

Telecommunications - Taiwan

Taiwan to implement digital convergence policy

Contributed by **Shay & Partners**

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On July 8 2010 the Executive *Yuan* announced the Digital Convergence Development Policy in order to initiate a two-stage legislative overhaul and develop the digital convergence industries. The government plans to relax the restrictions on cross-ownership of telecommunications, broadcasting and internet-based businesses. The policy aims to complete the legal framework with regard to digital convergence in 2014 and achieve certain targets in 2015.

The Executive *Yuan* plans to establish the Digital Convergence Taskforce – an *ad hoc* organisation which will operate at cabinet level – to provide support to digital convergence industries. The taskforce will be charged with driving Taiwan forward as the centre of the emerging video service industry in Asia. Its first step will be to subsidise digital set-top boxes for low-income households.

The policy sets out certain targets with regard to infrastructure, application and the legal environment. In terms of infrastructure, the policy seeks to:

- provide 80% of households with the cable broadband network at 100 megabits per second by 2015;
- meet the target of having 6 million optical fibre network subscribers and 2 million wireless broadband subscribers; and
- achieve 50% nationwide coverage of digital cable television.

With regards to application, the policy targets a penetration rate of 50% for emerging video services by 2015. In terms of the legal environment, the policy aims to have the Legislative *Yuan* pass the regulatory framework on digital convergence in 2014.

The policy is to be implemented in two phases. First, between 2010 and 2012 the Executive *Yuan* will recommend amendments to the Television and Broadcasting Law, the Cable Television and Broadcasting Law, the Satellite Television and Broadcasting Law and the Telecommunications Act and the regulatory framework of telecommunications before passing them to the Legislative *Yuan* for review. Second, between 2012 and 2014 the Executive *Yuan* will draft a bill on the integrated or separate regulation of digital convergence with the aim of passing all the relevant legislation in 2015.

In order to establish the environment of digital convergence industry, the policy has six main objectives:

- to establish a high-speed broadband network;
- to promote a converged telecommunications service;
- to accelerate the digitalisation of television;
- to build up the emerging video services industry;
- to expand the communications industry; and
- to adjust the legal environment on digital convergence.

The responsible minister, Chang Jin-fu, indicated that the new framework of horizontal regulation could introduce industry integration and market competition under the environment of integrated networks. Prime Minister Wu Den-yi stated that Taiwan must speed up the legislative process in relation to digital convergence in order to catch up with South Korea, Japan and Hong Kong.

For further information on this topic please contact [Arthur Shay](#) or [David CL Yeh](#) at Shay & Partners by telephone (+886 2 8773 3600), fax (+886 2 8773 3611) or email (arthur@elitelaw.com or davidyeh@elitelaw.com).

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Authors

Arthur Shay



David CL Yeh



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