

Telecommunications Management Act

Chapter I General Rules

- Article 1 The Act is enacted to ensure the sound development of the telecommunications industry, to encourage innovative services, to facilitate fair market competition and telecommunications infrastructure, to ensure the reasonable use and efficiency of resources, to improve technological development and interconnection applications, and to protect the rights and interests of consumers.
- This Act is applicable to radio and television businesses operated in accordance with the Radio and Television Act with respect to the establishment and management of stations thereof.
- The Privately Owned Public Utilities Supervisory Act is not applicable to the operations of telecommunications enterprises. This is the same for telecommunications enterprises that have obtained a franchise or operation license from the competent authority before the enforcement of the Act.
- Article 2 The competent authority herein referred to is the National Communications Commission.
- Article 3 The terms adopted in the Act are defined as follows:
1. Telecommunications enterprise: refers to an enterprise registered in accordance with the Act to provide telecommunications services.
 2. Telecommunications services: refers to public communications services provided through the public switched telecommunications network ("PSTN").
 3. Telecommunications equipment: refers to equipment that can be used to carry out or control optical or electrical transmission and reception of communications messages; and is equipped with the transmission, exchange and access functions.
 4. Telecommunications infrastructure: refers to ducts, maintenance holes, hand holes, towers, poles, main distribution frame, machine room and other auxiliary or related facilities that are obligatory for the installation of not only telecommunications equipment but also the overpass, underground or submerged conduits, entrance conduits, lead-in lines and conduits inside the building required thereby as well as various telecommunications transmission lines thereof.
 5. Telecommunications network: refers to a network consisting of various telecommunications infrastructure to transmit and receive communications messages. This network includes satellite, fixed and mobile networks, and a combination thereof.
 6. Public switched telecommunications network ("PSTN"): refers to the telecommunications network established to provide services for the public's communications.
 7. Station: refers to telecommunications equipment within the telecommunications network for transmitting and receiving radio wave signals.

It includes microwave station, base station, satellite earth station, terrestrial radio station, terrestrial television station and dedicated radio/television station.

8. Interconnection: refers to network connection between the telecommunications enterprises so as to enable their respective subscribers to communicate with subscribers of other telecommunications enterprise or receive services provided by other telecommunications enterprise.
9. Subscriber: refers to the counterpart who enters into a service contract with the telecommunications enterprise in order to use the telecommunications services provided thereby.

The established telecommunications network, as described in Subparagraph 6 of the preceding paragraph, refers to a telecommunications network established either by oneself, with another, or by others.

Article 4 A user who uses telecommunications service shall be held responsible for the content of its use of telecommunications service, and any consequent effect and/or influence thereof.

For a telecommunications enterprise, the use of telecommunications services 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 the use of telecommunications services shall not be so construed.

Chapter II Operations of Telecommunications Business

Section 1 Registration

Article 5 Telecommunications service providers with any of the following activities shall register as a telecommunications enterprise with the competent authority:

1. Negotiate interconnection with other telecommunications enterprises or apply for a ruling therewith;
2. Apply for the assignment of a radio frequency outside Article 56;
3. Apply for the assignment of identification code or signal point code for establishing a PSTN;
4. Apply for the assignment of subscriber numbers.

Article 6 Those who apply to register as a telecommunications enterprise shall submit the application form to the competent authority. The same rule shall be applied when applying any amendments to registered matters.

Said application form shall specify the following matters:

1. Name and residence of the applicant and contact person;
2. Corporate or business registration document No.;
3. Service content and business overview;
4. A photocopy of the telecommunications network framework or of the PSTN use certificate.

Where the applicant fails to specify requisite information in said application form, the competent authority shall notify the applicant thereof and request the applicant to make corrections within a prescribed deadline. For those who fail to make all the requisite corrections or provide the corrections before the deadline, the application will not be accepted.

The application form format, application procedures and other related matters shall be announced by the competent authority.

A telecommunications enterprise organized in the form of a company limited by shares shall apply for public offering if its minimal capital amount and number of shareholders are above the standard.

The aforesaid standard shall refer to that announced by the competent authority.

Article 7

Telecommunications enterprises that are in any of the following circumstances will have their registration abolished by the competent authority:

1. Have terminated or suspended the operations for more than six months, except for those who fail to provide telecommunications services due to disasters or any other force majeure.
2. Failure to implement an operating plan as described in Article 37; and such failure of performance is serious.

Section 2 General Obligations

Article 8

When providing telecommunications services, telecommunications enterprises shall abide by the following rules:

1. Disclose consumer with the information regarding service conditions, telecommunications network's quality and data transmission management methods/ conditions, in an obvious, public and reachable method.
2. The accounting items of telecommunications service and non-telecommunications service shall be clearly separated; and the telecommunications services shall not be suspended if the non-telecommunications service fees remain unpaid.
3. For a subscriber who fails to pay telecommunications service fees on time, the enterprise shall notify the subscriber of arranging the payment within a prescribed period. The enterprise may suspend telecommunications services provided thereto only if said fees remain unpaid after said period.
4. Adopt appropriate and necessary measures to protect the confidentiality of communications.
5. Ensure staff members thereof abide by the rules of confidentiality of communications.
6. Provide subscribers with consumer complaint handling channels.

Telecommunications enterprises shall not refuse a request for telecommunications services or communications relay without justifiable reasons.

The telecommunications enterprise shall not be held liable to its subscriber for any damage arising out of error, delay, interruption, suspension or failure in telecommunications services due to a failure or breakdown of the telecommunications network, unless specified otherwise in the contract. However, the service fees shall be deducted accordingly.

