NO 060

TAIWAN FTC NEWSLETTER

2014.12

Hi-Life in Violation of Fair Trade Act for Failing to Fully Disclose Important Franchise Information

The FTC decided at the 1188th Commissioners' Meeting on Aug. 13, 2014 that Hi-Life International Co., Ltd. (hereinafter referred to as Hi-Life) had violated Article 24 of the Fair Trade Act for failing to fully disclose to trading counterparts important franchise information in writing before franchise contract signature. The FTC imposed an administrative fine of NT$500,000 on the company.

During its franchisee recruitment, Hi-Life did not fully disclose important franchise information such as the content and validity of trademark rights, the number of members of the same franchise system in all counties/cities and the ratios of contract cancellation and termination in the previous year. As the aforesaid information was closely related to the use of trademark rights, brand growth potential and stability, the franchise system scale, market changes, and the expected business performance of franchisees, etc., it was a major concern of parties interested in joining the franchise and also what they needed in order to assess whether to sign the contract or choose a different franchiser.

Being the side with information advantages, Hi-Life did not fully disclose in writing the aforementioned trading information and made it impossible for the trading counterpart to make the correct trading decision. The conduct was obviously unfair to the trading party or potential trading counterparts and also likely to cause competitors to lose their opportunities to establish contracts with such trading counterparts. It was able to affect trading order and therefore in violation of Article 24 of the Fair Trade Act.

The FTC would like to remind franchisers to fulfill their corporate responsibility and fully disclose important franchise information as stipulated in the Fair Trade Act and the FTC Disposal Directions (Policy Statements) on the Business Practices of Franchisers.

Non-Prohibition of Merger – FISC, NCCC and TWNCH

The FTC decided at the 1182nd Commissioners' Meeting on Jul. 2, 2014 that the merger of Financial Information Service Co., Ltd. (FISC), the National Credit Card Center (NCCC) and the Taiwan Clearing House (TWNCH) would not result in any significant lessening of competition in the relevant market and there was no need to prohibit the merger as set forth in Article 12 (1) of the Fair Trade Act. However, to ensure that the overall economic benefit would be greater than the likely disadvantages from competition restrictions thereof incurred, the FTC acted according to Article 12 (2) and attached three conditions.

FISC, NCCC and TWNCH (hereinafter referred to as the merging enterprises) intended to invest jointly to set up Taiwan Mobile Payment Co., Ltd. (hereinafter referred to as the new enterprise) to manage a payment service provider trusted service manager (PSP TSM) platform. As the condition met the description "where an enterprise operates jointly with another enterprise" set forth in Subparagraph 4 of Paragraph 1 of Article 6 of the Fair Trade Act, while each of the merging enterprises also accounted for over one quarter of the share of the market to which it belonged and reached the merger notification filing threshold, they therefore filed a merger notification with the FTC.

The new enterprise would operate the PSP TSM platform, whereas the merging enterprises would respectively continue to engage in interbank payment, credit card transaction processing and exchange clearing. There would be no horizontal overlaps. Meanwhile, as the merging enterprises would not provide the trusted service manager platform (hereinafter referred to as the TSM platform) with any secure elements required for its operation, there was no vertical relationship between the merging enterprises and the new enterprise. Hence, it was a conglomerate merger.

The FTC evaluated the case and concluded that the number of businesses operating in the TSM market after the new enterprise was created would increase from three to four. The new enterprise would be competing with existing operators in service content, quality and price as well as holding the other platform operators in check and keeping any of them from monopolizing the market so that the interests of consumers would thus be safeguarded. However, the FTC also took into consideration that the merging enterprises all accounted for a rather significant percentage of the share of the market to which they belonged. If the new enterprise restricted its members from using the service of other TSM platforms and any of the merging enterprises demanded that its trading counterparts join the PSP TSM platform operated by the new enterprise or use its service, it could lessen competition in the TSM platform market and create competition restrictions.

