million and five million New Taiwan dollars (same currency applies hereinafter) on the said businesses. The fines totaled 39.5 million.

The "Graft Crackdown Special Task Force" of the Tainan District Prosecutor's Office in 2010 implemented the "Fighting Injustice Project" to investigate lay involvement, collusion between government officials and businesses, and jerry-building, etc., and discovered that local asphalt businesses seemed to have jointly raised the prices of asphalt in violation of the Fair Trade Act. The FTC immediately set up a special task force and launched an investigation in cooperation with the Graft Crackdown Special Task Force to stop the asphalt businesses' illegal concerted action and acquisition of unlawful profit from public engineering projects. The conduct had jeopardized the public interest.

Besides the involved businesses, the FTC also



questioned 40 interested parties and concluded that from Aug. 2010 to Oct. 4, 2011 when the FTC coordinated with the Tainan District Prosecutor's Office and searched the offices of the said businesses, the asphalt businesses had collaborated with other parties to manipulate transactions in the asphalt market by achieving a mutual understanding and collecting 200 dollars for each tonne of asphalt from project bid winners and related builders to push up the prices of asphalt indirectly in the Tainan area.


Concerted actions have always been considered serious violations in every country. Once concrete evidence of violation is established, the FTC will impose heavy punishments without any mercy. After taking into consideration that the illegal activity had lasted over one year, the degree of involvement in decision-making, level of cooperation throughout the investigation, scale of business, size of capital and other factors specified in Article 36 of the Enforcement Rules to the Fair Trade Act, the FTC ordered the 16 businesses to immediately cease the unlawful act and also imposed on them administrative fines ranging from half a million to five million according to the seriousness of violation of each business. The fines totaled 39.5 million. 

## Concerted Action of 7 Chiayi Asphalt Businesses in Violation of Fair Trade Act

The FTC decided at the 1170<sup>th</sup> Commissioners' Meeting on Apr. 9, 2014 that Guang Li Asphalt Industrial Co., Ltd., Shan Qing Asphalt Industrial Co., Ltd., Shi Ku Asphalt Industrial Co., Ltd., Ting Long Asphalt Industrial Co., Ltd., Hong Ji Asphalt Co., Ltd., Yi Xing Asphalt Co., Ltd. and Yong Zong Enterprise Co., Ltd. had violated the regulation that "No enterprise shall have any concerted action" set forth in Article 14 (1) of the Fair Trade Act for jointly increasing the prices of asphalt and affecting the supply-demand function of the asphalt market in the Chiayi area. The FTC ordered the said companies to immediately cease the unlawful act and also imposed on them administrative fines ranging from half a million New Taiwan dollars (the same currency applies hereinafter) to 6.3 million. The fines totaled 20.5 million.

The seven companies were all suppliers of asphalt needed for road paving and damage reparation and were therefore horizontal competitors. However, through irregular meetings in 2010, they achieved a

mutual understanding to raise the prices of asphalt and the time points and margins of price increases were nearly identical, respectively, going up 70-80 dollars per tonne in Feb. and Mar. 2010, 80-100 dollars per tonne in Oct. 2010 and 100 dollars per tonne in May 2011. These price rises were confirmed by their downstream builders.


Asphalt is indispensable in road paving. Joint price rises by asphalt suppliers will result in increases in price offerings when private builders bid in public construction tenders put up by the government. In turn, the costs of public projects will go up and the taxpayers' burden will become heavier. Eventually, such price rises can even lead to commodity price hikes. Being the principal asphalt suppliers in the Chiayi area, the seven businesses purposely refrained from engaging in price competition. The conduct was able to affect trading order in the asphalt market in the Chiayi area and the FTC therefore imposed heavy punishments on these businesses. 

## Yieh Mau Corp. and Tong Young Advertising in Violation of Fair Trade Act for Posting False Advertisements

The FTC decided at the 1169<sup>th</sup> Commissioners' Meeting on Apr. 2, 2014 that Yieh Mau Corporation (hereinafter referred to as Yieh Mau Corp.) and Tong Young Advertising Group (hereinafter referred to as Tong Young Advertising) had violated Article 21 (1) of the Fair Trade Act by incorporating in the advertisements for the "Super New Capital" building project in a Class B industrial zone phrases and comparisons normally applied to regular residential units. The practice was a false, untrue and misleading representation with regard to use of product and the FTC therefore imposed administrative fines of 1.4 million New Taiwan dollars (the same currency applies hereinafter) on Yieh Mau Corp. and 0.6 million on Tong Young Advertising.

