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Acts

Issue Date:[2007/07/11]

40 Articles adopted and promulgated in full on October 23, 1958, by the Presidential Order , Ref Yi-Tzong-Tze No.6055.

44 Articles amended and promulgated in full on January 25, 1977, by the Presidential Order, Ref. Yi-Tong-(1)-Yi-Tze No.0272.

72 Articles amended and promulgated in full on February 5, 1996, by the Presidential Order, Ref. Hwa-Tzong-Tze No.8500027140.

The amendment of Article 8 is hereby promulgated by the Presidential Order on the date of June 17, 1998, Ref. Hwa-Tzong-(1)-Yi-Tze No.8700119520.

The addition of the new Article 26.1, Article 56.1 and Article 62.1, and amendments of Article 6, Article 7, Article 12, Article 14, Article 16, Article 19, Article 20, Article 22, Article 26, Article 28, Article 30 to 32, Article 41, Article 42, Article 44, Article 46 to 49, Article 51, Article 55 to 58, Article 61 to 68 and Article 72 are hereby promulgated by the Presidential Order on the date of November 3, 1999, Ref. Hwa-Tzong (1)-Yi-Tze No. 8800262790.

The addition of the new Article 20.1 and Article 61.1, and amendments of Article 2, Article 7, Article 12, Article 14, Article 16, Article 17, Article 19, Article 26, Article 26.1, Article 32, Article 33, Article 39, Article 61 to 65, Article 68 and Article 72 are hereby promulgated by the Presidential Order on the date of July 10, 2002, Ref. Hwa-Tzong (1)-Yi-Tze No. 09100136180.

The addition of the new Article 38.1 and Article 67.1, and amendments of Article 38, Article 42, Article 44 to Article 46, Article 48 to Article 51 and Article 58 are hereby promulgated by the Presidential Order on the date of May 21, 2003, Ref. Hwa-Tzong (1)-Yi-Tze No. 09200088670.

The amendments of Article 2 and Article 7 are hereby promulgated by the Presidential Order on the date of Feb 2, 2005, Ref. Hwa-Tzong (1)-Yi-Tze No. 09400014081.

The amendments of Article 43 ,Article 67 and Article 70 are hereby promulgated by the Presidential Order on the date of July 11, 2007, Ref. Hwa-Tzong (1)-Yi-Tze No. 09400088071.

Chapter I

General Provisions

Article 1

This Act is enacted to ensure the sound development of telecommunications, promote the public welfare, safeguard the security of communications and protect the rights and interests of users. Matters not provided herein shall be subject to the provisions of other applicable laws.

Article 2

For the purpose of this Act, the terms adopted herein are defined as follows:

1. "Telecommunications" means convey, transmission or reception of signs, signals, writing, pictures, sounds or messages of any other nature in a wire or wireless manner through the use of optical, electromagnetic systems, or other scientific products;

2. "Telecommunications facilities" means the machinery, apparatus, lines and other related equipment used for telecommunications;

3. "Conduit Infrastructure" means the ducts, man holes, hand holes, towers, poles, main distribution frame, telecommunication equipment room and other auxiliary or related facilities required for installation of telecommunications lines, lead-in lines, telecommunication subscribers lines, and various

transmission lines and circuits, whether over-pass, underground or submerged, necessary for establishment of a telecommunications network;

4. "Telecommunications service" means communication services provided via telecommunications facilities;

5. "Telecommunications enterprise" means an enterprise operating telecommunications services for public use;

6. "Dedicated telecommunications" means the telecommunications established by public or private institutions, organizations, or nationals for their exclusive use; and

7. "Government telecommunications" means the telecommunications established by a government agency for its exclusive use.

8. "Communication record" means all information generated by a telecommunications system concerning use of a telecommunications service, including calling and called party's telecommunication numbers, communication dates, beginning and ending times of communications. Such records shall be provided to the extent that the technology of the telecommunications equipment and system allows. Telecommunication numbers are defined in this paragraph as telephone numbers or user identification codes.

Article 3

The competent authority for telecommunications enterprises shall be the Ministry of Transportation and Communications (hereinafter referred to as the "MOTC").

The MOTC, for the purpose of supervising and guiding telecommunications enterprises, and regulating telecommunications, shall establish a Directorate General of Telecommunications (hereinafter referred to as the "DGT"). The organization of the DGT shall be governed by a separate law.

In order to enhance public welfare, the aforementioned DGT shall devise an integrated telecommunications development plan, supervise telecommunications enterprises, and promote the development of an information society.

Article 4

No assets or facilities of a telecommunications enterprise shall be inspected, expropriated or seized unless the law provides otherwise.

Article 5

Local governments as well as military, military police, and police authorities, including the officers thereof, shall be responsible for safeguarding telecommunications facilities. If a telecommunications enterprise is in danger of being infringed upon, the above authorities and the officers thereof shall take prompt preventive or recovery measures upon the request of the enterprise or its employees.

Article 6

Communications processed through telecommunications enterprises or dedicated telecommunications shall not be accessed or taped without authorization, nor shall the privacy thereof be violated through other illegal means.

A telecommunications enterprise shall implement appropriate and necessary measures to safeguard the confidentiality of its processed communications.

Article 7

A telecommunications enterprise or its employees, including the retired, shall hold the existence and contents of communications in strict confidence.

The preceding paragraph is not applicable to inquiries conducted in accordance with law. The DGT shall promulgate rules governing operational procedures for telecommunications enterprises to handle inquiries for communications records and users' data by relevant institutions.

Each telecommunications enterprise shall supply the relevant communications records to any subscriber who requests his own communications records, after paying necessary charges, to the extent that the technology of the telecommunications equipment and system allows. The above is not constrained by

Paragraph 1. The DGT shall promulgate governing operational regulations for subscribers of the telecommunications enterprise who wish to request copies of their own communications records.

Article 8

A telecommunications user shall be held responsible for the contents of its telecommunications, and any consequent effect and/or influence.

A telecommunications enterprise may terminate the use of telecommunications by a user, whose business is providing telecommunications contents to the detriment of public order and good morals.

In case of any unsightly advertisement set up, posted or painted at will, which contains, for the purposes of advertising and propaganda, one or the other's telephone number or any other identification signs or numbers of telecommunications services, the competent authority governing such advertisement may inform the telecommunications enterprise to terminate the provision of the telecommunications service indicated in that advertisement.

Article 9

For a telecommunications enterprise, the use of telecommunications by a person without legal capacity or with limited legal capacity shall be deemed as an act performed by a person with legal capacity. Other acts resulting from use of telecommunications shall not be so construed.

Article 10

For the purpose of promoting the development of telecommunications enterprises, the competent authority may, in consultation with the Ministry of Education, establish telecommunications schools, or additional relevant departments and/ or graduate schools, in senior high or vocational schools, colleges and universities so as to develop telecommunications specialists; and may request a telecommunications enterprise to allocate a proportionate amount of its turnover for research and development.

Chapter II

Operation of Telecommunications Enterprises

Article 11

Telecommunications enterprises are classified into Type I telecommunications enterprises and Type II telecommunications enterprises.

A Type I telecommunications enterprise means an enterprise that installs telecommunications line facilities and equipment in order to provide telecommunications services.

