

Telecommunications - Taiwan

Mobile Telecommunication Firms Ordered to Float Shares

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On March 11 2009 the National Communications Commission (NCC) approved the Procedure on Public Offerings of Mobile Operators. Mobile operators (including third-generation mobile operators) and 1900 megahertz digital low-tier cordless telephone operators are required to comply with certain measures in order to allow for the supervision of their financial management.

First, any operator with a share capital of more than NT\$200 million and more than 200 shareholders must apply to the Taiwan Securities and Exchange Commission to float its shares upon company registration or alteration of registration within three months of the issue of new shares. Second, any operator that, subject to a resolution of the shareholders' meeting, reduces the share capital or acts according to Article 185, Paragraph 1 of the Company Act (including a transfer or termination of all business, assignment of its business or property in full or in significant part, or receipt of another company's entire business or property) must report to the NCC within 20 days of the resolution.

The three largest mobile companies – Chunghwa Telecom, Taiwan Mobile and Far Eastone Telecom – are listed companies. Two smaller mobile operators, First International Telecom and Vibo Telecom, have already floated their shares. Thus, Asia Pacific Telecom is the only operator affected by these requirements and must comply by mid-May 2009.

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