Although the units constructed in a Class B industrial zone could be used by information software businesses (including offices), they could not be used or reclassified as residential buildings. This was confirmed by the Public Works Bureau of Kaohsiung City Government. However, in online and newspaper advertisements for the said project, Yieh Mau Corp. and Tong Young Advertising posted phrases such as "residential security intercom systems," "contracted home cleaning service," "home reparation service" and "happy homes to accommodate all three generations." Meanwhile, the brochures carrying comparisons between the office units in Class B industrial zones


and regular residential homes distributed at the reception center indicated that the water bills, power bills, land value increment tax and household registration procedure for the units were the same as those for regular residential homes. The land tax and house tax rates were also described as "convertible to become those for residential homes upon application."

All the wording could easily give consumers the impression that the units were indeed for residential purposes and lead them to make purchase decisions. Moreover, as such homebuyers had no idea that the use of the units indicated in the advertisements was in violation of building regulations, they might be ordered to dismantle, stop using or restore certain parts that were incompliant with approved purposes of use or even have such sections compulsorily torn down. Apparently, a gap existed between the contents of the advertisements and the perception of consumers and this gap was way beyond what the general public could accept. It could even generate wrong perceptions and decisions among consumers and damage trading order in the housing market. It could also cause law-abiding competitors to lose their customers and the result would be unfair competition. Therefore, the FTC concluded that it was a false, untrue and misleading representation with regard to use of product in violation of Article 21 (1) of the Fair Trade Act. 

## Yong Yin Construction in Violation of Fair Trade Act for Posting False Advertisements

The FTC decided at the 1172nd Commissioners' Meeting on Apr. 23, 2014 that Yong Yin Construction Co. Ltd. (hereinafter referred to as Yong Yin Construction) had violated Article 21 (1) of the Fair Trade Act for marketing its "Blue Light City" building project that was located in a Class A industrial zone and could only be used for commercial purposes as "residential units" through advertisements in the brochures distributed at the center and those posted on [housetube.tw](http://housetube.tw) and "byhouse.com – House Purchase" No. 67. It was a false, untrue and misleading representation with regard to use of product and the FTC imposed on the company an administrative fine of NT\$3.5 million.

Yong Yin Construction repeatedly applied phrases like "luxurious homes," "villas," "homes" and "families" in the advertising brochures, which also contained a number of furniture arrangement pictures including "beds." Meanwhile, similar advertisements were also posted on [housetube.tw](http://housetube.tw) and "byhouse.com – House Purchase" No. 67 carrying wording such as "magnificent luxurious homes," "buy B22...to spend your retirement days...live with your parents; it's very convenient" and "family picture of Mr. Chen who bought C20...'My husband and I have always cared very much about our family's safety.'" The advertisements gave consumers the overall

impression that the units of the project could be used as residential homes. However, according to the competent authority of the Miaoli County Government, the units were built in a Class A industrial zone and the application had been for commercial purposes (service trade and offices). If the builder adopted deceptive measures to market the units or failed to disclose to consumers that industrial land could not be used for residential purposes or consumers used the units in violation of related regulations, it would be illegal use of land and the Miaoli County Government could act in accordance with Article 79 of the Urban Planning Law, impose fines and order them to be torn down, reconstructed or restored or forbid such units to be used. If consumers had been aware of the risk in using the units as residential homes, they would have not purchased such units. Hence, the inconsistency of the advertisement contents with reality was able to lead consumers to wrong perceptions and decisions as well as damage market competition order and result in other competitors' loss of customers. In other words, it was unfair competition. By combining all of the above, the FTC concluded that the advertisements posted by Yong Yin Construction were a false, untrue and misleading representation with regard to content of product in violation of Article 21 (1) of the Fair Trade Act. 

## Overall Development of Multi-level Marketing Businesses in 2013

To improve the supervision and administration of the multi-level marketing industry, the FTC has conducted a management development survey on registered multi-level businesses every year. The 2013 survey indicated that the sales of multi-level marketing businesses and bonuses received were both higher than those in the previous year and most of these businesses were optimistic about the future.

The survey was conducted on 490 multi-level marketing businesses that were registered as of the end of 2013 and 398 of them responded. The response rate was 81.22%. After removing the responses of 28 businesses that were not yet in operation and 18 that had closed down or whose operations had been suspended, there remained 352 multi-level marketing businesses and the survey results were sorted and analyzed accordingly.

