

公平交易統計年報

STATISTICAL YEARBOOK OF FAIR TRADE COMMISSION

中華民國 97 年

2008

行政院公平交易委員會編印

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Explanatory Notes

1. The Statistical Year Book of the Fair Trade Commission is designed to provide a general statistics on conditions and achievements of enforcing the Fair Trade Act. In order to facilitate international exchange, the Yearbook is written on a Chinese-English bilingual basis except Summary on the Results of 2007 Multi-level Sales Enterprises Operations Survey, Appendix 2~5.
2. The Yearbook consists of five parts:
 - Organization & duty of the Fair Trade Commission.
 - Summary Analysis : Processing of cases, Regulation of multi-level sales Enterprises, Commissioners Meeting and consulting service & policy implementation.
 - Statistical Tables.
 - Summary Report of 2007 Multi-level Sales Enterprises Operations Survey.
 - Appendix: major statistical terminologies, list of decision rulings, list of mergers not prohibited, list of concerted actions approved, and important measures of the FTC.
3. Sources, notes, remarks for data are shown below the tables.
4. In this Yearbook, “year” refers to the calendar year. Data are measured by “ case” & “NT dollar” unless otherwise specified.
5. The following symbols are used for tables:
 - None
 - Meaningless
 - ... Not available
 - 0 Less than half unit
6. The figures given in this issue may not be the same with the corresponding figures in the previous issue due to the corrections and revisions made in exchange of base.
7. The data of this Yearbook can be found on the “statistics” / “Yearbook” of the homepage of the Fair Trade Commission (<http://www.ftc.gov.tw/>). For any request or advice, please e-mail to : ftcpub@ftc.gov.tw.

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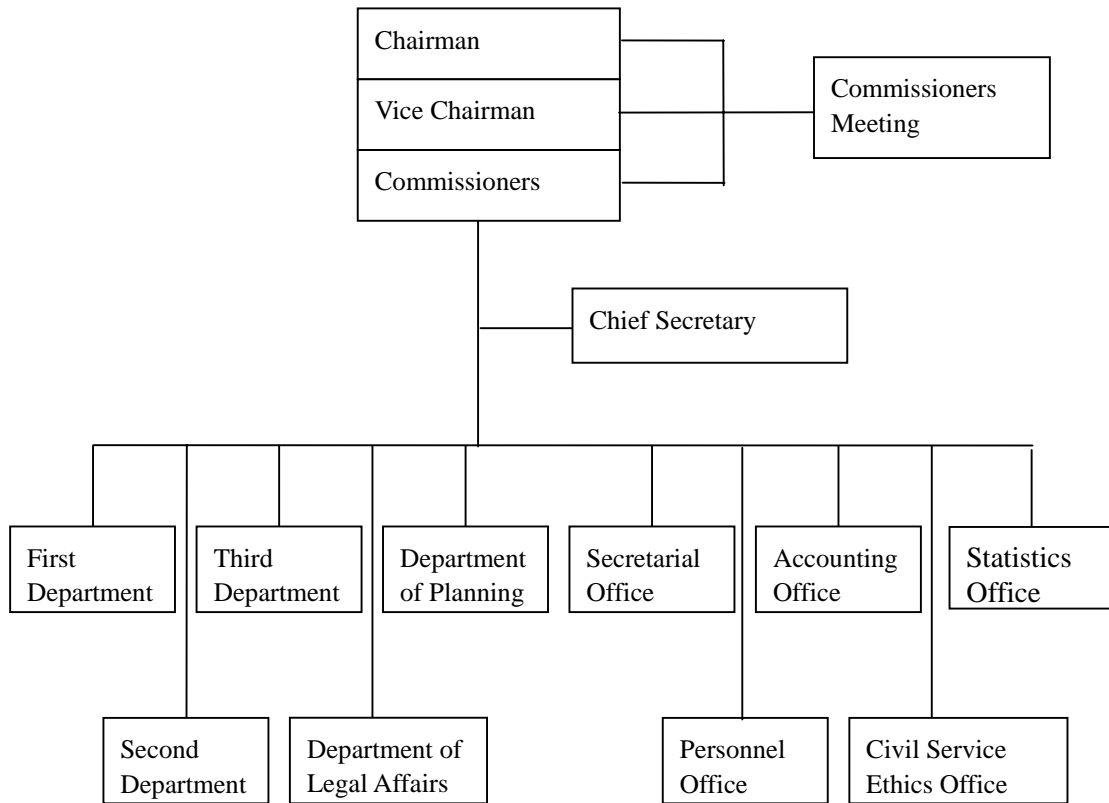
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I. Organization and Duty of Fair Trade Commission

Organization Chart



Departments and Responsibilities

1. The Commissioners Meeting

The highest decision-making organ of the FTC; it shall be charged with the disposition of matters regarding the following:

- (1) the review of fair trade policies;
- (2) the deliberation over and review of the administration of fair trade programs;
- (3) the review of cases related to the public notice, approval, and disposition under the Fair Trade Act;
- (4) the deliberation over matters arising under the Fair Trade Act and regulations;
- (5) the review of proposals presented by any of the Commissioners; and
- (6) other matters requiring resolution at Commissioners meetings as prescribed by law.

2. First Department

The First Department shall investigate and process matters relating to monopolies, mergers, and concerted actions by enterprises in the following sectors:

- (1) agriculture, forestry, fishery, animal husbandry, and hunting businesses;
- (2) commercial business;
- (3) transportation, warehousing, and communications businesses;
- (4) finance, insurance, real-estate, and industrial/commercial services; and
- (5) social and personal services.

3. Second Department

The Second Department shall investigate and process matters relating to monopolies, mergers, and concerted actions by enterprises in the following sectors:

- (1) mining and earth/gravel excavating businesses;
- (2) manufacturing business;
- (3) water, electricity, and fuel gas businesses;
- (4) construction business; and
- (5) other related or non-classifiable businesses.

4. Third Department

The Third Department shall be charged with investigating and processing the following:

- (1) restrictions on resale prices;
- (2) hindrance on fair competition;
- (3) counterfeiting;
- (4) false, untrue or misleading presentations and advertisements;
- (5) acts causing injury to another business' reputation;
- (6) multi-level sales; and
- (7) matters related to deceptive or obviously unfair acts that affect trading order.

5. Department of Planning

The Department of Planning shall be charged with the following matters:

- (1) preparing and formulating fair trade policies;
- (2) issuing public notices under the Fair Trade Act;
- (3) conducting research/development and controlling or reviewing matters related to fair trade;
- (4) collecting domestic and foreign fair trade information and rendering economic analysis; and
- (5) handling other matters related to the planning of fair trade.

6. Department of Legal Affairs

The Department of Legal Affairs shall be charged with the following matters:

- (1) preparing and formulating fair trade rules and regulations and amendments thereof;
- (2) consulting laws and regulations related to fair trade;
- (3) studying and researching legal systems related to fair trade;
- (4) execution of fines; and
- (5) referral of criminal offenders for prosecution.

7. Secretarial Office

The Secretarial Office shall be charged with meetings, clerical matters, use of the official seal, receipts and disbursements, general affairs, and public relations as well as matters not relating to other Departments.

8. Personnel Office

The Personnel Office administers personnel affairs.

9. Accounting Office

The Accounting Office administers the annual budget and accounting affairs.

10. Statistics Office

The Statistics Office administers statistical affairs and establishes and maintains the information systems.

11. Civil Service Ethics Office

The Civil Service Ethics Office administers civil service ethics matters.