To ensure that the overall economic benefit of the merger would be greater than the likely disadvantages from the competition restrictions thereof incurred and that the new enterprise and the merging enterprises would perform in accordance with the conditions attached after the merger, the FTC therefore decided not to prohibit the merger with the following conditions attached: 1. The new enterprise may not restrict any of its service providers from joining other TSM platforms or using the service of other TSM platforms. 2. The merging enterprises may not demand that their trading counterparts join the TSM platform operated by the new enterprise or use its service. 3. Before starting operation, the new enterprise shall provide the FTC with templates of contracts and related documents to be signed with service providers and also present the following to the FTC before the end of March each year for the five years after it is set up: the list of shareholders, the sales of the previous year, the number and names of service providers it works with, and new business items not listed in the merger application.

Non-Prohibition of Merger between US-based Kraton and LCY

The FTC decided at the 1180th Commissioners' meeting on Jun. 18, 2014 that the overall economic benefit from the merger between US-based Kraton Performance Polymers Inc. (hereinafter referred to as Kraton) and LCY Chemical Corporation (hereinafter referred to as LCY) would outweigh likely disadvantages derived from the competition restrictions thereof incurred and therefore did not prohibit the merger.

LCY intended to acquire 50% of the shares of Kraton indirectly through one of its wholly-owned subsidiaries. The condition complied with the merger type described in Subparagraph 2 of Paragraph 1 of Article 6 of the Fair Trade Act. Meanwhile, Kraton and LCY together already accounted for over one third of the domestic styrenic block copo1ymers (SBC) market in 2013, whereas LCY alone also claimed more than one quarter of the domestic isopropyl alcohol market in the same year, both respectively meeting the merger notification filing thresholds set forth in Subparagraphs 1 and 2 of Paragraph 1 of Article 11 of the Fair Trade Act and the exemption regulation in Article 11-1 did not apply. Hence, the two companies were required to file a merger notification with the FTC.

The relevant market to be affected by the merger would be the SBC market and it was therefore a horizontal merger. After the merger, the merging parties together would claim the largest proportion of the SBC market share and become the biggest SBC business. However, in addition to the two merging parties, there were three other enterprises engaging in SBC production and sales in the domestic market, whereas foreign businesses could also import SBC to supply downstream businesses in the country. In other words, the merging parties would still face competition from businesses in and outside the country. Furthermore, there existed no special regulations or restrictions on the industry in the country and the acquisition of patent licensing for manufacturing related products was also not needed. Neither were there any tariff or non-tariff trade barriers for SBC imports. Therefore, potential competitors could either produce or import the product from overseas and there were no significant barriers to market entry.

The findings from the FTC's investigation indicated that most downstream SBC users did not think there would be any difficulty in switching to new trading counterparts. Besides, the merging parties would still face competition from businesses in and outside the country and it would not be easy for them to raise SBC prices at whim after the merger. This meant that their trading counterparts or potential trading counterparts would still have the capacity to keep the merging parties from increasing product prices and there would be no negative impact on either upstream or downstream trading counterparts. Therefore, in considering that the overall economic advantage from the merger would be greater than the likely disadvantages from the competition restrictions thereof incurred, the FTC acted according to Paragraph 12 (1) of the Fair Trade Act and did not prohibit the merger.

Chang Xing Long in Violation of Fair Trade Act for Sending Legal Attest Letter against Patent Infringement

The FTC decided at the 1189th Commissioners' Meeting on Aug. 20, 2014 that Chang Xing Long Packing Co., Ltd. (hereinafter referred to as Chang Xing Long) had violated Article 24 of the Fair Trade Act for sending a legal attest letter against patent infringement and its allegation of having been awarded the corresponding patent had been a deceptive practice able to affect trading order. Acting according to Article 41 (1) of the same act, the FTC ordered the company to cease the aforesaid unlawful acts and also imposed on it an administrative fine of NT$50,000.