### 1. Number of participants and their status

(1) As of the end of 2013, there were 2.119 million multi-level marketing participants, representing a decline of 0.97 million (31.40%) from the 3.089 million at the end of 2012. After those participating in two or more multi-level marketing schemes were accounted for, the number of participants at the end of 2013 came down to 2.005 million, or 0.757 million (27.41%) less than the 2.762 million at the end of 2012.

(2) The participation rate (the ratio of participants to the total population of the country) was around 8.58%; in other words, 858 out of every ten thousand people were participants in multi-level marketing.

(3) The number of new participants in 2013 was 0.7996 million, making up 37.73% of the total number of participants, or 49,400 less than the 0.849 million new participants in 2012.

(4) There were 1.4258 million female participants in 2013, accounting for 67.39% of the total number of participants. It was 2.81% less than the 70.2% in 2012 but female participants remained the main force in multi-level marketing businesses.

(5) In 2013, 148 multi-level marketing businesses, 42.04% of all multilevel marketing businesses, recruited 17,526 people with limited capacity for civil conduct as participants. The average sales income of these participants was 25,274 New Taiwan dollars (the same currency applies hereinafter) and their chief sales items were nutritional and healthcare products.

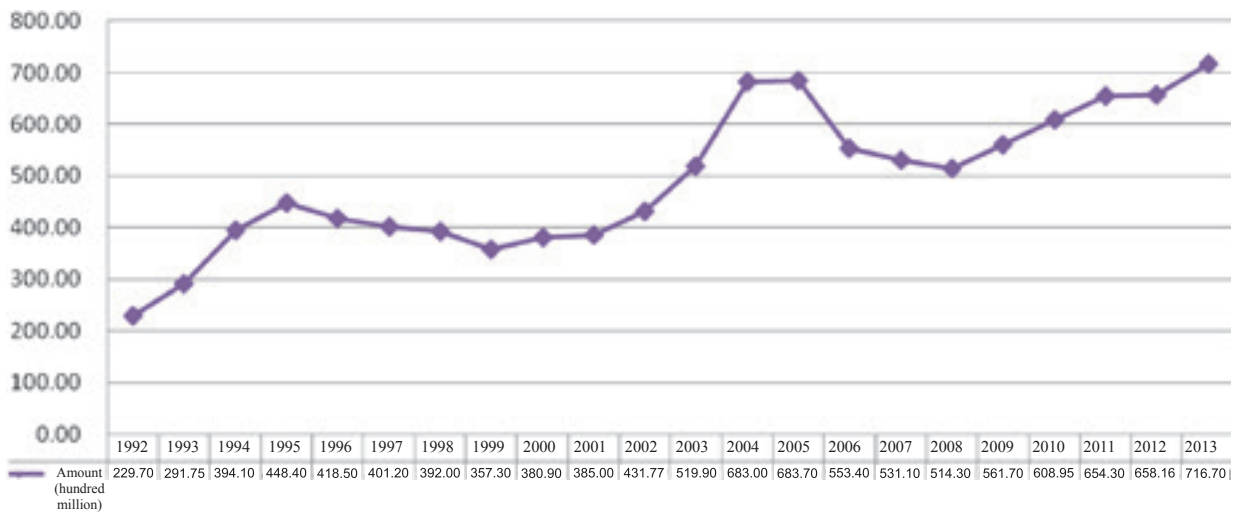


Table 1 Change in Number of Participants

|      | Number of Participants | After Recalculation of Those Participating in Two or More Schemes | Participation Rate | Female Participation Rate |
|------|------------------------|---|--------------------|---------------------------|
| 2013 | 2.119 million          | 2.005 million   | 8.58%              | 67.39%                    |
| 2012 | 3.089 million          | 2.763 million   | 11.85%             | 70.20%                    |

### 2. Total output value of the multi-level marketing industry and business scales

(1) The sales of the 352 multi-level marketing businesses in 2013 totaled 71.67 billion, increasing by 5.854 billion (8.89%) from the 65.816 billion in 2012.



Run Chart for Total Sales over the Years

(2) There were 12 multi-level marketing businesses with annual sales exceeding 1 billion. They made up 3.41% of the total number of businesses but their total sales of 47.606 billion accounted for 66.42% of those for the entire industry.