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 of a natural disaster, 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 9

The telecommunications enterprise shall ensure the accuracy of communications and accounting records generated from telecommunications services used by the subscribers or telecommunications service users. Said records shall be preserved within a specific period of time and the telecommunications enterprise shall ensure the confidentiality thereof. When a subscriber inquires his/her communications or accounting record, the telecommunications enterprise shall provide it thereto.

The abovementioned communications records refers to records such as the telecommunications numbers of the sender and the recipient, time of communication, length of use, address, service type, mailbox or location information generated by a PSTN after the subscriber or telecommunications service user uses the telecommunications services. The provision of said records shall also be limited to those available to be provided from the functions of the PSTN.

Rules governing the preservation period of communications and accounting records as described in the preceding two paragraphs; subscribers' inquiry procedures; charging methods and other related matters shall be promulgated by the competent authority.

Telecommunications enterprises and those who have established PSTN are obliged to assist in the implementation of communication surveillance and in the access to communications records and communications user's information in accordance with the Communication Security and Surveillance Act.

Article 10

Where the telecommunications enterprise desires to suspend or terminate operations in whole or in part, it shall notify the competent authority 3 months before the scheduled date of suspension or termination; and make a public announcement and notify the subscribers 1 month before the scheduled date of suspension or termination.

Article 11

Where the telecommunications enterprise is unable to provide telecommunications services due to disaster, or penalty imposed by the competent authority or other major incidents, it shall make an immediate announcement on the suspension of its operations in whole or in part and report to the competent authority according to the method prescribed by the competent authority.

Rules governing the scope and methods of aforesaid report and other related matters shall be promulgated by the competent authority.

Article 12

To protect nationals' basic telecommunications rights and interests, telecommunications enterprises shall share the losses and necessary management fees incurred by the telecommunications universal service, except for enterprises whose annual revenue generated from telecommunications services is below certain amount prescribed by the competent authority.

The telecommunications universal service as mentioned in the preceding paragraph refers to telecommunications services with an indispensable basic quality and reasonable price that can be afforded by all nationals.

The telecommunications enterprise that is obligated to share said expenses as prescribed in Paragraph 1 shall submit the shared amount to telecommunications enterprise universal service fund according to the competent authority's notice.

The fund, as mentioned in the preceding paragraph, does not refer to funds prescribed in the Budget Act.

Rules governing the type, quality and service area of telecommunications universal services; the calculation and sharing methods designated by the provider or for the losses; and other related matters shall be promulgated by the competent authority.

Article 13

In the principles of technical feasibility, fairness and reasonableness, a telecommunications enterprise shall not reject other telecommunications enterprises' request for negotiation of interconnection without justifiable reasons. Where interconnection is agreed by both parties, both parties shall sign an interconnection agreement, and said agreement shall include dispute handling mechanisms.

To facilitate the signing of an interconnection agreement, the telecommunications enterprise, as mentioned in the preceding paragraph, shall, when another telecommunications enterprise makes a reasonable request, provide information that can facilitate the negotiation of interconnection thereto.

Information that the telecommunications enterprise obtains due to the negotiation of interconnection or fulfillment of the interconnection agreement as prescribed in Paragraph 1 shall be used only in interconnection relevant services. Said telecommunications enterprise shall also adopt appropriate confidentiality measures to prevent its affiliated organization or a third party from knowing or using said data. However, if the telecommunications enterprises have a separate agreement, it shall abide thereby accordingly.

Where there is any amendment to the interface of the interconnection network between telecommunications enterprises as described in Paragraph 1, it shall notify the telecommunications enterprise with which it interconnects before the amendment and provide it with necessary technical support or adjustments on the equipment to maintain the original conditions for interconnection.

The telecommunications enterprise is only allowed to access or transfers the voice services provided by the enterprise who has registered itself as a telecommunications enterprise, except for the situation where the telecommunications enterprise has signed an interconnection agreement with a foreign telecommunication enterprising for the voice services.

Section 3 Special Obligations

Article 14

Telecommunications enterprises that use subscriber numbers to provide voice services shall provide free emergency communications services.

Article 15

Telecommunications enterprises who have established a PSTN using telecommunications resources or other telecommunications enterprises announced by the competent authority shall draw up an info-communications security maintenance plan and implement it accordingly.

The plan as mentioned in the preceding paragraph shall include the following matters:

1. The info-communications security management scope and classification methods.

2. Info-communications security management compliant verification measures.
3. Implementation measures of info-communications security management plan.
4. Joint defense and response measures for info-communications security incidents.
5. Other measures that may facilitate the management of info-communications security as designated by the competent authority.

Rules governing the considering factors for the competent authority's determination of the telecommunications enterprises to be announced as prescribed in Paragraph 1; scope of info-communications security management as prescribed in the preceding paragraph; classification methods; verification standards and procedures; joint defense and response reporting operations; and other related matters shall be promulgated by the competent authority.

Article 16 For the purpose of protecting subscribers' rights and interests and facilitating market competition, telecommunications enterprises that use subscriber numbers to provide telecommunications services shall provide number portability and equal access services.

Where the telecommunications enterprise as described in the preceding paragraph fails to provide number portability or equal access services, it shall submit relevant documents to the competent authority for the approval of exemption.

The number portability service as described in Paragraph 1 refers to the service that enables the subscriber to retain his or her subscriber number when switching from another telecommunications enterprise to the telecommunications enterprise. The equal access service, on the other hand, refers to the service that allows a subscriber to choose the long-distance and international network services provided by other telecommunications enterprises.

Telecommunications enterprises that provide number portability services shall co-establish or join a centralized database management organization to jointly supervise the establishment, maintenance, operation and management of a centralized database.

Rules governing the scope, provision and implementation schedule of number portability and equal access services as described in Paragraph 1 and the preceding paragraph, the establishment, management and restrictions of centralized database management organization, and other related matters shall be promulgated by the competent authority.