II. Summary Analysis

Processing of Cases

1. Cases Received

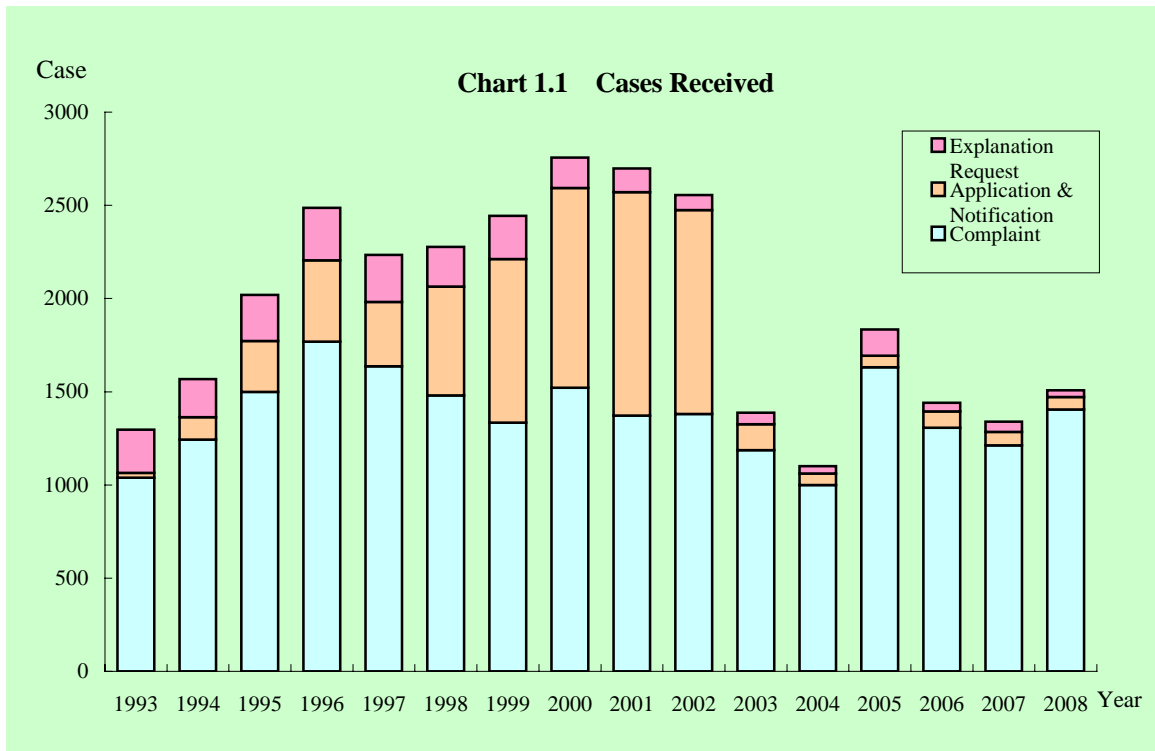
The Fair Trade Commission (hereinafter referred as the “FTC”) received 1,507 cases in 2008, 167 cases or 12.5% up from the preceding year. Under processing in 2008 were 1,837 cases (including 329 cases carried over from the preceding year). Of the total, 1,583 cases were closed, 150 cases or 10.5% up from the preceding year. Pending as of the end of 2008 were 253 cases. (Table 1.1)

Year	Cases under Processing		Cases Closed	Cases Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year		
2006	420	1,440	1,438	422
2007	422	1,340	1,433	329
2008	329	1,507	1,583	253
% Change 08/07	-22.04	12.46	10.47	-23.10

By type of cases received in 2008, complaints increased 191 cases or 15.7% from the preceding year to 1,404 cases. Concerted action applications increased 3 cases or 100% to 6 cases. Merger notifications decreased 8 cases or 11.6% to 61 cases. Explanation requests decreased 19 cases or 34.5% to 36 cases. By composition, complaints ranked the top, accounting for 93.2% of total cases received in 2008, followed by merger notifications, accounting for 4%. The cumulative total number of cases received by the FTC as of the end of 2008 was 32,089. (Table 1.2 and Chart 1.1)

Year	Total	Complaint	Concerted Action Application	Merger Notification	Request for Explanation
2006	1,440	1,306	9	79	46
2007	1,340	1,213	3	69	55
2008	1,507	1,404	6	61	36
% Change 08/07	12.46	15.75	100.00	-11.59	-34.55
Year	Composition (%)				
2006	100.00	90.69	0.63	5.49	3.19
2007	100.00	90.52	0.22	5.15	4.10
2008	100.00	93.17	0.40	4.05	2.39
PP Change 08/07	--	2.65	0.18	-1.10	-1.71

Note: PP stands for percentage point.



Of 1,836 cases processed in 2008, 1,583 cases were closed in the year. The case conclusion ratio was 86.2%, 4.9 percentage point up from the preceding year. Cumulatively, from 1992 to the end of 2008, 31,836 cases were concluded, and the average case conclusion ratio was 99.2%. (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
2006	77.31	75.99	90.91	93.90	90.16
2007	81.33	80.25	100.00	90.54	98.31
2008	86.22	85.62	83.33	95.59	97.30
PP Change 08/07	4.89	5.37	-16.67	5.05	-1.01
Year	Cumulative Case Conclusion Ratio				
2006	98.56	97.99	99.30	99.92	99.83
2007	98.93	98.52	100.00	99.89	99.96
2008	99.21	98.93	99.34	99.95	99.96
PP Change 08/07	0.29	0.41	-0.66	0.06	-

Note: PP stands for percentage point.

1) Complaints

Complaints received in 2008 totaled 1,404 cases, 191 cases or 15.7% up from 1,231 cases in the preceding year. Under processing in 2008 were 1,725 complaints (including 321 cases carried over from the preceding year). Of the total, 1,477 cases were concluded in 2008. By result of processing, decisions were made for 101 cases or 6.8% of total cases concluded in 2008, the number of cases subject to decision decreased 11 from the preceding year. No-action decision was set for 353 cases or 23.9% of total cases concluded, and the number of cases subject to no-action decision increased 11 from the preceding year. The reasons for most no-action decision were that those cases did not meet the substantive criteria for decision. Two cases or a share of 0.1% were subject to administrative measurements, same with the preceding year. These administrative measurements included: (1) recommending competent authorities to take measures in line with the Fair Trade Act, (2) advising enterprises in question to take corrective measures, and (3) issuing business warnings.

Review and processing were terminated for 967 cases or 65.5% of total cases under processing, and the number of such cases increased 205 from the preceding year. For the reason of terminating processing, 7 cases or a share of 0.7% were involved in criminal charges, 186 cases or a share of 19.2% were involved in civil matters, and 413 cases or a share of 42.7% were outside the FTC's jurisdiction or were in other agencies'. Other 361 cases or a share of 37.3% of terminating processing didn't meet the procedural requirements, including complaints withdrawn, the complainants not reachable, documents required not complete, or complaints reported anonymously. (Table 1.4)

Table 1.4 Results of Complaints

Unit: Case, %

Year	Cases Processed		Result of Processing						Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year	Total	Decision	No-action Decision	Administrative Action	Review Terminated	Cases Consolidated	
2006	410	1,306	1,304	101	390	15	713	85	412
2007	412	1,213	1,304	112	342	2	762	86	321
2008	321	1,404	1,477	101	353	2	967	54	248
Year	% Change		Composition (%)						% Change
2006	28.53	-19.98	100.00	7.75	29.91	1.15	54.68	6.52	0.49
2007	0.49	-7.12	100.00	8.59	26.23	0.15	58.44	6.60	-22.09
2008	-22.09	15.75	100.00	6.84	23.90	0.14	65.47	3.66	-22.74

Complainants and complained entities could be classified into categories as the general public, business firms, trade associations, government agencies, foundations, elected representatives, and cooperatives. In 2008, of 1,477 cases of complaints concluded, 75.4% filed by the general public formed the largest category, and the percentage share showed decreased 1.5 percentage points. Next was the business firms posting a share of 13.7%, 2.1 percentage points down from the preceding year. Of complained entity, business entities represented the largest category accounted for 88.3%, and the second largest was general public posting a share of 4.1%. (Tables 1.5)

Table 1.5 Composition of Complaints – By Complainant and Complained Entity

Unit: %

Year	Total	General Public	Business Firm	Foundation	Trade Association	Elected Representative	Gov't Agency	Others
2006	100.00	72.85	18.48	0.46	0.92	0.54	5.83	0.84
2007	100.00	76.84	15.87	0.77	1.46	0.46	3.22	1.38
2008	100.00	75.36	13.74	0.41	1.35	0.14	7.92	1.08
PP Change 08/07	--	-1.48	-2.13	-0.36	-0.11	-0.32	4.70	-0.30
Year	Total	General Public	Business Firm	Foundation	Trade Association	Cooperative	Gov't Agency	Others
2006	100.00	2.91	91.41	0.84	0.69	-	2.30	1.76
2007	100.00	3.30	91.33	0.54	0.77	0.15	1.99	1.92
2008	100.00	4.13	88.29	0.74	1.90	0.14	1.49	3.32
PP Change 08/07	--	0.83	-3.04	0.20	1.13	-0.01	-0.50	1.40

Note: PP stands for percentage point.

