

Annual Report on Competition Policy Developments in Chinese Taipei

-- 2019 --

10-12 June 2020

This report is submitted by Chinese Taipei to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 10-12 June 2020.

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Table of contents

1. Executive Summary	3
2. Introduction	3
2.1. Competition law of Chinese Taipei	3
2.2. Institutional design.....	4
3. Changes to competition laws and policies, proposed or adopted	4
3.1. Summary of new legal provisions of competition law and related legislation	4
4. Enforcement of competition laws and policies.....	5
4.1. Action against anti-competitive practices, including agreements and abuses of dominant market positions	5
4.2. Mergers and acquisitions	8
5. The role of competition authorities in the formulation and implementation of other policies, e.g., regulatory reform, trade and industrial policies	11
6. Resources of competition authorities.....	12
6.1. Resources overall (current numbers and change over previous year).....	12
6.2. Human Resources (person-year) applied to:.....	13
6.3. Period covered by the above information:	13
7. Summaries of or references to new reports and studies on competition policy issues	14

Tables

Table 1. Decision Rulings by the FTC in 2019	5
Table 2. Notifications for Mergers	9
Table 3. Statistics on Enterprise Mergers	9
Table 4. Structure of FTC Human Resources	13

1. Executive Summary

This report covers the activities of the Fair Trade Commission (FTC) of Chinese Taipei from January 1 to December 31, 2019.

The latest amendment to the Fair Trade Act (FTA) came into effect on June 14, 2017. There has been no change in the FTA since then.

Regarding competition enforcement, the FTC processed 1,916 cases, including 1,771 cases received in 2019 and 145 cases carried over from 2018. By the end of 2019, 1,738 cases had been closed and 178 cases were pending. In particular, the FTC handed down 2 decisions on concerted actions.

The FTC reviewed 74 merger cases in 2019, which included 10 carried over from 2018 and 64 received in 2019. By the end of 2019, the FTC had completed the reviewing of 60 cases, one of which was prohibited, and 14 were pending.

In 2019, the FTC participated in various consultation meetings with other government agencies related to competition issues and organized 71 seminars for students, customers, business communities, and local governments in order to explain the FTA, the leniency program and the prohibition against concerted actions.

2. Introduction

This report describes key competition law and policy developments in Chinese Taipei during 2019.

2.1. Competition law of Chinese Taipei

The Fair Trade Act (FTA) is the competition law of Chinese Taipei. The purpose of the FTA is to maintain trading order, protect consumers' interests, ensure free and fair competition, and promote economic stability and prosperity¹. The FTA covers regulations not only on 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.²

The FTA has been amended 8 times since it took effect in 1992. The 6th 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 reforms³.

¹ 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."

² In 2019, 26 cases of complaints and FTC self-initiated investigations fell into the category of unfair trade practices. The FTC also initiated investigations into 14 cases of unfair trade practices.

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

2.2. Institutional design

The Fair Trade Commission (FTC)⁴ is Chinese Taipei's primary competition authority⁵. 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.

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 the seven commissioners are staggered, and three of them took office in February 2019.

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.

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

The FTC amended 2 guidelines and rules to deal with possible issues faced in practice, and the significant amendments are as follows:

- "Regulations for the Notification of Drug Patent Linkage Agreements"; and
- "Regulations for the Establishment and Administration of the Multi-level Marketing Enterprises and Participants Protection Institute".

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

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

4. Enforcement of competition laws and policies

4.1. Action against anti-competitive practices, including agreements and abuses of dominant market positions

4.1.1. Summary of Activities

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.

In 2019, the FTC processed 1,916 cases, including 1,771 cases received in 2019 and 145 cases carried over from the preceding year. By the end of 2019, 1,738 cases had been closed, and 178 cases were pending. A total of 96 complaint cases applicable to the FTA were concluded in 2019 and, of these, 22 concerned anti-competitive practices.

Decision rulings on complaints and FTC self-initiated investigations were undertaken in relation to 72 cases in 2019, and only 2 of these fell into the category of anti-competitive practices.