Article 17 Telecommunications enterprises designated by the competent authority shall set forth terms and conditions of standard service contract, specify the rights and obligations between them and subscribers, and submit the said standard service contract to the competent authority for approval before implementation. When applying any amendments, the same rules shall be applied thereto.

The terms and conditions of the standard service contract as described in the preceding paragraph shall including the following matters:

1. Service areas and contents;
2. Service fees and conditions;
3. Responsibilities derived from the guarantee of providing prepaid services;

4. The methods of handling damage arising out of error, delay, interruption, suspension or failure in telecommunications services due to a failure or breakdown of telecommunications network, and fee reduction methods therefor;
5. The tariff reductions offered to subscribers when the telecommunications enterprise's registration is revoked or abolished or when the subscribers' rights and interests are damaged due to suspended or terminated operations;
6. Consumer complaint-related information and the court of jurisdiction;
7. Restrictions on and conditions for the collection, processing and utilization of subscribers' personal information;
8. The confirmation and cancellation mechanisms for testing or receiving free telecommunications services;
9. Other matters related to the protection of consumers rights and interests as announced by the competent authority;

Article 18 With respect to the quality of telecommunications services, telecommunications enterprise determined by the competent authority shall conduct regular self-evaluation based on the items and format announced by the competent authority and then publish the evaluation results accordingly. The competent authority may regularly check and publish the investigation results.

Article 19 Where a telecommunications enterprise determined by the competent authority intends to suspend or terminate operations in whole or in part, it shall submit the consumer protection and handling plan to the competent authority 3 months before the date of suspension or termination for approval and notify the consumers 1 month before the date of suspension or termination.

Article 20 Telecommunications enterprises determined by the competent authority shall co-establish complaint handling channels for telecommunications consumers, submit the articles of incorporation to the competent authority, and have them implemented upon receipt of approval.

The articles of incorporation as described in the preceding paragraph shall specify the following matters:

1. Name and business location of the organization;
2. Business items and the management thereof;
3. Conditions and fees for each service and the use and management of expenses;
4. Procedures governing the admission to and withdrawal from the association;
5. The methods of handling members who violate the articles of incorporation;
6. Amendment procedures for articles of incorporation;
7. Other matters designated by the competent authority and/or related to the handling of consumer complaints.

When applying any amendment to the articles of incorporation, the telecommunications consumers' complaint handling organization shall report it to the competent authority and, upon receipt of the approval, start to implement it.

Telecommunications enterprise determined by the competent authority shall sign a management contract with the telecommunications consumers' complaint handling organization, commissioning it to handle telecommunications consumer-related

complaints. Where the complaint is serious or emergent, the competent authority may directly intervene in the case to handle the disputes.

Upon the establishment of the telecommunications consumers' complaint handling organization, the competent authority may determine a specific telecommunications enterprise to be affiliated thereto.

A telecommunications consumers' complaint handling organization shall make dispute handling reports on a monthly basis according to the format announced by the competent authority and shall make an announcement accordingly.

The rules governing the establishment of a telecommunications consumers' complaint handling organization, the supervision and management of business practice, and other related matters shall be promulgated by the competent authority.

Article 21 When determining a telecommunications enterprise as described in the preceding 4 articles, the competent authority shall take the following factors into consideration and specify the reasons:

1. Revenue of telecommunications enterprise's telecommunications services;
2. Types of telecommunications services;
3. The items and quantity of telecommunications consumer complaints.

The standards for determination as described in the preceding paragraph shall be promulgated by the competent authority.

In case of a disagreement with the determination of the competent authority as described in the preceding paragraph, the determined telecommunications enterprise may submit related supporting documents to the competent authority to apply for cancelling the determination.

Upon receipt of the application as described in the preceding paragraph, the competent authority shall make a decision within 2 months. Where the competent authority fails to make a decision upon the expiry, the determined telecommunications enterprise may file an appeal directly.

Section 4 Designated Obligations

Article 22 To prevent or respond to disaster prevention and mitigation activities or defense mobilization, relevant competent authorities may, according to the regulations in charge thereby, designate telecommunications enterprises to adopt measures that are necessary for communications or establish response related facilities.

Concerning those who have established a PSTN and have been designated by the establishment organization of communications surveillance, the telecommunications network thereof shall be equipped with the supervisory functions as prescribed in the Communication Security and Surveillance Act and the said telecommunications enterprises shall assist in the establishment and maintenance of communications surveillance system.

Except for the obligations derived from the acquisition of frequency as prescribed in Paragraph 2 of Article 54 or other laws providing otherwise, any expenses incurred from the cooperation between the designated telecommunications enterprises or those who have established a PSTN, and the respective competent authority as described in Paragraph 1, shall be borne by the competent authority accordingly.

Article 23 The competent authority, according to the relevant laws of the People with Disabilities Rights Protection Act, may designate the telecommunication enterprise to provide necessary telecommunications services to people with disabilities to access to.

Where the designated telecommunications enterprise cooperates to provide necessary telecommunications services or telecommunications terminal equipment required for the access thereto as described in the preceding paragraph, any necessary expenses incurred therefrom will be subsidized by the government.

Article 24 To protect nationals' basic communications rights and interests, competent authority may, according to the region or service type, designate telecommunications enterprises to provide telecommunications universal services as prescribed in Paragraph 2 of Article 12.

Section 5 Investment, Assignment and Merger

Article 25 Telecommunications enterprises who have established a PSTN using telecommunications resources or those who are deemed as a telecommunications enterprise according to Paragraph 2 of Article 28 shall, according to the format and methods announced by the competent authority, report the number of outstanding voting shares and any change to the total capital amount with a specific percentage. The specific percentage as described in the preceding paragraph shall be announced by the competent authority.

