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FTC International Exchanges in May and June 2026

Karaoke Equipment Suppliers Violated the Fair Trade Act by Demanding that Stores Not Use Competitor's Products Simultaneously

The FTC received complaints accusing Company A of sending letters containing untruthful information that damaged Company B's business reputation to karaoke stores to stop them from doing business with Company B. The conduct was in violation of the Fair Trade Act.

Company A and Company B were competitors in the karaoke equipment market. Company A admitted that the content of the letters included Company B violating the Copyright Act and Company A's karaoke equipment ending up being seized because certain karaoke stores used copyright-infringing products. Company A claimed that it had to stop businesses using its products from renting Company B's equipment in order to protect its own reputation. Therefore, the company sent out letters to request that its distributors demand that those renting their karaoke equipment who were using Company B's machines terminate the lease with Company A.

The FTC's investigation showed that Company B had indeed violated the Copyright Act before. However, the accusation that Company A's equipment was seized by judicial agencies because copyright-infringing products were found in some karaoke stores had nothing to do with Company B. Meanwhile, Company A demanded that karaoke stores using its products not rent Company B's equipment unless

they returned the equipment rented from Company A. Due to Company A's market power, the demand definitely could have created certain pressure because the stores would have had a hard time staying in business without Company A's karaoke equipment. In other words, the letter from Company A could indeed have caused karaoke stores to avoid doing business with Company B and subsequently lead to competition restraints. Therefore, the FTC concluded that the conduct was "preventing competitors from participating or engaging in competition by inducement

with low price, or other improper means," as stated in Subparagraph 3, Article 20 of the Fair Trade Act and, therefore, gave Company A a warning.

The FTC would like to remind karaoke equipment businesses that they may possess intellectual property rights, but they must be careful when issuing letters to karaoke stores to protect their interests. By preventing competitors from engaging in competition in doing so, they are breaking the law and will be punished. 

Concerted Action of Haiyou, Kaixuan and All Star Shipping in Violation of the Fair Trade Act

The FTC decided at the 1798th Commissioners' Meeting on Apr.15,2026 that the joint ferry scheduling of Haiyou Shipping, Kaixuan Shipping and All Star Shipping on the route they operated between Budai and Magong, Penghu was a concerted action. The FTC fined each company NT\$100,000. The fines totaled NT\$300,000.

The three companies all operated the route between Budai and Magong. To prevent overlapping schedules from reducing the occupancy of each company's boats, the companies negotiated in 2019 and decided to implement joint scheduling. The owners of the three companies provided capital and created Wuji Management Consulting Co., Ltd. to set shipping schedules and divide the income from ticket sales.

As the three companies accounted from 50% to 60% of the Budai-Magong route shipping service market, the joint scheduling was able to affect the market. Therefore, the FTC penalized the three companies.

The FTC would like to remind concerned businesses that concerted actions are a key investigation target in Fair Trade Act enforcement. Businesses must not negotiate and jointly decide product or service price or quantity in order not to break the law. If any of the situations specified in the proviso subparagraphs set forth in Paragraph 1, Article 15 of the Fair Trade Act are met, concerned businesses may apply to the FTC for exceptional permission before engaging in concerted actions to avoid punishment. 

Taichung City Night Soil Removal Service Association Violated the Fair Trade Act for Setting Price Lists

The FTC decided at the 1793rd Commissioners' Meeting on Mar.4,2026 that the Taichung City Night Soil Removal Service Association had violated the regulation against concerted actions set forth in the Fair Trade Act by setting and announcing a night soil removal service price list.The FTC fined the association NT\$100,000.

In November 2021,the association discussed and set a service price list during council meetings.In October and November 2024,the association held discussions through the council's LINE group and reached the conclusion that it would adjust the service price,notifying the members and announcing the price list on the association's Facebook wall for consumers to view.

The FTC's investigation showed that the association set the price list to protect the floor price of night soil removal services and prevent a price war between competitors. However, as the members were likely

to set prices in accordance with the association's announcement, the influence on individual services' pricing policies and the supply-demand function in the relevant market was inevitable.

Associations that set price standards are in violation of the Fair Trade Act, but such actions still occur frequently. The FTC would like to remind concerned associations and different business groups not to set price standards. Regardless of whether the standards are compulsory or not, they are likely to become pricing benchmarks that constrain the pricing freedom of members.Such conduct is in violation of the regulations against concerted actions.Associations should never use the protection of earnings or the prevention of a price war as an excuse to set price lists by making decisions during council meetings or through other means in order not to break the law.