Table 1. Decision Rulings by the FTC in 2019

Unit: Number of cases						
Year	Anti-competitive Practices	Abuse of Monopoly	Mergers	Concerted Actions	Resale Price Maintenance	Vertical Restraints
2019	2	-	-	2	-	-

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

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

Case 1: Premixed Concrete Suppliers Engaged in Price Fixing

The FTC decided at the 1,433rd Commissioners' Meeting on April 24, 2019 that Goldsun Co., Ltd (hereinafter referred to as "Goldsun"), Taiwan Cement Ltd. (hereinafter referred to as "Taiwan Cement"), Ya Tung Ready Mixed Concrete Co., Ltd (hereinafter referred to as "Ya Tung"), Universal Cement Corporation (hereinafter referred to as "Universal") and Tiancheng Ready Mixed Concrete Co., Ltd. (hereinafter referred to as "Tiancheng") had engaged in a concerted action by notifying the downstream counterparts in mid-December of 2018 by means of a written notice of a price increase for premixed concrete starting from January 1st, 2019. The act was in violation of the prohibition set forth in Article 15(1) of the FTA. Therefore, the FTC imposed administrative fines of NT\$ 20 million on Goldsun, NT\$ 20 million on Taiwan Cement, NT\$ 11 million on Ya Tung, NT\$ 8 million on Universal, and NT\$ 1 million on Tiancheng, citing Article 40 (1) of the Act. The total fine amounted to NT\$60 million.

The FTC stated that this case occurred during November 2018 with the 5 companies in question when southern regions suffered a temporary gravel shortage. The companies issued notices to downstream companies in mid-December detailing a price increase for

ready-mixed concrete from NT\$200 to NT\$280 per cubic meter starting January 1, 2019. The 5 companies were uniform in appearance when they coordinated a price increase beginning on the same date with similar increases and provided notice within a short period of time. The consistent appearance of these 5 ready-mixed concrete suppliers was unlikely to have been reached independently and had no economic justification. In addition, in order to avoid a loss of clientele, the 5 companies increased their prices gradually in small increments before January 1, 2019 because their ready-mixed concrete is highly similar. However, the 5 companies simultaneously drastically increased prices by between nearly 17% and 18% after January 1, 2019, indicating that the act was not merely a reflection of increased costs.

The FTC also stated that the 5 companies in this case accounted for more than 75% of the premixed concrete market in the vicinity of Tainan City and Kaohsiung City. While facing the pressure of a short-term increase in cost, they would face a decrease in profits or a loss of profits if they did not increase prices. However, if a single company had increased prices significantly, it would have surely resulted in a loss of clientele. Thus, there were incentives for engaging in a concerted price increase for ensuring mutual profits.

Moreover, in general, premixed concrete suppliers often acquired clients through price competition because of the simple processing technology involved and high degree of product similarity. For example, the selling prices of 3,000-lbs of concrete mix for the 5 concrete suppliers gradually increased from NT\$1,400 to NT\$1,500 per cubic meter in 2018. However, the prices increased dramatically starting from January 1, 2019. It was different from the previous price increase pattern and obviously went against common sense. It was clearly irrational.

The business activity of these 5 companies had no economic justification. First, the 5 companies in question claimed that the increase in prices for ready-mixed concrete starting January 1, 2019 reflected increased costs. However, the price increases which reflected their costs should have been different due to the amounts of the increases in cost and connotations not being the same for each company. In addition, not only did the price rise exceed their increases in cost, but the 5 companies also issued notices within a short time frame for a price increase of similar amounts beginning on the same date, showing consistency in appearance. It is not possible to interpret these acts as being independent business activities. Second, the 5 companies in question have large-scale operations with some enjoying the advantage of vertical integration with production, but the degree and amount of their price increases for ready-mixed concrete were more than twice that for smaller operators in identical markets, signaling abnormal behavior. Finally, the price increase or the amount of the increase in the price of gravel, the raw material used by the 5 companies in question, was not yet confirmed, but the companies still released an increase for the price of ready-mixed concrete. This behavior had no economic justification and, in addition, the collective announcement of a change in price allowed mutual monitoring and was able to promote a consensus as well as coordinated actions.