For cases concluded in 2008, to divide complained enterprises in terms of the Standard Industrial Classification of the Republic of China (SIC), wholesale & retail trade ranked the top, reporting 25.7% of the total complaints which showed a decrease of 1.1 percentage point from the preceding year. Manufacturing came next with a share of 12.7%, 2.1 percentage point up from the preceding year. Information and communication counting the third reported a share of 12.3%, 1.4 percentage point up from the preceding year. (Table 1.6)

Table 1.6 Industrial Classification of Complained Enterprises

Unit: %

Industry	2006	2007	2008	Change in PP
Total	100.00	100.00	100.00	--
Agriculture, Forestry, Fishing, Animal Husbandry & Mining and Quarrying	0.69	0.92	1.35	0.43
Manufacturing	11.20	10.58	12.66	2.08
Electricity & Gas Supply	2.07	1.84	2.44	0.60
Water supply & Remediation Services	0.31	0.08	0.20	0.12
Construction	0.54	1.69	2.17	0.48
Wholesale & Retail Trade	31.37	26.76	25.66	-1.1
Transportation & Storage	2.07	1.53	1.69	0.16
Accommodation & Food Services	1.61	2.53	2.57	0.04
Information & Communication	12.88	10.89	12.25	1.36
Finance & Insurance	8.28	12.96	9.61	-3.35
Real Estate	9.28	9.20	9.28	0.08
Professional, Scientific & Technical Services	1.00	0.92	0.81	-0.11
Support Services	2.61	2.30	0.95	-1.35
Public Administration and Defense; Compulsory Social Security	1.15	0.38	0.47	0.09
Educational Services	3.30	3.37	4.20	0.83
Human Health & Social Work Services	0.92	1.30	2.44	1.14
Arts, Entertainment & Recreation	1.61	1.84	1.96	0.12
Other Services	4.29	5.06	4.74	-0.32
Others	4.83	5.83	4.54	-1.29

In 2008, 456 complaints applicable to the Fair Trade Act were concluded. Other closed cases were not within the FTC's jurisdiction, not in conformity with the required procedures, or in duplicate with other cases. By type of action involved, 54 cases or a share of 11.8% (of total cases) were anti-competitive practices, 23 illegal concerted actions and 23 impeding fair competition conducts (5% respectively) ranked the top, and 4 (0.9%) illegal mergers came next. Three hundred and forty cases or a share of 74.6% (of total cases) were unfair trade practices, including 198 (43.4%) false, untrue or misleading advertisements, 115 (25.2%) deceptive or obviously unfair conducts, and 17 (3.7%) counterfeiting commodities or trademarks cases. Forty-four cases or a share of 9.6% were illegal multi-level sale practices. (Table 1.7)

In 2008, 101 complaints or 22.1% of total complaints were decided to be against the FTA. Following statistics included the multiple charges: on the top there were 77 (76.2%) unfair trade practices (57 cases were false, untrue or misleading advertisements, and 23 deceptive or obviously unfair conducts), 15 (14.9%) illegal multi-level sale practices, and 8 (7.9%) anti-competitive practices (3 illegal concerted actions and improper merger respectively, and 2 impeding fair competition). (Table 1.8)

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

Unit: Case

Year	Total	Anti-competitive Practice	Monopolies	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2006	506	49	6	1	13	4	25
2007	456	47	6	3	23	4	11
2008	456	54	3	4	23	1	23
% Change 08/07	-	14.89	-50.00	33.33	-	-75.00	109.09
Year	Unfair Trade Practice	Counterfeiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement	Damage to Business Reputation	Deceptive or Obviously Unfair Conducts	Improper Multi-level Sales practices	Others
			(Article 21)	(Article 22)	(Article 24)	(Articles 23 & 23-1-23-4)	(2nd Part of Article 41 & Article 43)
2006	368	26	250	12	80	85	4
2007	326	16	275	3	32	78	5
2008	340	17	198	10	115	44	18
PP Change 08/07	4.29	6.25	-28.00	233.33	259.38	-43.59	260.00

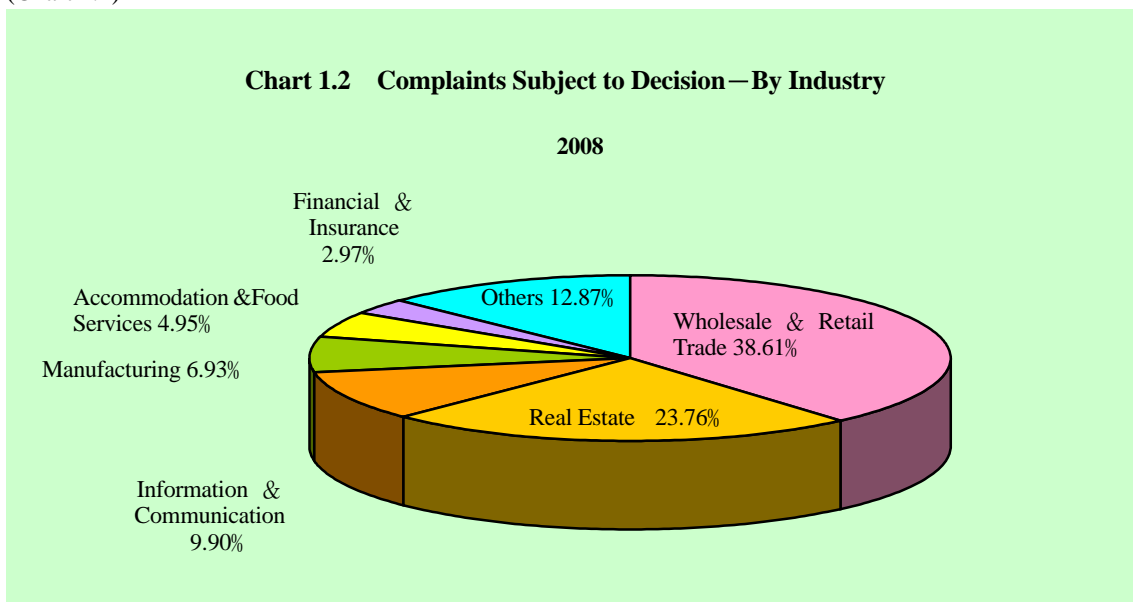
Table 1.8 Complaints Subject to Decision Ruling – By Action against Fair Trade Act

Unit: Case

Year	Total	Anti-competitive Practice	Monopolies	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2006	101	13	-	1	6	3	3
2007	112	12	-	3	5	3	1
2008	101	8	-	3	3	-	2
Year	Unfair Trade Practice	Counterfeiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement	Damage to Business Reputation	Deceptive or Obviously Unfair Conducts	Improper Multi-level Sales Practices	Others
			(Article 21)	(Article 22)	(Article 24)	(Articles 23 & 23-1-23-4)	(2nd Part of Articles 41 & 43)
2006	82	-	61	2	22	7	-
2007	81	1	73	-	9	18	4
2008	77	1	57	-	23	15	1

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, wholesale & retail trade ranked the top, accounting for 38.6%, real estate came next, accounting for 23.8%, then information and communication accounting for 9.9% taking the three place. The top three together accounted for 72.3%. (Chart 1.2)