The aforementioned telecommunications line facilities and equipment refer to network transmission facilities connecting the sending and receiving terminals, the switching facilities installed to be integrated with the network transmission facilities, and the auxiliary facilities of both.

A Type II telecommunications enterprise means a telecommunications enterprise other than Type I telecommunications enterprises.

Article 12

A Type I telecommunications enterprise may not operate without franchise and license issued by the MOTC.

A Type I telecommunications enterprise shall be a company limited by shares incorporated pursuant to the Company Law.

The chairman of the Board, of a Type I telecommunications enterprise shall be a nationals of the Republic of China. The total direct shareholding by foreigners may not exceed forty-nine percent, and the sum of direct and indirect shareholding by foreigners may not exceed sixty percent.

The percentage of indirect shareholding by foreigners mentioned in the preceding paragraph shall be calculated by multiplying the percentage of shareholding by domestic juristic persons in the Type I telecommunication enterprise by the percentage of shareholding or capital paid by foreigners in the said domestic juristic persons.

The percentage of shareholding by foreigners in Chunghwa Telecom Co., Ltd. shall be separately prescribed by the MOTC, and the provision in paragraph three shall not be applied hereto.

The operating items and scope, the timetable for deregulation, and the number of operators to be allowed for Type I telecommunications enterprises shall be announced by the Executive Yuan.

With respect to granting franchise to Type I telecommunications enterprises' service provisions, the MOTC may adopt a system of evaluation and examination, open tender or any other appropriate method, in consideration of the objectives of liberalization policy, conditions of the telecommunications market, consumers' rights, and other needs of public interests.

In the process of privatization of Chunghwa Telecom Co., Ltd., the authority-in-charge for the enterprise may order the said company to issue special shares, which are to be subscribed at a face value thereof by the authority-in-charge, who is entitled to exercise, within three years after the date of issuance, the rights prescribed in paragraph 9 of this Article and the rights of being guaranteed directors and supervisors.

If Chunghwa Telecom Co., Ltd. intends to engage in any of the following acts, it shall beforehand obtain the consent from the shareholders of special shares:

1. change of the name of the company;
2. change of the company's operating business; or
3. assignment of the whole or the main part of the business or properties.

Any act violating the aforementioned provisions shall be invalid.

The special shares issued according to paragraph 8 of this Article may not be assigned. But upon expiration of the period prescribed in paragraph 8, the special shares shall be nullified by the said enterprise after being purchased back at face value.

Article 13

An applicant for operation of Type I telecommunications enterprise shall apply with the MOTC for establishment of its operation by submission of an application, business proposal and other specified documents.

The aforementioned business proposal shall specify the following:

1. operating items.
2. service areas.
3. mode of communication.
4. general description of telecommunications facilities.
5. financial structure.
6. technical capability and development plan.
7. tariff schedule and formula.
8. personnel structure.
9. scheduled date of operation.

If the mode of communication under subparagraph 3 of the preceding paragraph is wireless communication, a detailed plan of radio spectrum allocation shall be included.

If the documentation submitted by the applicant under paragraph 1 of this Article is incomplete, or if the information contained therein is inadequate, the MOTC shall notify the applicant to make up the documentation or information as required at a prescribed time frame. If the required documentation is not provided within the prescribed time frame, or the documentation remains incomplete after the required documentation is made up, the application shall be rejected.

Article 14

Once an application for the operation of a Type I telecommunications enterprise has been reviewed and approved or awarded the bid, the MOTC shall issue an establishment permit for the establishment to such an enterprise.

The MOTC may order the applicant to pay a performance bond as required before issuing the establishment permit. For those applicants who fail to establish operations as required by regulations or fail to complete the operation establishments in accordance with the approved plan, the MOTC will not

refund the performance bond or part thereof, and may annul the establishment permit as well.

An applicant who has obtained a establishment permit in accordance with paragraph 1 of this Article shall complete the establishment of its operation in the designated region within the prescribed time frame, and proceed with company registration as required by law. If the applicant is unable to complete incorporation and company registration within the prescribed time frame, it may file with the MOTC a petition for extension of the said time frame, together with reasons, before the expiry thereof.

An applicant, who has completed the aforementioned establishment in accordance with the provisions of preceding paragraph, may file with the MOTC an application for technical inspection of the said establishment. After passing the inspection, the applicant will be granted a franchise license for Type I telecommunications enterprise.

A Type I telecommunications enterprise shall start its operations within 6 months from the date the license is issued; otherwise, the license shall be annulled.

The MOTC shall prescribe, for the Type I telecommunications enterprise, the rules governing the operating items, service areas, technical specifications and inspection items, terms and conditions for granting a franchise, requirements and procedures, the term of validity of a franchise, establishment of the enterprise, method of payment and conditions of refund of a performance bond, and the matters in relation to the supervising and managing the said enterprise, and other compulsory rules.

The enactment of rules within the permitted scope of business referred to in the preceding paragraph shall comply with International Telecommunications Union standards and adhere to the principle of technological neutrality, not compel Type I telecommunication enterprises to use a particular technology, and maintain the same degree of regulation on the provision of the same services.

Article 15

Without prior approval from the MOTC, a Type I telecommunications enterprise may not:

1. suspend or terminate operations in whole or in part;
2. transfer the whole or substantial parts of the enterprise or its assets; or
3. engage in interlocking investment or merger with any other Type I telecommunications enterprise.

Article 16

Request for network interconnection between or among Type I telecommunications enterprises shall not be rejected, unless the law specifies otherwise.

The arrangement of network interconnection mentioned in the preceding paragraph shall follow the principles of transparency, reasonableness, non-discrimination, network unbundling and cost-based pricing. The DGT shall designate the telecommunications enterprises to which the said principles shall apply.

Among Type I telecommunications enterprises, an agreement shall be reached within three months from the date one party requested for network interconnection. If the agreement can not be reached within three months, the DGT shall arbitrate the matter upon receipt of request therefor or by its official authority.

Among Type I telecommunications enterprises, if the agreement cannot be reached within three months from the date of one party's request for amendment or renewal of a network interconnection agreement, the DGT may arbitrate the matter upon receipt of request therefor.

In the event Type I telecommunication enterprises do not carry out network interconnection as agreed which failure is within the scope of those mandatory terms required by law to be included in interconnection agreements, the DGT may arbitrate the matter upon the receipt of request therefor.

One who does not agree with DGT's arbitration described in the preceding three paragraph may request for relief in accordance with the administrative procedure.

Type I telecommunications enterprises shall not reject the request for network interconnection by Type II telecommunication enterprises without due cause, unless the law specifies otherwise. The preceding paragraph 3 and 6 shall apply, mutatis mutandis, to the agreement of network interconnection.

The Type II enterprises to which the preceding paragraph shall apply shall be announced by the DGT.

The DGT shall enact governing rules with respect to network interconnection, tariff calculation,

negotiation, mandatory terms within interconnection agreements, arbitration procedures , and matters requiring compliance related thereto, between or among Type I telecommunications enterprises and other telecommunications enterprises.

