Content

Title：	Regulations on Immunity and Reduction of Fines in Illegal Concerted Action Cases Ch
Date：	2015.03.06
Legislative：	Enacted and promulgated by Kung-Fa-Tzu Order No. 10015614641 on January 6 2012 Amended and promulgated Articles 5, 10, 11, 12 and 15 by Kung-Fa-Tzu Order No. 10115610601 on August 22,2012 Amended and promulgated by Kung-Fa-Tzu Order No. 10415601311 on March 6 , 2015
Content：	

Article 1 These Regulations are enacted in accordance with Paragraph 2, Article 35 of the Fair Trade Act (hereinafter referred to as the Act).

Article 2 The subjects in which immunity or reduction of fines applies as set forth in Paragraph 1, Article 35 of the Act refer to enterprises partaking in concerted actions and with concrete evidence to show that they have not coerced other enterprises to participate in or remain part of the actions.
Enterprises found with one of the following situations during the period from their having the intention to apply for immunity or reduction of fines to the time the competent authority initiates the corresponding investigation may not apply for immunity or reduction of fines:

1. Destroying, forging, altering or concealing evidence related to the concerted action in which they are involved;
2. Directly or indirectly disclosing to other parties their intention to apply for immunity or reduction of fines or any content of the information they intend to provide to the competent authority to apply for immunity or reduction of fines.

Article 3 Enterprises meeting the requirements described in the preceding article may apply for immunity or reduction of fines according to these Regulations.
The application requirements are as follows:

1. For those applying according to Subparagraph 1, Paragraph 1, Article 35 of the Act, the concrete content of the violation and evidence submitted must be able to assist the competent authority to initiate an investigation.
2. For those applying according to Subparagraph 2, Paragraph 1, Article 35 of the Act, the concrete content of the violation and evidence submitted must be able to assist the competent authority establish that the involved enterprises have violated Paragraph 1, Article 15 of the Act.

If the competent authority has already obtained enough evidence to initiate the investigation or the investigation has already been conducted when an application is submitted according to Subparagraph 1 of the preceding paragraph, the application may be rejected. The same principle applies if the competent authority has already obtained enough evidence to establish the involved enterprises' violation of Paragraph 1, Article 15 of the Act when an application is submitted according to Subparagraph 2 of the preceding paragraph.

Article 4 The initiation of investigation mentioned in the preceding article shall be the date when the competent authority begins to send out notifications or dispatch personnel to investigate in accordance with Article 27 of the Act.
The requirement of the content and evidence being able to facilitate the competent authority to initiate an investigation as stated in Subparagraph 1, Paragraph 1 of the preceding article refers to that the applicants must provide concrete details of the concerted action in which they have been involved, along with related evidence, which the competent authority does not possess or is unaware of, to give an outline of the concerted action in question as well as the

time and location where the mutual understanding has been established and the content of the mutual understanding or other related matters for the competent authority to initiate an investigation.

Article 5 The requirement of the content and evidence being able to help the competent authority establish the violation by the involved enterprises as stated in Subparagraph 2, Paragraph 1 of Article 3 refers to one of the following situations:

1. The applicant provides a statement of concrete details of the concerted action in question, along with evidence that the applicant has already obtained at the time of application and is capable of proving the violation of the said concerted action.
2. The contents of the statement and evidence from the applicant are able to assist the competent authority in the investigation on the concerted action in question.

Enterprises applying for fine immunity during the investigation of the competent authority shall provide related information and evidence according to Subparagraph 1 of the preceding paragraph; those applying for fine reduction shall provide related information and evidence according to Subparagraph 2 of the preceding paragraph.

The period of investigation stated in the preceding paragraph shall begin from the date the competent authority initiates the investigation to the date the final decision on the case is made.

Article 6 With applications from enterprises complying with the four preceding articles, the competent authority may approve immunity from or reduction of the fines to be imposed on them with conditions attached.

The attached conditions stated in the preceding paragraph shall include the following information:

1. The applicant shall withdraw from the concerted action in question immediately upon filing the application or at the time specified by the competent authority.
2. From the time the application is filed until the case is concluded, the applicant shall follow the instructions of the competent authority and provide honest, full and continuous assistance during the investigation. The assistance shall include the following:
   (1) The enterprise shall provide the competent authority at the earliest time with all the information and evidence regarding the concerted action in question that it currently possesses or may obtain in the future. For those applying for fine reduction, the information and evidence provided must be of significant help in the competent authority's investigation on the concerted action in question or able to enhance the probative value of the evidence the competent authority has already obtained.
   (2) The enterprise shall follow the instructions of the competent authority and provide prompt description or cooperation to help the investigation on related facts capable of proving the existence of the concerted action in question.
   (3) If necessary, the enterprise must allow its staff members or representatives having participated in activities related to the concerted action in question to be questioned by the competent authority.
   (4) The content of the statement, information or evidence provided may not contain any untruthfulness and no destruction, forgery, alteration or concealment of any information or evidence related to the concerted action in question shall be tolerated.
   (5) Without the consent of the competent authority, the applicant may not disclose to any other parties about filing the application or any content of the application before the case is concluded.
3. Other matters specified by the competent authority.

