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**Directorate for Financial and Enterprise Affairs  
COMPETITION COMMITTEE****Annual Report on Competition Policy Developments in Chinese Taipei****-- 2020 --**

This report is submitted by Chinese Taipei to the Competition Committee FOR INFORMATION.

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## *Chinese Taipei*

### Executive Summary

1. This report covers the activities of the Fair Trade Commission (FTC) of Chinese Taipei from January 1 to December 31, 2020.
2. 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.
3. Regarding competition enforcement, the FTC processed 2,294 cases, including 2,118 cases received in 2020 and 176 cases carried over from 2019. By the end of 2020, 2,094 cases had been closed and 200 cases were pending. In particular, the FTC handed down 1 concerted action.
4. The FTC reviewed 79 merger cases in 2020, which included 14 carried over from 2019 and 65 received in 2020. By the end of 2020, the FTC had completed the reviewing of 62 cases, none of which was prohibited, and 17 were pending.
5. In 2020, the FTC participated in various consultation meetings with other government agencies related to competition issues and organized 72 seminars for students, customers, business communities, and local governments in order to explain the FTA, the leniency program and the prohibition against concerted actions.

### 1. Introduction

6. This report describes key competition law and policy developments in Chinese Taipei during 2020.

#### 1.1. Competition law of Chinese Taipei

7. 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 prosperity<sup>1</sup>. 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.<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 2020, 43 cases of complaints fell into the category of unfair trade practices. The FTC also launched self-initiated investigations into 21 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>.

## 1.2. 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 approved 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.

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.

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

### 2.1. Summary of revised legal provisions of competition law and related legislation

13. The FTC has been revising 2 guidelines and rules providing more transparent and standardized regulations in order to guide market trading order and efficiently cope with complicated economic affairs. The main proposed revisions are as follows:

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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. Please refer to <https://www.ftc.gov.tw/internet/english/doc/docDetail.aspx?uid=1297&docid=13426>.

- “Fair Trade Commission Disposal Directions (Policy Statements) on Cable Television Related Enterprises”; and
- “Fair Trade Commission Disposal Directions (Policy Statements) on the Vertical Integration or Joint Operation between Liquefied Petroleum Gas Packing Enterprises and Retailers”.

### 3. Enforcement of competition laws and policies

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

##### 3.1.1. Summary of Activities

14. 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.

15. In 2020, the FTC processed 2,294 cases, including 2,118 cases received in 2020 and 176 cases carried over from the preceding year. By the end of 2020, 2,094 cases had been closed, and 200 cases were pending. A total of 73 complaint cases applicable to the FTA were concluded in 2020 and, of these, 31 concerned anti-competitive practices.

16. Decision rulings on complaints and FTC self-initiated investigations were undertaken in relation to 65 cases in 2020, and only 2 of these fell into the category of anti-competitive practices.

**Table 1. Decision Rulings by the FTC in 2020**

Unit: Number of cases

Year	Anti-competitive Practices	Abuse of Monopoly	Mergers	Concerted Actions	Resale Price Maintenance	Vertical Restraints
2020	2	-	1	1	-	-

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

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

###### *Case 1: Hard Disk Drives Components Cartel*

17. The FTC decided at the 1,514<sup>th</sup> Commissioners’ Meeting on November 11, 2020 that TDK Corporation (hereinafter referred to as “TDK”) and its subsidiary Magnecomp Precision Technology Public Co., Ltd. (hereinafter referred to as “MPT”), as well as NHK Spring Co., Ltd (hereinafter referred to as “NHK Spring”) had engaged in a concerted action via bilateral contacts between May 2008 and April 2016 to exchange sensitive transaction information, avoid price competition for hard disk drive suspension assemblies, and jointly maintain or expand their market shares. The conduct was in violation of the prohibition set forth in Article 15(1) of the FTA. Therefore, the FTC imposed administrative fines of NT\$ 159.09 million on TDK, NT\$ 159.09 million on MPT, and

NT\$ 285.55 million on NHK Spring, citing Article 40 (2) of the Act. The total fine amounted to NT\$637.3 million.