The DGT may disclose a part or the whole of the interconnection agreement between or among Type I telecommunications enterprises which are Dominant Market Players and other telecommunications enterprises. Upon request, the DGT may elect not to disclose such portions of the agreement related to patent or other intellectual property rights.

This Article shall apply to applicants who have obtained an Establishment Approval in accordance with paragraph 1 of Article 14.

Article 17

A Type II telecommunications enterprise shall apply to the DGT for an operation license, and may only commence its operation when the enterprise completes its company or business registration in accordance with the laws and receives the operation license.

The MOTC shall enact governing rules on business items, technical specifications and inspection items of Type II telecommunications enterprise; the licensing method, conditions and procedures; the term of validity of a franchise license, supervision and administration of business operation, and other compulsory matters.

Article 18

A Type II telecommunications enterprise shall apply to DGT for an operation license by submitting an application, a business proposal and other specified documentation.

The application under the preceding paragraph shall specify the following:

1. applicant's name and domicile; or, in case of a juristic person, name of the representative and the principal place of business.
2. operating items.
3. service areas .
4. mode of communications.
5. general description of telecommunications facilities.

If the documentation required in the application as specified under the preceding paragraph is incomplete, or the contents thereof are inadequate, DGT shall notify the applicant to make up the documentation or contents within a prescribed time period. Either if the required documentation is not submitted within the prescribed time frame, or if the information furnished remains inadequate after the required documentation is made up, the application shall not be accepted.

Article 19

Type I telecommunications enterprise shall, in accordance with their operating items, establish separate accounting systems to calculate profits and losses and may not employ cross-subsidy to hinder fair competition. The same applies to Type I telecommunications enterprises that also operates a Type II telecommunication enterprise or any other non-telecommunication business.

The MOTC shall establish for Type I Telecommunication enterprises the accounting separation system, accounting method, procedures, and principles, guidelines for accounting supervision and administration and other compulsory accounting criteria.

Article 20

To protect the basic telecommunications rights and interests of R.O.C. nationals, The MOTC may designate, based on different areas and service items, a Type I telecommunications enterprise to provide universal telecommunications services.

The term "universal telecommunications services" (hereinafter as "universal service(s)", stipulated in the preceding paragraph, means the necessary telecommunications services of certain quality that may be fairly enjoyed by all nationals at a reasonable price. A fund dedicated to the universal services shall be established for achieving the goal of universal services.

The losses and necessary management expenses arising from the universal services shall be shared

and paid out to the said fund by the telecommunications enterprises publicly designated by the MOTC. The MOTC shall enact regulations governing the identification of scope and service areas and selection of providers of the universal services, and the matters with respect to the accounting and allocation of losses incurred therefor.

The telecommunications universal services fund shall not be construed as a "fund" described in the Budget Act.

Article 20-1

Telecommunication numbers including numbering codes, subscriber numbers and identification codes used by telecommunication networks shall be planned and administered by the DGT. The telecommunication network numbering plan shall be announced by the DGT.

The telecommunication numbers referred to in the preceding paragraph shall not be used or altered without the approval of the DGT or of an institution authorized by the DGT.

The DGT may adjust or retrieve the assigned telecommunication numbers for the purpose of maintaining the reasonable and effective use thereof, and may collect telecommunication number usage fees. The criteria of telecommunication numbers usage fees shall be enacted by the DGT.

For the purpose of protecting consumer rights and promoting effective competition in the telecommunications market, Type I telecommunication enterprises shall provide number portability service and equal access service. The applicable regulatory rules for such services related to scope, manner of provision, implementation timetable, and other compulsory rules shall be enacted by the DGT.

The number portability service referred to in the preceding paragraph means the service which enables subscribers to retain their existing telephone numbers when switching from their original Type I enterprise to another Type I enterprise engaging in the same business; equal access service means the service provided by a Type I enterprise which allows its subscribers to select the long distance and international network service of other telecommunication enterprises.

The DGT shall enact the administrative rules relating to the matters referred to in paragraphs 1 to 3 regarding allocation, adjustment and retrieval of telecommunication numbers, the qualifications of a delegatee institution and conditions for such delegation of authority and the authority which may be delegated to it, and other compulsory matters.

The DGT shall supervise and provide guidance for matters related to the administration of registration of Internet Addresses and Internet Domain Names and shall promulgate rules related thereto.

The administrative work referred to in the preceding paragraph shall only be performed by non-profit legal entity.

Article 21

A telecommunications enterprise shall provide services in a fair and non-discriminatory manner unless otherwise provided for herein.

Article 22

A telecommunications enterprise shall not refuse reception and transmission of telecommunication signals unless otherwise stipulated by law. However, it may refuse or discontinue the transmission of telecommunication signals whose contents appear to endanger national security or public order.

Article 23

The telecommunications enterprise shall not be held liable to its user for damages arising out of error, delays, interruption, suspension or failure in transmissions due to a failure or breakdown of telecommunication line facilities and equipment. However, the service fees shall be deducted accordingly.

Article 24

In the event of any breakdown of telecommunications line facilities and equipment as a result of any disaster or other major incidents, a telecommunications enterprise may, after making a public

announcement, suspend its communications services either in whole or in part.

Article 25

A telecommunications enterprise shall give priority to the handling of the following:

1. communications to prevent disasters, provide relief or maintain order in the event , or the likely occurrence of a natural disaster, accident or any other emergency;
2. emergency communications for traffic safety, as it relates to distress signals from land, sea, or air transportation vehicles and aerial weather reports; or
3. other emergency communications necessary for the protection of national security or public interests.

Article 26

The tariff regulation of Type I telecommunications enterprises shall adopt the price cap method.

The aforementioned method means the percentage of adjustment of controlled tariffs of the regulated telecommunications enterprises shall not exceed the annual increase rate of consumers' price index of Taiwan area announced by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan, minus index.

The MOTC shall enact administrative rules governing the tariffs of Type I telecommunications enterprise including administration and examination of tariffs, initial offer of each tariff, the entities to which the price adjustment cap shall be applied, the services to which the tariffs shall be applied, tariff items, the adjustment coefficient and other compulsory rules.

The determination of tariffs of Type I telecommunications enterprise shall not involve cross subsidy to hinder fair competition. The same is applicable to a Type I telecommunications enterprises that also operates a Type II telecommunications enterprises or other non-telecommunications business.

The tariffs for a Type II telecommunications enterprise shall be determined by the enterprise itself.

Article 26-1

A Dominant Market Player (DMP) of Type I telecommunications enterprises shall not engage in the following conducts:

1. to obstruct, directly or indirectly, the request of interconnection of networks proposed by other Type I telecommunications enterprises with its proprietary techniques;
2. to refuse to release to other Type I telecommunications enterprises the calculation methods of its interconnection fees and other relevant materials;
3. to improperly determine, maintain, or change its tariffs or methods of offering telecommunications services;
4. to reject the request of leasing network component by other Type I telecommunications enterprises without due cause;
5. to reject the request of leasing circuits by other telecommunications enterprises or users without due cause;
6. to reject the request of negotiation or testing by other telecommunications enterprises or users without due cause;
7. to reject the request of co-location negotiation by other telecommunications enterprises without due cause;
8. to discriminate against other telecommunications enterprises or users without due cause; or
9. to abuse its DMP status, or to engage in other unfair competition acts.

