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**Directorate for Financial and Enterprise Affairs  
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## **Annual Report on Competition Policy Developments in Chinese Taipei**

**-- 2017 --**

**27-28 November 2018**

This report is submitted by Chinese Taipei to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 27-28 November 2018.

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## 1. Executive Summary

1. This report covers the activities of the Fair Trade Commission (FTC) of Chinese Taipei from 1 January to 31 December 2017.
2. There were new amendments to Chinese Taipei's competition law, the Fair Trade Act (FTA), during the year 2017, and the FTC stipulated and amended 6 guidelines in addition to abolishing 1 guideline in accordance with the FTA amendments in 2017.
3. Regarding competition enforcement, the FTC processed 2,151 cases, including 1960 cases received in 2017 and 191 cases carried over from 2016. By the end of 2017, 2,022 cases had been closed and 129 cases were pending. The FTC handed down 13 decisions related to anti-competitive practices: 1 on the abuse of dominance, 1 on concerted actions, 3 on resale price maintenance, and 8 on vertical restraints.
4. The FTC reviewed 52 merger cases in 2017, which included 9 carried over from 2016 and 43 received in 2017. By the end of 2017, the FTC had completed the reviewing of 44 cases, none of which were prohibited, and 8 were pending.
5. In 2017, the FTC participated in various consultation meetings with other government agencies related to competition issues and organized 73 seminars for the public sector, students, and local governments for advocacy. The FTC also held 5 seminars for the various business sectors in order to explain the leniency program, administrative fines, and new amendments to the FTA.

## 2. Introduction

6. This report describes key competition law and policy developments in Chinese Taipei during 2017.

### 2.1. Competition law of Chinese Taipei

7. The Fair Trade Act (FTA) is the competition law of Chinese Taipei. The purpose of the FTC is to maintain trading order, protect consumers' interests, ensure free and fair competition, and promote economic stability and prosperity<sup>1</sup>. The FTC covers regulations on not only restrictive business practices, including monopolies, mergers, concerted actions, and vertical restraints (RPM, boycotting, tie-ins and other restrictive business practices), but also on unfair trade practices, including false, untrue or misleading advertisements, the counterfeiting of commodities or trademarks, the improper offering of gifts or prizes, as well as damage to business reputation and other deceptive or obviously unfair conduct capable of affecting trading order.<sup>2</sup>

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<sup>1</sup> Article 1 of the Fair Trade Act: "This Act is enacted for the purposes of maintaining trading order, protecting consumers' interests, ensuring free and fair competition, and promoting economic stability and prosperity."

<sup>2</sup> In 2017, 61 cases of complaints and FTC self-initiated investigations fell into the category of unfair trade practices. The FTC also initiated investigations into 38 cases of unfair trade practices.

8. The FTA has been amended 8 times since it took effect in 1992. The 6<sup>th</sup> amendment enacted on February 4, 2015 was considered to be the widest in range, the largest in scale and the most influential in terms of legal reforms<sup>3</sup>.

## 2.2. Institutional design

9. The Fair Trade Commission (FTC)<sup>4</sup> is Chinese Taipei's primary competition authority<sup>5</sup>. The FTC was established in 1992 and reformed in 2011 under the newly-enacted "Organic Act of the Fair Trade Commission." The FTC is an independent government entity at the ministerial level and is responsible for the enforcement of the FTA and the Multi-Level Marketing Supervision Act.

10. The FTC consists of seven full-time commissioners who are appointed by nomination by the premier and approval by the Legislative Yuan (the Congress) for a 4-year term and may be reappointed. When making the appointment, the premier shall designate one of the commissioners as the chairperson and another as the vice chairperson. The commissioner appointees must have knowledge and experience with regard to law, economics, finance, taxation, accounting, or management. All commissioners must be politically impartial, are not allowed to participate in political party activities during their terms of service, and must also perform their duties independently according to related laws. In particular, the terms of seven commissioners are staggered, and four of them took office in February 2017.

11. The Commissioners' Meeting is the highest policy making organ of the FTC and is charged with drafting fair trading policy, laws and regulations, and with investigating and handling various activities impeding competition, such as monopolies, mergers, concerted actions, and other restraints on competition or unfair trade practices by enterprises. Moreover, it is also responsible for developing policy, completing regulations as well as investigating cases concerned with multi-level marketing.

