

Fair Trade Commission Disposal Directions (Guidelines) on Reviewing Cases Involving Consigning of Household Production

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1. (Purpose)

These guidelines are adopted to ensure free and fair competition, maintain trading order and consumers' interests, and effectively review cases involving consigning of household production.

2. (Definition)

The term "household production consigner" as used in this Guidelines refers to an enterprise soliciting nonspecific plural persons (hereinafter referred to "home workers") by advertising or make it known to the public in any other way to undertake household production, while paying the remuneration to home workers after completion of the work.

3. (Prohibited Deceptive or Obviously Unfair Conducts)

Household production consigners shall not engage in any of the following acts which are deemed deceptive or obviously unfair:

- (1) Entering into a household production contract with home workers by misleading them through active deception or through passive concealment of material trading information relating household production;
- (2) Entering into a household production contract with home workers and directly or indirectly selling household production materials or equipment

to home workers or collecting fees in other names as the main source of income of the household production consigner.

- (3) Entering into a household production contract with home workers by means of coercing or harassing home workers so that to suppress their free will regarding whether to deal with the household production consigner.

The enterprise shall be presumed, as the preceding paragraph (2) stated, to have sold materials or equipment to home workers or collected fees in other names as its main source of income if any of the following acts has conducted:

- (1) The selling price of household production materials or equipment to home workers is obviously incommensurate with their purchase cost.
- (2) Rejecting the finished products without any justified reason.
- (3) There are no sales channels for the finished products, or the sales proceeds are obviously less than the fixed expenses.

4. (Legal Effect)

An enterprise, which meets the descriptions set forth in Article 3 of this Guidelines and is likely to affect trading order, is in violation of Article 25 of the Fair Trade Law.