

# NCC promotes regulatory reform of telecoms liberalisation

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## Regulatory reform Two new laws

### Regulatory reform

The newly formed National Communications Commission (NCC) has taken a proactive approach in responding to queries regarding the proposed regulatory reform on existing functional regulations (for further details please see "[New commissioners appointed to the NCC](#)"). In January 2017 the NCC officially released its legislative proposal on the existing Telecommunications Act and a conceptual new law on digital communications. It has invited public comments before the draft laws are further presented to the Executive *Yuan* for review.

The NCC has abandoned previous draft convergence laws that restructured existing telecommunications and broadcasting regulations, but were complicated enough so that most licence holders admitted that it would be extremely difficult to complete compliance (for further details please see "[NCC invites comment on proposed Communications Convergence Act](#)").

### Two new laws

The NCC has proposed two new laws. First, the new Telecommunications Act abandons Type I and Type II licences, but requires only those intending to provide telecoms services using frequencies, numbers or right-of-ways to register in advance with the regulator. The NCC will no longer maintain structural regulation, but will place emphasis on market players' behaviour. A specific chapter has been provided in the new law that defines a 'significant market player' and the measures for its regulation.

The NCC has also announced its absolute power regarding spectrum allocation, which is currently managed by the Ministry of Transportation and Communications. Such a material change, once accepted by the Executive *Yuan*, will make the NCC the sole regulator for all communications markets involving use of radio spectrum. It gives the NCC the political power granted under the Fundamental Communications Act, which was previously with the ministry.

In line with its policy statement for telecoms liberalisation, the NCC reserves flexibility of spectrum right assignment and will try to develop a secondary market for spectrum trading under the new Telecommunications Act. It will be worthwhile to watch closely how it progresses with respect to telecoms players whose interests are vested in the relevant frequency bands.

The other new draft law, the Digital Communications Act, is in essence a guide or code of practice that has no mandatory effect on market players. It may be seen as another Fundamental Communications Act with more details; however, it is a soft code, despite the fact that it repeats a few adopted regulations, such as the notice and takedown rule in the Copyright Act and certain anti-spam measures required by NCC general orders.

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