12. Provisions on exemption from following the petitioning procedure have been added to the FTA, which allows concerned parties to file with judicial agencies for remedies by adopting the administrative litigation procedures directly to respond to sanctions imposed by the FTC according to the FTA. Those provisions also highlight the status of the FTC as an independent agency.

## 3. Changes to competition laws and policies, proposed or adopted

### 3.1. Summary of new legal provisions of competition law and related legislation

13. Article 11 of the FTA was amended on June 14, 2017. The amendment included two parts:

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<sup>3</sup> Please refer to "Annual Report (2015) on Competition Policy Developments in Chinese Taipei" DAF/COMP/AR(2016)50).

<sup>4</sup> Please refer to the FTC's website at <http://www.ftc.gov.tw/internet/english/index.aspx>.

<sup>5</sup> The FTC is also the competent authority of the Multi-Level Marketing Supervision Act, and please refer to <https://www.ftc.gov.tw/internet/english/doc/docDetail.aspx?uid=1297&docid=13426>.

- Revision of the duration of the business merger review from calendar days to workdays: According to Paragraphs 7 and 8 of Article 11 of the Fair Trade Act, the FTC had been required to complete a merger review within 30 calendar days after receiving all of the merger filing materials, but the period could be extended for another 60 calendar days if deemed necessary. Although the FTC in principle completed the review within the statutory time, the review period would be compressed when the period included continuous holidays, especially when the case being reviewed involved concerns about competition restraints and more time was needed to collect related information, solicit opinions and perform a competition evaluation. Therefore, the calendar days were revised to become workdays in this amendment to suit practical needs.
- Enhancement of the thoroughness of merger review procedures: Paragraphs 10 and 11 were added to Article 11 of the Fair Trade Act in this amendment. The new provisions specify that the FTC, if it is deemed necessary when reviewing a merger application, may request that external academic research institutions provide economic analysis and opinions regarding the industry in question for reference in case analysis. In addition, with hostile takeovers, the FTC is required to ask the party to be acquired its opinion and make the decision in accordance with Article 13 in order to enhance the thoroughness of the merger review procedures.

### 3.2. Other relevant measures including amended guidelines

14. The FTC stipulated and amended 6 guidelines as well as abolished 1 guideline in accordance with the FTA amendments in 2017, and the significant stipulations and amendments are as follows:

- Formulation of the “Fair Trade Commission Disposal Directions (Policy Statements) on the Vertical Integration or Joint Operation between Liquefied Petroleum Gas Packing Enterprises and Retailers.”
- Amendments to:
  - “Fair Trade Commission Disposal Directions (Guidelines) on the Application of Article 25 of the Fair Trade Act”;
  - “Fair Trade Commission Disposal Directions (Policy Statements) on Communications Related Enterprises”;
  - “Fair Trade Commission Disposal Directions (Policy Statements) on the Use of Endorsements and Testimonials in Advertising”;
  - “Fair Trade Commission Disposal Directions (Policy Statements) on Cross-Industry Operation of Digital Convergence Related Enterprises”; and
  - “The Notification Form of Enterprises Filing for Merger” in the “Directions for Enterprises Filing for Merger.”
- Abolition of the Factors Considered for the “Application Relationship between the Labeling of Product Toponym-Added and Article 21 of the Fair Trade Act.”
- Recently, with the rapid development of technology and the trend of economic globalization, the relevant economic and legal issues arising from digital economy have been highly valued by the international competition community. In the face

of the digital era, the FTC established the “Task Force for the Digital Economy on Competition Policy” in April 2017 to closely monitor the development of emerging business models and to actively figure out the possible competition issues and related solutions in advance.

## 4. Enforcement of competition laws and policies

### 4.1. Action against anticompetitive practices, including agreements and abuses of dominant market positions

#### 4.1.1. Summary of Activities

15. The FTA permits the existence of monopolies as long as they do not abuse their market power. Concerted actions are strictly forbidden by the FTA. However, while some exceptions are allowed for, these do require the FTC’s prior approval and its decision is based on the public interest. The FTA bans resale price maintenance in principle, but allows exceptions with justifiable reasons. For other types of vertical restraints, the FTA requires the FTC to apply the rule-of-reason standard.