2) Explanation Requests

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

In 2008, the FTC received 36 explanation requests, showing decrease of 19 requests or 34.6% from 55 requests in the preceding year. For 29 requests of 36 concluded in 2008, the FTC had come up with explanation statements, responded with established precedents, or replied according to clear-cut provisions of laws. The other 7 requests were not answered because they were outside the FTC's jurisdiction or their submissions were not in the proper procedure. (Table 1.9)

Table 1.9 Results of Explanation Requests

Unit: Case

Year	Processing of Case		Results of Case Processing				Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year	Total	Explanation & Reply	Review Terminated	Cases Consolidated	
2006	5	46	47	35	12	-	4
2007	4	55	58	39	19	-	1
2008	1	36	36	29	7	-	1
% Change 08/07	-75.00	-34.55	-37.93	-25.64	-63.16	-	-

By identification of explanation applicants, the business firm was the largest category, which accounted for 36.1% of total applicants. Following behind was government agency with a share of 25%. (Table 1.10)

Table 1.10 Explanation Requests—By Identification Classification of Applicants

Unit: %

Year	Total	General Public	Business Firm	Foundation	Trade Association	Government Agency	Others
2006	100.00	19.15	46.81	-	10.64	23.40	-
2007	100.00	17.24	48.28	1.72	13.79	10.34	8.63
2008	100.00	22.22	36.11	-	13.89	25.00	2.78

3) Mergers

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

In 2008, a total of 61 mergers were notified to the FTC, showing a decrease of 8 cases or 11.6% in the preceding year. In all 65 merger notifications reviewed in 2008, 36 were not prohibited, 27 were terminated due to non-notifiable nature or incomplete documentation, and 2 were prohibited. (Table 1.11)

Table 1.11 Merger Notifications

Unit: Case

Year	Cases under Processing		Results of Case Processing	
	Carried Over from Preceding Year	Received in Current Year	Total	Merger not Prohibited
2006	3	79	77	34
2007	5	69	67	37
2008	7	61	65	36
Year	Results of Case Processing			Cases Pending at Year-end
	Merger Prohibited	Termination of Review	Cases Consolidated	
2006	-	42	1	5
2007	1	29	-	7
2008	2	27	-	3

Thirty-six mergers were not prohibited in 2008 under the FTC's review. By types of merger (which falls into more than one type will be included in the classification categories accordingly), 29 cases or a share of 80.6% 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. 14 cases or a share of 38.9% were directly or indirectly controlling business operation or personnel change of other enterprise (per Sub-paragraph 5); 4 cases or a share of 11.1% were assigned by or leases from another enterprise the whole or the major part of the business or properties of such other enterprise (per Sub-paragraph 3); another 4 cases or a share of 11.1% 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 2 cases or a share of 5.6% were merged with another enterprise (per Sub-paragraph 1). Please refer to Appendix 3 for merger notifications not prohibited in 2008. (Table 1.12)

Table 1.12 Mergers Not Prohibited

Unit: Case

Year	Numbers of Mergers Notified	By Type of Merger Pattern (Per Paragraph 1, Article 6, Fair Trade Act)				
		Subpara. 1	Subpara. 2	Subpara. 3	Subpara. 4	Subpara. 5
2006	34	6	25	1	2	22
2007	37	4	21	8	4	18
2008	36	2	29	4	4	14
% Change 08/07	-2.70	-50.00	38.09	-50.00	-	-22.22

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

4) Applications for Concerted Action

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

There were 6 applications for concerted action in 2008, 3 cases up from the preceding year. All 5 applications concluded in 2008 received approvals. Among them 1 application was in accordance with the Subparagraph 1, paragraph 1, Article 14 of the Fair Trade Act, unifying the specifications or models of goods for reducing costs, improving quality, or increasing efficiency, and the rest 4 with the Subparagraph 5, paragraph 1, Article 14 of the Fair Trade Act, taking joint acts to import foreign goods for strengthening trade. (Table 1.13 · Table 1.14)

Table 1.13 Applications for Concerted Action

Unit: Case

Year	Cases under Processing		Results of Processing					Cases Pending at Year-end
	Carried Over from Preceding Year	Received in Current Year	Total	Approved	Rejected	Partially Approved	Termination of Review	
2006	2	9	10	9	-	-	1	1
2007	1	3	4	4	-	-	-	-
2008	-	6	5	5	-	-	-	1

Table 1.14 Types of Applications for Concerted Action

Unit: Case

Year	Concerted Action Approved	By Type of Concerted Action (Per Paragraph 1, Article 14, Fair Trade Act)		
		Subpara. 1	Subpara. 2	Subpara. 5
2006	9	5	-	4
2007	4	2	-	2
2008	5	1	-	4

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

Fourteen concerted actions approved by the FTC remained effective as of the end of 2008. Eight 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. Among them one was joint import of materials and equipments purchased by government agencies and public owned enterprises. This case was approved in the reason that the application was expected to lower import costs, reduce required capital funds, reduce procurement risks, and increase bargaining power and therefore were in the interests of the economy (per Subparagraph 1, paragraph 1, Article 14 of the FTA).

One case concerned with IC card vendors among financial institutions, 1 cases regarding unconditional endorsement and transfer of ticket vouchers on Taipei-Tainan route between airline companies, 1 case regarding joint scheduling, joint ticketing and ticket sharing on Tungkang-Little Okinawa route between cruise liner companies, 1 joint program of developing specifications of composition for notebook computer, and 1 joint program of setting specifications for set-top box of cable-TV proved per Subparagraph 1, Paragraph 1, Article 14 of the FTA. (Table 1.15)

Table 1.15 Concerted Actions Remaining Valid
Until the End of December 2008

Concerted Action	Valid Period of Concerted Action	No. of Enterprises	Applicable FTA Article
1. Joint shipping of barley under joint procurement program	01/01/2000~ 12/31/2011	7	Subpara. 5, Para. 1, Article 14 & Para. 2, Article 15
2. 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
3. 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
4. Joint shipping of wheat under joint procurement program	10/01/2000~ 09/30/2009	41	Subpara. 5, Para. 1, Article 14 & Para. 2, Article 15
5. Joint IC card vendors among financial institutions under extended joint program	01/01/2007~ 12/31/2009	30	Subpara.1, Para. 1, Article 14
6. Joint shipping of corn under joint procurement program (Great Wall League)	06/01/2003~ 05/31/2009	12	Subpara. 5, Para. 1, Article 14
7. Joint shipping of materials and equipments for government agencies and public owned enterprises under joint carriage program	09/26/2005~ 09/28/2011	12	Subpara. 5, Para. 1, Article 14
8. Joint developing specifications of composition for notebook computer under joint program	04/19/2006~ 04/19/2009	3	Subpara. 1, Para. 1, Article 14
9. Joint applying for unconditional endorsement and transfer of ticket vouchers on Taipei-Tainan route	10/26/2006~ 04/30/2009	2	Subpara. 1, Para. 1, Article 14 Article 15
10. Joint scheduling, joint ticketing and ticket sharing on Tungkang-Little Okinawa route	11/22/2006~ 07/01/2009	5	Subpara. 1, Para. 1, Article 14 Article 15
11. Joint shipping of corn under joint procurement program	01/26/2007~ 01/25/2010	20	Subpara. 5, Para. 1, Article 14
12. Joint shipping of wheat under joint procurement program	09/10/2007~ 09/09/2010	9	Subpara. 5, Para. 1, Article 14
13. Joint shipping of soybean under joint procurement program	03/14/2008~ 03/13/2011	5	Subpara. 6, Para. 1, Article 14
14. Joint setting specifications for set-top box of cable-TV under joint program	07/25/2008~ 07/25/2011	28	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 98 investigation cases in 2008. The cumulative number of investigation activities initiated by the FTC as of the end of 2008 totaled 1,255 cases. Of the total, 1,160 cases were concluded and the remaining 95 cases were under processing. For the 115 cases concluded in 2008, the FTC had devoted 1,155 persons in manpower and investigated 1,224 enterprises. By processing result, decision ruling was handed down for 61 cases due to violation against the FTA. A total of 68 decision statements were issued for 93 enterprises. 49 cases were found not violating the FTA, or not subject to the FTC's jurisdiction, or simply required attention to their development, and 5 cases referred by other government agencies or reported by the general public were in duplicate with other cases. (Table 1.16)