The aforementioned DMP shall be identified by the DGT.

Article 27

A Type I telecommunications enterprise shall establish its business rules in connection with the terms for provision of services and submit the same to the MOTC through the DGT for approval prior to announcement and implementation. The same shall apply for amendments to the rules.

A Type II telecommunications enterprise shall establish its business rules in connection with the terms for provision of services and submit the same to the DGT for record prior to implementation. The same

shall apply for amendments to the regulations.

Article 28

The business rules stipulated in the preceding article shall establish fair and reasonable service conditions, and be placed at every operation places and websites of the telecommunications enterprise. The DGT shall order changes of the business rules within a prescribed time frame if it encroaches upon consumers' rights and benefits, and appears patently unfair.

If the operation of a telecommunications enterprise fails to ensure the secrecy of communications, or violate the provision of Article 21, DGT may order the enterprise to make improvements within a prescribed time frame.

Article 29

Except for indoor relocation, the function, purpose or installation site of telecommunications lines facilities and equipment leased to users by a telecommunications enterprise shall not be altered by users or others without authorization.

Article 30

MOTC shall establish the Chunghwa Telecom Co., Ltd. to operate telecommunications services. The establishment and management of the said state-run company shall be stipulated by law separately.

Chapter III

Telecommunications Construction and Management

Section 1 Acquisition and Use of Land

Article 31

When a Type I telecommunications enterprise engages in the construction of infrastructure for the lines and pipes of its fixed networks, it may request co-location for its lines and pipes with the facilities at the bottleneck of telecommunications networks with the owners of such facilities for a charge.

With respect to the request of using the infrastructure described in the preceding paragraph, the party being so requested shall not reject such request without due cause.

Article 32

Type I telecommunications enterprises or government agencies which establish dedicated telecommunications facilities may use public and private land and buildings for establishment of conduit infrastructure and terminal equipment. Governmental authorities shall not reject a request to use public land or buildings without due cause. If any such use of land or buildings causes material damage, appropriate compensation shall be made. The location and manner of use shall be the least harmful to governmental entities and owners, occupants or users of such land or buildings.

Type I telecommunications enterprises or government agencies which establish dedicated telecommunications facilities may use rivers, embankments, roads, public forest or other public-use land and public buildings for establishment of radio stations; provided that such establishment was necessary and proper, does not impair the original effective uses of such land or buildings, and prior approval from the authorities concerned has been requested. The authorities concerned shall not reject such request without due cause.

Construction or restoration by Type I telecommunications enterprises or government agencies which establish dedicated telecommunications facilities shall comply with the regulations enacted by authorities concerned.

Public land and buildings shall be provided on a priority basis when constructing conduit infrastructure, terminal equipment and radio stations as referred to in the preceding paragraphs 1 and 2 unless it is impossible not to use private land or buildings for construction of the facilities or such construction on/in public land or buildings would be difficult.

In the event that the private building to be used in accordance with paragraph 1 is an apartment building, the approval of the apartment building management committee shall be obtained. Provided

that there is no management committee, the permission of each owner shall be obtained and Article 8, paragraph 1 of the Statute for Management of Apartment Buildings shall not apply to such approval.

The central and local government authorities shall assist Type I telecommunications enterprises in constructing conduit infrastructure.

Regarding the new construction of conduit infrastructure and terminal equipment, Type I telecommunications enterprises shall jointly establish a Conduit Infrastructure Deployment Negotiating Group which shall negotiate matters related to the planning, application, construction and facilities-sharing of conduit infrastructure. If necessary, the MOTC may mediate the aforementioned matters.

Article 33

If the local urban development plan or rural development plan fails to allocate land for public telecommunications facilities necessary to establish switching offices in particular locations or the land reserved for public telecommunications facilities by the local urban development plan or rural development plan is not sufficient for use, Type I telecommunications enterprises or government agencies which establish dedicated telecommunications facilities, may select an appropriate location based on community development and population distribution, and apply to the MOTC for approval of the selected location, and further apply to the local construction authority for permission to proceed with construction which construction shall not be subject to urban zoning regulations or regulations on the use of non-urban land.

To accommodate the needs of radio communications construction, a Type I telecommunications enterprise or a government agency which establish dedicated telecommunications facilities may, with payment of compensation, erect radio stations on private buildings, provided that such use shall not affect the safety of the building concerned.

In the event that the building to be used in accordance with the preceding paragraph is an apartment building, the approval of the apartment building management committee shall be obtained; provided that if there is no management committee, the permission of each owner shall be obtained. Article 8, paragraph 1 of the Statute for Management of Apartment Buildings shall not apply to such approval.

Article 34

To ensure free transmission of radio waves from the antenna of major radio facilities such as satellite communications and microwave communications, the MOTC may, in consultation with the Ministry of the Interior, select a method or designate a certain area which will cause the least damages, and then, following approval from the Executive Yuan, issue a public notice prohibiting or restricting any construction that may jeopardize free transmission of radio waves in such an area.

The MOTC shall, in consultation with relevant authorities, impose measures to regulate and/or restrict power transmissions and distribution systems that induce voltage harmful to telecommunications facilities.

Article 35

On-duty personnel of a Type I telecommunications enterprise or government telecommunications may, upon presentation of proper identification, be given priority access in the event of any holdups or slowdowns at checkpoints and customs stations.

Article 36

In order to survey, install or maintain lines, employees of a Type I telecommunications enterprise or government telecommunications may pass through agricultural or residential land except those that are fenced or have enclosing walls which obstruct free access. If any buildings or vegetation are damaged as a result of such passage, the Type I telecommunications enterprise or the agency establishing government telecommunications shall verify the damage and tender appropriate compensation. Disagreements shall be conciliated by the local government.

Article 37

A Type I telecommunications enterprise or an agency establishing government telecommunications

may, after notifying the property owner, cut down, trim or transplant plants that impede or are likely to impede the survey, installation or maintenance of lines. In cases of emergencies, prior notification is not required.

The above trees or plants shall be cut, trimmed or transplanted in a manner that results in the least damage. In the event of any damage, the enterprise or agency responsible shall verify the damage and tender appropriate compensation. Disagreements shall be conciliated by local government.

Article 38

When constructing a building, the builder shall install indoor and outdoor telecommunications equipment according to the regulations and shall allocate a telecommunications room and other spaces for the installation of telecommunications equipment. But buildings announced by the DGT are not subject to this restriction.

The aforementioned telecommunications equipment includes entrance conduit, main distribution box, customer-premises distribution block, distribution box, telecommunications cable and other equipment that a user must install within the demarcation point of responsibility in accordance to user's needs of telecommunications service.

In the event that an existing building lacks sufficient telecommunications facilities or space for the installation of telecommunications equipment that results in the failure of the said building to comply with the telecommunications service requirements, the owner of the building shall consult with a local network operator that provides telecommunications service and make improvements accordingly.

The telecommunications equipment and space installed for the use of the said building, in accordance with the requirements set forth in first and the aforesaid paragraphs, shall be connected to and used by the local network operators at no charge subject to user's needs of telecommunications service in the said building.

