Content

Title：	Regulations Governing the Amount of Gifts and Prizes Offered by Businesses Ch
Date：	2015.03.19
Legislative：	The full text of 9 Articles promulgated by the Order Kung-Fa-Tzu No. 10415602341 on March 19, 2015
Content：	Article 1 These Regulations are enacted pursuant to the provisions of Article 23 Paragraph 2 of the Fair Trade Act ("the Act" hereafter). Article 2 The Gifts and Prizes as defined in this Regulations refer to: 1. Gifts: Any market-value good or service offered as accompaniment and free-of-charge by businesses for gaining trading opportunities. 2. Prizes: Money, any market-value good, or service offered free-of-charge by businesses by means of lottery-drawing or other aleatory methods for gaining trading opportunities. Article 3 None of the following circumstances applies to the scope of gifts, or prizes as mentioned in the previous Article: 1. Free tasting, trial, or any other promotional act that does not require trade as part of the conditions. 2. Promotional acts of price discount on similar goods or services. 3. Promotional acts of volume discount on similar goods or services. 4. Promotional acts that package various goods or services to be sold as a bundle. Article 4 The value of gifts given away by business promoting sale of a product or service is limited as follows: (1) For products or services priced over NT $ 100, the maximum value of the gift shall be 1/2 of the selling price of the product. (2) For products or services priced less than NT $ 100, the maximum value of the gift shall be NT $ 50. Article 5 The total annual amount of prizes given at prize-giving activities held by a business is limited as follows: (1) For a business whose annual sales for the previous fiscal year exceeded NT$3 billion, the maximum shall be NT$600 million. (2) For business whose annual sales for the previous fiscal year exceeded NT$750 million but was less than NT$3 billion, the maximum shall be 1/5 of such sales amount. (3) For business whose annual sales for the previous fiscal year

was less than NT$750 million, the maximum shall be NT$150 million.

Article 6 When a business conducts a prize-giving activity, the value of the highest prize shall not exceed NT$ 5 million.

Article 7 The prices of products or services, value of gifts and total amount of prizes in this Guidelines are determined according to the following standards:

(1) Prices of products or services: The reasonable market prices that are given to trading counterparts at the time a business promotes sales with gift-giving activity.

(2) Value of gifts: The value may be determined in order according to the following standards:

Directly from the business that promotes sales with gift-giving activity.

In the case that the gifts is produced by the business itself or acquired by the business from the market at reasonable price, the value for the said gifts is determined by its costs of production or acquisition.

In the case that the business has acquired the gifts based on the trading terms other than price, or the aforementioned cost of acquisition is not available, then the value of gifts is determined by its retail price.

Other reasonable and approved standards.

(3) Total amount of prizes: The value may be determined in order according to the following standards:

Directly from the business that promotes sales with prize-giving activity.

In the case that the prizes (either product or service) are produced by the business itself or acquired by the business from the market at reasonable price, the total amount for the said prize (either product or service) is determined by its costs of production or acquisition.

In the case that the business has acquired the prizes (either product or service) based on the trading terms other than price, or the aforementioned cost of acquisition for the prizes (either product or service) is not available, then the value of prizes is determined by the retail price of the said prizes (either product or service).

Other reasonable and approved standards.

Article 8 The amount of gifts and prizes governed by these regulations may be amended in accordance with the economic and social conditions.

Article 9 These regulations take effect on the date of promulgation.

Data Source：Fair Trade Commission Laws and Regulations Retrieving System