In early September 2013, Chang Xing Long discovered that the cardboard boxes used by Fu Guo International Co., Ltd. (hereinafter referred to as Fu Guo) to sell apples in Costco Wholesale Corporation (hereinafter referred to as Costco) were not products from Chang Xing Long and the company therefore decided the design of the cardboard boxes had infringed its new patent. However, instead of sending the legal attest letter against the alleged infringement to Fu Guo whose name was printed on the boxes, the company sent it to Costco which was only selling the apples without purchasing the boxes. On top of that, Chang Xing Long also claimed in the legal attest letter that it had been awarded the patent by the Intellectual Property Office of the Ministry of Economic Affairs. The practice misled the recipient of the letter and was inconsistent with business ethics.

Chang Xing Long spared Fu Guo intentionally and chose to send the legal attest letter to Costco. At the same time, it falsely claimed the patent had passed technological tests. It was a use of misleading information to conceal important facts. The practice was deceptive conduct likely to affect trading order and therefore in violation of Article 24 of the Fair Trade Act.

JLY Construction in Violation of Fair Trade Act for False Adverting

The FTC decided at the 1186th Commissioners' Meeting on Jul. 30, 2014 that Jin Liang Yi Construction Co., Ltd. (hereinafter referred to as JLY Construction) had violated Article 21 (1) of the Fair Trade Act for marking the balconies as part of the interior space in its advertisement for the "Hong Fu " housing project. It was a false, untrue and misleading representation with regard to use and content of product. The FTC therefore ordered the company to cease the unlawful act immediately after receiving the disposition and also imposed on it an administrative fine of NT$100,000.

The use of buildings described in home sales advertisements is an important consideration when consumers decide whether they will make the purchase. Normally, consumers only know they may use the homes they purchase as indicated in the advertisements. They are unaware if the use advertised is in violation of building regulations and there is the risk of being ordered by the competent authority to dismantle, rebuild, stop using or restore to the original condition sections of the homes they have purchased. In the advertisement for the "Hong Fu" housing project, the balconies in Building B were marked as part of the living room in the layout whereas the location and size of the balconies were not indicated. This gave consumers the overall impression that the living room space was just as indicated and they could use it accordingly.

JLY Construction contested that the dotted lines marking the living room space in the layout were only schematic and consumers could determine whether they would have second engineering conducted. However, whether changing balconies into the interior space is in violation of building regulations and the level of illegality involved would call for the interpretation of related building regulations and recognition; it was not something that ordinary consumers without professional knowledge could decide just based on the advertisements they saw. JLY Construction further alleged that it had explained this issue in detail to consumers at the sales location and the floor plan in the contract also clearly indicated that the space in question referred to balconies; nothing inappropriate had been done to entice consumers to make purchases when the advertisement was distributed and the advertisement had not created any unfair competition against law-abiding builders. Meanwhile, Taichung City Government confirmed that the permit for Building B in the "Hong Fu" housing project had indeed included balcony space on each floor. If there were any illegal changes, they had to be dealt with according to building regulations, meaning that if any illegal construction was carried out after the acquisition of the building license, such as the outward extension of balconies, there would be the risk of having such illegally constructed sections dismantled by the building authority. In other words, there had been a rather large gap between the content of the advertisement and what the general consumers could perceive and the gap had exceeded what the public could tolerate, while it could also lead to wrong perceptions or decisions by consumers. Therefore, the false, untrue and misleading representation with regard to use and content of product by JLY Construction had violated Article 21 (1) of the Fair Trade Act.

Xiaomi Taiwan in Violation of Fair Trade Act for False Adverting

The FTC decided at the 1186th Commissioners' Meeting on Jul. 30, 2014 that Xiaomi Communications Co., Ltd. Taiwan (hereinafter referred to as Xiaomi Taiwan) had made a false, untrue and misleading representation with regard to quantity of product during the three online sales promotion activities for Hongmi cell phones respective on Dec. 9, 16 and 23.2013 The conduct was in violation of Article 21 (1) of the Fair Trade Act and the FTC imposed an administrative fine of NT$600,000 on the company.