Therefore, this case cites Article 14 (3) of the FTA in reviewing the various factors claimed by the 5 companies for the price increase. It was determined that the action of notifying downstream operators in mid-December of 2018 of an impending price increase for ready-mixed concrete starting January 1, 2019 was a concerted action capable of affecting supply and demand in the ready-mixed concrete markets in Kaohsiung and Tainan. This was in violation of Article 15 of the FTA that prohibited concerted actions.

Finally, the FTC stated that the Commission's role in enforcing the FTA would result in an assertive investigation in the event of abnormal fluctuations in the prices of critical raw

materials such as gravel and ready-mixed concrete. The Commission will closely observe market conditions and prevent companies from using these opportunities to participate in illegal concerted actions. Companies found to be in violation of the FTA will be punished accordingly to deter future violations, thereby maintaining competitive order in markets, and protecting consumers' rights.

Case 2: An Association Restricted its Members' Price Quotations

The FTC decided at the 1448th Commissioners' Meeting on August 7, 2019 that the Taoyuan Security Commercial Association (hereinafter referred to as the TSCA) had violated the regulation against concerted actions in the FTA by restricting the freedom of security companies to decide their quotations for security guard services. The FTC imposed an administrative fine of NT\$400,000 on the TSCA.

Through a resolution achieved at its member assembly, the TSCA passed the "Regulations for Implementation of the Fundamental Rules of the Self-discipline Agreement". At the same time, during a board of directors and supervisors' meeting, the TSCA also stipulated a referential price quotation standard to be observed between 2016 and 2019 and mailed the standard to each member. Afterwards, members quoting prices below the standard would be requested to explain and give their statements to the TSCA, and a number of members were penalized for violating Subparagraph 15 of Article 3 of the Self-discipline Agreement and were asked to donate certain amounts of money that they received to the TSCA. The practice met the description of trade associations restricting the business activities of their member enterprises by achieving a resolution through a general meeting of members or a board meeting of directors or supervisors.

By restricting its members from quoting prices lower than the referential quotation standard established, the TSCA would limit the flexibility of its members to decide prices according to market conditions as well as deprive them of the opportunity to obtain more advantageous prices. Moreover, as the total sales of the members of the TSCA accounted for close to 50% of the relevant market, the price quotation restriction imposed by the TSCA on its members was able to affect the supply-demand function in the relevant market. It was in violation of the regulation against concerted actions set forth in Article 15 (1) of the FTA.

Case 3: A Wholesaler Imposed Resale Price Restrictions on Retailers without Justification

Company R was a wholesale business handling impact resistant cases, power banks, cellophane coverings and cords for cell phones. The FTC received a complaint from a private citizen accusing Company R of announcing on its Facebook fan page that retailers not selling its products at suggested prices and engaging in price competition without adhering to the concept of maintaining market prices would have their supply cut off. The company also published records of its conversations with retailers that it actually refused to provide further supplies to. The complainant thought the conduct was in violation of the regulation against the imposition of resale price restrictions set forth in Article 19 of the FTA; therefore, the FTC launched an investigation.

The findings of the FTC's investigation showed that Company R did not sign any product supply contracts with its retailers. The retailers purchased the products outright and the items on which Company R imposed resale price restrictions were either products for which the company had acquired exclusive regional agency or its own brands. During the investigation, Company R admitted that it had requested retailers to maintain prices at

certain rates and obtained their promise before establishing cooperation relationships. However, the company never took the initiative to check the prices charged by retailers. It only discovered that certain retailers were selling products not according to suggested rates after other retailers found out and complained to the company about those certain retailers marketing the products online. As a consequence, Company R normally advised such retailers to make price adjustments first. Disconnection of supply was the last resort after retailers failed to comply, despite being requested to make price adjustments several times. In reality, several retailers ended up having their supply disconnected after selling products at lower prices and never making price adjustments after being requested to do so several times.