The time of case conclusion stated in the preceding paragraph refers to the date when the competent authority reaches the final decision on the case in question.

Article 7 Under one of the following circumstances, full fine immunity shall be granted:

1. The enterprise is the first to apply according to Subparagraph 1, Paragraph 1, Article 35 of the Act, agrees to the attached conditions stated in Paragraph 1 of Article 6, and fulfills all the conditions attached.
2. The enterprise is the first to apply in according to Subparagraph 2, Paragraph 1, Article 35 of the Act while the preceding subparagraph is not applicable to any other enterprises, agrees to the attached conditions stated in Paragraph 1 of Article 6, and fulfills all the conditions attached.

Article 8 Enterprises applying for fine reduction according to Subparagraph 2, Paragraph 1, Article 35 of the Act, agreeing to the attached conditions, and fulfilling all the conditions attached shall be granted reduction of the fine to be imposed.
The proportions of the fine reduction stated in the preceding paragraph are as follows:

1. The first applying enterprise who meets the requirements shall be granted a 30% to 50% reduction of the fine to be imposed.
2. The second applying enterprise who meets the requirements shall be granted a 20% to 30% reduction of the fine to be imposed.
3. The third applying enterprise who meets the requirements shall be granted a 10% to 20% reduction of the fine to be imposed.
4. The fourth applying enterprise who meets the requirements shall be granted a reduction up to 10% of the fine to be imposed.

Article 9 The board directors, representatives, managers of an involved enterprise or others with the authority to represent the enterprise who by the definition set forth in Paragraphs 1 and 2 of Article 15 or Article 16 of the Administrative Penalty Act are to be jointly penalized but meet the following requirements may be granted immunity or reduction of fines at the same time:

1. The involved enterprise complies with the two preceding articles and may be granted immunity or reduction of fines.
2. The said parties provide honest and full statements with regard to the unlawful act.
3. The said parties follow the instruction of the competent authority and provide honest, full and continuous assistance during the investigation before the case is concluded.

Article 10 Enterprises applying for immunity or reduction of fines in accordance with these Regulations shall present the information and evidence stated in Articles 3 to 5 and file an oral or written application with the competent authority individually.

1. The name of the enterprise, the uniform invoice number, the paid-in capital, the annual revenue, the name of the representative or person in charge, the company address, and the date of company registration;
2. The product or service involved, the form of the concerted action, the geological areas affected, and the duration of the action;
3. The names, company addresses, representatives or persons in charge of the other involved enterprises;
4. The job titles and names of the people representing the enterprises to participate in the concerted action in question;
5. The list and details of the related information and evidence;
6. Other referential materials.

Written applications filed for immunity or reduction of fine according to the preceding paragraph shall be compliant with the format established by the competent authority and submitted by registered mail or in person. Enterprises filing an oral application shall send a representative to the office of the competent authority to make the statement. The competent authority shall record the statement and the applicant shall sign on the record for confirmation.
Two or more enterprises that by the definition set forth in the Company Act are affiliated enterprises may act according to the preceding paragraph and jointly file the application and shall be regard as one enterprise in the consideration of order of application and other matters subject to these Regulations.
When the content of the application, information or evidence does not comply with Paragraph 1 or 2 or is incomplete, the application shall be rejected. If the situation is deemed rectifiable, the competent authority may order the enterprise in concern to make the rectification or supplementation within a specified period. If the rectification or supplementation is not completed within the specified period or the rectification is incomplete, the application shall be rejected. Applications submitted by means other than the approaches prescribed in Paragraph 2 or not individually filed shall also be rejected.
Enterprises may delegate an agent to submit the application stated in Paragraph 1.

Article 11 Enterprises intending to apply for fine immunity but currently having no the information and evidence stated in Article 3 to 5 and therefore unqualified to file the application as set forth in Paragraph 1 of the preceding article may present a written or oral statement carrying the information prescribed in Subparagraphs 1 to 3 of Paragraph 1 of the same article to apply to the competent authority and request for preservation of the priority status for fine immunity that they may be granted.
Enterprises given the priority status preservation stated in the preceding paragraph shall

provide the information and evidence according to Articles 3 to 5 within the specified period or they shall lose the priority status preserved.
Written applications filed for preservation of the priority status for fine immunity according to the preceding paragraph shall be compliant with the format established by the competent authority and submitted by registered mail or in person. Enterprises filing an oral application shall send a representative to the office of the competent authority to make the statement. The competent authority shall record the statement and the applicant shall sign on the record for confirmation.