16. In 2017, the FTC processed 2,151 cases, including 1,960 cases received in 2017 and 191 cases carried over from the preceding year. By the end of 2017, 2022 cases had been closed, and 129 cases were pending. A total of 141 complaint cases applicable to the FTA were concluded in 2017 and, of these, 43 concerned anti-competitive practices.

17. Decision rulings on complaints and FTC self-initiated investigations were undertaken in relation to 116 cases in 2017, and only 13 of these fell into the category of anti-competitive practices. The FTC also initiated investigations into 10 anti-competitive cases.

**Table 1. Decision Rulings by the FTC in 2017**

Unit: Number of cases

Year	Anti-competitive Practices	Abuse of Monopoly*	Mergers	Concerted Actions	Resale Price Maintenance	Vertical Restraints
2017	13	1	-	1	3	8

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

\*: In October 2017, the FTC imposed a fine of NT\$23.4 billion on the US company, Qualcomm Incorporated (Qualcomm), for its violation of Subparagraph 1 of Article 9 of the FTA for abusing its monopolistic status in the market for baseband chips that comply with CDMA, WCDMA and LTE mobile communications standards. And in August 2018, the FTC and Qualcomm, under the direction of the joint panel of the Intellectual Property Court to seek settlement, reached a litigation settlement with respect to the FTC decision regarding the dispute of exercising patent rights.

#### *4.1.2. Description of significant cases, including those with international implications*

##### *Case 1: Exclusionary Agreements between Cable TV System Operators and Management Committees of Apartment Buildings*

18. The FTC decided at the 1,344th Commissioners' Meeting on August 9, 2017 that the practice of signing agreements that included exclusionary terms with management committees of apartment buildings adopted by Daan Wenshan Cable Television Co., Ltd. (hereinafter referred to as DWS), Chin Ping Tao Cable Television Co., Ltd. (hereinafter referred to as CPT) and Tian Wai Tian Communication Inc. (hereinafter referred to as TWT) was an illegitimate way to impede competitors from entering or competing in the market where they operated. In addition to ordering the three companies to correct the unlawful act within two months after receiving the disposition, the FTC also imposed on them administrative fines of NT\$900,000, 1.2 million and 1.6 million, respectively.

19. The FTC's investigation indicated that DWS was currently the cable TV service provider in the Daan District of Taipei City and CPT that in the Zhongshan and Songshan Districts of Taipei City, the two firms respectively accounting for 51.1% and 47.7% of the corresponding markets. Starting in November 2014 and December 2015, respectively, the two companies signed cable TV service agreements with apartment building management committees that included exclusionary terms to prevent such committees from seeking cable TV services from other cable TV service providers; otherwise, related special price offers would be canceled while undue fees would also be collected as breach-of-contract penalties. In the meantime, TWT, operating in the Sanchong and Luzhou Districts of New Taipei City where the company claimed 41.9% of the market, also adopted the same practice beginning in 2012. Starting in June 2015, letters were sent to apartment building management committees having signed cable TV service agreements to warn them against allowing other cable TV service providers to set up reception equipment in the community or to demand that they remove equipment already set up.

20. The FTC believed that the purpose behind DWS, CPT and TWT signing exclusive terms with apartment building management committees and even sending warning letters to them was to impede competitors (especially those new to the market) from competing, while the practice adopted was neither necessary for the companies' business operations nor justifiable. Moreover, the stipulated imposition of punitive breach-of-contract fines would raise competitors' management costs and at the same time reduce their capacity to engage in price competition, whereas the interests of residents (consumers) who chose not to transact with DWS, CPT or TWT or decided to switch to different trading counterparts would thus be jeopardized. Since DWS, CPT and TWT had a certain dominating status in the relevant markets, their adoption of the illegitimate practice to impede competitors from entering or competing in the market obviously had negative effects on competition in the relevant markets and the interests of consumers. The conduct was likely to restrict competition in violation of Subparagraph 3 of Article 20 of the Fair Trade Act.