Article 26 Where the telecommunications enterprise encounters any of the following circumstances, the entire or primary assigned or transferred business or assets thereof shall be reported to the competent authority for approval. Where the telecommunications enterprise is merged with other enterprises; or directly or indirectly invests in other enterprises' voting shares or capital that is above specific percentage announced by the competent authority, it shall report the same to the competent authority for approval.

1. The radio frequency is allocated by the competent authority, except for those applicable to Subparagraphs 1, 3 and 4, Paragraph 1 of Article 56;
2. Possess more than one-fourth the share of a specific telecommunications service market.

Where the business to be assigned, transferred or merged among telecommunications enterprises is more than one-fourth the share of a specific telecommunications service market, applying for the approval of competent authority is required.

Where the same person or related person acquires more than 10% of the voting shares of telecommunications enterprises as prescribed in Subparagraph 1 or 2 of Paragraph 1, applying for the approval of the competent authority is required.

Paragraph 5, Article 11 of Fair Trade Act is applicable to the scope of related person(s) as prescribed in the preceding paragraph.

The delimitation of a specific telecommunications service market as described in Paragraphs 1 and 2 shall refer to Article 27.

The acceptance and/or rejection of applications made by the competent authority according to Paragraphs 1, 2 and 3 shall take the following factors into consideration, and auxiliary terms may be added thereto according to its purview:

1. Reasonable allocation of resources;
2. Facilitation to the industry's development;
3. Maintenance of subscribers' rights and interests;
4. Maintenance of market competition;
5. National security.

Chapter III Facilitating Market Competitiveness

Section 1 Determination of Enterprises with Significance in the Market

Article 27 To ensure effective competition in the telecommunications service market, the competent authority is entitled to adopt control measures for those with market significance in the specific telecommunications service market if necessary. When delimiting the scope of the specific telecommunications service market as described in the preceding paragraph, the competent authority shall take the following factors into consideration:

1. The technology and service development level;
2. The importance thereof in the overall telecommunications service market;
3. The region or range of competition and the demand or supply substitutability of that service;
4. The structure and competition of the telecommunications service market.

With respect to the determined scope of a specific telecommunications service market, the competent authority shall carry out a review every 3 years and hold a public hearing therefor to listen to the opinions of telecommunications enterprises and stakeholders.

Article 28 Where the telecommunications enterprise of a specific telecommunications service market encounters any of the following situations, the competent authority may recognize it as an enterprise with significance in the market:

1. Can obviously affect the market price or service conditions;
2. The number of subscribers or revenue of telecommunications service items operated thereby is above the percentage announced by the competent authority;
3. Possess or control essential facilities.

Where the telecommunications service provider encounters any of the situations described in the preceding paragraph and fails to register itself as a telecommunications enterprise, it shall be deemed as a telecommunications enterprise under this Chapter and subject to the obligation thereunder accordingly.

Where the telecommunications enterprises are not in competition with each other and their external relationship is as described in Paragraph 1, all of them will be deemed as having significance in the market.

When determining enterprises with significance in the market, the competent authority shall not only follow Paragraph 1 and the preceding paragraph but also take the consolidation of the telecommunications enterprise and affiliated companies thereof into consideration.

Those enterprises determined as having significance in the market by the competent authority may submit supporting documents related to its operations in the specific

telecommunication service market to the competent authority as an application for canceling the determination as prescribed in Paragraph 1.

Rules governing the market significance determination standards, procedures and cancellation; date of promulgation; and other related matters shall be promulgated by the competent authority.

The essential facilities as described in Subparagraph 3 of Paragraph 1 refer to those which are in compliance with the following conditions and are announced by the competent authority:

1. The facilities cannot be established separately or be replaced; otherwise, the establishment or replacement thereof would require a rather long period of time and high costs, showing no economic benefit.
2. Where the enterprise' refusal of providing the facilities to other telecommunications enterprise will directly or indirectly obstruct other telecommunications enterprises from entering the market competition.

Section 2 Special Control Measures

Article 29 The competent authority may order enterprises with significance in the specific telecommunications service market to disclose necessary information, conditions, procedures and expenses in terms of interconnection, network access components or use of telecommunications infrastructure.

The types, arrangement and disclosure methods of the necessary information as described in the preceding paragraph shall be promulgated by the competent authority.

Article 30 The competent authority may order enterprises with significance in the specific telecommunications service market to ensure that the agreements made with respect to interconnection, network access components or use of telecommunications infrastructure are fair and reasonable without any discrimination.

The "non-discrimination" as described in the preceding paragraph refers to the fact that the quality, price, conditions and information stipulated under the agreements offered to telecommunications enterprises by the enterprises with market significance are not inferior to that provided to the subsidiaries, affiliates or partners thereof.

Article 31 The competent authority may request those with significance in the specific telecommunications service market to provide interconnection, network access components or relevant telecommunications infrastructure.

When making a decision for the preceding paragraph, the competent authority shall take the following matters into consideration:

1. The feasibility and economic rationalization of technology provided to the network component or telecommunications infrastructure.
2. The necessity of maintaining long-term competition in the market.
3. Motivation to establish the telecommunications infrastructure.

Those with market significance shall reach an agreement within 3 months after other telecommunications enterprises propose or request to amend the proposal in terms of interconnection, network access components or related telecommunications infrastructure. Where an agreement cannot be made within 3 months, either party

may apply for a ruling with the competent authority, and those with significance in the market shall follow the results of ruling.

With respect to interconnection, network access component or related telecommunications infrastructure provided by those with market significance, the rules governing the scope of use, cost attribution, segmented network components, establishment, co-installation and adoption of network interconnection points, rate calculation, interconnection agreement terms, ruling procedures and other related matters shall be promulgated by the competent authority.