The FTC Approved Hotai Motors' Merger Proposal to Enter the Japanese Commercial Vehicle Market

The FTC decided at the 1795th Commissioners' Meeting on Mar.25,2026 to approve the merger of Hotai Motors with Higashi Hokkaido Hino Motors, Ltd.,Hokkaido Hino Motors,Ltd.,Miyagi Hino Motors, Ltd.,Fukushima Hino Motors,Ltd.and Minami Kanto Hino Motors,Ltd. by citing Paragraph 1,Article 13 of the Fair Trade Act.

Hotai Motors intended to acquire an 80% share of each of the five Japanese companies.After the merger, Hotai Motors would directly control the management and personnel appointment and dismissal.The condition complied with the merger patterns stated in Subparagraphs 2 and 5, Paragraph 1 of Article 10 of the Fair Trade Act and achieved the merger-filing threshold. Therefore, Hotai Motors filed a merger notification with the FTC.

Hotai Motors and the five companies sold big trucks, small trucks,buses and other commercial vehicles in Chinese Taipei and Japan.After the merger,the five Japanese automakers would continue to operate in Japan and would not engage in any business activity in Chinese Taipei. Therefore, the merger would have no effect on the structure of the domestic commercial vehicle market and competition.There would be no significant concern about competition restraints.

Moreover, Hotai Motors would be able to use its experience in the domestic commercial vehicle market in the Japanese market and create more options and competition. Hence, after assessing related factors, the FTC cited Paragraph 1, Article 13 of the Fair Trade Act and did not prohibit the merger. 

Shopee Violated the Fair Trade Act by Posting False Ads to Market Nitrifying Bacteria Water Purifiers

The FTC decided at the 1788th Commissioners' Meeting on Jan.28, 2026 that an individual surnamed Cai had violated Paragraph 1,Article 21 of the Fair Trade Act by posting the wording "Made by Rael International Corporation" and "The bacteria used in this product produced by Rael International Corporation" when marketing nitrifying bacteria water purifiers at the "Air Filtration Expert" and "Easy Shop" on Shopee.com.The claim was a false and misleading representation with regard to the product producer and could also affect transaction decisions.

The wording gave the impression that the product was made by Rael International Corporation. However, the company stated that they had not produced or sold nitrifying bacteria water purifiers or given authorization for the production of such products in the last five

years.Meanwhile,Cai was also unable to provide evidence to prove any connection between the product and Rael International Corporation.Therefore, the claim was inconsistent with the fact in violation of Paragraph 1, Article 21 of the Fair Trade Act. However,after taking into consideration that Cai had removed the ad after realizing its inappropriateness and had checked the authenticity of the claim before posting it,the FTC decided that the violation was not serious and,therefore,only issued a warning.

The FTC would like to remind advertisers that they should fulfill their obligation to present truthful representations and thoroughly check the authenticity of their ads.They must not mislead consumers out of negligence in order to protect trading order and consumer interests. 

PCHome and Laili Co. Posted False Ads in Violation of the Fair Trade Act

The FTC decided at the 1794th Commissioners' Meeting on Mar.18, 2026 that Laili Co.had violated Paragraph 1,Article 21 of the Fair Trade Act by falsely advertising a product as having won "the 2024 IF and Red Dot Awards" when marketing a Bebird Home 30S endoscopic ear picker on PChome 24.com. It was a false and misleading representation with regard to quality of product and could also affect transaction decisions. Therefore, the FTC fined PChome and Laili NT\$50,000 each.

The claim of "having won the 2024 IF and Red Dot Awards" gave the impression that the design of the product was recognized by IF and Red Dot Awards.

The FTC's investigation revealed that the Red Dot Award is a symbol of high quality design created by the German Designers Association, whereas the IF Award is a label of excellent design coming from

IF International Forum Design GmbH.According to PChome and Laili Co.,the product had not won the awards and there was no information about the product winning awards on the Red Dot and IF websites. Apparently, the claim was inconsistent with the facts. It was a false and misleading representation with regard to quality of product and able to cause the public to have wrong perceptions or make wrong decisions. The conduct was in violation of Paragraph 1,Article 21 of the Fair Trade Act.