A local network operator before using the telecommunications equipment installed in the telecommunications room of the building must obtain prior consent of the owner of the building to provide telecommunications service for outside users of the building. The local network operator shall negotiate with the owner for an appropriate compensation.

Regulations governing the indoor and outdoor telecommunications equipment and spaces that must be installed within a building, its installation and use, the determination of the demarcation point of responsibility, defined range of buildings within a community, and other related matters shall be made by the MOTC in consultation with the Ministry of Interior. The installation of the indoor and outdoor telecommunications equipment of the building shall comply with the technical specifications as announced by the DGT.

The blueprint of the design for the telecommunications equipment of a building and related space for its installation shall be examined by the DGT before applying for the commencement of the construction. The DGT shall inspect the said equipment and space after completion of the building.

The DGT may engage institutions with telecommunications expertise to conduct examination of design for the installation and its space of telecommunications equipment in a building and inspection of its completion as stipulated in the above paragraph.

Rules governing the qualifications of the institutions with telecommunications expertise as stipulated in the above paragraph, the delegated authority, cancellation or termination of the engagement, and supervision related to the engagement shall be made by the DGT.

Article 38-1

Facilities of public fixed telecommunications outside the demarcation point of responsibility of users building installed and maintained by the local network operators who provide telecommunication services. However, connection of the network infrastructure between buildings of a community must be installed by the building constructor or the owner and maintained by the owner.

The telecommunications equipment set up in accordance with the aforesaid article must be installed by the building constructor or the owner and maintained by the owner.

The agreements prepared by local network operators or any third person delegated by the building

constructor or by the owner to install or maintain the telecommunications equipment of users building or any persons responsible for the payment of installation, maintenance and usage shall not violate the following regulations:

1. Said persons shall not prevent the users from choosing another operator to provide telecommunications service.
2. Said persons shall not prevent another telecommunications service operator from competing for business opportunities.

Any agreement that violates the aforementioned regulations shall be deemed invalid. Telecommunication equipment installed by an invalid agreement shall not be removed or its use prohibited without the authorization of the building constructor or the owner.

Section 2 Maintenance and Management of Telecommunications Facilities.

Article 39

Telecommunications facilities installed by telecommunications enterprises shall conform to the technical specifications provided by the DGT.

The following matters shall be taken into consideration in the enactment of aforementioned technical specifications:

1. the provision of full-scale telecommunications services shall not be made difficult by the damage or malfunction of telecommunications facilities;
2. the maintenance of an appropriate quality of telecommunications services; e.g. upon request by a subscriber renting a dedicated fixed data line, a record-keeping system tracking quality of service shall be established, for such subscribers to access the recorded data pertaining to quality of service;
3. the interconnecting telecommunications facilities of users or telecommunications enterprises shall not be damaged; nor shall the functioning of such facilities be impeded;
4. a clear identification of responsibilities among telecommunications facilities which are interconnected

.

Article 40

If the telecommunications facilities installed by a telecommunications enterprise fails to conform to the technical specifications prescribed in the first paragraph of the preceding article, the DGT may order the enterprise to either make improvements within a prescribed time period or limit its use of such facilities.

Article 41

A Type I telecommunications enterprise shall employ qualified senior telecommunications engineers to be in charge of and supervise the constructions, maintenance and utilization of telecommunications facilities. Depending on the deployment of its telecommunications facilities, a Type II telecommunications enterprise shall employ such personnel in accordance with relevant rules.

Article 42

The telecommunications terminal equipment for connection to the telecommunications machinery and line facilities of a Type I telecommunications enterprise shall conform to technical specifications, and be certified and approved before import and sale. The technical specifications shall be prescribed and announced by the DGT.

The DGT shall enact regulations regarding the compliance approval mode and procedure of the telecommunications terminal equipment, the issuance, renewal, replacement and termination of the certificate of approval, and the embossment, marking and use of Approval Label, as well as the regulations with respect to the supervision and administration of compliance approval.

The technical specifications mentioned in the first paragraph must ensure the following items:

1. the connection shall not damage telecommunications machinery and line facilities of Type I telecommunications enterprise, or cause a malfunction of the said facilities;
2. no nuisance shall be caused to other users of the telecommunication machinery and line facilities of a

Type I telecommunications enterprise;

3. the demarcation of responsibility between the telecommunications machinery and line facilities of a Type I telecommunications enterprise and the terminal equipment connected by users shall be clearly stipulated;
4. ensure electromagnetic compatibility to harmonize and make effective use of the radio spectrum shall be ensured;
5. ensure electrical safety to prevent harm to network operator personnel or users.

Article 43

Telecommunications equipment that connects to Type I telecommunications enterprises shall be constructed and maintained by the telecommunications engineering enterprises. However, all telecommunications equipment within the demarcation point of responsibility of the building may be constructed and maintained by electrical apparatus enterprises.

The equipment in the preceding paragraph is categorized by the competent authority as basic equipment and is not subject to limits.

Telecommunications engineering enterprises shall register to the competent authority, and join the relevant telecommunications engineering industry association within one month of the commencement of operations. The relevant telecommunications engineering industry association is obliged to accept the enterprise as a member.

The enterprises which engaged in the construction of relevant telecommunications equipment mentioned in the first paragraph shall dispose qualified telecommunications engineers.

Governing regulations with respect to the registry, revocation or annulment of telecommunications engineering enterprises shall be enacted by the competent authority.

Qualifications and regulations of senior telecommunications engineers under Article 41, and telecommunications engineers under paragraph 4 shall be prescribed by the competent authority.

Article 44

The DGT or the certification bodies commissioned by the DGT shall be responsible for compliance approval of telecommunications terminal equipment.

Rules governing the qualifications, the scope and limitations of delegated power, cancellation or termination of the commission, and supervision related to the commission of the aforementioned certification bodies shall be enacted by the DGT.

Article 45

Request for relocation of lines shall be made in writing with reasons to a Type I telecommunications enterprise or an agency establishing government telecommunications. Lines will be relocated after acceptance of said requests.

Compensation shall be made in the event of damages to telecommunications facilities arising from repairs or construction of buildings, roads, irrigation ditches, or the laying of underground pipes, cables or other projects.

The MOTC shall determine the criteria and procedure for requesting relocation of lines as mentioned in paragraph 1, the calculation and sharing of the relocation fee, the responsibility of persons who have caused any of the aforementioned damages to telecommunications equipment and the standard calculation for compensation.

The aforementioned criteria for responsibility and methods of damage compensation shall not affect the injured party's right to claims by litigation.

Chapter IV

Regulation for Telecommunications

Article 46

A station may not be established without prior approval from the MOTC, and shall be put into operation

only after passing the inspection and a license issued, unless waived by the announcement of the MOTC.

The aforementioned station, means a unit comprised of telecommunications facilities and operating personnel, which uses wire or wireless methods to receive or transmit radio frequency signals.

Regulations governing establishment permit procedure, set-up and inspection of stations, issuance, renewal and replacement of certification, termination of permit, administration of the use and establishment, qualifications of engineers, assessment system and other related matters shall be made by the MOTC.

The establishment and use of such stations shall comply with the technical specifications of the equipment enacted and announced by the DGT.