The restrictions referred to in Article 19 of the FTA were not limited to restrictions stipulated in the contract. Other practices not specified in the contract but able to make downstream businesses stick to suggested resale prices were also included. In other words, although Company R did not sign with retailers contracts that included provisions regarding the imposition of penalties for not selling products at suggested prices, the company did adopt the measure of disconnecting supply to force retailers to sell products at suggested prices. In other words, the company already restricted the resale prices of retailers.

Company R contested that its imposition of resale price restrictions could help retailers maintain a reasonable profit. In turn, retailers would provide consumers with additional services and upgrade service quality. In other words, retailers would be encouraged to improve their presale service efficiency or quality.

Nonetheless, the FTC thought there were no major functional differences between the cell phone impact resistant cases, power banks, cellophane coverings and cords marketed by Company R and other similar products. Consumers were clear about their needs and also aware of how to use such products. Retailers at the most only needed to provide brief product descriptions or related information. Moreover, it often happened that no presale service was required before transactions were completed. At the same time, consumers could also shop on online platforms where no presale services or explanations were required and retailers therefore had no reasons, incentives or pressure to improve their service quality after gaining a bigger profit as a result of the resale price restrictions imposed. Even if the contestation of Company R was justifiable, the company was unable to provide concrete explanations and evidence for the FTC to understand which services retailers were supposed to improve. Hence, the resale price restriction imposition adopted by Company R could not be considered justifiable as described in Article 25 of the Enforcement Rules of the Fair Trade Act. Without a doubt, Company R had violated Article 19 (1) of the FTA.

The factors to be considered by the FTC in assessing the justifiability of imposing resale price restrictions are specified in Article 25 of the Enforcement Rules of the Fair Trade Act. If an enterprise only provides abstract explanations to justify its resale price restriction imposition without presenting any reasonable and acceptable explanations and verifiable evidence, the FTC finds it hard to accept such explanations.

4.2. Mergers and acquisitions

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

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 2018	Received in 2019			Mergers not Prohibited	Mergers Prohibited	Termination of Review	Combined into other Cases	
2019	10	64	74	26	1	33	-	14	

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
2019	26	2	22	4	8	17

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 Uni-President and Wei Lih Foods Prohibited

The FTC decided at the 1,408th Commissioners' Meeting on October 31, 2018 to cite Article 13 (1) of the FTA and prohibit the merger between Uni-President Enterprises Corporation (hereinafter referred to as Uni-President) and Wei Lih Food Industrial Co., Ltd. (hereinafter referred to as Wei Lih Foods).

Uni-President filed two notifications regarding its intention to merge with Wei Lih Foods respectively in 2008 and 2010. The FTC prohibited the merger each time while the prohibition decided the second time was also sustained by the Supreme Court via the 2013 Pan-Zi Decision No. 500. This time, Uni-President intended to merge with Wei Lih Foods again through a share acquisition. The condition met the merger pattern descriptions specified in Subparagraphs 2 and 5 of Article 10 (1) of the FTA. At the same time, the sales and instant noodle market shares of the merging parties both achieved the filing thresholds prescribed in the subparagraphs of Article 11 of the FTA while the exclusion regulation set forth in Article 12 of the same act was inapplicable. Therefore Uni-President filed the merger notification.

The FTC held a public hearing and a seminar on "Definition of the Market Relevant to Mergers of Instant Noodle Businesses and Related Competition Issues" respectively on September 7 and September 28 in 2018 to solicit opinions from various sectors to serve as reference when reviewing the case. Economic analysis was also conducted to define the product market for instant noodles. Since Uni-President and Wei Lih Foods were the two top businesses as well as the two major competitors in the domestic instant noodle market, the likelihood of post-merger price increases was high. The competition pressure on each other would no longer exist and market concentration would become more significant; therefore, unilateral and coordinated effects could not be ruled out.