The FTC would like to remind concerned businesses that regardless of whether products have won international awards or not can cause consumers to have different levels of trust. It can have an effect on consumers' transaction decisions. Making untruthful claims is in violation of the Fair Trade Act and will be punished. 

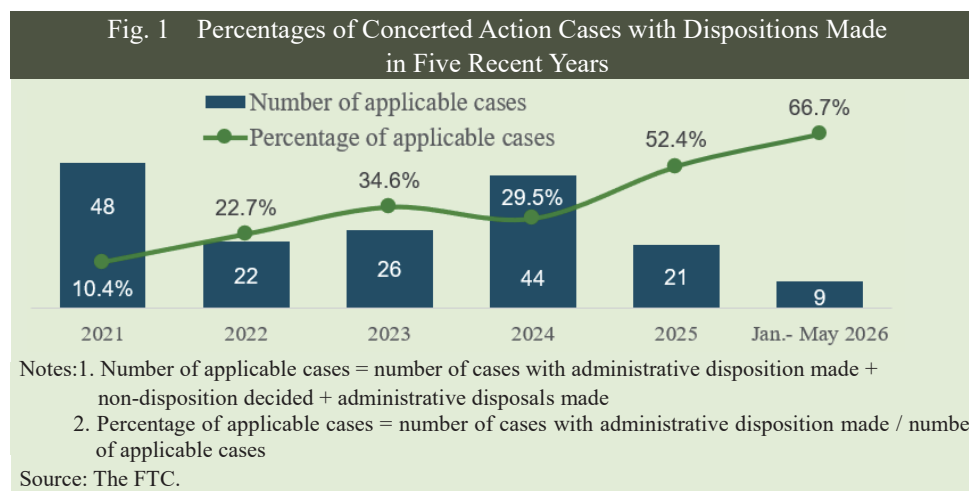
Statistics on Concerted Action Cases

The term “concerted action” means that competing enterprises at the same production and/or marketing stage, by means of contract, agreement or any other form of mutual understanding, jointly determine the price, quantity, technology, products, facilities, trading counterparts, trading territory, or any other behavior that restricts each other’s business activities and the conduct has an effect on the market’s function with respect to production, product transactions or supply and demand. As stipulated in the Fair Trade Act, no enterprises may engage in concerted actions unless exceptional permission is obtained in advance. Otherwise, the FTC will impose sanctions according to law.

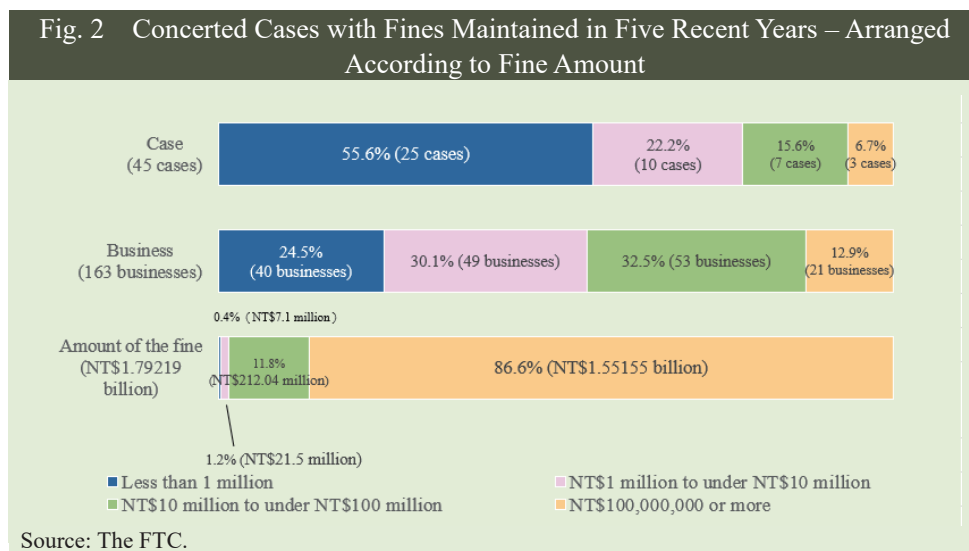
Statistics show that the FTC closed 48 concerted action cases between January and May 2026, including 6 cases with administrative dispositions made (6 dispositions/warning letters issued and total fines of NT\$1.35 million maintained), 3 non-disposition cases, and 39 cases with review suspension. From 2021 to May 2026 (hereinafter referred to as the five recent years), the FTC closed 879 cases, 49 with administrative dispositions made (60 dispositions/warning letters issued and total fines of NT\$1.79219 billion maintained), 120 with non-disposition determined, 587 with review/investigation suspension, 1 with administrative disposal and 122 with case consolidation determined (Table 1).