R.O.C. nationals may not establish or use radio broadcast stations or television broadcast stations on ships, aircraft, or other objects floating on water or in the air, which are outside R.O.C. territory, to transmit radio frequency signals to interfere with legal use of radio waves.

Article 47

Dedicated telecommunications shall not be set up and operated without approval and license from the MOTC.

Dedicated telecommunications shall not be connected to public communication systems or used for purposes other than those contemplated in its establishment, unless approved by the MOTC for such connections.

The applicable regulations with respect to establishment, use of dedicated telecommunications and its connection to public communication systems shall be enacted by the MOTC.

Foreigner applying to establish dedicated telecommunications shall obtain special approval on a case-by-case basis from the MOTC.

A special approval on a case-by-case basis by the MOTC is required before the establishment and utilization of telecommunications network for the purpose of academics, education, or dedicated experiment of research and development of networks. Such applicable regulations governing the establishment and utilization of the aforementioned networks shall be enacted by the DGT.

Article 48

The MOTC shall regulate radio frequency, power, mode of transmission, radio station identification signals and call signs, and other radio wave related matters. Permission from the MOTC must be obtained for operation or alteration of radio wave related matters. The MOTC shall enact regulations governing the planning and allocation of radio frequency, application procedures, principles of assignment, termination of approval, use administration of radio frequency, handling of interference the standard definition of interference and regulations related to the supervision of radio waves.

In order to effectively utilize the resources of radio waves, MOTC shall mandate the term of utilization of frequency, and establish a fee schedule to collect usage fees from radio frequency users.

For overall development of telecommunications and information, the MOTC shall conduct periodic reviews to ensure the harmony and effectiveness of the common usage of frequencies. If necessary, the MOTC may adjust frequencies in use or request facilities upgrade by enterprises or users. Such adjustments or requests shall not be refused, nor shall compensation be demanded. However, appropriate compensation shall be paid to an amateur radio user for an actual loss incurred as a result of an adjustment in frequency or upgrade in facilities, which are made in accordance with instructions from the MOTC. The MOTC shall consult with the Ministry of National Defense to adjust military communications.

Regulations governing radiation emitted from industrial, scientific, medical or other electrical machinery or equipment shall be enacted by the MOTC, in consultation with competent authorities in charge of the relevant industries.

The stipulation of auction or open tendering of Article 94 of the Budget Law is not applicable to the following allocations of frequencies:

1. the radio frequencies for the military, police, navigational, ships, amateur radio, government

telecommunications, industrial, scientific, medical, low power radio frequency devices, academic experiment, emergency save and rescue, and other benevolent or public uses;

2. the radio frequencies for mobile telecommunications networks, satellite telecommunications networks, radio broadcast stations or TV stations whose operation are based on the utilization of specific radio frequencies, which shall be designated at the time of issuance of operation permit or franchise license, or networks thereof could not function; and any radio frequency increased for further improvement of quality of local telecommunications; or
3. the radio frequencies, which could be used repeatedly under certain conditions of use, for wireless local loop of fixed networks, satellite links or wireless microwaves links.

Article 49

To ensure national security and maintain the orderly sequence of radio waves, permission to manufacture, import, install or possess controlled telecommunications radio frequency devices shall be obtained from the MOTC; the model numbers and quantities of such devices manufactured or imported shall be reported to the MOTC for further reference.

Regulations governing the operation permit of manufacture or import of controlled telecommunications radio frequency devices, the issuance, renewal, replacement and termination of operation license, administration of manufacture, import, installation and possession of the said devices, and other related matters shall be enacted by the MOTC.

No controlled telecommunications radio frequency device shall be manufactured, imported, sold or publicly displayed unless it has received type approval and recognition of inspections. However, the manufacture of such devices in connection with academic studies, technological research and developments or experiments, as well as uses exclusively for exportation, re-importation after exportation and other uses permitted by the MOTC of such devices are exempted.

The items of controlled telecommunications radio frequency devices mentioned in the first paragraph shall be announced by the MOTC.

Article 50

Technical specifications for controlled telecommunications radio frequency devices shall be mandated and announced by the DGT. In the event that national standards are already in place, said standards shall prevail.

Regulations governing the compliance approval mode and procedure of the devices mentioned in the preceding paragraph, the issuance, renewal, replacement and termination of inspection or compliance approval or certificate of approval, the affixing, embossment and use of the inspection Approval Label, as well as regulations related to the supervision and administration of inspection shall be enacted by the DGT.

The DGT or the certification bodies engaged by the DGT shall conduct the compliance approval on of the controlled telecommunications radio frequency devices. Rules governing the qualifications of the said certification bodies, the delegated power, cancellation or termination of the engagement, and supervision related to the engagement shall be enacted by the DGT.

The inspection and technical specifications as prescribed in Article 42 shall apply to controlled telecommunications radio frequency devices that are used in telecommunications terminal equipment.

Article 51

Any amateur radio operator shall obtain a license from the MOTC prior to initiating operations. The MOTC shall enact regulations with respect to the class of amateur radio operators, qualifying examination, issuance, renewal, replacement, termination and administration of licenses, and other related matters.

Article 52

If necessary, the DGT may order a telecommunications enterprise or dedicated telecommunications user to submit reports relating to the following:

1. business.

2. finance.
3. telecommunications facilities.

Article 53

Distress calls or communications from ships and aircrafts shall receive priority handling, prompt response and immediate action regardless of from where such signals and communications are sent.

Article 54

Except for distress communications, radio station of ships or aircrafts entering the territorial waters or airs of the R.O.C. shall not communicate with radio stations not designated by the MOTC.

Article 55

The DGT may dispatch personnel or cooperate with the police, with search warrants and evidentiary documents, to enter the establishments that harbor violations of this Act to conduct inspections or extract relevant information. The owner, responsible person, resident, custodian, user or the capable representative of the establishments shall not evade, obstruct or refuse such endeavors. For violations of Article 56 to Article 60, any search and detainment shall conform to relevant regulations of the Criminal Procedural Act.

For the purpose of monitoring telecommunications activities, and to supervise or to regulate telecommunications enterprises, the DGT may request telecommunication enterprises, users of dedicated telecommunications or installers and users of radio stations to provide relevant materials, or to express their opinions by such parties hereof.

Chapter V

Penalties

Article 56

Unauthorized access or use of another person's telecommunications facilities to communicate either through wire-based, wireless or other electromagnetic means, for personal gains or benefits of a third party, shall result in imprisonment of not more than five years, with a possible fine of not more than NT\$1,500,000.

Manufacturing, altering or importing telecommunications equipment for unauthorized access or use of another person's telecommunications facilities, either for personal gains or benefits of a third party, shall result in imprisonment of one to seven years, with a possible fine of not more than NT\$3,000,000. The same penalties shall also be applicable to sale, transfer, rental or lending of telecommunications equipment for such purposes.

Possession of telecommunications equipment for perpetrating a crime by oneself or a third party shall result in imprisonment of not more than three years, with a possible fine of not more than NT\$500,000. Inchoate violators of the first and second paragraphs shall be penalized too.

Article 56-1

Violators of Paragraph 1 of Article 6 regarding infringement on others' secrecy of communications shall be penalized with imprisonment of not more than five years, with a possible fine of not more than NT\$1,500,000.

