



**Asia-Pacific
Economic Cooperation**

2011/SOM1/CPLG/017

Agenda Item: 8

Report on Updates and Developments of Competition Policy in Chinese Taipei

Purpose: Information
Submitted by: Chinese Taipei



**Competition Policy and Law Group Meeting
Washington, D.C., United States
7-8 March 2011**

Updates and Developments of Competition Policy in Chinese Taipei

Chinese Taipei Fair Trade Commission
(CTFTC)
8 March 2011

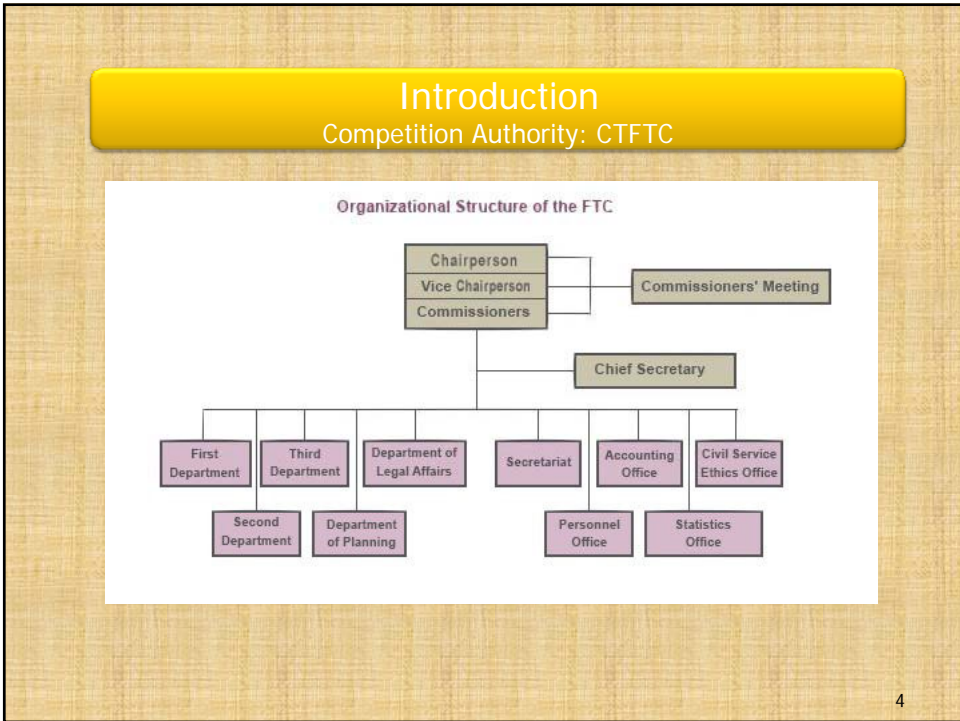
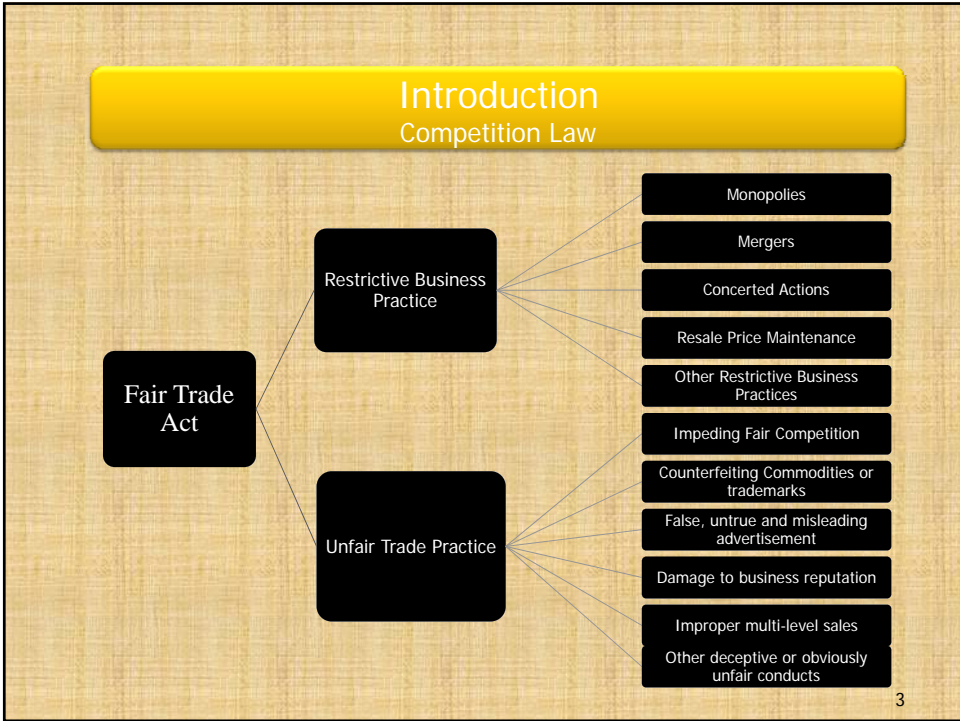
Outlines

Introduction

Case Handling in 2010

Enforcement Works in 2010

Future Outlook



Case Handling in 1992-2010

Cases Received • 34,890

Cases Closed • 34,731

Case Conclusion Ratio • 99.54%

Decision Ruling • 3,339

The Fine Amounts to • NTD\$2.72 billion
(around USD\$93.79 million)

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Case Handling in 2010

Cases Received : 1,300

- Complaints: 1,207
- Cartel Applications: 0
- Merger Notification: 45
- Request for Explanation: 48