##### *Case 2: Application of the Mechanism for Suspension of Investigation under the Fair Trade Act*

21. Game Credits Company A develops prepaid products such as gifts, wireless, games, long distance, music, and debit cards. To sell "Gold Diamond Game Cards",

which contain the game credits of an exclusive dealing model, Game Credits Company A signed contracts with physical distributors including the four major domestic convenience store chains. This contract contains an exclusive dealing term, which restricts the distributor from selling game cards of other companies that use the same technology. In addition, the complainant had been developing a similar technology and system to Game Credits Company A, but could not sell game cards that used the same technology in the four major convenience store chains due to their exclusive dealing contracts with Game Credits Company A (the complainant indicated that convenience stores account for over 80% of game card sales), unless it used the system of Game Credits Company A. Therefore, the complainant was of the opinion that Game Credits Company A had violated Subparagraph 5, Article 20 of the Fair Trade Act.

22. The FTC immediately conducted an investigation after receiving the complaint from the complainant. Both parties involved in the complaint were asked to provide evidence and explanations at the FTC on several occasions. Physical distributors, including convenience stores and numerous game companies and digital content providers, were also investigated. While the investigation was still ongoing and before the FTC made its final decision, Game Credits Company A gave the FTC a commitment in writing to adopt specific measures in accordance with Article 28 of the Fair Trade Act and the “Principles of the Fair Trade Commission Regarding Suspension of Investigation”.

23. The FTC solicited the opinions of the complainant and physical distributors regarding the specific measures proposed by Game Credits Company A. After revision by Game Credits Company A, the final measures included shortening the effective period of exclusive dealing in contracts with distributors; not prohibiting, restricting or obstructing convenience stores from selling game cards of other companies that use the same technology as the “Gold Diamond Game Card” after the effective period of exclusive dealing in existing contracts expires; and not using an exclusive dealing term to restrain physical distributors from working with its competitors when extending or resigning contracts.

24. The FTC had not made the final decision regarding disposition or non-disposition in the period of time from which it received the complaint from the complainant to before Game Credits Company A made its commitment, i.e., the investigation was still ongoing. The case did not involve conduct that severely restrained competition, e.g., a monopoly, concerted action, or vertical price restriction. Due to the definition of market scope and the impact of the exclusive dealing term on market competition, the FTC did not have sufficient evidence to determine if Game Credits Company A was in violation of the law, and therefore decided that Article 28 of the Fair Trade Act on the suspension of investigation was applicable in this case.

25. Game Credits Company A committed to shortening the period of exclusive dealing, giving the complainant the opportunity to sell game cards that used the same technology as “Gold Diamond Game Cards” in convenience stores or to distributors that had already signed contracts with Game Credits Company A. If the complainant (or potential competitors) were to successfully negotiate an agreement with the convenience stores, then it would be able to compete with the “Gold Diamond Game Cards” sold by Game Credits Company A in the near future. It would also allow new entrants such as the complainant to gain stable distribution channels, which would benefit their deployment, investment, and innovation. Hence, the measures that Game Credits Company A

committed to were sufficient to “rebuild competition opportunities” and restore competition.

26. Taking into consideration that Article 28 of the Fair Trade Act on the suspension of investigation was applicable in this case, that the measures were sufficient to eliminate concerns that the conduct was in violation of the law, and also the administrative cost of further investigation as well as the cost of overseeing the commitment being fulfilled, the FTC decided at its Commissioners’ Meeting to approve the measures committed to by Game Credits Company A and suspend the investigation.

27. Game Credits Company A produced evidence of fulfilling its commitment within the period specified by the FTC, and had already issued notices to physical distributors with whom it had entered into contracts to shorten the effective period of the exclusive dealing term. These distributors were able to discuss selling game cards of other companies that used the same technology as the “Gold Diamond Game Card”. Even though there have not been any major changes in the domestic market for “prepaid/stored-value products provided to game companies or digital content providers”, the FTC has required that Game Credits Company A provide it with copies of its contract and related documents when extending or resigning contracts with physical distributors to supervise its commitment fulfillment. The same requirement applies to new contracts signed with distributors. The FTC will continue to monitor Game Credits Company A’s fulfillment of its commitment. The FTC will take this case into consideration to impose a heavier penalty if it finds that Game Credits Company A violated its commitment or engaged in the same conduct, and decides that the illegal conduct is punishable after conducting a separate investigation.