Furthermore, the domestic instant noodle market was near saturation. The image established by both merging parties over the years had created brand loyalty in consumers. Meanwhile, sales of instant noodles were highly reliant on marketing channels. Uni-President already had its own convenience stores as the main marketing channels and its market power would increase after the merger. As a consequence, it would be more or less impossible for retailers to fight against the capacity of the merging parties to raise product prices. Potential competitors who intended to enter the domestic market would have to face consumers' taste preferences, marketing channel challenges and other transaction conditions; in other words, they would not be able to exert effective competition pressure on existing businesses in time. After considering various factors, the FTC found it impossible to deem that the overall benefit from the merger would outweigh the disadvantages from the competition restraints thereof incurred and therefore prohibited the merger by citing Article 13 (1) of the FTA.

Case 2: Merger between Cashbox Partyworld and Holiday Prohibited

The FTC decided at the 1450th Commissioners' Meeting on August 21, 2019 to prohibit the merger between Cashbox Partyworld Co., Ltd. (hereinafter referred to as Cashbox Partyworld) and Holiday Co., Ltd. (hereinafter referred to as Holiday) by citing Article 13 (1) of the FTA.

Cashbox Partyworld intended to acquire all the shares of Holiday and gain direct or indirect control of the management or personnel appointment and dismissal of Holiday. The condition complied with the merger patterns specified in Subparagraphs 2 and 5 of Article 10 (1) of the FTA. Since the market shares of the merging parties achieved the filing thresholds prescribed in Subparagraphs 1 and 2 of Article 11 (1) of the FTA and the proviso set forth in Article 12 of the same act was inapplicable, Cashbox Partyworld filed a merger notification as required by law.

Since the FTC prohibited the merger between Cashbox Partyworld and Holiday in April 2009, this was the second time the FTC did not approve the merger between Cashbox Partyworld and Holiday. To review the merger, besides requesting that the relevant competent authority provide related information and its opinion, the FTC also commissioned an institution to conduct a survey on the behavior of consumers using KTV services and also held a seminar in June. Besides having representatives from Cashbox Partyworld and Holiday come to present their statements regarding the merger, the FTC also invited the competent authority for the industry, the consumer protection authority, upstream and downstream businesses and horizontal competitors to discuss issues associated with the market definition in this case and likely post-merger influence on domestic music copyright licensing and KTV services in order to solicit opinions from different sectors.

After assessing the case, the FTC concluded that the merging parties were already the top two businesses in the market and each other's major competitors. After the merger, direct competition between them in the KTV market would cease to exist. For consumers and other competitors, competition in the KTV services market after the merger would be significantly reduced and the merging parties would have the incentive and capacity to increase prices. Consumers or competitors would lack the countervailing power to cope with such price increases. Apparently, significant disadvantages would occur as a result of competition restraints. In addition, when the FTC solicited opinions from various sectors, upstream music companies, KTV product agents, music copyright management groups and

consumer protection groups also expressed concerns that the merger could lead to competition restrictions.

By combining the above, the FTC thought that although the merger would undoubtedly bring economic benefits for the merging parties, the merging parties' promise that they would not increase prices or reduce service content could not eliminate the incentives for them to increase prices in the long run after competition between the two main competitors ceased to exist. Under such circumstances, the overall economic benefit would be insignificant. Therefore, after assessing the various factors involved, the FTC decided that the overall economic benefit would be significantly smaller than the disadvantages resulting from competition restraints after the merger and therefore prohibited the merger by citing Article 13 (1) of the FTA.

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

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.

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.