18. The hard disk drive suspension assembly is one of the hard disk drive's components, and its function is to make the hard disk head float stably above the hard disk in order to read and write the data smoothly. Until 2016, the manufacturers of hard disk drive suspension assemblies in the world were the TDK Group (including MPT), the NHK Spring Group (including NHK Spring), Hutchinson Technology Inc. and Suncall Corporation. The hard disk drive suspension assemblies produced were supplied to the worldwide hard drive industry.

19. The imports of computer hard disk drives in our jurisdiction, except for the distributors who sell them to end consumers, are used to assemble accessories for desktop computers, laptops or monitors, and the annual turnovers of the domestic hard disk products amount up to NT\$ 10 billion. The manufacturers of hard disk drive suspension assemblies colluding to fix prices and quantities and exclusive competition would inevitably increase the price of hard disk products. In addition to forcing end consumers to pay higher purchase costs, the competitiveness of the export computer industry in our jurisdiction would also be affected.

20. After a deeper investigation, the FTC found that the market for hard disk drive suspension assemblies was deemed to be oligopolistic, forcing domestic hard disk drive manufacturers to request price quotes from the TDK Group and NHK Spring Group. These suppliers could confirm their negotiation conditions with domestic hard disk drive manufacturers through the exchange of sensitive information about price and sales volumes in order to keep the price level or to slow down the reduction in the prices of hard disk drive suspension assemblies. Consequently, when they learnt that competitors had adopted low-price strategies, they discussed countermeasures to maintain each other's market share and business interests. Therefore, the TDK Group and NHK Spring Group had incentives to engage in a concerted action (cartel). Furthermore, according to the results of this investigation, the TDK Group and its competitor NHK Spring Group had communicated with each other from May 2008 to April 2016 via phone calls, meetings, and e-mails, etc. to exchange sensitive transaction information so as to revise the price quotation and jointly maintain or expand each other's market share. The conduct was in violation of the prohibition set forth in Article 15(1) of the FTA. In addition, pursuant to the "Regulations for Calculation of Administrative Fines for Serious Violations of Articles 9 and 15 of the Fair Trade Act" under Article 40 (2) of the FTA, the FTC imposed a total fine of NT\$637.3 million on the three above-mentioned companies.

### *Case 2: Not Filing the Transaction before Merging*

21. The FTC decided at the 1475<sup>th</sup> Commissioners' Meeting on February 12, 2020 that Taiwan Mobile Co., Ltd. (hereinafter referred to as Taiwan Mobile) had violated the FTA by not filing its merger with Bebe Poshe International Co., Ltd. (hereinafter referred to as Bebe Poshe International) after acquiring 85% of the shares of the latter through Dafu (transliteration) Multimedia Technology Co., Ltd. (hereinafter referred to as Dafu Multimedia) and Fubon Multimedia Technology Co., Ltd. (hereinafter referred to as Fubon Multimedia) and gaining direct or indirect control of the management and personnel appointment and dismissal of Bebe Poshe International. The condition complied with the merger patterns described in Subparagraphs 2 and 5 of Article 10 (1) of the FTA and reached the filing thresholds specified in Subparagraphs 2 and 3 of Article 11 (1) of the Act while the proviso set forth in Article 12 did not apply. Taiwan Mobile was required to file the merger but did not do so. The conduct was in violation of Article 11 (1) of the FTA. For this reason, the FTC imposed an administrative fine of NT\$500,000 on Taiwan Mobile.