(3) There were 58 businesses with annual sales between 100 million and 1 billion. They made up 16.48% of the

total number of businesses but their total sales of 19.199 billion accounted for 26.79% of those for the entire industry.

(4) There were 282 businesses with annual sales of less than 100 million. They made up 80.11% of the total number of businesses but their total sales of 4.865 billion accounted for only 6.8% of those for the entire industry. Apparently, the business scale difference of these multi-level marketing operations was huge.

### **3. Multi-level marketing products and costs of goods purchased**

(1) Sales of nutritional and healthcare products in 2013 continued to be the largest, reaching 41.033 billion in total (57.25%) and followed by cosmetic and skincare products with 10.194 billion (14.22%), cleaning products with 5.039 billion (7.03%) and other products with 4.656 billion (6.50%). The sales of these four types of products accounted for 85.00% of the total sales. Judging from the sales of domestically manufactured products and imported products, the sales of multi-level marketing businesses selling both kinds of products totaled 40.816 billion (56.95%). The sales of those selling only domestically manufactured products totaled 17.488 billion (24.40%) and the sales of those selling only imported products totaled 13.365 billion (18.65%).

(2) The costs of goods purchased (manufactured) by multi-level marketing businesses in 2013 totaled 21.167 billion, or 29.53% of the total sales of 71.67 billion, representing an increase of 2.62% from the 26.91% in 2012.

### **4. Use of online marketing**

In 2013, there were 147 multi-level marketing businesses (41.76% of the total number of multi-level marketing businesses) using online marketing. 83 of them (23.58% of the total number of multi-level marketing businesses) provided online order placement service (online shopping) and 18 (5.11% of the total number of multi-level marketing businesses) had shops on online mall sites. Meanwhile, 46 of them (13.07%) both provided online shopping service and ran shops on online mall sites. These figures indicate that e-commerce is not yet so common in the multi-level marketing industry and "people" remain the principal marketing mediums in multi-level marketing businesses.

### **5. Issuance of bonuses (commissions) and the number and ratio of product ordering participants**

(1) In 2013, the commissions (bonuses) issued by multi-level marketing businesses totaled 24.853 billion, accounting for 34.68% of the total sales, and representing a decline of 2.68% from the 37.36% recorded in 2012. There were 88 businesses (25%) with commission (bonus) payments making up 30% to less than 40% of their total sales, followed by 74 businesses (21.02%) with such payments accounting from 20% to less than 30% of their total sales, and 69 businesses (19.60%) with such payments accounting for between 40% and less than

50% of their total sales. In 2013, 405,056 female participants received bonuses or commissions totaling 14.677 billion.

(2) In 2013, 1.449 million participants ordered products. This figure accounted for 68.38% of the total number of participants (the ratio of product ordering participants). 0.685 million participants, or 32.33% of the total number of participants, received commissions (bonuses). On average, each person received 36,260 dollars in the form of commissions (bonuses), or 3,827 dollars more than the 32,433 dollars received in 2012.

Table 2 Numbers and Ratios of Participants Ordering Products and Receiving Bonuses (Commissions)

|   | 2013                            | 2012                            | Increase/Decrease          |
|---|---------------------------------|---------------------------------|----------------------------|
| Number/Ratio of Product Ordering Participants | 1.449 million people/<br>68.38% | 1.461 million people/<br>47.30% | -12,000 people/<br>+21.08% |
| Number/Ratio of Bonus (Commission) Receivers  | 0.685 million people/<br>32.33% | 0.758 million people/<br>24.54% | -73,000 people/<br>+7.79%  |
| Average amount received                       | 36,260 dollars                  | 32,433 dollars                  | +3,827 dollars             |

## 6. Opinions about business in the future

(1) 172 multi-level marketing businesses (48.86%) believed sales in 2014 would be better than in 2013. 127 businesses (36.08%) thought sales would be about the same. The two added up to 84.94%, indicating optimism in the industry for business in the future.

(2) Among the problems that multi-level marketing businesses thought they might encounter in the future, recessions topped the list with 52.27%, followed by increased competition between similar products with 44.60%, decreasing numbers of participants with 42.33%, the impact from illegal multi-level marketing operations with 37.50%, and market nearing saturation with 32.95% (116 businesses). Compared to the opinions about business in the future in 2012, the percentage of those worrying about the impact from illegal multi-level marketing operations fell from 46.56% in 2012 to 37.50%. This may be an indication that multi-level marketing businesses are now more positive and that the Multi-level Marketing Supervision Act promulgated and implemented on Jan. 29, 2014 could effectively put competition in this industry in good order.