## 4.2. Mergers and acquisitions

### 4.2.1. Statistics on the number, size and type of mergers notified and/or controlled under competition laws

28. Mergers involving parties reaching a certain sales volume or a particular level of market share require the giving of notification to and obtaining no objection from the FTC. The FTC makes its decision based on whether the benefits to the economy as a whole will exceed the anti-competitive effects of the proposal.

**Table 2. Notifications for Mergers**

Unit: Number of cases

Year	Cases under Processing		Total	Results of Processing			Cases Pending at Year-end	
	Carried Over from 2016	Received in 2017		Mergers not Prohibited	Mergers Prohibited	Termination of Review		Combined into other Cases
2017	9	43	44	11	-	33	-	8

**Table 3. Statistics on Enterprise Mergers**

(Unit: Number of cases)

Year	Cases not Prohibited	Type of Merger (Article 10, Paragraph 1 of the Fair Trade Act)				
		Subparagraph 1	Subparagraph 2	Subparagraph 3	Subparagraph 4	Subparagraph 5
2017	11	1	7	1	3	5

*Note:* More than one type of merger may be applicable in some cases. Therefore, the total number of cases under different types of mergers exceeds the total number of approved cases.

#### 4.2.2. Summary of significant cases

##### *Case 1: Merger between Chang Wah Electromaterials, Chang Wah Technology, Singapore-based SHAP and SH Electronics Taiwan*

29. The FTC decided at the 1,320th Commissioners' Meeting on Feb. 22, 2017 that it would not prohibit the merger between Chang Wah Electromaterials Co., Ltd. (hereinafter referred to as Chang Wah Electromaterials), Chang Wah Technology Co., Ltd. (hereinafter referred to as Chang Wah Technology), Singapore-based SH Asia Pacific Pte. Ltd. (hereinafter referred to as SHAP) and SH Electronics Taiwan Co., Ltd. (hereinafter referred to as SH Electronics Taiwan) by citing Article 13 (1) of the Fair Trade Act.

30. Chang Wah Electromaterials and its affiliate Chang Wah Technology intended to jointly purchase 100% of the shares of SHAP, and Chang Wah Electromaterials would be the enterprise with the ultimate control. The condition met the merger patterns described in Subparagraphs 2 and 5 of Article 10 (1) of the Fair Trade Act. At the same time, the market shares of Chang Wah Electromaterials and SHAP (including its affiliate SH Electronics Taiwan) also reached the filing threshold specified in Subparagraph 2 of Article 11 (1) of the same act while the proviso in Article 12 did not apply. Therefore, a merger notification was filed.

31. Since the sales of LED lead frames produced by Chang Wah Technology and IC lead frames made by SH Electronics Taiwan, a subsidiary of SHAP, had been placed in the charge of Chang Wah Electromaterials, it was a vertical merger. After assessment, the FTC concluded that related regulatory measures, technological thresholds and import duties did not constitute any entry barrier in the relevant market whereas there would still be competitors from different countries to cope with. Furthermore, downstream buyers had strong price negotiation power. Hence, it would be difficult for the merging parties to abuse their market power. In addition, the merger would only change existing business relations into cooperation inside the same group. The market shares and structure of the relevant market would remain the same and post-merger market foreclosure was impossible. Therefore, the FTC decided that the merger could not lead to any competition restraint and did not prohibit the merger by citing Article 13 (1) of the Fair Trade Act.

##### *Case 2: Merger between CPC and Tuntex Gas Corp.*

32. The FTC decided at the 1,315th Commissioners' Meeting on Jan. 18, 2017 not to prohibit the merger between Chinese Petroleum Corporation (hereinafter referred to as CPC) and Tuntex Gas Corporation (hereinafter referred to as Tuntex Corp.) by citing Article 13 (1) of the Fair Trade Act.

33. CPC filed with the FTC a merger notification regarding its intention to acquire Tuntex Gas Corp. CPC would pay cash in consideration for the total shares of Tuntex Gas Corp. to absorb the company. After the merger, CPC would be the surviving company and Tuntex Gas Corp. would be the dissolved company. The condition complied with the merger pattern prescribed in Subparagraph 1 of Article 10 (1) of the Fair Trade Act. In the meantime, as the share of the relevant market that CPC accounted for achieved the threshold specified in Subparagraph 2 of Article 11 (1) of the Fair Trade Act while the proviso in Article 12 of the same act was not applicable, CPC therefore filed the merger notification.