Table 1.16 FTC Self-initiated Investigation

Unit: Case

Year	Cases Subject to Decision			No-action Decision	Administrative Action	Investigation Terminated	Others
	Initiated Cases	Decision Statements	Firms Subject to Decision				
2006	58	74	91	131	4	35	31
2007	66	72	100	32	23	34	21
2008	61	68	93	27	1	21	5

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 2008, 36 false, untrue or misleading advertisement ranked the top, and 17 improper multi-level sales came next. (Table 1.17)

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

Unit: Case

Year	Case of Decision for FTC Self-initiated Investigation	Anti-competitive Practice	Merger	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 11)	(Article 14)	(Article 18)	(Article 19)
2006	74	6	2	3	-	1
2007	72	3	1	2	-	-
2008	68	7	1	6	-	-
Year	Unfair Trade Practice	Counterfeiting Commodities or Trademarks (Article 20)	False, Untrue or Misleading Advertisement (Article 21)	Deceptive or Obviously Unfair Conducts (Article 24)	Improper Multi-level Sales	Others
					(Articles 23 & 23-1-23-4)	(Latter Part of Articles 41 & 43)
2006	57	-	34	25	11	-
2007	56	-	15	41	11	2
2008	41	-	36	5	17	3

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

3. Decision Rulings for Fair Trade Act Enforcement

In 2008, decision rulings of complaints and FTC self-initiated investigation were set for 169 cases, 15 cases or 8.2% down from the preceding year. A case of complaint or investigation may involve more than one illegal action. Following analysis is based on the number of illegal actions. By type, 8.9% of total illegal actions were anti-competitive practice, 69.8% unfair trade practice, and 18.9% improper multi-level sale practices. (Table 1.18)

Table 1.18 Decision Ruling by FTC – By Illegal Action

Unit: Case

Year	Cases of Decision	Anti-competitive Practice	Monopoly	Mergers	Concerted Actions	Resale Price Maintenance	Impeding Fair Competition
			(Article 10)	(Article 11)	(Article 14)	(Article 18)	(Article 19)
2006	175	19	-	3	9	3	4
2007	184	15	-	4	7	3	1
2008	169	15	-	4	9	-	2
Year	Unfair Trade Practice	Counterfeiting	False, Untrue or Misleading	Damage to Business	Deceptive or Obviously Unfair	Improper Multi-level Sales	Others
		Commodities or Trademarks (Article 20)	Advertisement (Article 21)	Reputation (Article 22)	Conducts (Article 24)		
2006	139	-	95	2	47	18	-
2007	137	1	88	-	50	29	6
2008	118	1	93	-	28	32	4

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

Table 1.19 Composition of Decision Ruling Cases – By Industry

Unit: %

Year	Total	Agriculture, Forestry, Fish-ing, Animal Husbandry, Mining & Quarrying	Manufacturing	Electricity & Gas Supply	Water Supply & Remediation Services	Construction	Wholesale & Retail Trade
		2006	100.00	9.72	9.14	-	-
2007	100.00	-	7.61	-	-	0.54	45.11
2008	100.00	0.59	8.28	-	-	-	46.15
Year	Transportation & Storage	Accommodation & Food Services	Information & Communication	Finance & Insurance	Real Estate	Professional, Scientific & Technical Services	Support Services
		2006	1.14	-	6.29	7.43	4.57
2007	0.54	1.63	9.78	21.20	8.15	-	2.17
2008	1.18	2.96	8.88	3.55	18.93	1.18	0.59
Year	Public Administration, Defense; Compulsory Social Security	Educational Services	Human Health & Social Welfare Services	Arts, Entertainment & Recreation	Other Services	others	
			2006	0.57			1.72
2007	-	0.54	1.09	0.54	-	1.09	
2008	-	1.78	1.18	1.18	2.96	0.59	

In 2008, by major division of the ROC Standard Industrial Classification (SIC), wholesale and retail trade ranked the top, accounting for 46.2% of total cases of decision ruling and 1 percentage point up from the preceding year. The next was real estate reported a share of 18.9%, 10.8 percentage point up from the preceding year. By division of various wholesale and retail trades, retail trade ranked the top, accounting for 40.8% of total cases of decision ruling (including nonstore retailing accounting for 31.4%). (Table 1.19)

Total of 239 firms were subject to the decision ruling for offending the Fair Trade Act in 2008, showing a decrease of 3 firms or 1.2% from the preceding year. A firm may involve in 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, 17 firms committed concerted action and impeding fair competition respectively ranked the top. Under the category of unfair trade practice, 132 firms committed false, untrue or misleading advertisement, 33 firms committed deceptive or obviously unfair conducts. 32 firms committed improper multi-level sales practices. (Table 1.20)

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

Unit: Firm

Year	Business Subject to Decision	Anti-competitive Practice						Impeding Fair Competition (Article 19)
		Monopoly (Article 10)	Mergers (Article 11)	Concerted Actions (Article 14)	Resale Price Maintenance (Article 18)			
2006	227	55	-	3	44	3	5	
2007	242	49	-	5	40	3	1	
2008	239	41	-	7	17	-	17	
Year	Unfair Trade Practice					Improper Multi-level Sales (Articles 23 & 23-1~23-4)	Others (Latter Part of Articles 41 & 43)	
		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)			
2006	155	-	111	2	46	18	-	
2007	160	1	112	-	50	30	6	
2008	162	1	132	-	33	32	4	

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 2008, 147 cases were ordered to stop illegal actions or take corrective measure, 3 case of them required by Article 13, 132 cases required by Article 41, and 12 cases required by Article 42 of the FTA. There were 164 cases imposed of administrative fines, including 3 cases under Article 40, 126 cases under the former part of the Article 41, 1 case under the latter part of the Article 41, 31 cases fined for improper multi-level sales according to paragraph 3, the Article 42, 3 cases under the Article 43 of the of FTA. The fines totaled NT\$ 303.25 million. (Table 1.21)

Table 1.21 Penalty under Decision Ruling by FTC

Unit: Case

Year	Cases of Decision	Ordered to Stop or Correct Action			Fined		
		Article 13	Article 41	Article 42	Article 40	Former Part of Article 41	Latter Part of Art. 41
2006	175	1	160	14	3	159	-
2007	184	4	150	19	4	147	2
2008	169	3	132	12	3	126	1
Year	Fined				Operation Suspended (Article 42)	Ordered to Close Business (Article 42)	
	Article 42			Article 43			
	Para. 1	Para. 2	Para. 3				
2006	-	6	15	-	-	-	
2007	-	11	26	4	-	-	
2008	-	-	31	3	-	-	

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

Only 6 decisions made by the Fair Trade Commission in 2008 were repealed by appeals or administrative proceedings. The cumulative number of decisions made by the FTC as of the end of 2008 totaled 3,001 cases. Of the total, 120 decisions were repealed or partially repealed, 2,901 decisions were sustained, accounted 96.7% of all decisions. By type of illegal actions repealed, 37 cases concerning with deceptive or obviously unfair conducts ranked top, 33 false, untrue or misleading advertisement cases came next. (Table 1.22)

Table 1.22 Decisions Repealed – By Type of Illegal Actions

Unit: Case

The year decisions made	Number of decisions repealed	Monopoly (Article 10)	Concerted Actions (Article 14)	Impeding Fair Competition (Article 19)	False, Untrue or Misleading Advertisement (Article 21)	Illegal Multi-level Marketing Practice (Art. 23, & 23-1~23-4)	Deceptive or Obviously Unfair Conducts (Article 24)
2006	1	-	-	-	1	-	-
2007	5	-	1	-	3	-	1
2008	6	-	-	1	3	1	1

Notes: 1. Number of decisions repealed includes decisions overruled and decisions partially repealed.