Article 12 Enterprises that do not apply for fine reduction in accordance with Paragraph 1 of Article 10 but have already provided the information and evidence stated in Subparagraph 2, Paragraph 1 of Article 5 and requested for fine reduction according to these Regulations when providing the said information and evidence shall be regarded as having applied and the time when the said information and evidence are provided shall be regarded the time of application.
In the circumstance stated in the preceding paragraph, enterprises are still required to file their applications according to Paragraphs 1 and 2 of Article 10. Those failing to file their applications within the period specified by the competent authority shall be denied application.

Article 13 The competent authority shall immediately issue a letter of approval on immunity or reduction of fines with conditions attached when deciding to approve the applications from enterprises with conditions attached.
The letter of approval stated in the preceding paragraph shall be in writing and contain the following information:

1. The priority status of the enterprise for immunity or reduction of fines and the circumstances under which the priority status may be changed;
2. The time at which the enterprise shall withdraw from the concerted action in question;
3. The concrete contents of the attached conditions stated in Subparagraph 2, Paragraph 2 of Article 6;
4. The specified period within which the enterprise is to provide or supplement related evidence;
5. The circumstances under which the competent authority may revoke its approval to grant the immunity or reduction of fines.

Article 14 The competent authority shall reject applications that it considers impossible to approve with conditions attached in accordance with Paragraph 1 of Artcile 6.
The rejection stated in the preceding paragraph shall be conducted in writing. When an application for fine immunity is rejected, the enterprise in concern may file a written request for permission to take the procedure for fine reduction application and reapply and retain its priority status based on the time of its application for fine immunity.

Article 15 The priority status shall be determined in accordance with the times the applications are filed when there are a number of enterprises applying for immunity or reduction of fines over the same concerted action.
The time of application stated in the preceding paragraph refers to the time when the competent authority receives the written application filed by an enterprise according to Article 10 or 11 or the time when an applicant completes the oral statement and signs on the record for confirmation according to Article 10 or 11.
At the time of filing, the enterprise may request the competent authority for a receipt on which the date and time the application is accepted are indicated.

Article 16 When the investigation is concluded, the competent authority shall grant full fine immunity to enterprises that it considers meeting the requirements set forth in Article 7 for full fine immunity and none of the situations defined in Article 19 for the competent authority to revoke the immunity approval with conditions attached exists.
The competent authority shall reject applications from enterprises that it considers incompatible with the preceding paragraph and full fine immunity will not be granted. Once the application is rejected, the concerned enterprise may not apply according to these Regulations to request for immunity from or reduction of the fine to be imposed.

Article 17 When the investigation is concluded, the competent authority shall act according to Paragraph 2 of Article 8 and grant fine reduction to enterprises that it considers meeting the requirements set forth in Paragraph 1 of Article 8 for fine reduction and none of the situations defined in Article 19 for the competent authority to revoke the immunity approval with

conditions attached exists.
The competent authority shall reject applications from enterprises that it considers incompatible with the preceding paragraph and fine reduction will not be granted. Once the application is rejected, the concerned enterprise may not apply according to these Regulations to request for reduction of the fine to be imposed.

Article 18 When acting according to the two preceding articles and achieving the final decision of granting an enterprise immunity or reduction of fines, the competent authority may adopt the following measures to complete the dispositions or other written documents and send them to the offenders.

1. With the consent of the applying enterprise, indicate the name of the enterprise, the fine imposed, and the amount of fine reduced and the reasons.
2. Without the consent of the applying enterprise, use codes and other confidential means to indicate the identity of the enterprise in question and avoid giving any information that may indicate the identity of the enterprise in question.
3. Establish a disposition for each offender and the main text regarding the fine refers only to the enterprise in question and contains no information about other offenders involved in the same case.
4. Other means to keep the identity of the applying enterprise confidential.

Article 19 If an applying enterprise is found with one of the following situations during the investigation, the competent authority may revoke the approval to grant immunity or reduction of fines with conditions attached as set forth Paragraph 1 of Article 6:

1. Article 2 is found inapplicable to the enterprise.
2. The enterprise fails to provide or supplement related evidence within the specified period without justifiable causes or fails to follow the instructions of the competent authority to assist the competent authority in the investigation.
3. The enterprise fails to fulfill the attached conditions set forth in Paragraph 2 of Article 6.

If there are changes to the priority status of other applying enterprises when the competent authority acts according to the preceding paragraph and revokes the approval to grant immunity or reduction of fines, the concerned enterprises shall be notified in writing.

Article 20 The identity of an enterprise applying for immunity or reduction of fines shall be kept confidential unless the enterprise agrees otherwise in advance.
Covers shall be made for conversation records or original documents carrying information on the identity of the applicant. The same measure shall be taken for other documents that may indicate the identity of the applicant.
Unless otherwise stipulated, the conversation records and documents stated in the preceding paragraph may not be provided to any agencies, groups or individuals other than investigation and judicial agencies.

Article 21 These Regulations shall enter into force on the day it is promulgated.