In 2019, 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 legislation and amendment to the “Agricultural Products Market Transaction Act” and “Food Administration Act” and provided competition law advice.
- The Nantou County Government inquired whether it violated the FTA where the County Government would formulate related rules to designate certain operators to sell ship tickets for the Sun Moon Lake and to prohibit small-boat operators from printing and selling the tickets according to the “Self-Government Ordinance of Operations Management of Passenger Ships in the Sun Moon Lake Waters of Nantou County”. The FTC provided its comments and recommended that the County Government pay attention to whether the said rules affect market competition and take care to avoid conflict with the legislative purpose of the FTA.
- Participated in the legislation and amendment to the “Act Governing Regenerative Medical Preparations” and provided its legal opinions.
- Discussed with the Intellectual Property Office of the Ministry of Economic Affairs about whether the methods of obtaining authorization and marketing of karaoke songs involved the provisions of the FTA. The FTC then explained the related articles of the FTA and stated that in principle there is no application of the FTA

where the methods of authorization and marketing of karaoke songs operators obtained were in accordance with copyright law.

- Participated in the meeting on the “Amendment to Regulations Governing Travel Agencies” held by the Tourism Bureau of the Ministry of Transportation and Communications. During the meeting, the FTC provided related views on the stipulation of “Regulations for the Joint Operation of Travel Agencies” and “Regulations for the Solicitation and Sales of Tourism Products of Travel Agencies via Franchising”.
- Participated in the mid-term report meeting on the “Research on the Review of the Sound Development System of the Real Estate Industry” convened by the Construction and Planning Agency of the Ministry of the Interior. The FTC explained the legislative intent of the concerted actions under the FTA in the meeting.
- Participated in the legislation and amendment to the “Whistleblower Protection Act” and provided related suggestions.
- Participated in the meeting on “Planning and Explanation of the Ancillary Services and Reserve Margin Trading Trial Platform” held by the Bureau of Energy of the Ministry of Economic Affairs and expressed that it is appropriate to formulate rules to avoid the risk of restrictive competition where the Bureau stipulates trial measures of the power trading platform.
- Participated in the meeting on the “Release of 5G License & Shared Spectrum, Shared Network, and Shared Construction Involving Competition Law Issues” hosted by the National Communications Commission. The FTC discussed with the competent authority about related regulations under the FTA, including merger control and concerted actions with which operators might be involved.
- Participated in the meeting on the “Integration of Government-Invested Asset Management Corporations to Promote the Urban Renewal Mechanism” held by the Ministry of Finance, and provided opinions on the concerted actions under the FTA.

6. Resources of competition authorities

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

6.1.1. Annual budget:

NT\$347.476 million in 2019 (approximately equivalent to US\$11.487 million in December 2019).

6.1.2. Number of employees (person-years):

There were 208 employees at the end of the year 2019, 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.

In terms of the educational background percentages, 18%, 36%, 6%, and 40% of the employees majored in law and related fields, economics and related fields, both in law- and economics-related fields, and other related fields (including information management, statistics, and public administration), respectively.

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	37
Economists	76
Lawyers & Economists	12
Other professionals & support staff	83
All staff combined	208

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

6.2.1. Enforcement against anti-competitive practices and merger review

Apart from the Department of Fair Competition, which has 30 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.

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 28 staff members in the Department of Service Industry Competition and 28 in the Department of Manufacturing Industry Competition.

6.2.2. Advocacy efforts

In 2019, 10 of the 26 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 participated in various consultation meetings with other government agencies related to competition issues and organized 71 seminars for students, customers, business communities, and local governments in order to explain the FTA, the leniency program and the prohibition against concerted actions.

6.3. Period covered by the above information:

January through December 2019.

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

The FTC studied and published reports on competition policy issues in 2019 with the following titles. All of them are only available in Chinese:

- Research on Concurrence and Applications of Competition Law to Exclusive Licensing of Musical Rights under the Development of Digital Technologies
- Research on Regulations of the Renewable Energy Industry under Competition Law
- Research on Applications and Responses of the Fair Trade Act to New Types of Advertising
- Research on Domestic Important Cases of the Fair Trade Act Focusing on Concerted Actions
- Research on Significant Restrictive Competition Issues regarding Algorithms and Concerted Actions