22. Although Dafu Multimedia, a subsidiary of Taiwan Mobile, held less than half of the shares and board of directors seats of Fubon Multimedia, Taiwan Mobile admitted that it had gained indirect control of the management and personnel appointment and dismissal of Fubon Multimedia through Dafu Multimedia. Comparisons showed that the personnel of Fubon Multimedia with the authority to make management decisions in Fubon Multimedia had been appointed by Dafu Multimedia. Moreover, Taiwan Mobile had listed Fubon Multimedia as a subsidiary and part of the group in its consolidated financial statements. The business development plans and corresponding measures of Fubon Multimedia had been determined by Taiwan Mobile, whereas the annual financial statements of Fubon Multimedia also indicated that Taiwan Mobile was its final controller after the merger. In other words, Taiwan Mobile had substantial control of the management and personnel appointment and dismissal of Fubon Multimedia through Dafu Multimedia. Hence, when Taiwan Mobile took part in the cash capital increase and acquired 85% of the shares of Bebe Poshe International through its sub-subsidiary Fubon Multimedia on July 16, 2018 and obtained four of the five seats of the board of directors of Bebe Poshe International on August 12 in the same year, Taiwan Mobile had already gained direct or indirect control of the management and personnel appointment and dismissal of Bebe Poshe International. The condition complied with the merger patterns described in Subparagraphs 2 and 5 of Article 10 (1) of the FTA.

23. In 2017, Taiwan Mobile accounted for one quarter of the domestic mobile broadband service market share. At the same time, the aggregate sales of all the businesses participating in the merger in the previous fiscal year exceeded NT\$40 billion while the sales of two of the enterprises surpassed NT\$2 billion. These figures achieved the filing thresholds specified in Subparagraphs 2 and 3 of Article 11 (1) of the FTA whereas the proviso regarding merger filing in advance set forth in Article 12 of the Act was inapplicable. In other words, Taiwan Mobile was required to file the merger with the FTC in advance but did not do so. The conduct was in violation of Article 11 (1) of the FTA. Hence, the FTC made the aforementioned sanction.

## 3.2. Mergers and acquisitions

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

24. Mergers involving parties reaching a certain turnover 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 2019	Received in 2020		Mergers not Prohibited	Mergers Prohibited	Termination of Review	Combined into other Cases	
2020	14	65	79	35	-	27	-	17

**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
2020	35	-	35	-	9	31

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.

### 3.2.2. Summary of significant cases

#### *Case 1: Three Joint Ventures of Online-Only Banks not Prohibited*

25. The FTC decided at the 1,467<sup>th</sup> and 1486<sup>th</sup> Commissioners' Meetings on December 18, 2019 and April 29, 2020, respectively, that the joint venture of LINE Financial Taiwan Ltd. (hereinafter referred to as LFT) and six other companies to set up LINE Commercial Bank Co., Ltd. (hereinafter referred to as LINE Bank), Chunghwa Telecommunications Co., Ltd. (hereinafter referred to as CHT) and eight other companies to set up NEXT Commercial Bank Co., Ltd., (hereinafter referred to as NEXT Bank), and Rakuten Bank, Ltd. (hereinafter referred to as Rakuten Bank) and two other companies to set up Rakuten International Commercial Bank (hereinafter referred to as Rakuten International Bank). Since the overall economic benefit of these three joint ventures would be greater than the disadvantages from likely competition restraints, the FTC did not prohibit these transactions by citing Article 13 (1) of the FTA.

26. The merging parties in the two cases of LINE Bank and NEXT Bank were involved in financial and telecom businesses. Hence, when reviewing these two cases, the FTC solicited the opinions of the Financial Supervisory Commission and the National Communications Commission, the competent authorities of the industries concerned. LINE Bank would be founded by LFT, Taipei Fubon Bank, CTBC Bank Co., Ltd., Union Bank, Standard Chartered Bank, Taiwan Mobile, and Far EasTone, and NEXT Bank would be founded by CHT, Mega Bank, Shin Kong Life Insurance, PX Mart, KGI Bank, TradeVan, Shin Kong Bank, Shin Kong Security and Great Taipei Gas. As these businesses respectively belonged to the banking, life insurance, telecommunications, network, supermarket, natural gas and security industries, the FTC decided to analyze the horizontal and non-horizontal overlaps of the merging parties in the two cases.