Xiaomi Taiwan posted advertisements containing the wording "First round: 10,000 phones available," "Second round: 10,000 phones available" and "Third round: 8,000 phones available" while after each sales promotion the company respectively posted "Hongmi cell phones sold out in 9 minutes and 50 seconds," "Hongmi cell phones sold out in 1 minute and 8 seconds" and "Hongmi cell phones sold out in 25 seconds" which gave concerned trading counterparts and the general public the impression that consumers had competed to buy the 10,000, 10,000 and 8,000 phones being sold as advertised and they had been sold out within the durations as claimed by the company. However, the investigation showed that the numbers of cell phones put up for sale during the alleged periods had been 9,339 (Dec. 9), 9,492 (Dec. 16) and 7,389 (Dec. 23). Apparently, certain numbers of phones had not been made available before the end of the sales activities held at the said time points. The practice was inconsistent with the advertisements. Another investigation revealed that Xiaomi Taiwan had imported only 10,000 Hongmi cell phones before Dec. 9, 2013 when the first promotional activity took place. Yet, the company issued 1,750 F codes to allow that many consumers to enter the website and purchase the cell phone without competing with other consumers. As a consequence, the number of cell phones was not sufficient during the first promotional activity. Not only were the actual number of cell phones available and the number of people acquiring the status to compete to purchase cell phones inconsistent, but Xiaomi Taiwan was also unable to stop accepting consumers' orders when the cell phones that had been made available were sold out. Furthermore, the company had to reserve enough cell phones for people with the F codes to keep its promise. As some cell phones were kept for people with the F codes, some of those waiting in line were deprived of their opportunity to purchase a phone, and, in the end, the number of cell phones available was less than what was advertised. In other words, the advertisement had led to misconceptions and decisions in consumers. Therefore, the advertiser's failure to fulfill its obligation and responsibility of telling consumers the correct number of cell phones available had violated Article 21 (1) of the Fair Trade Act.

Enactment of the Regulations for the Establishment and Administration of the Multi-level Marketing Protection Institution

The promulgation and enforcement of the Multi-level Marketing Supervision Act on Jan. 29, 2014 officially placed multi-level marketing under the regulation of a special law. According to Article 38 of the Act, the FTC enacted and announced the Regulations for the Establishment and Administration of the Multi-level Marketing Protection Institution on May 19, 2014 to provide the legal basis for the establishment and administration of the Multi-Level Marketing Protection Institution.

To perfect multi-level marketing administration regulations as well as tighten the control and supervision of multi-level marketing businesses, the FTC made many efforts over the years to complete the draft of the Multi-level Marketing Supervision Act and it was finally legislated, promulgated and entered into force at the beginning of this year. Besides the higher legal status given to the provisions in the old Supervisory Regulations Governing Multi-level Sales that had been enacted in accordance with the Fair Trade Act, the most important change was the creation of the Multi-level Marketing Protection Institution (hereinafter referred to as the Protection Institution) to handle civil disputes between multi-level marketing businesses and participants. The Regulations for the Establishment and Administration of the Multi-level Marketing Protection Institution (hereinafter referred to as the Regulations) promulgated on May 19, 2014 include 36 articles divided into 5 chapters. The key points are as follows:

1. The Protection Institution is defined as an incorporated foundation and its duties clearly specified (Articles 2~3):

As large numbers of multi-level businesses and participants were expected to join the Protection Institution, holding general assembly meetings would be rather difficult if the institution was defined as a juridical association and, consequently, it would be disadvantageous to the operation of the Protection Institution. Due to this consideration, it was defined as an incorporated foundation with the duties of 1) mediating civil disputes between multi-level marketing businesses and participants, 2) helping participants file the lawsuits specified in Article 30 of the Regulations, 3) paying damage compensation for participants in advance and recovering it from multi-level marketing businesses held liable for such compensation, 4) managing and utilizing the protection fund set up with contributions from multi-level marketing businesses and participants, the annual fees and the interest accrued, 5) improving the knowledge of multi-level marketing businesses and participants about multi-level marketing regulations, 6) organizing training activities, and 7) providing counseling service with regard to multi-level marketing regulations.