Article 32 The competent authority may order those with significance in the specific telecommunications service market to, within a prescribed period, draw up a template agreement related to the preceding article and publish it upon receipt of the competent authority's approval. When applying any amendments, the same rule shall be applied thereto.

The content of the template agreement as described in the preceding paragraph shall include arrangements on the price and conditions, technology, procedures and schedule.

Article 33 The competent authority may prohibit those with significance in the specific telecommunications service market from setting the service fee that may cause a cross-subsidy, price squeeze or any other abuse of power and hence impede fair competition.

Where any circumstance described in the preceding paragraph exists according to the investigation, the competent authority may adopt fee control measures for those with significance in specific telecommunications service markets.

With respect to those with significance in the specific telecommunications service market, the competent authority may adopt fee control measures for the provision of interconnection and network access component or for the use of telecommunications related infrastructure.

When adopting fee control measures as described in the preceding paragraph, the competent authority shall take reasonable remuneration and investment risks of new technology invested by those with significance in the market into consideration.

Those with significance in the market are obliged to provide evidence that supports the calculation of costs and reasonable recycling of investment measures; and shall provide relevant data, information, costs and other necessary documents.

With respect to rules governing fee control measures, items, implementation methods, fee review procedures, management and other related matters shall be promulgated by the competent authority.

Article 34 To implement special control measures, the competent authority may order those with significance in specific telecommunications service market to establish an accounting separation system.

With respect to the accounting separation system as described in the preceding paragraph, the enterprise shall make the manual of accounting operating procedures and submit it to the competent authority for approval before implementing such. When applying any amendments, the same rules shall be applied.

The accounting separation methods and principles as described in the preceding two paragraphs; cost separation principles; stipulation and review of accounting

operating procedures; administration management standards; and other related matters shall be promulgated by the competent authority.

Article 35 Based on the principle of equality and reciprocity, and according to international conventions and agreement, the competent authority may set the individual international roaming service provided by the telecommunications enterprise as a special telecommunications service market and order telecommunications enterprises that provide international roaming services to adopt measures as prescribed in Articles 29 and 33.

Chapter IV Management of Telecommunications Network

Section 1 Application for the Establishment of Public Telecommunications Network

Article 36 A PSTN shall be classified according to whether any telecommunications resource is used.

The telecommunications resources as described in the preceding paragraph refer to one of the following circumstances:

1. The radio frequencies allocated by the competent authority, except for the scenarios applicable to Subparagraphs 1, 3 and 4 of Paragraph 1 of Article 56.
2. The identification codes, signal point codes or other telecommunications numbers used for interconnection of telecommunications networks allocated by the competent authority.

Before establishing a PSTN, one shall file an application with the competent authority for its approval in accordance with Articles 37 and 38.

Only a company limited by shares is eligible to establish a PSTN that uses telecommunications resources; and the chairman thereof shall be a national of the Republic of China, unless specified otherwise by laws.

With respect to enterprises that have established a PSTN that uses telecommunications resources, the total of shares directly held by foreigners shall not exceed 49% of the total; and the total of directly and indirectly held shares shall not exceed 60% of the total, unless specified otherwise by law.

The shares indirectly held by foreigners as described in the preceding paragraph shall be calculated by multiplying the shareholding ratio of domestic legal persons who have established a PSTN using telecommunications resources by foreigners' percentage in domestic legal persons' percentage in shareholdings or capital.

Before the promulgation of this Act, the 3 preceding paragraphs are not applicable to PSTNs that are established using resources as described in Subparagraph 2 of Paragraph 2 and are announced by the competent authority.

Rules governing the procedures of establishing a PSTN, requisite documents, review standards and other related matters shall be promulgated by the competent authority.

Article 37 When applying for the establishment of a PSTN that uses telecommunications resources, submitting the application, operating plan and network establishment plan to the competent authority for its approval is required. Only upon receipt of the competent authority's approval is the enterprise eligible to initiate operation and

establishment. The same rule shall be applied when making an addition or change to the establishment of the PSTN.

The operating plan as described in the preceding paragraph shall specify the following matters, unless specified otherwise by law:

1. Overall planning;
2. Financial structure;
3. Human resources organization and shareholdings;
4. Network plan required to maintain the service quality;
5. The methods of fulfilling one's obligations derived from being allocated radio frequency or telecommunications number;
6. Other operation-related matters designated by the competent authority.

Any change to Subparagraphs 4 and 5 of the preceding paragraph shall be submitted to the competent authority for approval, whereas the other changes shall be sent to the competent authority for reference.

The network establishment plan as described in Paragraph 1 shall specify the following matters:

1. The region and schedule planning of the establishment;
2. Communications type, network framework and performance that are in compliance with operating plan;
3. The brand, model, functions and quantity of major telecommunications equipment;
4. Technical interface and network interface points that will be used for the interconnection with other PSTN or connection with subscribers' terminal equipment;
5. Telecommunications equipment that complies with related authorities' national security concerns;
6. The info-communications security detection and protection plan for networks;
7. Use of the equipment complying with the info-communications security standard announced by the competent authority;
8. Other competent authority designated items that are related to the establishment of network;

Those who apply to establish a PSTN that uses telecommunications resources may provide domestic network roaming. However, said parties must fulfill their obligations as prescribed in the radio frequency plan, which is proposed in accordance with Paragraph 2 of Article 53.

The agreement in regard to the network roaming as described in the preceding paragraph shall be submitted to the competent authority for its approval 2 months prior to the implementation.

Where a station is necessary to be established for the PSTN as described in Paragraph 1, the network establishment plan thereof shall be attached with a station establishment plan.

The station establishment plan as described in the preceding paragraph shall specify the following matters:

1. Station establishment schedule;

2. Brand, model, technical specifications and quantity of controlled telecommunications radio frequency devices;
3. Frequency use plan;
4. A detailed map showing estimated radio wave coverage;
5. Handling of and alleviation of frequency interference;
6. Other matters designated by the competent authority.