27. The banks participating in these two mergers did not account for large shares of the domestic deposit, lending and credit markets. Moreover, they had no plans to transfer their current operations to the online-only bank and each one would continue to manage its own business. In other words, the level of competition between them would not go down. Hence, they would not have the ability to raise the prices of their products or services. In the meantime, these banks had already invested human and financial resources to develop their digital financial services whereas there would be no overlap between their current clientele and the target customers of the two online-only banks. According to the marketing positioning of these businesses and the costs already put in to develop digital banking, the FTC found it difficult to come to the conclusion that the banks involved in the two merger cases would stop their own existing digital banking operations or that the incentives for them to push banking digitalization would decrease after the two online-only banks were set up.

28. When analyzing the non-horizontal overlaps, the FTC took into account that banking belonged to specially approved business. The likelihood of non-banking



businesses entering the online-only banking market alone was restricted by law. There was no potential competition between the non-banking businesses and banks participating in the two mergers. Meanwhile, when reviewing the LINE Bank case, the FTC also took into consideration whether the increase in the use of LINE software to connect to the functions of LINE Bank would lead to competition concerns such as tie-in sales and whether LINE software users could still retain the freedom to decide if they wanted to open LINE Bank accounts. After all, LINE software could not be applied to impede other online banking service providers from accessing LINE users. The competitors of LINE Bank would still be able to cooperate with developers of other non-communications apps or develop their own apps to access LINE users. As for NEXT Bank, the FTC assessed whether the ecosystem of consumption in everyday life that NEXT Bank intended to build up through the cross-industry alliance with the merging parties would create competition concerns like tie-in sales. The considerations included whether the merging parties would remain open to future business partners and whether the merging parties would cooperate with NEXT Bank only and reject other potential business partners in order to increase their own customers and the rates of use of their services. The results indicated that neither merger would end up impeding competitors from competing with the two online-only banks.

29. Regarding the joint venture of Rakuten International Bank, which would be founded by Rakuten Bank, Rakuten Card Co., Ltd. (hereinafter referred to as Rakuten Card) and IBF Financial Holdings Co., Ltd. (hereinafter referred to as IBF Financial Holdings), before the merger, the merging parties had no horizontal overlapping or vertical supply-demand relations and no potential competition existed in between. Rakuten Inc., the final controlling company of Rakuten Bank and Rakuten Card, and its affiliates faced fierce competition in the relevant domestic market and accounted for a rather small market share, whereas the likely effect of their market power extension was also limited. Meanwhile, the existing clients of IBF Financial Holdings and its subsidiaries were not target customers of online-only banks and the market shares of the subsidiaries of IBF Financial Holdings were limited. Therefore, it would be difficult for IBF Financial Holdings to promote online-only banking business through tie-in or bundling sales.

30. At the same time, the FTC also evaluated certain likely competition concerns in regard to these three cases in the digital market, including the accumulation of data and protection of personal information. Although these three online-only banks could take advantage of the customer data of each merging party to pinpoint the needs of such customers and offer customized services, it was not impossible to collect such data through other channels or replace such data with other information. Competitors could collaborate with other data businesses to gather customer information. Therefore, the FTC thought that it was difficult to conclude that the databases of the merging parties could bring the three online-only banks competitive edges that competitors would not be able to reproduce. In addition, the merging parties belonged to various industries. There was also no evidence to show that any merging party or its affiliates had engaged in non-price competition by using the personal information in their possession before the mergers were concluded. In other words, as far as personal information protection was concerned, the merging parties in these cases were incapable of eliminating competition pressure and they were unable to reduce competition by using privacy protection as an excuse. Nonetheless, the FTC still reminded the merging parties in these three cases to bear in mind the personal information protection regulations and abide by the law.