## FTC activities in May and June 2014

- ⚡ On May 1 and 23, the teaching faculty and students of the Department of Economics of Soochow University and the Department of Law of National Taipei University respectively attended the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” at the FTC Competition Policy Information and Research Center.
- ⚡ On May 7, 8, 13 and 19, the FTC conducted the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” respectively at National Kaohsiung University of Applied Sciences, National Pingtung University of Science and Technology, National Chung Cheng University and Chang Jung Christian University.
- ⚡ On May 9, 16 and 27, the FTC conducted presentations on “Various Aspects of Trading Traps” at Taiwan Sinhua Church, Song Nian University, Jiouming Community Development Association in Jiouru Township of Pingtung County, and the Senior Citizen’s Service Center of the Social Affairs Bureau of Kaohsiung City Government.
- ⚡ On May 13, the 2014 special topic presentation on “Amended and Added Fair Trade Act Regulations on Concerted Actions and Sanction Precedents” was held at the FTC.
- ⚡ On May 15, 16 and 20, the FTC conducted the “Presentation on Multi-level Marketing Regulations for Universities and Colleges” respectively at the Dahan Institute of Technology, Yuan Ze University and Feng Chia University.
- ⚡ On May 20, Associate Professor Liu Tsuzu of the Department of Law of National Chung Hsing University gave a lecture on “Franchise Contract Disputes and the Fair Trade Act” at the invitation of the FTC.
- ⚡ On May 22, the FTC conducted a TPP/RCEP training activity and invited Associate Research Fellow Yen Huaishing of Chung-Hua Institution for Economic Research to give a lecture on the “TPP/RCEP Development Tendencies and Impact on Domestic Competition Policy”.
- ⚡ On May 22, the FTC conducted the “Presentation on the Fair Trade Commission Disposal Directions (Policy Statements) on the Sales of Elementary and Junior High School Textbooks” in Taoyuan County.
- ⚡ On May 22, the FTC conducted the “Presentation on Fair Trade Commission Regulations on Multi-level Marketing” at Taoyuan District Office in Kaohsiung City.
- ⚡ On May 22 and 26, the FTC conducted the “Presentation on Regulations on Disclosure of Information by Supplementary Educational Institutes” respectively in Taipei City and Taichung City.
- ⚡ On May 23, the FTC conducted the “Presentation on Fair Trade Commission Disposal Directions (Policy Statements) on Selling Presale Houses” in Taichung City.
- ⚡ On Jun. 3, 17 and 24, the FTC conducted the “Various Aspects of Trading Traps” presentation at Chishang Township Office in Taitung County, Pingtung County Welfare Service Center for the Disabled and Fonggang Village Senior Citizen Activity Center in Fangshan Township of Pingtung County, respectively.
- ⚡ On Jun. 10, multi-level marketing trade unions in the entire country attended the “Presentation on the Regulations for the Establishment and Administration of the Multi-level Marketing Protection Institution” at the invitation of the FTC.
- ⚡ On Jun. 11, the FTC conducted the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” at National Penghu University of Science and Technology.
- ⚡ On Jun. 13, the “Presentation on Online Operation of Multi-level Marketing Systems and Things to Note” was held at the FTC.
- ⚡ On Jun. 27, the “Presentation on Multi-level Marketing Regulations and the Personal Information Protection Act” was held at the FTC.



- 1.The FTC conducting the 2014 special topic presentation on "Amended and Added Fair Trade Act Regulations on Concerted Actions and Sanction Precedents"
- 2.The FTC inviting Associate Research Fellow Yen Huaisheng of Chung-Hua Institution for Economic Research to give a lecture on the "TPP/RCEP Development Tendencies and Impact on Domestic Competition Policy"
- 3.The FTC conducting the "Presentation on the Fair Trade Commission Disposal Directions (Policy Statements) on the Sales of Elementary and Junior High School Textbooks" in Taoyuan County
- 4.The FTC conducting the "Presentation on Regulations on Disclosure of Information by Supplementary Educational Institutes" in Taipei City
- 5.The FTC conducting the "Presentation on Fair Trade Commission Regulations on Multi-level Marketing" at Taoyuan District Office of Kaohsiung City
- 6.The FTC conducting the "Presentation on Fair Trade Commission Disposal Directions (Policy Statements) on Selling Presale Houses" in Taichung City.