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

5. Appeals

The Fair Trade Commission has authority to impose administrative penalty on enterprises violating the Fair Trade Act. To protect the rights of the penalized enterprises, in accordance with the Appeal Act effective on July 2000, enterprises concerned can raise appeal to the Executive Yuan. There were 143 appeal cases in

2008, 148 cases were concluded, 116 of them were rejected, 14 the original decisions were repealed, 11 cases were not accepted, 5 case was original decision partially rejected, and 2 case was partially rejected and original decisions partially repealed.

From July 2000 to the end of 2008, the cumulative number of appeal cases reached 1,402. The number of appeal cases concluded was 1,357. Among them, 1,115 cases or 79.5% were raised in objection to decision, 218 cases or 15.5% were raised in objection to no-action decision. (Table 1.23)

Table 1.23 Results of Appeal

Unit: Case

Year	Case Received		Cases Concluded		
	Carried Over from Preceding Year	Received in Current Year	Total	Rejected	Original Decision Repealed
2006	42	174	153	141	3
2007	63	154	166	148	2
2008	50	143	148	116	14

Year	Cases Concluded					Case Pending
	Not Accepted	Withdrawn	Partially Rejected, Original Decision Partially Repealed	Partially Rejected, Partially Not Accepted	Original Decision Partially Repealed	
2006	9	-	-	-	-	63
2007	16	-	-	1	-	50
2008	11	-	2	-	5	45

From July 2000 to the end of 2008, a cumulative 555 cases of administrative petition raised to the High Administrative Court were closed. Sixty-three cases were rejected due to not in conformity with the law, and 387 cases were rejected due to unreason. For 49 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 1 cases, original decisions, decisions of appeal, and decisions of re-appeal were partially 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 partially repealed and other charges were rejected. Twenty-six cases were withdrawn. One hundred and nineteen administrative petitions raised to the Supreme Administrative Court were closed. Fifty-one cases were rejected due to not in conformity with the law, 116 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 43 cases, the original judgments were abolished and the cases were returned to the High Administrative Court for reviewing. For 5 cases, the original judgments were abolished and the Supreme Administrative Court made its own judgments. For 1 case, the partial original judgment was abolished and returned to the High Administrative Court, and partial re-appeal was rejected. And, 1 case was partially rejected and partially accepted.

6. Court Cases

According to the statistics of the Judicial Yuan, in 2008, the district criminal courts concluded 18 first trial Fair Trade Act cases, 50 defendants were involved. Divided by behaviors, there were 38 defendants suspected violating multi-level sales provisions, and 10 defendants charged violating the business disparagement article. According to the judgments, 32 defendants were judged guilty, including 30 set in prison, 2 imposed criminal fines. Among the 50 defendants, 8 were not accepted, 3 were wrong jurisdiction, 3 were withdrawn, 2 were found not guilty, 1 was free from charge, and 1 was listed as wanted. (table 1.24)

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

Unit: Defendant, Case

Year / Illegal Practices	Case Closed	Defendants			
		Total	Guilty	Not-guilty	Free from charge
2006	11	50	26	7	1
2007	9	29	23	1	2
2008	18	50	32	2	1
Business Disparagement	--	10	-	-	-
Illegal Multi-level Sales	--	38	31	2	1
Others	--	2	1	-	-
Year / Illegal Practices	Defendants				
	Not Accepted	Wrong Jurisdiction	Listed as Wanted	Withdrawn	Others
2006	8	-	-	8	-
2007	3	-	-	-	-
2008	8	3	1	3	-
Business Disparagement	7	-	-	3	-
Illegal Multi-level Sales	-	3	1	-	-
Others	1	-	-	-	-

Source : Statistics Department, Judicial Yuan

In 2008, the High Courts concluded 10 second-trial Fair Trade Act cases, 31 defendants were involved. 28 defendants charged violating the multi-level sales provisions rank top, and 2 defendants charged business disparagement provisions. According to the judgments, 30 defendants were judged guilty (including 26 set in prison, 3 imposed criminal fines, 1 taken into custody), and 1 withdrawn. (Table 1.25)

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

Unit: Defendant, Case

Year / Illegal Practices	Case Closed	Defendants			
		Total	Guilty	Not-guilty	Withdrawn
2006	6	16	8	3	5
2007	4	19	17	2	-
2008	10	31	30	-	1
Business Disparagement	--	2	2	-	-
Illegal Multi-level Sales	--	28	27	-	1
Others	--	1	1	-	-

Source : Statistics Department, Judicial Yuan

Regulation of Multi-level Sales Enterprises

1. Recordation

Enterprise engaged in multi-level sales is required by the Supervisory Regulations Governing Multi-level Sales to report to the Fair Trade Commission for recordation before commencing the business. In 2008, 124 enterprises completed the required recordation, and 448 enterprises withdrew their recordation. The cumulative number of enterprises reported to the FTC was 396 by the end of 2008, 324 enterprises or 45% less than that of 2007. (Table 2.1)

Year	Enterprises Recordation at End of Preceding Year	Enterprises Recordation in Current Year	Enterprises Withdrawing Recordation	Enterprises Recordation at End of Current Year
2006	735	186	217	704
2007	704	164	148	720
2008	720	124	448	396

By location, Taipei Municipality ranked the top, reported 164 enterprises or 41.4% of total recorded enterprises. Coming next was Taichung City reported 60 enterprises or a share of 15.2%, and Taipei County reported 44 enterprises or a share of 11.1%. These three cities accounted for 67.7% 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 2007, the number of firms in Taichung City decreased 101 ranked the top, and that in Taipei City decreased 71 came next. (Table 2.2)

Area	Number of Enterprises		Area	Number of Enterprises		Area	Number of Enterprises	
	2008	2007		2008	2007		2008	2007
Total	396	720						
Taipei City	164	235	Changhua County	2	8	Hualien County	2	8
Kaohsiung City	26	83	Nantou County	2	3	Penghu County	-	-
Taipei County	44	76	Yunlin County	1	3	Keelung City	2	4
Yilan County	3	3	Chiayi County	-	1	Hsinchu City	2	1
Taoyuan County	39	56	Tainan County	11	16	Taichung City	60	161
Hsinchu County	3	8	Kaohsiung County	8	7	Chiayi City	1	3
Miaoli County	2	3	Pingtung County	5	7	Tainan City	10	17
Taichung County	8	13	Taitung County	1	2	Outside the Border	-	2

2. Review of Operation

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

The FTC has conducted 51 times such review in 2008 in response to complaints or on its own schedule. Of the total, 40 times or 78.4% complied with the regulations while 8 times or 15.7% did not. By types of the enterprises failing to comply with regulations included: 2 firms violated the Fair Trade Act (25%), 2 firms failed to display required documents at place of business (25%), 1 firm failed to disclose adequate information to participants, 1 firm failed to report to the FTC regarding its changes of previous recordation (31.25%), 1 firm’s written contracts were different from their recordation, and 1 firms operated without reporting in advance. (Tables 2.3 and 2.4)

Table 2.3 Inspection of Multi-level Sales Enterprises

Unit: Enterprise

Year	Enterprises Inspected	Results of Inspection				
		Complying with Regulations	Not Complying with Regulations	Not in Operation	Operation Suspended	Location Unknown
2006	77	38	25	-	2	12
2007	64	31	16	4	3	10
2008	51	40	8	1	1	1

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

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

Unit: Enterprise

Year	Enterprises against Regulations	Causes for Violation		
		Failure to Disclose Adequate Information to Participants	Written Contract Inconsistent with Recordation	Procedure for Returning Products against Regulations
2006	25	-	3	7
2007	16	-	3	2
2008	8	1	1	-
Year	Failure to Display Relevant Documents at Place of Business	Causes for Violation		
		Violating Fair Trade Act	Operation without Reporting in Advance	Changes of Practicing without Reporting in Advance
2006	1	20	-	11
2007	2	12	1	5
2008	2	2	1	1