2.The organizational design of the Protection Institution (Articles 8~19):

The highest decision-making body of the Protection Institution is the board of directors. It is composed of 9 members that include representatives of multi-level businesses, participants and the FTC as well as specialists and scholars. There are also 1 to 3 supervisors to be appointed by the FTC from among scholars, specialists and individuals considered just and impartial to oversee the operations and finance of the Protection Institution and the execution of duties by the board of directors. In addition, a mediation committee is also to be created to handle disputes between multi-level marketing businesses and participants. The committee will have 11 to 21 members, with one of them being the chair. The board of directors is to nominate candidates from among

scholars, specialists and just and impartial individuals with related professional backgrounds and they are appointed after the FTC gives its approval. To ensure that the Protection Institution conforms to the public interest and wins the trust of the public, causes for the dismissal of directors, supervisors and mediation committee members are specified in Article 16 of the Regulations while situations where recusal and non-action are required of directors, supervisors, mediation committee members and the staff members to avoid conflicts of interest are defined in Articles 17 and 18.

3.Collection, management and utilization of the protection fund contributions and annual fees from multi-level marketing businesses and participants (Articles 21~25):

The protection fund will mainly be used to pay for damage compensation, assist participants in lawsuits and support the institution in the first year. The annual fees are to cover the expenses for the Protection Institution's administration work. In order to stabilize the scale of the fund so that the objectives and operation of the Protection Institution can be maintained, the criteria of protection fund contributions and annual fees have been determined after reference was made to the scales of industry and funds of other protection institutions and their expenditure levels, while the size of the domestic multi-level marketing industry, the numbers of multi-level marketing businesses in the country in 2012 and 2013, their annual sales, the safe bottom lines of total damage compensation to be paid, legal assistance to be provided, the operating costs of the institution, and the financial burden of multi-level marketing businesses and participants were also taken into account.

Since tax records can provide objective information on the annual sales of multi-level marketing businesses, the rates of protection fund contributions and annual fees from multi-level marketing businesses are to be calculated in accordance with their annual sales. In the meantime, as the trouble for multi-level marketing businesses and the Protection Institution's assessment work would increase if rate differences had to be made up repeatedly as a result of annual sales fluctuations, it was decided that the rates of protection fund contributions would be classified according to the magnitude of annual sales and a different mark-up would be required only when the annual sales increased to the next bracket. Upper limits were also defined to prevent multi-level marketing businesses from becoming overburdened. As for annual fees, upper limits and rate classification were also adopted based on the same consideration.

The payment of protection fund contributions and annual fees by multi-level marketing businesses is compulsory. Multi-level marketing businesses failing to pay them as regulated may not request the Protection Institution's protection and will also be sanctioned for violation of Paragraph 1 of Article 32 of the Multi-level Marketing Supervision Act. The sales of multi-level marketing businesses in the previous fiscal year are applied as the basis of the protection fund contribution's calculation. There are 8 brackets and the contributions range from 50,000 to 4 million NT dollars (the same currency applies hereinafter). In principle, the protection fund contribution is paid only once. However, when the sales of a multi-level marketing business increase to the next bracket, the difference has to be made up. The annual fees of multi-level marketing businesses are also calculated according to the sales in the previous fiscal year. There are 10 brackets and the fees range between 10,000 and 100,000.

Payment of protection fund contributions and annual fees by participants is not compulsory, but those failing to pay the contribution or annual fee may not request that the Protection Institution provide protection. The protection fund contribution is 100 for each participant and it is also paid once only. As for the annual fee rate, the FTC will announce it before the end of January each year after assessing the scale of the fund. Participants affiliated to two or more

multi-level marketing businesses only need to pay one fund contribution and one annual fee.

To manage and utilize the protection fund and annual fees, the Protection Institution is required to open an account in a financial institution designated by the FTC to facilitate income and expenditure control. Meanwhile, to make it easier for the FTC to supervise the Protection Institution's finances, it is specified that the Protection Institution has to present its accounting system as well as budget and final accounts to the FTC for reference.

