Jing Jing Arts and Crafts Trading Company

1764th Commissioners' Meeting (2025)

Case: Jing Jing Arts and Crafts Trading Company violated the Fair Trade Act by deceptively recruiting individuals to perform household production while actually profiting from the sale of high-priced materials
Keywor(s): Household production; recruitment advertisement; high material fees
Reference: Fair Trade Commission Decision of August 13, 2025 (the 1764th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 114079
Industry: Manufacture of Jewelry and Related Articles (3391)
Relevant Law(s): Article 25 of the Fair Trade Act

Summary

1. The FTC received a complaint reporting that Jing Jing Arts and Crafts Trading Company (hereinafter referred to as "Jing Jing") was recruiting household production agent workers to color pearls and required applicants to first purchase three cans of paint at NT$5,000 per can. It was suspected that Jing Jing was recruiting individuals for household production through deceptive or obviously unfair means, while actually profiting from the collection of high material fees, in possible violation of the Fair Trade Act. The FTC therefore initiated an investigation.

2. Findings of the FTC after investigation:
   (1) Jing Jing and Mr. Lin placed recruitment advertisements in newspapers and on online job banks to attract members of the public. When individuals applied for the work, Jing Jing and Mr. Lin claimed that the rejection rate for the bead-string coloring work was low, that workers only needed to purchase three cans of paint for a total of NT$15,000 at the initial stage of the piecework, and that workers would be paid NT$90 for each string of beads they colored. They further stated that, after a worker had completed 900 strings, Jing Jing would provide the paint free of charge. Through these representations, they induced members of the public to purchase high-priced paint and perform the piecework. However, individuals who had performed the piecework stated that their acceptance rate during the initial stage was less than 50%. In addition, the paint had a strong odor, and the

coloring process was highly time-consuming. Most agent workers were unable to perform the piecework for extended periods and, in practice, could hardly earn any remuneration. This showed that Jing Jing had passively concealed the fact that the actual costs involved in performing the piecework made it economically unviable, thereby causing individuals to mistakenly believe that they could earn substantial remuneration from the work and inducing them to pay the paint costs in advance.

(2) The revenue Jing Jing obtained from selling high-priced paint to the household production agent workers far exceeded its procurement cost for the pearl paint materials. Moreover, although Jing Jing was unable to provide evidence demonstrating that it actually derived revenue from the sale of pearl accessories, it was nevertheless able to bear business operating costs amounting to several hundred thousand New Taiwan dollars. The purported sales revenue was clearly disproportionate to its fixed expenditures. The FTC therefore found that Jing Jing's principal source of revenue was in fact the sale of materials to the household production workers.

3. Grounds for the disposition:

(1) Jing Jing and Mr. Lin used deceptive means to recruit unspecified members of the public to perform household production piecework, while in fact profiting from the sale of high-priced materials required for the work. In addition, they were unable to provide evidences of sales of the finished products produced through such piecework, and the purported sales revenue was clearly disproportionate to the business expenditures incurred. The FTC therefore determined that such conduct constituted a deceptive act sufficient to affect trading order, in violation of Article 25 of the Fair Trade Act.

(2) After assessing the motive and purpose behind Jing Jing's unlawful conduct and the inappropriate profit expected, including the fact that it profited by selling high-priced materials to home-based workers who were in a comparatively disadvantaged socioeconomic position, as well as the level of harm to trading order, the duration of the conduct, and Jing Jing's business scale, management condition, market status, and past violations, the FTC cited the first section of Article 42 of the Fair Trade Act, ordered Jing Jing to cease the foregoing unlawful conduct, and imposed an administrative fine of NT$200,000 on Jing Jing. Furthermore, Mr. Lin was the individual who actually carried out Jing Jing's household production piecework operations and had intentionally participated in the conduct at issue. The FTC therefore determined that Mr. Lin was also an actor responsible for the conduct in this case and imposed an administrative

fine of NT$200,000 on him.

Appendix:
Jing Jing Arts and Crafts Trading Company ’s Uniform Invoice Number: 57900163

Summarized by: Lin, Shih-Ying; Supervised by Yeh, Su-Yen □