34. At the time of filing the merger notification, CPC was the sole importer and supplier of liquefied natural gas (hereinafter referred to as LNG) in the country. Tuntex Gas Corp. had entered the market to compete, but had failed to win any LNG procurement project and, as a result, had never done any business. Since potential horizontal competition existed between the merging parties, the merger was considered to be a horizontal one.

35. After performing a general assessment, the FTC concluded that the merger would have no effect on the structure of the domestic LNG market. Pricing in the market was still under government control. There was no significant unilateral effect and no coordinated effect existed. The countervailing power would not be affected, whereas the influence on market entry was also limited. In addition, since the merger would have the overall benefit of facilitating government policies, preventing the wastage of resources and saving an ailing enterprise, the FTC therefore made the decision that the overall benefit would outweigh the disadvantages that would be incurred from likely competition restraints and did not prohibit the merger.

## **5. The role of competition authorities in the formulation and implementation of other policies, e.g., regulatory reform, trade and industrial policies**

36. In its first amendment in 1999, the new provision of the FTA required that the FTA not be applied to acts performed in accordance with other laws only if such other laws do not conflict with the legislative purpose of the FTA. This amendment thereby affirms that the spirit and content of the FTA is the core of economic policy.

37. The FTC has completed a comprehensive review of all relevant laws and regulations since 2001 to minimize potential conflicts among laws, advocate free and fair competition, and ensure the presence of a healthy operating environment in which all businesses are able to compete fairly. As a result, the FTC will continue to be aware of developments in various markets, perform reviews of other laws to determine whether they are in compliance with the FTA and consult with relevant industry competent authorities to prevent related laws and regulations from impeding competition.

38. In 2017, the FTC organized and participated in various consultation meetings with other government authorities related to competition issues, as summarized in the following:

- Participated in the meeting of the “Taichung City Waste Removal and Treatment Agency Annual Business Symposium” held by the Environmental Protection Bureau of Taichung City to suggest that the bureau refer to the relevant regulations of the aviation industry or the barreled gas industry regarding the issue of the price increase for waste disposal and treatment in Taichung City, so

as to avoid unnecessary misunderstandings due to transaction information asymmetry.

- Providing written comments on the “Draft Digital Communications Act” to the National Communications Commission and recommending that the Commission consider the competition among service providers of digital convergence when drafting digital convergence-related regulations.
- As for the draft of the “Payment Standard for Passenger Ships in the Sun Moon Lake Waters of Nantou County” proposed by the Nantou County Government, the FTC recommended that the County Government take care to avoid conflict with the legislative purpose of Article 1 of the Fair Trade Act where the related regulations affect the market competition. The opinions of the FTC were adopted by the Ministry of Transportation and Communications, and then the Ministry sent an official letter and asked the County Government to amend the Payment Standard accordingly on May 10<sup>th</sup>, 2017.
- Participated in the “Notices Confirmation Meeting on the before-and-after Implementation of the New Tobacco and Alcohol Tax Act” organized by the Ministry of Finance to express related opinions. In addition, the FTC also commented on the content of the “Joint Inspection Operation Plan for Smuggling, Distribution and Identification of Tobacco” formulated by the Ministry of Finance. The FTC’s comments were adopted by the Ministry.
- Participated in the meeting on “Review and Countermeasures of Issues related to Price Changes in the Milk Powder Market” held by the Department of Consumer Protection, Executive Yuan to discuss and express related suggestions based on its authority.
- Participated in the meeting on “Receiving Service Reward of the Real Estate Brokerage Industry and Consumer Rights Protection” organized by the Department of Consumer Protection, Executive Yuan to reiterate that the goal of the FTA is to promote market competition and eliminate price control regulations concerning proposing to amend the standard of service rewards to the Real Estate Broking Management Act. Considering that operating conditions of operators are different, the individual operator should determine the price according to its operating conditions, and this opinion has been included in the minutes.
- Participated in the meeting on “Draft Amendments of Some Provisions to the Veterinarian Act.” The current stipulation regarding the medical expenses standard formulated by the Veterinary Association and submitted to the local competent authority for verification was deleted from the draft according to the FTC’s opinions.
- The FTC received written inquiries concerning “What are the disputes, developments and the position of the government in light of Uber’s operations?” and “Does Uber comply with the relevant laws and regulations in terms of supervision, taxation and insurance?” from the Ministry of Transportation and Communications. The FTC then provided its views based on maintaining a neutral stance on traditional taxis or those who use innovative networks from the perspective of the FTA. The FTC hopes that the two parties have the same competitive basis and are able to abide by the FTA when conducting business operations. In addition, the FTC also expects the sector regulators to introduce