Table 1 Concerted Action Cases Processed in Five Recent Years									
Unit: case; business; 10 thousand									
Year	Number of closed cases (A+B+C+D+E)	Administrative disposition				Non-disposition (B)	Administrative disposal (C)	Review/investigation suspended (D)	Case consolidation (E)
		Number of cases (A)	Disposition/warning letter						
			Case	Business	Fines maintained				
Total									
(2021- May 2026)	879	49	60	216	179,219	120	1	587	122
2021	209	5	8	29	142,314	42	1	106	55
2022	113	5	5	31	1,965	17	-	70	21
2023	89	9	10	59	29,545	17	-	58	5
2024	256	13	16	55	2,290	31	-	195	17
2025	164	11	15	30	2,970	10	-	119	24
Jan.- May 2026	48	6	6	12	135	3	-	39	-
Notes:1.The term “administrative disposal” means that when a case involves no illegal activities but may affect trading order, the FTC will give administrative guidance. 2.Case consolidation means that when the same cases are forwarded by different agencies or reported by private citizens, such cases are consolidated. 3.The fines imposed on pharmaceuticals for the concerted action associated with colorectal cancer drugs in 2021 totaled NT\$285 million and the fines imposed on capacitor manufacturers for their concerted action in 2015 were adjusted to NT\$1.16111 billion in 2021. 4.The fines imposed on ready-mix concrete makers for the concerted action in 2023 totaled NT\$213.10 million.									
Source: The FTC.									

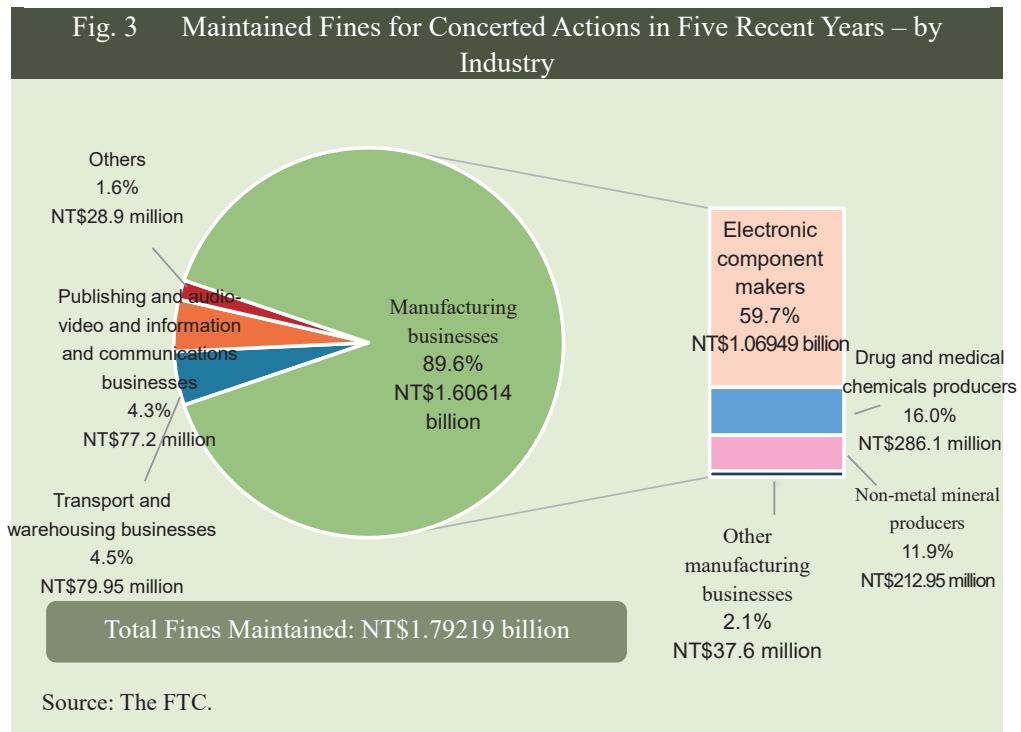
After cases not belonging to the FTC's jurisdiction, the ones lacking reasonable proof of illegality, those with review/investigation suspended due to unclear report content and cases repeatedly reported were deducted, investigations were launched in only 9 of the 48 cases closed between January and May 2026. Administrative dispositions were decided in 6 cases (66.7%). The 879 cases closed in the five recent years included 170 applicable cases and administrative dispositions were made in 49 (28.8%) of them (Table 1, Fig.1).