Rules governing the establishment, review, use management, restrictions and other related matters shall be promulgated by the competent authority.

Article 38

When applying for the establishment of a PSTN that does not use telecommunications resources, submitting an application and network establishment plan to the competent authority for its approval is required. Only upon receipt of the competent authority's approval is the enterprise eligible to initiate the establishment thereof. The same rule shall be applied when making any addition or change to the establishment of the telecommunications network.

Where the PSTN as described in the preceding paragraph is established by a government agency or school, the competent authority may commission a central second-level agency that supervises the establishment thereof to manage related matters.

The network establishment plan as described in Paragraph 1 shall specify the following matters:

1. The region and schedule planning of the establishment;
2. Communications type, network framework and performance
3. The brand, model, functions and quantity of major telecommunications equipment;
4. Technical interface and network interface points that will be used for the interconnection with other PSTN or connection with subscribers' terminal equipment;
5. Use of the telecommunications equipment that complies with related authorities' national security concerns;
6. The info-communications security protection plan for networks;
7. Use of the equipment complying with the info-communications security standard announced by the competent authority;
8. Other competent authority designated items that are related to the establishment of network;

Section 2 Security and Maintenance of Public Telecommunications Network

Article 39

The establishment of a PSTN shall comply with the technical specifications stipulated by the competent authority. The same shall be applied to the establishment of a station.

Upon completion of the establishment of the PSTN, the establisher shall submit the self-assessment report to the competent authority to apply for an inspection. After passing the inspection held by the competent authority and receiving an approval certificate therefrom, the establisher shall then start to use the network. The same shall be applied when making any change to the established telecommunications infrastructure.

Where the PSTN that does not use telecommunications resources is established by a government agency or school, the competent authority may commission a central second-level agency that supervises the establishment thereof to carry out the inspection as described in the preceding paragraph.

The type of PSTN, testing items and methods, qualification standards and technical specifications of other requisite documents shall refer to international technical standards, and the competent authority shall make an announcement accordingly.

Rules governing the type of PSTN; inspection methods and procedures; use management; restrictions; issuance, renewal, reissuance and abolishment of approval certificate; and other related matters shall be promulgated by the competent authority.

Article 40

When an established PSTN that uses telecommunications resources provides telecommunications services, it shall comply with the following terms and conditions:

1. Having mechanisms sufficiently enough to protect subscribers' secrecy of communications;
2. Maintaining the appropriate quality of telecommunications services based on the standards set by international organizations for standardization;
3. The responsibility demarcation point is specifically defined between its telecommunications equipment and other PSTN or subscriber terminal equipment;
4. Telecommunications equipment it uses shall comply with the related authorities' national security concerns;
5. The detection and protection functions thereof are sufficient to ensure info-communications security;
6. Offering public emergency communications services and communication priority functions;
7. Supporting the functions of providing communications records as prescribed in the Communication Security and Surveillance Act;
8. Other matters announced by the competent authority.

When an established PSTN that does not use telecommunications resources provides telecommunications services, it shall comply with the following terms and conditions:

1. Having mechanisms sufficiently protect subscribers' secrecy of communications.
2. Maintaining the appropriate quality of telecommunications services based on the standards set by international organizations for standardization ;
3. The responsibility demarcation point is specifically defined between its telecommunications equipment and other PSTN or subscriber terminal equipment;
4. Telecommunications equipment it uses shall comply with the related authorities' national security concerns;
5. The protection functions thereof are sufficient to ensure info-communications security;

6. Supporting the functions of providing communications records as prescribed in the Communication Security and Surveillance Act;
7. Other matters announced by the competent authority.

The network framework and performance shall comply with the preceding 2 paragraphs or the network establishment plan thereof. If not, those who have established a PSTN shall, according to the notification sent by the competent authority, make corrections within the prescribed deadline or have their use thereof restricted.

Article 41 The telecommunications enterprise that has established a PSTN shall select qualified telecommunications engineers to be in charge of and supervise the construction, maintenance and application of telecommunications equipment. Rules governing the qualifications and management of telecommunications engineers shall be promulgated by the competent authority.

Telecommunications equipment connected to the PSTN shall be constructed and maintained by qualified telecommunications engineers selected by the telecommunications engineering enterprise. Apart from those that are announced by the competent authority as simple telecommunications equipment, telecommunications equipment within the building's responsibility demarcation point shall be installed by electric appliance contractors.

Rules governing selection of telecommunications engineers; registration, revocation or abolished registration of telecommunications engineering enterprise; and management rules thereof shall be promulgated by the competent authority.

Telecommunications engineering enterprises shall join relevant association before launching the operations.

Article 42 To ensure national security and public order, the competent authority may designate the PSTN, in whole or in part, as the critical telecommunications infrastructure; the standards for the designation thereof shall be announced by the competent authority. The establisher of the critical telecommunications infrastructure as described in the preceding paragraph shall, before the deadline prescribed by the competent authority, draw up a critical telecommunications infrastructure protection plan. Said plan shall be evaluated by the competent authority before the implementation.

With respect to the evaluation as described in the preceding paragraph, the competent authority may request the enterprise to make an improvement within a prescribed deadline if an improvement is necessary.

With respect to the implementation of the protection plan as described in Paragraph 2, the competent authority may implement an audit on a regular or irregular basis. Where the status thereof fails to reach the protection plan as described in Paragraph 2, the competent authority may notify it to make an improvement within a prescribed deadline.

Rules governing the format, items, evaluation procedures, evaluation standards and audit procedures of the protection plan as described in Paragraph 2 shall be promulgated by the competent authority.

Where the critical telecommunications infrastructure will likely be infringed, the local government and police agency shall quickly take preventative or elimination measures according to the request of the establisher thereof.