## FTC international Exchanges in May and June 2014

- ▲ On May 8, the FTC sent representatives to attend the “Conference on the Third Taiwan Trade Policy Inspection by the WTO and Talks with WTO Secretariat Personnel” convened by the Bureau of Foreign Trade of the Ministry of Economic Affairs.
- ▲ On Jun. 12, Assistant Professor Alexandr Svetlicinii of the University of Macau visited the FTC and exchanged views on law enforcement.
- ▲ On Jun. 16 to 21, the FTC’s representatives attended the routine meeting of the OECD Competition Committee.
- ▲ On Jun. 24, the FTC attended the teleconference of Subgroup 2 of the Cartel Working Group.
- ▲ On Jun. 24 and 25, Economic Adviser Dr. Jozsef Molnar of the Chief Economist Team of the European Commission Directorate-General for Competition gave a lecture on “Economic Analysis and Practices in Horizontal Mergers” at the invitation of the FTC and also held a seminar with the FTC’s staff members.



1. The FTC Commissioner Tsai Huei-An with Indonesian Delegation KPPU member Prof. Dr. Ir. Tresna Priyana Soemardi, S. E., M. S. at the routine meeting of the OECD Competition Committee



2. Economic Adviser Dr. Jozsef Molnar of the Chief Economist Team of the European Commission Directorate-General for Competition giving a lecture on “Economic Analysis and Practices in Horizontal Mergers” at the invitation of the FTC

# Taiwan FTC Newsletter

|                               |   |
|-------------------------------|---|
| Publisher                     | Wu, Shio-Ming   |
| Editor- in-Chief              | Hsu, Shu-Hsin   |
| Deputy Editor-in-Chief        | Wu, Te-Sheng  |
| Co-editor                     | Cho, Chiu-Jung<br>Chen, Chung-Ting<br>Sun, Ya -Chuan<br>Wu, Ting-Hung<br>Yeh, Tien-Fu<br>Cheng, Chia-Lin<br>Li, Yueh-Chiao<br>Lai, Hsiao-Ling   |
| Publishers & Editorial Office | Fair Trade Commission, R.O.C.<br>Address:12-14 F., No. 2-2 Jinan Rd., Sec. 1, Taipei, Taiwan, R.O.C.<br>Website: <a href="http://www.ftc.gov.tw">http://www.ftc.gov.tw</a><br>Telephone: 886-2-23517588<br>Fax: 886-2-23278155<br>E-mail: <a href="mailto:ftcnl@ftc.gov.tw">ftcnl@ftc.gov.tw</a>  |
| Date of Publication           | August 2014   |
| First Date of Publication     | February 2008   |
| Frequency of Publication      | Bimonthly(the Chinese language edition during odd-number month,<br>and the English language edition during even-number month.)  |
| Price                         | NT\$ 15 per single copy, NT\$ 180 per year<br>(both Chinese version and English version) and NT\$ 90 per<br>language version  |
| Subscription Phone Line       | 886-2-2351-0022   |
| Subscription Fax              | 886-2-2397-4997   |
| Exhibition Place              | Service Center on the 13th Floor of the Commission<br>Telephone:886-2-2351-0022<br>Address:13 F, No. 2-2 Jinan Rd., Sec. 1, Taipei, Taiwan, R.O.C.<br>Wunan Book Co., Ltd.<br>Telephone: 886-4-2226-0330<br>Address: No. 6, Chungshan Road, Taichung City, Taiwan, R.O.C.<br>Government Publications Bookstore<br>Telephone: 886-2-2518-0207<br>Address: 1F, No. 209, Sung Chiang Rd., Taipei, Taiwan, R.O.C. |
| Printer                       | Hon Yuan Printing Co., Ltd.<br>Address: 9F-1, No. 602, Pa The Rd., Sec 4 Taipei, Taiwan.<br>Telephone: 886-2-2768-2833  |



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

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



國內  
郵資已付

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

雜誌

無法投遞請退回



**FAIR TRADE COMMISSION, R.O.C.**

12-14 F., No. 2-2 Jinan Rd., Sec. 1, Taipei, Taiwan, R.O.C.

Tel : 886-2-2351-7588

<http://www.ftc.gov.tw>

ISSN 2070124-1



9 772070 124009

GPN:2009700036

PRICE:NT\$15