4. The operations of the Protection Institution (Articles 26~31):

The core duties of the Protection Institution include mediating civil disputes between multi-level marketing businesses and participants, helping participants file the lawsuits specified in Article 30 of the Regulations, and paying damage compensation for participants in advance and recovering it from multi-level marketing businesses held liable for such compensation. To prevent participants from paying contributions and annual fees only when disputes occur and thus jeopardizing the operation of the Protection Institution, the conditions for the Protection Institution to accept requests for dispute mediation are specified in Article 27 of the Regulations.

The objective of mediation is that the concerned parties can reach agreement so that litigation expenses can be avoided. This is by no means deprivation of the right of concerned parties to file civil lawsuits. Hence, the conditions in which mediation is considered successful and unsuccessful are prescribed in Paragraphs 1 and 3 of Article 29 of the Regulations. When mediation is successful and the multi-level marketing business is held responsible for compensation but fails to pay the compensation within 30 days, the Protection Institution will pay the compensation in advance. This mechanism prescribed in Paragraph 2 of the same article is particularly designed to guard the interests of participants. The Protection Institution will then recover the compensation from the multi-level marketing business responsible.

When mediation is unsuccessful, participants can often only seek remedies by filing civil lawsuits. To help participants with such lawsuits, the provisions in Article 50 of the Consumer Protection Law are adopted in Paragraph 1 of Article 30 of the Regulations. It is stipulated that when the same cause or incident results in damage to over 20 participants or the compensation requested reaches more than 1 million and the mediation is unsuccessful but the Protection Institution has confirmed that the multi-level marketing business concerned is to be held liable for compensation, such participants may request that the Protection Institution pay for the litigation expenses and attorney's fees within a certain amount.

However, it must be noted that upper limits for the damage compensation payments described in Paragraph 2 of Article 29 and the litigation expense payments described in Paragraph 1 of Article 30 will be specified so that the fund can be stabilized and harm to the Protection Institution's management can be prevented. The board of directors is to determine these upper limits in accordance with the scale and management of the fund and present them to the FTC for approval before they can be implemented. The same procedure applies when changes are made.

Conclusion

The establishment of the Protection Institution is the first of its kind. Its legal basis, objectives, operations and management are different from those of trade unions or business associations. The enactment and promulgation of the Regulations provides the legal basis for the establishment and administration of the Protection Institution. Once the institution is set up, besides serving as a channel for the mediation of disputes between multi-level businesses and participants, it is also expected to help shape a healthy and decent image of the multi-level marketing industry.

Statistics on Cases in Which Administrative Fines Were Imposed

The FTC announced the amendment of “increase of administrative fines for specific conduct” (Article 41 of the Fair Trade Act) on Nov. 23, 2011 and also enacted the Regulations for Calculation of Administrative Fines for Serious Violations of Articles 10 and 14 of the Fair Trade Act (hereinafter referred to as the Regulations for Fine Calculation for Serious Violations) on Apr. 5, 2012 to deter violations that could have a serious impact on market order.

Statistics show that the FTC closed 110 cases between January and September this year (2014). Investigations were launched in 65 of these cases after the FTC received complaints and the FTC initiated ex officio investigations in the other 45 cases (Fig. 1). 114 dispositions were issued and 167 businesses were sanctioned. The administrative fines sustained, after subtracting the ones totally or partially revoked, amounted to NT$6,132.21 million (including the NT$6,007 million imposed according to Article 41 of the Fair Trade Act and the “Regulations for Fine Calculation for Serious Violations” on the nine independent power producers involved in the Taiwan Power Company power purchase case.)