31. The Financial Supervisory Commission approved the establishment of these three online-only banks in August 2019 while the FTC had already decided not to prohibit the three mergers of online-only banks at the 1,467<sup>th</sup> and 1486<sup>th</sup> Commissioners' Meetings on December 18, 2019 and April 29, 2020, respectively.

*Case 2: Not Prohibiting Carrefour-Wellcome Acquisition with Conditions*

32. The FTC decided at the 1,518<sup>th</sup> Commissioners' Meeting on December 9, 2020 that it would not prohibit the merger between Carrefour S.A. (hereinafter referred to as Carrefour) and Wellcome Taiwan Company Ltd. (hereinafter referred to as Wellcome) pursuant to Article 13 (2) of the FTA.

33. Carrefour intended to acquire 100% of the issued shares of Wellcome and directly or indirectly control the business operation or the appointment or discharge of personnel of Wellcome. The condition met the merger patterns described in Subparagraphs 2 and 5 of Article 10 (1) of the FTA. At the same time, the turnovers of Carrefour and Wellcome in the year 2019 also reached the filing threshold specified in Subparagraph 3 of Article 11 (1) of the Act, while the proviso in Article 12 did not apply. Therefore, a merger notification was filed.

34. In order to review this merger, in addition to inviting a number of retailers to provide relevant opinions, the FTC hosted a forum in September 2020 to invite representatives from Carrefour and Wellcome to report on this transaction. Moreover, experts and scholars, industry and consumer protection authorities, consumer protection groups, upstream suppliers, related associations and competitors were also invited to the forum in order to fully discuss issues on the market definition related to this acquisition, assessments of Carrefour's equity holding by the Uni-President Enterprise Co., Ltd. (hereinafter referred to as Uni-President), and the effects of restrictive competition, etc.

35. After assessing the case, the FTC concluded that there had been no significant change in the market share, market structure, and market concentration of the hypermarket and supermarket industry, and the unilateral and coordinated effects of the horizontal merger were not large enough. There were still the first and second large-scale hypermarket and supermarket operators competing with it, and the actual market competition would not exist directly after the companies merged. Thus the FTC concluded that the transaction would not have substantial negative effects on market competition. After the merger, Carrefour and Wellcome would be able to expand the scale of purchases, reduce the cost of goods, integrate sales networks and develop online businesses, and improve the efficiency of logistics and distribution, all of which would provide consumers with more favorable prices and convenient services, and increase consumer interests. Therefore, it could be considered that the overall economic benefit of the merger would outweigh the disadvantages resulting from competition restraint.

36. However, considering that Carrefour's upstream supplier Uni-President and its affiliates collectively held 40% of Carrefour's shares, there may have been concerns about "discriminatory treatment without justification" in terms of the trading conditions regarding the supply of goods. After the merger, the bargaining power of Carrefour and Wellcome would increase. Small and medium-sized suppliers might withdraw from the channels of Carrefour and Wellcome due to insufficient bargaining power and these suppliers would need to invest in resources due to switching distribution channels, which would result in small and medium-sized suppliers being forced to exit the market. This would reduce product diversity and eventually harm consumers.

37. Therefore, to reduce the aforementioned competition concerns and ensure that the overall economic benefit of the merger would outweigh the disadvantages resulting from competition restraint, pursuant to Article 13 (2) of the FTA, the FTC imposed the following additional conditions on the merging parties:

- The transactions between Carrefour and its minority shareholders (when they are the actual or potential suppliers at the same time) shall not offer or commit to give obvious preferential treatment;
- Carrefour shall maintain the project set up for small and medium-sized suppliers;
- Carrefour shall not terminate or remove any small and medium-sized suppliers from the supplier list without justifiable reasons; and
- Carrefour shall regularly provide the FTC with the effective supply contracts between Carrefour and its minority shareholders, the number of small and medium-sized suppliers, and Carrefour's annual report on the total amount of purchases from such small and medium-sized suppliers.

