

## **Fair Trade Commission Disposal Directions (Guidelines) on the Sales Practices of Overseas Holiday Resort Member Cards (Membership)**

Passed by the 579th Commissioners' Meeting on December 12, 2002  
Promulgated by Order (91) Kung Yi Tzu No. 0910012601 on December 25, 2002  
Amended by the 677th Commissioners' Meeting on October 28, 2004  
Promulgated by Order (93) Kung Yi Tzu No. 0930008532 on November 11, 2004  
Titled Amended by the 688th Commissioners' Meeting on January 13, 2005  
Promulgated by Order (94) Kung Yi Tzu No. 0940001278 on February 24, 2005  
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Promulgated by Order Kung Fu Tzu No. 10412603251 on April 13, 2015  
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### 1. Purpose

These Disposal Directions have been especially formulated in order to prevent overseas holiday resort membership card (rights) sales enterprises from using inappropriate measures to solicit consumers, hiding important transaction information, or employing inappropriate descriptions to conduct sales of merchandise or services, or causing transaction disputes, and in order to maintain the market transaction order.

### 2. Definitions:

- (1) Overseas holiday resort: refers to a resort located outside of Taiwan that provides lodging, recreation, leisure, or other specific uses to consumers.
- (2) Overseas holiday resort membership cards (passes): the means of authentication for members to use overseas holiday resort venues, services, or rights and privileges.
- (3) Sales enterprise: an enterprise that sells overseas holiday resort membership cards (or "membership passes") in Taiwan.

### 3. Regulations Governing False Advertising

When employing advertising, website, or other means of informing the public, a sales enterprise may not make any misleading representation through false or misleading representations sufficient to influence decisions regarding overseas resort membership cards (passes).

### 4. Solicitation of Consumers

Sales enterprises that make representations concealing the true purpose of promoting the sale of overseas resort membership cards (passes), or falsely claiming that consumers have won prizes or lucky draws in order to entice consumers to participate in an informational sales meeting, constitutes deceptive conduct.

## 5. Inappropriate Sales Tactics

Sales enterprises employing coercive or bothersome tactics to induce consumers to enter into transactions, e.g., such sales tactics as ongoing disturbance, persistence, or causing annoyance, constitutes obviously unfair conduct.

## 6. Information Disclosure

While engaging in sales, a sales enterprise that fails to provide consumers the following important transaction information in writing (or blank contract) constitutes obviously unfair conduct:

- (1) The legal status of sales enterprises in the sales relationship; in cases where it is acting as a sales agent, the sales enterprise shall provide a notarized or certified letter of authorization and proof authenticated by a Chinese Taipei overseas representative office.
- (2) Basic information regarding the overseas holiday resort being promoted, including details on the owner (operator) of the overseas resort, specific location, date of completion, main facilities, and services provided.
- (3) The rights, privileges and mechanisms employed for members of overseas holiday resorts.
- (4) If the overseas holiday resort offered comprises exchange entitlement, the relevant method of exchange, fees, conditions, and restrictions.
- (5) Protections and conditions offered to foreign members under the national laws and regulations of the country in which the overseas holiday resort is located.
- (6) The right to termination of contract and mechanisms for termination.
- (7) A written contract in the language of Chinese Taipei.

The right to termination of contract and mechanisms for termination described in Item 6 above shall be shown in a larger font, bold type, or different color.

## 7. Review of Contract

The sales enterprise may not engage in obviously unfair restriction of consumer review of contract such as:

- (1) Demanding that the consumer pay a deposit or certain fee before providing a contract to take back for review.

- (2) Failure to provide the consumer with a minimum of three days to review the contract prior to signing. Cases in which the sales enterprise can provide proof that the consumer has thoroughly reviewed the contract and agreed to shorten the review period are not subject to this restriction.

## 8. Misrepresentation

When engaging in sales conduct, a sales enterprise may not either orally or in writing make any representations to consumers of the following kinds, which shall constitute deceptive conduct:

- (1) Misrepresenting the actual conditions of the foreign holiday resort, e.g. claiming that the construction of the overseas resort is complete when it is not in actuality completed; concealing that the overseas resort has not obtained usage permissions from local government authorities; exaggerating the ratings and facilities of the overseas resort; continuing to sell time-share rights to the overseas resort in excess of actual useable number of units.
- (2) Misrepresenting limited-time discount prices for overseas holiday resort membership cards (passes), e.g. claiming that a discount price is valid only if the contract is signed on that same day, when in fact consumers signing on another day may enjoy the same discount.
- (3) Misrepresenting interests or market value relating to rental, re-sale, or appreciation in value of the overseas resort membership cards (passes), e.g. if memberships have not changed hands, no members have actually leased or re-sold membership cards (passes), or there are no widespread cases of the re-sale of membership cards (passes) at a profit due to appreciation in value, no such representations related to such interests related to the lease, re-sale, appreciation or relative market value shall be made.
- (4) Misrepresenting exclusive members' privileges, e.g. improperly guaranteeing the use of a foreign holiday resort or facilities thereof that members are unable to use or swap for the use of; concealing restrictions or fees imposed on the use of facilities of the foreign resort; or concealing restrictive conditions and fees imposed on the swapping of the foreign resort.
- (5) Misrepresenting the residual benefits of overseas resort membership cards (passes), e.g. claiming that members can claim the full membership fee return or large sum rebate, yet concealing rebate program contents or investment risks.

## 9. Inappropriate Obstruction of Contract Termination

Any sales enterprise that inappropriately hinders contract termination and refund constitutes obviously unfair conduct. For instance: a sales enterprise that has not granted the consumer the rights to contract termination and refund places unfair conditions on contract termination, restricting the consumer's rights to exercise contract termination, or deliberately distorts consumer perceptions of the Consumer Protection Act, thereby obstructing the right to exercise termination of contract.

#### 10. Legal Effects

A sales enterprise that violates item three above constitutes breach of Article 21 of the Fair Trade Law. A sales enterprise that violates items four through nine above, and whose conduct is sufficient to influence the trading order, constitutes violation of Article 25 of the Fair Trade Law.