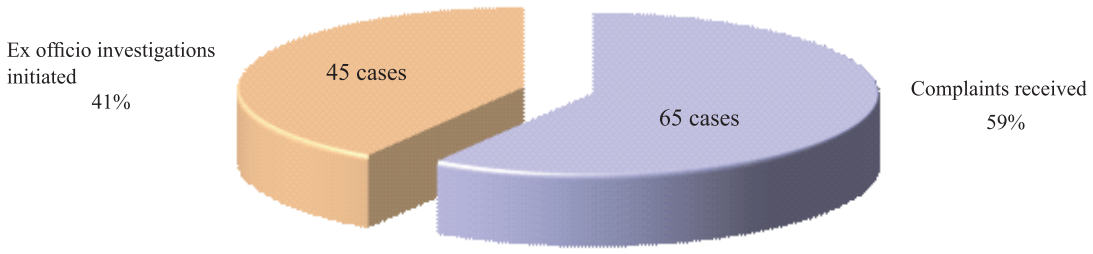

Fig. 1 Cases the FTC Processed between Jan. and Sep. 2014 − by Case Type

From 1992 when the FTC was created until the end of September this year, the sustained administrative fines totaled NT$8,928.51 million. When classified by type of illegal conduct, NT$7,456.78 million was imposed for competition restriction practices, averaging at NT$5.02 million per offender (NT$0.98 million per offender if excluding the nine independent power producers involved in the Taiwan Power Company power purchase case), NT$970.53 million for unfair competition practices, NT$0.27 million per offender; and NT$412.39 million for illegal multi-level marketing practices (including NT$2.35 million for violations of the Multi-level Marketing Supervision Act), NT$0.61 million per offender (Table 1).

Table 1 Statistics on Sanctions in False Advertising Cases

Unit: case/business/ NT$10 thousand

1992~end of September 2014	Total Fines Sustained	Violation of the Fair Trade Act				Violation of the Multi-level Marketing Supervision Act
		Competition Restriction	Unfair Competition	Illegal Multi-level Marketing	Others	
No. of Cases	4,001	439	2,896	617	103	16
No. of Businesses	5,809	1,486	3,600	656	103	16
Total Fines	892,851	745,678	97,053	41,004	8,881	235
Average Fine per Offender	154	502	27	63	86	15

Notes:1. The cases with sanctions sustained include those remaining in the administrative remedy process and therefore unconcluded.
2. Competition restrictions include monopolization, merger, concerted action, resale price restriction and impediment to fair competition.
3. Unfair competition includes copying of logos of other businesses, false, untrue or misleading advertising, infringement of business reputations of others, and deceptive or obviously unfair conduct.
4. Others include continuous sanctions (second section of Article 41 and Article 42 (2) of the Fair Trade Act) and refusal to investigations (Article 43 of the Fair Trade Act), etc.

The fine imposed in 97 (88.2%) of the 110 cases with sustained sanctions between January and September this year was less than NT$1 million. In one case, the fine imposed exceeded NT$100 million, achieving NT$6,007 million. From 1992 when the FTC was created until the end of September this year, there were 2,563 cases with sanctions sustained and the fines totaled NT$8,928.51 million. The fine was less than NT$1 million in 2,100 cases (81.9%) 1 million to less than 10 million in 416 cases (16.2%) and over 100 million in 4 cases where the fines imposed amounted to NT$6,668.75 million, accounting for 74.7% of the total fines (Table 2).

Table 2 Cases with Fines Sustained-by Type of Fine

Unit: case

Amount \ Month/Year	Total 1992-Sep. 2014	2009	2010	2011	2012	2013	Jan.-Sep. 2014
Total	**2,563**	**158**	**139**	**239**	**178**	**203**	**110**
Less than 1 million	2,100	123	121	206	156	188	97
1 million to less than 10 million	416	33	17	28	18	13	9
10 million to less than 100 million	43	2	1	5	4	2	3
over 100 million	4	-	-	-	-	-	1

FTC activities in September and October 2014

- On Sep. 2, Professor Xiao Wen-sheng of the Department of Law of National Chung Cheng University gave a lecture on the “Application of Paragraph 2 of Article 41 of the Fair Trade Act” at the invitation of the FTC.
- On Sep. 4 and 23, the FTC held the “Presentation on the Fair Trade Commission Disposal Directions (Guidelines) on Handling False Advertising Cases” in Taipei City and Kaohsiung City, respectively.
- On Sep. 6 and 15, the FTC conducted a presentation on “Various Aspects of Trading Traps” at Penghu County Hall and Kaohsiung Ren-ai Senior Citizens’ Home, respectively.
- On Sep. 16, the FTC conducted the “Presentation on “Fair Trade Commission Regulations on Multi-level Marketing” in Taichung City.
- On Sep. 18, the FTC conducted the “Presentation on Online Operation of Multi-level Marketing Systems and Corresponding Regulations” in Taipei City.
- On Sep. 24, the FTC held the “Fair Trade Act Seed Teacher Workshop” for junior high schools in Taipei City.
- On Sep. 24, the FTC conducted the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” at National Kaohsiung First University of Science and Technology.
- On Sep.26, the FTC conducted the “Presentation on the Fair Trade Commission Disposal Directions (Policy Statements) on the Business Practices of Franchisers” in Taichung City.
- On Sep. 29, the FTC held the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” for the teachers and students of the Department of Law of National Chengchi University at the Competition Policy Information and Research Center.