The legal representative or service personnel of a telecommunication enterprise who takes advantage of opportunity of his business to commit the aforementioned crimes shall be penalized with imprisonment of six months to five years, with a possible fine of not more than NT\$2,000,000.

The inchoate violators of the first two paragraphs shall be penalized.

The violator of the first paragraph shall be subject to prosecution instituted only upon complaints.

Article 57

An operator of a Type I telecommunications enterprise who violates paragraph 1 of Article 12 shall be subject to an imprisonment penalty of not more than three years, detention, and/or a fine of not more than NT\$10,000,000.

Article 58

Anyone who sets up or uses a radio broadcast station or TV station to send radio frequency signals in violation of paragraph 5 of Article 46, that results in disturbing legal utilization of radio waves shall be penalized with imprisonment of not more than two years, detention, and/or a fine of not more than NT\$600,000.

Anyone who arbitrarily uses or alters radio frequency in violation of paragraph 1 of Article 48 without authorization shall be penalized with detention, and/or a fine of not more than NT\$200,000.

Anyone who has committed the aforementioned offence, thereby disturbing legal utilization of radio waves, shall be penalized with imprisonment of not more than two years, detention, and/or a fine of not more than NT\$600,000.

Article 59

Representatives, agents or employees of a juristic person who commits any of the offenses under Articles 56 through 58 shall be penalized. In addition, the juristic person shall be fined according to the provision(s) violated.

Article 60

Violators of Articles 56 through 58 shall have their telecommunications equipment confiscated regardless of whether these are owned by the offender or not.

Article 61

A telecommunications enterprise that fails to contribute to the universal services fund as stipulated in paragraph 3 of Article 20, shall be fined three to five times of the required contribution amount, and served notice to contribute within a prescribed time period. Failure to make the contribution within the prescribed time frame shall, in MOTC's discretion, result in annulment of franchise or permission.

A telecommunications enterprise that fails to pay its franchise fee or permission fee shall be fined additionally one percent of such fee as default penalty for every two days of late payment. After thirty days of default, the telecommunications enterprise shall be notified to pay up such fee within a prescribed time period. Any further overdue thereafter may result in annulment of franchise or permission.

A radio frequency user who fails to pay its usage fee shall be fined additionally one percent of such fee as default penalty for every two days of late payment. After thirty days of default, the telecommunications enterprise shall be notified to pay up such fee within a prescribed time period. Any further overdue thereafter may result in annulment of usage of that radio frequency.

Any failure to pay up as stipulated in the preceding three paragraphs the contribution to the universal service fund, franchise fee, permission fee, frequency usage fee and default penalty after receipt of notification to make payment within a prescribed time period shall be referred to the Court for compulsory execution.

Article 61-1

Violators of paragraph 2 of Article 20.1 regarding usage or alteration of the telecommunication number without authorization, or violation of regulations enacted by the DGT in accordance with paragraph 6 of Article 20.1, shall result in a fine of NT\$100,000 to NT\$3,000,000, together with a notice to comply within a prescribed time frame. Failure to comply within the prescribed time frame may result in consecutive fines until full compliance, or partial or full suspension of the violator's operations, or annulment of its franchise or permission.

A telecommunication enterprise or other telecommunication number user who fails to pay the number usage fee shall be fined additionally one percent of such fee as default penalty for every two days of late payment. After thirty days of default, the telecommunications enterprise or user shall be notified to pay up such fee within a prescribed time period. Any continued failure to pay thereafter may result in regular suspension or annulment of the permission for use.

Failure by a Type I enterprise to provide the service of number portability or equal access stipulated in paragraph 4 of Article 20.1, or violation by it of regulations enacted by the DGT in accordance with

paragraph 4 of Article 20.1, shall result in a fine of NT\$300,000 to NT\$3,000,000, together with a notice to comply within a prescribed time frame. Failure to comply within the prescribed time frame may result in consecutive fines until full compliance, or partial or full suspension of the violator's operations, or annulment of its franchise.

Violation of regulations enacted by the DGT in accordance with paragraph 7 of Article 20.1 shall result in a fine of NT\$300,000 to NT\$3,000,000 together with a notice to comply within a prescribed time frame. Failure to comply within the prescribed time frame may result in consecutive fines until full compliance, or partial or full suspension of the violator's operations.

If the telecommunication fees and default penalty stipulated in paragraph 2 are not paid within the prescribed time frame as notified, the case shall be referred to the courts for compulsory execution.

Article 62

A Type I telecommunications enterprise that violates paragraph 3 of Article 12, or fails to comply with paragraph 6 of Article 12 as stipulated by the MOTC, shall be fined NT\$500,000 to NT\$2,500,000 if it failed to comply after a notice to comply within a prescribed period of time. If such telecommunication enterprise still failed to comply after further notification to request such compliance therewith within a prescribed period of time, its franchise approval shall be annulled.

Article 62-1

If a Type I telecommunication enterprise had committed any of the following acts, it shall be penalized with a fine of NT\$300,000 to NT\$5,000,000, together with a notice to comply within a prescribed time frame. Failure to comply within the prescribed time frame may result in consecutive fines until full compliance, or partial or full suspension of its operations, or annulment of its franchise:

1. violation of paragraph 1 of Article 19;
2. violation of principles set forth by the MOTC in accordance with provision of paragraph 2 of Article 19;
3. failure to provide universal services as instructed by the MOTC in violation of paragraph 1 of Article 20;
4. violation of regulations set forth by the MOTC in accordance with provision of paragraph 3 of Article 26;
5. violation of paragraph 4 of Article 26;
6. violation of paragraph 1 of Article 26.1;
7. violation of paragraph 2 of Article 31 to reject the request of sharing infrastructure for lines and pipes without appropriate reasons; or
8. evading, obstructing or rejecting inspections by the DGT, refusing to provide materials, or refusing to show up to present opinions to the same agency as mandated in Article 55.

In the event of commission of any of the following acts, the violator shall be penalized with a fine of NT\$300,000 to NT\$1,500,000, together with a notice to comply within a prescribed time frame. Failure to comply within the prescribed time frame may result in consecutive fines until full compliance, or partial or full suspension of the violator's operations, or annulment of its franchise or permission :

1. A Type I telecommunication enterprise rejects interconnection with another telecommunication enterprise in violation of paragraph 1 and 7 of Article 16;
2. Violation of paragraph 3, 4, 5, or 7 of Article 16 by failing to comply with an arbitral decision of the DGT within 2 months from the date of notice of the decision;
3. Violation of regulations enacted by the DGT in accordance with paragraph 9 of Article 16.

Article 63

Violation of regulations enacted by the MOTC in accordance with paragraph 6 of Article 14 shall result in a fine of NT\$300,000 to NT\$3,000,000, together with a notice to comply within a prescribed time frame. Failure to comply within the prescribed time frame may result in consecutive fines until full compliance, or annulment of its franchise .

Article 64

Violation of paragraph 1 of Article 17 to operate a Type II telecommunications enterprise shall result in a fine of NT\$200,000 to NT\$1,000,000, and, in DGT's discretion confiscation of the telecommunications equipment thereof.