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 2008, the Fair Trade Commission set decision rulings for 32 multi-level sales practices, which showed an increase of 3 from the preceding year. Among 32 multi-level sales enterprises penalized, divided by provisions of violations, 31 cases violated the Supervisory Regulations Governing Multi-level Sales. Among them, 14 cases failed to report to the FTC regarding its changes of previous recordation violated Article 7 of the Regulation ranking the top, 8 cases violated Article 12 coming next, and then 7 cases violated Article 15 at the third place. Fines in 2008 totaled NT\$ 10.31 million. By the end of 2008, the cumulative cases of decision ruling reached 414, and the multi-level sales enterprises subject to such ruling totaled 456 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
2006	18	-	2	3	4	16
2007	29	1	1	4	6	26
2008	32	-	-	1	-	31

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 Violated

Unit: Case

Year	Cases of Decision	Article 5	Article 7	Article 8	Article 11	Article 12	Article 13	Article 14
2006	16	6	6	-	-	4	6	7
2007	26	4	11	-	1	10	4	4
2008	31	3	14	-	-	8	1	2
Year	Article 15	Article 16	Article 17	Article 18	Article 19	Article 20	Article 22	
2006	6	-	1	5	-	-	-	
2007	8	2	2	1	-	1	1	
2008	7	1	4	3	-	-	1	

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

Commissioners Meeting

1) Deliberation

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

In 2008, the FTC held 53 Commissioners Meetings, to review 618 submissions. The submissions included 296 discussions (47.9%) and 322 reports (52.1%). On the average, each time the Commissioners Meeting heard 11.7 submissions, including 5.6 discussions and 6.1 reports. In 2008 the number of submissions increased 127 submissions (25.9%) from the preceding year. (Table 3.1)

Table 3.1 Submissions to the Commissioners Meeting

Unit: Case, %

Year	Total		Report		Discussion	
	Case	% of Total	Case	% of Total	Case	% of Total
2006	600	100.00	244	40.67	356	59.33
2007	491	100.00	195	39.71	296	60.29
2008	618	100.00	322	52.10	296	47.90

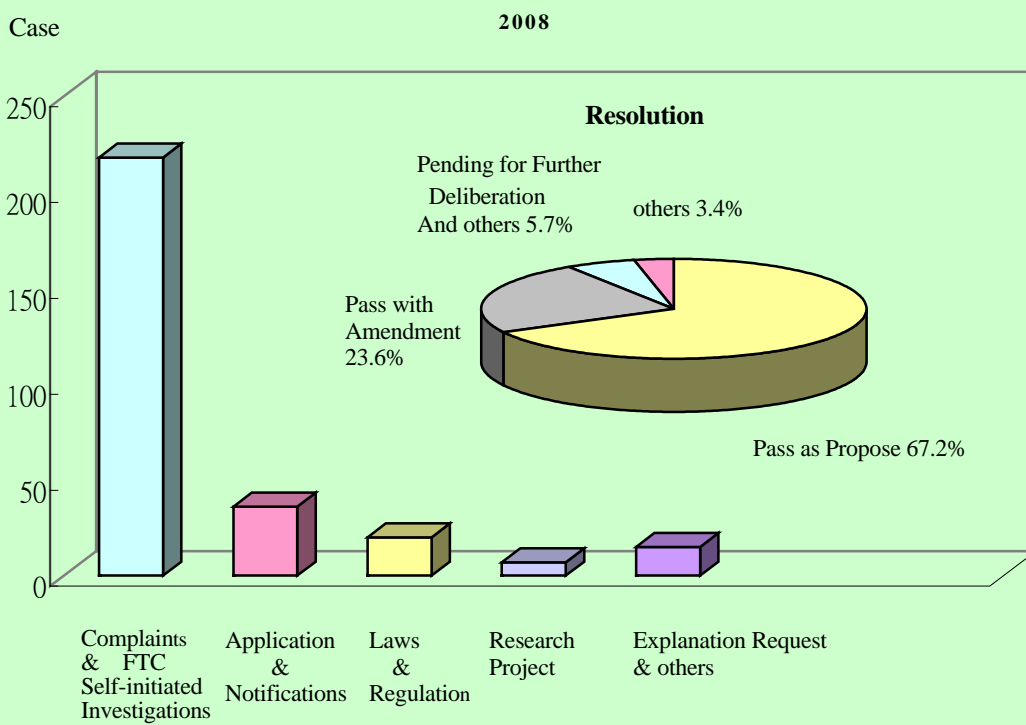
The 296 discussions reviewed in 2008 included 218 complaints and self-initiated investigation cases, 36 applications & notifications, 20 draft amendments of laws and regulations, 1 request of explanation of laws, 1 project proposals, 7 research projects, and 13 other issues. Results of the deliberation showed that of total review cases, 199 cases or 67.2% were passed as proposed, 70 cases or 23.6% were passed with amendments, 17 cases or 5.7% pending for further deliberation, and 10 cases or 3.4% with other results. (Table 3.2 and Chart 3.1)

Table 3.2 Discussions by Type

Unit: Case;%

Year	Total	Laws & Regulations	Project Proposals	Complaints & Self-initiated Investigations	Applications & Notifications	Requests for Explanation	Research Projects	Others
2006	356	41	-	248	38	1	13	15
2007	296	22	-	220	39	1	6	8
2008	296	20	1	218	36	1	7	13
Year	Ratio							
2006	100.00	11.52	-	69.66	10.68	0.28	3.65	4.21
2007	100.00	7.43	-	74.32	13.18	0.34	2.03	2.70
2008	100.00	6.76	0.34	73.65	12.16	0.34	2.36	4.39

Chart 3.1 Deliberation on Discussions



2) Meeting Time

On the average, each Commissioners Meeting in 2008 spent 2 hours, showing a decrease of 26 minutes from 2007. By time used per meeting, less than 2 hours ranked the top, accounted for 52.8%. The followings were 2-3 hours for 30.2%. (Table 3.3)

Table 3.3 Time Spent by FTC Commissioners Meeting

Time	2008		2007		1992~2008	
	No. of Meeting	% of Total	No. of Meeting	% of Total	No. of Meeting	% of Total
Total	53	100.00	52	100.00	898	100.00
Less than 2 hours	28	52.83	20	38.46	115	12.81
2 – 3 hours	16	30.19	15	28.85	178	19.82
3 – 4 hours	8	15.09	14	26.92	323	35.97
4 – 5 hours	1	1.89	3	5.77	198	22.05
5 – 6 hours	-	-	-	-	50	5.57
more than 6 hours	-	-	-	-	34	3.79

Consulting Services and Policy Implementation

1. Consulting Services

1) Service Center

Both the Fair Trade Commission and its south Taiwan branch set up service centers to provide enterprises and the general public with consulting services, answer questions concerning the Fair Trade Act and administrative projects. Services provided by the centers, according to the operation guidelines, can be classified into four categories: (1) explanation of the Fair Trade Act; (2) provision of educational materials; (3) explanation of application procedures; and (4) handling comments and input from public. The aforementioned services totaled 12,208 cases in 2008, 10% down from the preceding year. The services provided were mainly for explaining the Fair Trade Act and relevant regulations. (Table 4.1)

Table 4.1 Service Provided by FTC Service Center

Unit: Case					
Year	Total	Explanation of Fair Trade Act	Provision of Educational Materials	Explanation of Application Procedures	Handling Comments and Input from Public
2006	14,074	12,466	576	500	532
2007	13,570	11,912	576	491	591
2008	12,208	10,698	519	373	618

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 2008 were 1,286 cases, included 164 cases in providing forms and information, 146 cases in referring information, 120 cases in facilitating educational programs, 90 cases in collecting evidences, 48 cases in verifying matters, 30 cases in collecting industrial data, 24 cases in statistical matters, 524 cases for general surveying multi-level sales businesses, and 140 other matters. (Table 4.2)