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1.The FTC conducting the “Presentation on Fair Trade Commission Regulations on Multi-level Marketing” in Taichung City

2.The FTC conducting the “Presentation on Fair Trade Commission Disposal Directions (Guidelines) on Handling False Advertising Cases” in Kaohsiung City

3.The FTC conducting the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” at National Kaohsiung First University of Science and Technology

4.The FTC conducting the “Presentation on Fair Trade Commission Disposal Directions (Policy Statements) on the Business Practices of Franchisers” in Taichung City

- On Oct. 6, the FTC hosted the “Seminar on International Antitrust Regulations and Practices”.
- On Oct. 8, the FTC conducted a presentation on “Various Aspects of Trading Traps” at the Evergreen Senior Citizens Center in Pingtung.
- On Oct. 13, the FTC held the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” for the teachers and students of the Department of Law of Chinese Culture University at the Competition Policy Information and Research Center.
- On Oct. 13 and 16, the FTC conducted the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp,” respectively, for the Department of Finance of National Pingtung University in Pingtung and the Department of Finance of National Kaohsiung First University of Science and Technology in Kaohsiung.
- On Oct. 17, the FTC gave a lecture on the Fair Trade Act at Tainan County Chamber of Commerce.
- On Oct. 22, the FTC conducted the “Fair Trade Act Seed Teacher Workshop” for junior high schools in Taoyuan County.


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5. The FTC hosting the “Seminar on International Antitrust Regulations and Practices”
6. The FTC conducting the “Fair Trade Act and Multi-level Marketing Supervision Act Training Camp” for the teachers and students of the Department of Law of Chinese Culture University at the Competition Policy Information and Research Center

FTC international Exchanges in September and October 2014

- On Sep. 4, the FTC attended the 8th Seoul International Competition Forum for APEC and the 18th International Workshop on Competition Policy in Seoul, Korea.
- On Sep. 4, the FTC attended technical support in the Competition Law and Policy Training Program held by Japan's Fair Trade Commission in Tokyo, Japan.
- On Sep. 11, the FTC attended a teleconference of Subgroup 2 of the ICN Cartel Working Group.
- From Sep. 14 to 20, the FTC attended the Third Chinese Taipei Trade Policy Review Meeting at the WTO headquarters in Geneva, Switzerland.
- From Sep. 30 to Oct. 3, the FTC hosted the ICN Cartel Workshop in Taipei.
- On Oct. 6, US DOJ Antitrust Division Deputy Assistant Attorney General Mr. Brent Snyder called on the FTC Chairperson Wu and gave a lecture on "Cartel Investigations and Indictment in the US".
- On Oct. 14, the FTC attended a teleconference of Subgroup 1 of the ICN Cartel Working Group.
- From Oct. 19 to 22, the FTC Chairperson Wu led a delegation and attended the IBA Annual Conference and the 10th East Asia Top Level Officials' Meeting on Competition Policy in Tokyo.
- On Oct. 23, the FTC attended a teleconference of the ICN Agency Effectiveness Working Group.

The FTC attending the 18th International Workshop on Competition Policy in Seoul, Korea

The FTC hosting the ICN Cartel Workshop in Taipei

The FTC hosting the ICN Cartel Workshop in Taipei

US DOJ Antitrust Division Deputy Assistant Attorney General Brent Snyder giving a lecture on "Cartel Investigations and Indictment in the US"

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