Violation of the regulations enacted by the MOTC in accordance with paragraph 2 of Article 17 shall result in a fine of NT\$200,000 to NT\$1,000,000, together with a notice to comply within a prescribed time frame. Failure to comply within a prescribed time period shall, in MOTC's discretion, result in annulment of its permission.

Article 65

A fine of not less than NT\$100,000 and not more than NT\$500,000 shall be imposed under any of the following circumstances:

1. suspension or termination of business operations, transfer of the enterprise or its assets, interlocking investments or mergers consummated without prior approval in violation of Article 15;
2. failure to acquire approval for its business rules, or failure to comply with the approved business rules in violation of paragraph 1 of Article 27;
3. violation of paragraph 1 of Article 46 or the regulations enacted by the MOTC pursuant to paragraph 3 of Article 46;
4. violation of paragraph 1, paragraph 2 of Article 47 or the regulations enacted by the MOTC pursuant to paragraph 3 of Article 47;
5. violation of paragraph 4 of Article 47 by a foreigner who sets up dedicated telecommunications without seeking special approval on a case-by-case basis;
6. unauthorized establishment of telecommunications networks in violation of paragraph 5 of Article 47, or violation of regulations enacted by the DGT pursuant to paragraph 5 of Article 47;
7. violation of paragraph 1 of Article 48 or regulations enacted by the MOTC pursuant to paragraphs 1 of Article 48;
8. unauthorized manufacture or importation of controlled telecommunications radio frequency devices, or failure to report the model numbers and amount of such controlled devices thereof to the MOTC for reference in violation of paragraph 1 of Article 49;
9. violation of regulations enacted by the MOTC pursuant to paragraph 2 of Article 49; or
10. unauthorized manufacture, importation, sale, or public display of controlled telecommunications radio frequency devices without type approval or inspection in violation of paragraph 3 of Article 49.

Violations of subparagraph 3 to 10 of the preceding paragraph may additionally result in confiscation of devices in part or in whole, and annulment of franchise, permission, grant or license issued thereto.

The confiscation of devices pursuant to the stipulation of the preceding paragraph shall be imposed to the property of anybody.

Consecutive penalties until full compliance may be applicable to violations of subparagraph 1, 2, 6 or 8 of paragraph 1.

Article 66

A fine of not less than NT\$60,000 and not more than NT\$300,000 shall be imposed under any of the following circumstances:

1. a telecommunications enterprise in violation of instructions issued by the DGT pursuant to Article 28 or Article 40;
2. a telecommunications enterprise in violation of Article 41; or
3. violations of the regulations for type approval and inspection enacted by the DGT pursuant to paragraph 2 of Article 50.

Consecutive penalties until full compliance may be applicable to violations of subparagraph 1 or 2 of the preceding paragraph.

Article 67

A fine of not less than NT\$30,000 and not more than NT\$300,000 shall be imposed under any of the following circumstances.

- 1. Failure to file operational rules for records in violation of paragraph 2 of Article 27**
- 2. Failure to place operational rules at the place of its business and on its websites by a telecommunications enterprise in violation of paragraph 1 of Article 28**
- 3. Importation or sale of uninspected telecommunications terminal equipment in violation of paragraph 1 of Article 42**
- 4. Failure to join the relevant association in violation of paragraph 3 of Article 43; or operations of relevant telecommunications construction projects without disposing the qualified telecommunications engineers in violation of paragraph 4 of Article 43**
- 5. Violation of regulations enacted by the competent authority pursuant to paragraph 4 of Article 48**
- 6. Violation of the instructions issued by the competent authority pursuant to Article 52**
- 7. Evasion, obstruction or rejection by a party other than a Type I telecommunications enterprise to comply with the inspections conducted by the competent authority pursuant to the provision of Article 55, or such failure of the same party thereof to provide relevant information, or to present opinions as requested.**

Confiscation of equipment may be imposed for violations of subparagraph 3 of the preceding paragraph. Suspension of operations shall be imposed for violations of subparagraph 4.

Unauthorized installation or possession of controlled telecommunications radio frequency devices in violation of paragraph 1 of Article 49 shall be penalized with a fine of not less than NT\$10,000 and not more than NT\$50,000, as well as the possible confiscation of its equipment.

Confiscation of equipment or devices pursuant to two preceding two paragraphs shall be imposed to the property of anybody.

Consecutive penalties until full compliance may be imposed for violations of subparagraph 1, 2, 4 to 7 of paragraph 1.

Article 67-1

Any local network operator or other third person who violates paragraph 3 or 4 of Article 38.1 will be notified and required to make corrections within a given period. In the event that the violation continues to exist at the expiry of the given period, the said person shall be penalized with a fine no more than NT\$300,000 and no less than NT\$30,000 and may be penalized repeatedly until improvement is made.

Any violations of the regulations enacted by the DGT in accordance with paragraph 2 of Article 42 with respect to the renewal or replacement of certification approval, the affixing, marking and use of Approval Label, and the supervision and administration of inspection will be penalized with a fine no more than NT\$300,000 and no less than NT\$30,000.

Anyone who, in violation of Article 51, arbitrarily initiates radio operations without obtaining an amateur radio operator license from the MOTC, or violates regulations enacted by the MOTC in accordance with Article 51 with respect to the administration of amateur radio operators, and other compulsory rules, shall be penalized with a fine no more than NT\$50,000 and no less than NT\$10,000.

Article 68

The MOTC may mandate the DGT in charge of imposition of fines, confiscation, annulment of franchise, grant or licenses, notification of removal or compliance within a prescribed period time as provided for therein. However, the DGT shall be responsible for the imposition of penalties stipulated under Article 61.1, paragraph 2 of Article 62, subparagraph 8 of paragraph 1 and paragraph 2 of Article 62.1, Article 64, subparagraph 6 and 10 of paragraph 1 of Article 65, Article 66, subparagraph 1, 3, 5 and 6 of paragraph 1 and paragraph 2 of Article 67, and annulment of permission of Type II telecommunications enterprises.

Those whose certificate has been annulled in accordance with this Act shall, upon receipt of notice, return the certificate to the DGT within the prescribed time period; in the event of failure to make such return by the prescribed deadline, an announcement of cancellation shall be made.

If a fine is imposed pursuant to this Act is not paid within a prescribed time frame as notified, the case

shall be referred to the courts for compulsory execution.

If a violation punishable pursuant to this Act carries a more severe punishment under the stipulations of another law, the other law shall be applied accordingly.

Chapter VI Supplementary Provisions

Article 69

Military communications shall not be subject to this Act, except Article 31 to 37, Article 45, paragraph 2 of Article 47, paragraphs 1 and 3 of Article 48, and Article 53.

Article 70

With respect to processing of applications for franchise approvals, permissions, examinations, type approvals, inspections, registries and issuance of licenses pursuant to this Act, an applicant shall be charged a franchise fee, permission fee, examination fee, type approval fee, inspection fee, registry fee and license fee according to the fee schedule established by the competent authority.

Article 71

For matters not provided herein, the MOTC may adopt and implement the criteria, recommendations, regulations or procedures set forth under relevant international telecommunications conventions and the riders thereof.

Article 72

This Act shall come into effect as of the date of promulgation.

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