Table 4.2 Supporting Activities of Local Governments

2008						Unit: Case
Agencies	Total	Providing Forms & Data	Referring Cases	Conducting Educational Program	Collecting Evidence	
Total	1,286	164	146	120	90	
Taipei Municipal Gov't	223	9	16	1	5	
Kaohsiung Municipal Gov't	118	50	7	2	1	
Twenty-one County/City	931	105	120	109	81	
Kingmen County Gov't	13	-	3	7	3	
Lien-chiang County Gov't	1	-	-	1	-	
Agencies	Verify Matters	Collecting Industrial Data	Statistics matters	General Survey of Multi-Level	Others	
Total	48	30	24	524	140	
Taipei Municipal Gov't	-	-	1	191	-	
Kaohsiung Municipal Gov't	7	-	-	61	-	
Twenty-one County/City	41	30	23	282	140	
Kingmen County Gov't	-	-	-	-	-	
Lien-chiang 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. Achievements of the CPIRC in 2007 were as follows:

1. Collection and maintenance of competition policy information, provision of professional consultant services: collecting competition policy data, including more than 20,000 volumes of books, more than 100 periodicals, Westlaw laser diskette database, and updating monthly the competition law newspaper clipping system and the APEC Competition Policy and Law Database which consists of data of the 21 APEC members.
2. Building of competition policy research environment to facilitate professional research: Holding "The 16th Seminar on Competition Policy and Fair Trade Act" on December 2, 2008, in which 7 papers presented and 243 persons attended.
3. Provision of competition policy training services to promote competition policy concepts: (1) Inviting experts and scholars majoring in competition law to give lectures. In 2008 there were 12 lectures with

more than 500 attendees. (2) Holding the Fair Trade Act Training Program for universities and colleges students, there were 171 attendees in 2008.

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, 2007”, the proceedings of “The 15th Seminar on Competition Policy and Fair Trade Act”. The publications were provided to libraries of universities, colleges, and research institutions domestic and overseas.

2. Public Education and Issuing Guidelines

1) Public Education and Training

To help the business community in general to understand the Fair Trade Act, the FTC has actively engaged in publicity works and designed tailor-made contents for the business in general, sector-specific practitioners, and young students. In 2008 there were 122 seminars, including 63 seminars held by the FTC, 23 seminars by the contracted local governments, and 36 seminars supported by the FTC lecturers. (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
2006	117	58	22	-	37
2007	104	48	20	-	36
2008	122	63	23	-	36

2) Issuing Guidelines

To enhance the transparency and effectiveness of the enforcement work, the Fair Trade Commission has been issuing guidelines in line with its own enforcement experiences, international trend of competition laws development, and legislation and enforcement of various countries. In 2008 the FTC issued and revised guidelines as follows:

1. Revised the “Regulatory Note on Trading Practices of Pre-sold Housing Industry by the Fair Trade Commission.”

2. Revised the “Regulatory Note on the Joint-selling System between the Real-estate Brokers and Sales Agents by the Fair Trade Commission.”
3. Revised the “Regulatory Note on the Real-estate Brokers and Sales Agents by the Fair Trade Commission.”
4. Issued the “Guidelines on Mergers and Concerted Actions between Domestic Civil Aviation Enterprises by the Fair Trade Commission.”
5. Issued the “Guidelines on Cases concerning Sales and Maintenance Services of Elevators by the Fair Trade Commission.”
6. Abolished the “Guidelines on Unconditional Endorsement and Transfer of Ticket Vouchers between Airline Companies by the Fair Trade Commission.”
7. Abolished the “Guidelines on Mergers between Domestic Civil Aviation Enterprises by the Fair Trade Commission.”

3. Revision of the Fair Trade Act

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

- (1) revising the definition of enterprise (amendment Article 2), and abolishing all provisions regarding the multi-level sales in the view of drafting the Multi-level Sales Management Act;
- (2) revising the criteria for defining monopolistic enterprise (amendment Article 8);
- (3) adding the definition of relevant market (amendment Article 5);
- (4) adding the criteria for exemption of concerted actions (amendment Article 15);
- (5) adding the legal consequence of violating condition of approval for concerted action (amendment Article 17);
- (6) defining the effect of resale price maintenance (amendment Article 18);
- (7) abolishing the provision on unfair competition by acquiring trade secret (amendment Article 20);
- (8) abolishing the current Article 20 on trade mark protection;
- (9) revising the scope of handling untrue advertisement (amendment Article 21);
- (10) adding the FTC’s power to search and seize when investigating anti-competitive practice (amendment Article 26);

- (11) adding the FTC's power to request result of statistical survey conducted by other government agency (amendment Article 27);
- (12) expanding the limits of accessing files by parties for the administrative proceedings purpose (amendment Article 28);
- (13) adding the leniency program for concerted action (amendment Article 42);
- (14) revising the punishments for violating provisions of merger control, anti-competition, unfair competition and obligation of cooperation with investigation (amendment Article 40, 41, 43, 44);
- (15) adding the remedy procedures and making the Appeal Act not applicable to the FTA case (amendment Article 48).

4. Enhancing International Cooperation

1) Developing Bilateral Co-operation Relationships with Other Competition Authorities

Following the pace of globalization of economy, there is a trend of cross-border anticompetitive and unfair trade practices. In response, the FTC actively seeks opportunities to cooperate with foreign competition authorities, and intensively interact with counterparts that have co-operation arrangement with the FTC. In addition to mutual visits by senior officials, the visits by and exchange of working level staff are also held on periodical basis to enhance enforcement. In 2008, the Chairman of the FTC led a delegate to visit the Antitrust Division, the Department of Justice, and the Federal Trade Commission of the US to hold bilateral meetings. The Commissioner of the Canadian Competition Bureau visited the FTC to have a bilateral talk. The Chairman of the Office for the Protection of Competition of the Czech Republic visited the FTC to give a lecture and share experiences. The FTC then conducted a staff exchange program with the Australian Competition and Consumer Commission. The FTC also invited the author of the OECD Competition Toolkit to attend the 2008 OECD Competition Toolkit Expert Meeting, to enhance mutual understanding and long-term friendship between competition authorities.

2) Building Partnership with the International Organizations

To exchange enforcement experience with the OECD countries and to learn from each other can facilitate the FTC to internalize the international trend of competition law. In 2008, the FTC kept attending international meetings on competition held by the OECD, ICN, and APEC, as well as international forums on competition held by Thailand, Korea, and the Indonesia. In addition, the Chairman of the FTC attended the 7th Annual Conference of the ICN and the 4th East Asia Top Level Officials' Meeting on Competition Policy in Kyoto, Japan. The FTC also attended the Seminar on Sharing Experiences in APEC Economies on

Relations between Competition Authorities and Regulatory Bodies and the 4th APEC Training Program on Competition Policy in Bali, the Indonesia, and the Meeting of the APEC Competition Policy and Deregulation Group and APEC Seminar on Best Practices in Regulation and Promotion of Efficiency in Transport Infrastructure Facilities in Lima, Peru. The FTC also attended three OECD Competition Committee meetings in February, June, and October. These participations helped building partnership between the FTC and competition authorities around the world, as well as enhancing visibility of the FTC.

3) Competition Law Technical Assistance

The FTC has been providing technical assistances to developing countries in the neighboring region or with close trade relationship. In 2008, the FTC provided technical assistances to Mongolia, the Indonesia, and Thailand through seminars, internships, visit studies, and lecturers. In addition, the FTC and the OECD jointly held a seminar on Competition Issues in Retail Sector in Bangkok, Thailand. Commissioner Dr. Hsieh and lecturers from the OECD, the Britain, Australia, Japan and Korea provided experiences to attendees from Hong Kong, the Indonesia, Malaysia, Mongolia, Pakistan, the Philippines, Singapore, Thailand, and Vietnam. The technical assistance programs signified the major role of the FTC in this region.