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

38. 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 did not conflict with the legislative purpose of the FTA. This amendment thereby affirmed that the spirit and content of the FTA was the core of economic policy.

39. 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.

40. In 2020, 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 on the “Draft of the Autonomous Regulations of Delivery Platform Operator Management in Taipei City” held by the Taipei City Government and provided related views on competition law enforcement.
- Participated in the meeting on the “Research on Prevention Countermeasures and Relief Package of Severe Special Infectious Pneumonia” hosted by the Executive Yuan (the Cabinet) and provided related competition law suggestions.
- Participated in the meeting on the “Draft of the Whistleblower Protection Act” convened by the Executive Yuan (the Cabinet) and provided related legal opinions.
- Participated in the orientation on the “Draft of Regulations Governing the Use of Radio Frequencies” held by the National Communications Commission. During the meeting the FTC advocated the importance of filing a pre-merger notification, explained the exemptions and exceptions under the competition law, and clarified how to ask the FTC for an explanation of competition law and related regulations.
- Participated in the meeting on “First Improving the Real-Estate Trading Management System” held by the Ministry of the Interior, provided related suggestions about enforcement purposes and explained competition law and related regulations.

- Participated in the meeting on “Improving the Joint Inspection Operation of Presold-House Sales” held by the Ministry of the Interior and provided competition law opinions about possible illegal practices and enforcement regulations.
- Participated in the meeting on the “Amendments to the Tobacco Hazards Prevention Act” chaired by the Executive Yuan (the Cabinet) and shared related views on competition policy and law with related government bodies.

## 5. Resources of competition authorities

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

#### 5.1.1. Annual budget:

41. NT\$371.908 million in 2020 (approximately equivalent to US\$12.936 million in December 2020).

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

42. There were 206 employees at the end of the year 2020, 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 94% of employees have bachelor degrees with majors in different subjects at the university level.

43. In terms of the educational background percentages, 19%, 34%, 4%, and 43% of the employees had 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.

44. 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	39
Economists	70
Lawyers & Economists	9
Other professionals & support staff	88
All staff combined	206

### 5.2. Human Resources (person-years) applied to:

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

45. Apart from the Department of Fair Competition, which has 29 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.

46. 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 29 in the Department of Manufacturing Industry Competition.

47. There are 20 staff members in the Department of Legal Affairs, which is responsible for completing competition law system, mainly including preparing and formulating competition law and regulations and amendments thereof, handling administrative appeal cases, carrying out the execution of fines, handling the referral of criminal offenders for prosecution, and studying and researching legal issues related to competition law.

### *5.2.2. Advocacy efforts*

48. In 2020, 11 of the 29 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.

49. The FTC participated in various consultation meetings with other government agencies related to competition issues and organized 72 seminars for students, customers, business communities, and local governments in order to explain the FTA, the leniency program and the prohibition against concerted actions.

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

50. January through December 2020.

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

51. The FTC studied and published reports on competition policy issues in 2020 with the following titles. All of them are only available in Chinese:

- Research on Data Monopoly and Competition Policy in the Development of Big Data
- Empirical Research on the Evaluation of Competition in the E-commerce Markets
- Research on Technological Innovation and Competition Issues
- Research on Important Domestic Cases on the Fair Trade Act: Issues Involving Deceptive or Obviously Unfair Conduct
- Research on Important Domestic Cases on the Fair Trade Act: Issues Involving Monopoly and Other Restrictive Competition Conduct (Non-Cartel)
- Research on the Review and Processing of Extraterritorial Merger Cases in Chinese Taipei and Seven Other Competition Jurisdictions
- Research on the Countermeasures and Application of the Fair Trade Act to New-Type Testimonial and Endorsement Advertising
- Research on Behavioral Antitrust and Consumer Rights
- Research on E-Commerce and Competition