Critical telecommunications infrastructure shall be in compliance with technical specifications for info-communications security evaluation. Otherwise, the establisher thereof shall make an improvement before the deadline prescribed by the competent authority.

The technical specifications as described in the preceding paragraph shall be announced by the competent authority.

Article 43 To ensure the info-communications security and performance of public telecommunications network, the competent authority may examine the PSTN on a regular or irregular basis. Where it is related to national security, the competent authority may impose restrictions on the purchase and use of specific telecommunications equipment.

Where the PSTN as described in the preceding paragraph is established by a government agency or school, the competent authority may commission a central second-level agency that supervises the establishment thereof to carry out the examination as described in the preceding paragraph.

Rules governing the procedures, standards and methods of the examination as described in the preceding 2 paragraphs, and other related matters shall be promulgated by the competent authority.

Article 44 The telecommunications terminal equipment that connects to the PSTN shall comply with technical specifications and shall pass examination before production or import. The technical specifications thereof shall be announced by the competent authority.

The technical specifications as described in the preceding paragraph shall ensure the following matters:

1. Electrical safety tolerance;
2. Electromagnetic compatibility and the harmonious and effective sharing of other frequencies;
3. Telecommunications interface compatibility with the public telecommunications network.

Rules governing the inspection methods and procedures for telecommunications terminal equipment; the issuance, renewal, reissuance and abolishment of approval certificate; the labeling, printing and use of approval level; and the supervision and management of inspection activities shall be promulgated by the competent authority.

Article 45 For telecommunications enterprises, terrestrial radio businesses and terrestrial television businesses whose registration or operation license is revoked or abolished by the competent authority or the operation license thereof expires, the competent authority may simultaneously revoke or abolish its network establishment approval and compliance certification of their PSTN in whole or in part.

Section 3 Facilitation of the Establishment of Telecommunications Infrastructure

Article 46 Those who have established PSTN may use or access public lands or buildings to establish telecommunications infrastructure. The management agency (organization) of public land or buildings shall not reject it without justifiable reasons. Those who

suffer from a loss deriving from their use of land or buildings shall have said losses compensated.

When using or accessing rivers, ditches, bridges, embankments, roads, public forests or other public-use lands and public buildings to establish a station, those who have established a PSTN that uses telecommunications resources shall receive approval from the management agency (organization) thereof. The management agency (organization) shall not reject the proposal without justifiable reasons, whereas schools below the senior high school level may reject the proposal. Where the management agency (organization) has approved the establishment, the competent authority shall assist other establishers of PSTN in putting the establishment into practice.

When the establishers of a PSTN take action to establish a pipeline infrastructure, the central and local agencies shall provide assistance thereto.

The Executive Yuan shall examine the performance of the central and regional agencies and state-owned enterprises with respect to their performance in offering lands and buildings possessed or managed thereby for the establishment of telecommunications infrastructure. Results of said examination shall also be published on an annual basis.

Where the telecommunications infrastructure of a PSTN cannot be established without passing through private lands or buildings or can be established with an enormous amount of money, the establishment may be made by passing through private lands or buildings on the premise of selecting the least harmful location and manner. Also, if any such use of land or buildings causes any damage, then appropriate compensation shall be made.

With respect to the establishment of the telecommunications infrastructure as described in the preceding paragraph, the land or building owner, occupant or manager shall be notified 30 days prior to the construction

Those who are against the circumstances mentioned in Paragraph 5 and the preceding paragraph may request the mediation committee within the jurisdiction thereof to mediate or file a complaint for civil action.

Where the construction of telecommunications infrastructure of the PSTN has to pass through a private land or building in circumstances other than those referred to in Paragraph 5, such construction should be conducted in accordance with the relevant laws.

After the establishment of the telecommunications infrastructure, if the condition has changed or if the infrastructure must be relocated for some reason, the land and/or building owner, occupant or manager may request the establisher to make a change or relocate the infrastructure.

Where the telecommunications infrastructure is damaged due to the construction or renovation of buildings, roads, ditches and buried pipelines or other accidents, the person who has caused such damage shall be liable for the compensation.

Rules governing the conditions and operating procedures of requested relocation as described in Paragraph 9; calculation and sharing of relocating expenses; and liabilities derived from the damage and compensation standards shall be promulgated by the competent authority.

The damage liabilities and compensation calculation standards as described in the preceding paragraph shall not affect a victim's right to file a claim.

The PSTN shall not be checked, expropriated or seized unless in accordance with the laws.

Article 47

To obtain lands required for the establishment of a switchboard center or station, those who have established a PSTN may, if necessary, have the competent authority negotiate with the urban planning agency to make a rapid amendment in accordance with Article 27 of Urban Planning Law. Where such change for the use of land is related to the land outside the urban area, the amendment shall be made in accordance with Regional Plan Act.

Before drafting the plan of changing the type of public facility land on which a switchboard center has been established or enforcing the relocation of the existing switchboard center, the local government shall negotiate with the competent authority concerning the feasibility thereof.

For an establisher of a PSTN that uses telecommunications resources who desires to establish a station in an apartment building, the approval from the apartment building management committee shall be obtained. Provided that there is no management committee, the permission of each owner shall be obtained.

Article 48

The establisher of a PSTN that uses telecommunications resources may, after notifying the property owner, adopt necessary measures on plants that impede or are likely to impede the survey, installation or maintenance of telecommunications lines. In case of emergency, prior notification is not required.

With respect to the necessary measures as described in the preceding paragraph, the enterprise shall select the least harmful location and manner; and compensation shall be made in the forms of an agreement.

Article 49

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.

The building as described in the preceding paragraph shall be announced by the competent authority.

