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NCC suspends OTT TV regulation proposal

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On 30 September 2021 the National Communications Commission (NCC) confirmed in its response to the legislature's inquiry that it will put on hold discussions on the proposal of regulation for over-the-top television (OTT TV), which had previously been named the "draft Internet Audiovisual Service Management Act", until another new law to rein in dominant digital platforms is introduced later in 2022. The NCC chairperson, Yaw-Shyang Chen, explained the NCC would prioritise the regulation of internet platforms followed by content regulation if necessary.

The draft OTT TV regulation was published online in July 2020 for public comment (for further details please see "[NCC plans for enactment of OTT regulation](#)", "[New measures to regulate OTT service providers](#)" and "[Cable TV operators battle media on demand](#)"). Seen by many as the world's first OTT services regulation, industry participants expressed concerns on the heavy-handed regulatory approach to OTT services in Taiwan – the main objective, as well understood, being to prohibit Chinese OTT TV services. In the draft proposal, the NCC designed a new framework to address the competition between pay TV and OTT services, which would require the prior registration of OTT service providers subject to the NCC's approval and the full disclosure of their terms of use for consumer protection purposes. Further, certain service providers could be subject to special obligations regarding local content production.

Paradigm shifts in the local industry happened dramatically amid the significant moves of major international channel operators and multiple system operators from the existing regulatory environment to the unregulated free land. Starting from January 2022, Disney channel will drop its pay TV licence in Taiwan and will turn into a content provider of OTT TV services. Towards the end of September 2021, Fox Networks Group closed five of its TV channels – Fox Crime, Fox Family Movies, FX, Channel V and Nat Geo People – carried on cable TV systems, which was executed further to its termination of its three sports channels in Taiwan on 1 January 2021. On the other hand, the cord-cutting wave in the local cable TV market has been rapidly rising since 2017. All five multiple system operators admit that they are suffering a loss of subscribers while conducting a strategic move to the same field – the unregulated OTT TV services on the cable broadband network. Among them, Taiwan Mobile, together with its cable TV affiliates, announced in October 2021 an exclusive partnership with Disney+ in Taiwan for streaming services. The NCC has not given any official comments in response to such paradigm shifts.

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