Among the 49 cases with administrative dispositions made in the five recent years (60 dispositions/warning letters issued) (Table 1), the fine was maintained in 45 cases. Fines totaling NT\$1.79219 billion were imposed on 163 businesses. Judged by the imposed amount specified in the dispositions, there were 25 cases (55.6%) in which the fine was less than one million. If analyzed by the number of businesses, the 53 enterprises (32.5%) receiving fines between NT\$10 million and 100 million formed the largest group. There were 3 cases (32.5%) in which the fine imposed was over NT\$100 million, but the fines totaled NT\$1.55155 billion, accounting for 86.6% (Fig. 2).



Judged by industry, the NT\$1.6614 billion imposed on manufacturing businesses accounted for 89.6%, followed by the NT\$79.95 million (4.5%) on transport and warehousing businesses. Meanwhile, the NT\$1.06949 billion imposed on electronic component makers made up 59.7% of the maintained fines imposed for concerted actions, followed by the NT\$286.10 million (16.0%) on producers of drugs and medical chemicals (Fig.3).



FTC Activities in May and June 2026

- ⚡ On May 4 and 13, the teachers and students of the Graduate Institute of Technology Management of National Taiwan University of Science and Technology and the Department of Law of Soochow University attended the Fair Trade Act and Multi-level Marketing Supervision Act Training Camp at the FTC.
- ⚡ On May 5, Professor Wang Weilin of the Department of Law of Chinese Culture University gave a lecture on the Rise and Fall of US FTC Non-compete Regulations—Inspiration from Different Legal Systems for Domestic Laws.
- ⚡ On May 7 and 22, The FTC respectively conducted the Fair Trade Act and Multi-level Marketing Supervision Act Training Camp at the Department of Financial and Economic Law of Chung Yuan Christian University and the Department of Accounting Information of Takming University of Science and Technology.
- ⚡ On May 7 and 29, the FTC respectively conducted the Fair Trade Act and Multi-level Marketing Supervision Act Training Camp for Universities at the Department of Financial and Economic Law of National Kaohsiung University and the Department of Chinese of National Kaohsiung Normal University.
- ⚡ On May 8, the FTC gave a presentation on Regulations against False Advertising and Cases in Taoyuan City.
- ⚡ On May 8, the FTC conducted the Various Aspects of Trading Traps activity at the Yujing Land Office of Tainan City.
- ⚡ On May 28 and 29, the FTC conducted the Advertising Regulations Training Camp in Hsinchu City.
- ⚡ On May 29, the FTC gave a lecture on the Fair Trade Act and Analysis of Concerted Action Cases in Taipei City.
- ⚡ On Jun. 12, the FTC gave a presentation on Regulations against False Advertising and Cases in Taichung City.
- ⚡ On Jun. 30, Professor Wang Lida of the Law School of National Chengchi University was invited to give a lecture on the Cause and Effect of Compensation, Damages and Method of Verification According to the Fair Trade Act: Based on Civil Judgments of the Supreme Court.



1. The FTC conducting the Fair Trade Act and Multi-level Marketing Supervision Act Training Camp for Universities at the Department of Financial and Economic Law of National Kaohsiung University.
2. The FTC inviting Professor Wang Lida of the Law School of National Chengchi University to give a lecture on the Cause and Effect of Compensation, Damages and Method of Verification According to the Fair Trade Act: Based on Civil Judgments of the Supreme Court.

FTC International Exchange in May and June 2026

From May 5 to 9, the FTC attended the 25th ICN Annual Conference in Manila, the Philippines and held bilateral meetings with the competition authorities of Australia, New Zealand and Italy.

From Jun. 20 to 28, the FTC attended the OECD Competition Committee June Routine Meeting in Paris, France.



1. The FTC Acting Chairperson Andy C.M. Chen with ICN Unilateral Conduct Working Group meeting attendees and speakers.
2. The FTC Acting Chairperson Andy C.M. Chen sharing law enforcement experience at the OECD Competition Committee session on Competition in Health Care Industries and Control.