Cases Closed

- 1,465

Decision Ruling

- 155

Fine

- NTD\$65.84 million (around USD\$2.27 million)

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Enforcement Works in 2010

Cartel

- Three major domestic suppliers for industrial-use papers: Cheng Loong Corporation, Long Chen Paper Co., Ltd., and Yuen Foong Yu paper Mfg. Co. Ltd. raised the price for industrial-use papers in concerted action between November 2009 and March 2010. The action was sufficient to affect the demand and supply of domestic industrial-use paper market. They violated Article 14 of the Fair Trade Act regarding the prohibition on concerted actions. The unlawful activities were suspended immediately, and administrative fines of NTD\$5,000,000, NTD\$3,000,000, and NTD\$2,000,000 were imposed, respectively.
- Seven harbor services companies, including Kaohsiung Harbor Services Co., Ltd. jointly determined to share conveying maritime pilots and operating revenue to limit the provision of service capacity and influence the supply and demand for shuttle boat traffic in Kaohsiung harbor. These concerted actions violated Article 14(1) of the Fair Trade Act. The seven companies were ordered to cease the conduct and were imposed with administrative fines ranging between NTD\$100,000 and NTD\$2,000,000. The seven companies were imposed with administrative fines totaling NTD\$5,000,000.
- Taiwan Bar Association dissolved and informed local bar associations to notify bar members to withdraw from law service platforms constructed by other enterprises. It imposed constraints on business activities and was sufficient to affect service demand and supply in the market. It violated Article 14(1) of the Fair Trade Act. The unlawful activities were suspended immediately, and an administrative fine of NTD\$500,000 was imposed.

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Enforcement Works in 2010

Merger

- US-based Motorola Inc. filed with CTFTC its intention to sell the principal part of its public wireless network infrastructure and the corresponding operating rights to Finnish Nokia Siemens Networks B. V., NSN. The deal would also mean that the public wireless network infrastructure and the corresponding operating rights of Motorola Electronics Limited Taiwan, 100% owned by US Motorola Inc., would be sold to Nokia Siemens Networks Taiwan Co., Ltd. (NSN), 100% owned by Finnish Nokia Siemens Networks B. V., NSN. The merger was not prohibited pursuant to Article 12(1) of the Fair Trade Act.
- A merger notification filed by UNI-President Enterprise Co., Ltd. to acquire more than half the shareholdings of Wei-Li Food Industry Co., Ltd. through its subsidiary company was prohibited pursuant to Article 12(1) of the Fair Trade Act.
- Cashbox Partyworld Co., Ltd. and Holiday Co., Ltd. shared operational activities; in addition, Cashbox Partyworld directly or indirectly controls the business operation and personnel appointment of Holiday Co., Ltd. They failed to file the merger notification to the FTC and violated Article 11(1) of the Fair Trade Act. The unlawful activities were ordered for immediate suspension, and administrative fines of NTD\$ 3,000,000 and NTD\$ 1,500,000 were imposed.

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Future Outlooks

Effectively enforcing the Fair Trade Act and creating a free and fair competition environment

Advocating fair trade principles and creating a quality culture of competition

Updating competition related regulations

Strengthening international cooperation and eliminating cross-border anticompetition behavior

Adjusting the function of the CTFTC according to the government reorganization policy

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Future Outlooks

Effectively enforcing the Fair Trade Act and creating a free and fair competition environment

Overseeing selected industries

- Conducting supervision on selected industries with vigor competition and frequent violation to prevent disputes and violations in advance. (i.e. Misleading Ad Supervision Program on household and electrical appliances industry)

Coordination and Cooperation with other regulatory agencies

Monitoring False or Misleading conduct provisions

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Future Outlooks

Advocating fair trade principles and creating a quality culture of competition



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Future Outlooks

Updating competition related regulations

Continuously promoting the proposed amendments of the Fair Trade Act

- Introducing a leniency program
- Employing search power
- Reviewing the threshold of merger notifications
- Differentiating administrative penalties for various violations

Drafting and issuing new guidelines regarding market competition

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Future Outlooks

Strengthening international cooperation and eliminating cross-border anticompetition behavior

Actively participating in international competition forums

Strengthening bilateral cooperation in terms of information and experience sharing

Continuously assisting young agencies in capacity building

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Future Outlooks

Adjusting the function of CTFTC according to the government reorganization policy

In the future, CTFTC will become an independent agency

In the future, CTFTC will establish an economic analysis unit in the organization

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Thank you for your attention!

Chinese Taipei Fair Trade Commission

Website

<http://www.ftc.gov.tw/internet/english/index.aspx>

The screenshot shows the website's interface with a festive Lunar New Year banner at the top. The banner includes the text '元宵佳節愉快' (Happy Lantern Festival) and '猜燈謎' (Guessing lantern riddles). Below the banner, there is a navigation menu on the left and a 'News' section on the right. The 'News' section contains a list of recent updates with dates and titles.

Date	News Title
2011/01/17	December,2010 [Decisions]
2011/01/17	December ,2010 [Merger Notifications or Applications for Concerted Actions]
2011/01/17	December , 2011 [Additional Administrative Procedures and Other Matters]
2010/12/27	November , 2010[Decisions]
2010/12/27	November ,2010[Merger Notifications or Applications for Concerted Actions]
2010/12/13	October ,2010[Decisions]
2010/12/13	October ,2010[Merger Notifications or Applications for Concerted Actions]