competition to related regulations when considering whether to welcome new innovative entrants to the market, so that innovative or traditional players can freely and fairly compete to maintain trading order and consumer rights, and eventually promote economic stability and prosperity.

## 6. Resources of competition authorities

### 6.1. Resources overall (current numbers and change over previous year)

#### 6.1.1. Annual budget:

39. NT\$321.054 million in 2017 (approximately equivalent to US\$10.719 million in December 2017).

#### 6.1.2. Number of employees (person-years):

40. There were 207 employees at the end of the year 2017, including all staff in the operations and administrative departments and 7 full-time Commissioners. The operations departments include the Department of Service Industry Competition, Department of Manufacturing Industry Competition, Department of Fair Competition, Department of Planning and Department of Legal Affairs. Over 93% of employees have bachelor degrees with majors in different subjects at the university level.

41. In terms of the educational background percentages, 26%, 32%, and 42% of the employees majored in law and related fields, economics and related fields, and other related fields (including information management, statistics, and public administration), respectively.

42. As a result, the structure of the human resources of the FTC is as follows:

**Table 4. Structure of FTC Human Resources**

Category	No. of employees
Lawyers	54
Economists	67
Other professionals & support staff	86
All staff combined	207

### 6.2. Human Resources (person-year) applied to:

#### 6.2.1. Enforcement against anti-competitive practices and merger review

43. Apart from the Department of Fair Competition, which has 28 staff and is responsible for unfair competition practices, such as false and misleading advertisements, counterfeiting and multi-level sales cases, the Departments of Service Industry Competition and Manufacturing Industry Competition of the FTC handle all kinds of anti-competitive cases, including the abuse of dominant market positions, merger reviews, cartels and various vertical restraints.

44. The Department of Service Industry Competition is responsible for cases related to the services and agricultural sectors, and the Department of Manufacturing Industry

Competition is responsible for cases related to the manufacturing sector. There are 26 staff members in the Department of Service Industry Competition and 28 in the Department of Manufacturing Industry Competition.

### ***6.2.2. Advocacy efforts***

45. In 2017, 10 of the 28 staff members in the Department of Planning of the FTC were primarily in charge of public outreach programs. However, since most of the outreach programs for competition advocacy were case-oriented, almost every department staff member played an active role in outreach activities. The FTC organized 73 seminars in 2017 for the public, students, and local governments to introduce the regulations of the FTA.

46. Furthermore, in 2017, the FTC held 5 seminars for the various business sectors to introduce the leniency program, administrative fines, and the new amendments to the FTA in order to ensure acquaintance with the new provisions of the FTA.

47. The FTC launched the Fair Trade App on December 27, 2017 and the content of the App includes a Reporting Mailbox, Regulatory Zone, Advocacy Zone, and the Latest News, etc. People are free from time, place and equipment to report alleged violations to the TFTC, and check the updated information, such as the competition regulations, high-profile cases and related speeches at any time.

### **6.3. Period covered by the above information:**

48. January through December 2017.

## **7. Summaries of or references to new reports and studies on competition policy issues**

49. The FTC studied and published reports on competition policy issues in 2017 with the following titles. All of them are only available in Chinese:

- Research on the Effectiveness of the Implementation of the Leniency Program in Main Competition Jurisdictions
- Research on the Economic Effects of Market Foreclosure under Competition Law
- Research on the Exchange of Sensitive Information and Concerted Actions between Businesses Regulated by Competition Law
- Research on the International Liner Shipping Market and Competition Law Regulations