Where the existing building lacks sufficient telecommunications equipment or space for the installation thereof, resulting in the failure of fulfilling the building's demand for telecommunications services, the owner shall negotiate with the telecommunications enterprise that will provide the necessary telecommunications services to increase the space thereof.

The telecommunications equipment and space established specifically for the use of said building, in accordance with the requirements set forth in the preceding two paragraphs, shall be connected to and used by the service operators at no charge based on the needs of the telecommunications service of the users in said building.

A telecommunications enterprise, before using the telecommunications equipment installed in the telecommunications room of the building, shall obtain prior consent of the owner of the building to provide telecommunications services for subscribers outside the building. The telecommunications enterprise shall negotiate with the owner regarding appropriate compensation.

The building as described in Paragraph 2 shall be installed with indoor and outdoor telecommunications equipment and a space therefor. Rules governing the space thereof; use management; determination of responsibility demarcation point; restrictive scope of community buildings; and other related matters shall be promulgated by the competent authority.

Telecommunications equipment installed inside and outside the building as described in Paragraph 2 shall comply with technical standards, which shall be announced by the competent authority.

The design of the building's telecommunications equipment and space for related installation shall be reviewed by the competent authority before the launch of the construction project and be reported to the competent authority for inspection upon completion of the project. Only after passing said inspection shall the telecommunications enterprise start to use it.

Section 4 Management of Dedicated and Amateur Radio Telecommunications

Article 50 The dedicated telecommunications network shall not be set up without approval from the competent authority. The same rule shall be applied when making any addition or change to the establishment of the telecommunications network.

The dedicated telecommunications network as described in the preceding paragraph refers to telecommunications network that is established with the radio frequency that is allocated by the competent authority and can only be used by the telecommunications network owner itself.

For the dedicated telecommunications network that is established by the government agency (organization), the competent authority may commission a central agency that supervises the establisher thereof to manage related matters. The same rule shall be applied to other dedicated telecommunications networks that must have its management commissioned.

Upon receipt of approval from the competent authority, foreign nationals may establish a dedicated telecommunications network.

The dedicated telecommunications network shall not be connected to the PSTN or be used for purposes other than the set purpose. However, this shall not apply to any of the following circumstances:

1. Emergency communications for traffic safety, as it relates to distress signals from land, sea, or air transportation vehicles and aerial weather reports;
2. Emergency communications that are deemed necessary to maintain national security, public order or public interests;
3. Communications in response to natural disasters, incidents or emergency hazards for rescue operations;
4. Other circumstances as approved by the competent authority.

To facilitate technology development and service innovation, dedicated telecommunications networks that are primarily used for experimental development may, upon receipt of the competent authority's approval as a special project, be offered to other people for their use and be charged with fees.

The establishment, inspection, use management, restricted use, commissioned management and other matters related to dedicated telecommunications network shall be promulgated by the competent authority.

Article 51

Amateur radio operators shall pass the test of the competent authority and receive an amateur radio operator license therefrom before applying for the establishment and operation of an amateur radio station. However, short-term amateur radio operations shall be excluded therefrom.

The qualifications and level of amateur radio operators; qualification test; call sign management; establishment and inspection of the station; issuance, renewal, reissuance and abolishment of personnel and station licenses; use management and restrictions; management of amateur radio short-term operations; and other related matters shall be promulgated by the competent authority.

Chapter V Management of Radio Frequency and Radio Equipment

Section 1 Management of Radio Frequency

Article 52

Radio frequency is a type of resource shared by all nationals. With respect to the radio frequency plan and management, the agency (organization) designated by the Executive Yuan shall ensure that the harmonious and effective use of radio frequency complies with public convenience, public interests and necessity.

Unless specified otherwise in the Act, radio frequencies shall be allocated by the competent authority, and a radio frequency use certificate is required for the use thereof.

A Radio Frequency Allocation Table of the Republic of China (hereinafter referred to as the Frequency Allocation Table) and a Radio Frequency Supply Plan (hereinafter referred to as the Frequency Supply Plan) are drafted by agencies designated by the Executive Yuan. Not only are relevant agencies and organizations invited to carry on a discussion thereon but also the Frequency Allocation Table and the Frequency Supply Plan are regularly reviewed and amended.

The Frequency Allocation Table and Frequency Supply Plan will be promulgated and implemented upon receipt of the Executive Yuan's approval. However, no announcement on military radio frequencies will be made.

The Frequency Allocation Table as described in the preceding paragraph shall specify the allocation and use of all types of radio signals, whereas the Frequency Supply Plan shall specify the release of mid- and long-term frequencies, frequency reorganization, frequency sharing and the plan on the supply of other frequencies.

The allocation and use of radio frequencies shall be conducted in accordance with the Frequency Allocation Table announced by the Executive Yuan.

To facilitate the effective use of radio frequencies and encourage technological development, the agency (organization) designated by the Executive Yuan may, according to International Telecommunications Convention or International Radio Regulations, designate specific frequency bands to have them used for the purpose of harmonious and effective sharing.

Radio frequency as described in Paragraph 1; electric power; transmission method; applications for the identification of station; allocation principles; use management

and restrictions; interference processing; and other related matters shall be promulgated by the competent authority.

Article 53

Telecommunications enterprises that apply to use radio frequencies shall submit the application, radio frequency use plan and relevant qualification certificates to the competent authority for frequency allocation, unless specified otherwise in the Act. The radio frequency use plan as described in the preceding paragraph shall specify the following matters:

1. Blueprint for telecommunications equipment in an overview:
 - (1) Type and features of adopted technology;
 - (2) System framework, communications type and service content.
2. Blueprint for the network establishment plan;
3. Blueprint for the radio frequency use plan;
4. Matters to be abided by when using the radio frequency and liability guarantee;
5. Other matters designated by the competent authority.

Regulations governing telecommunications enterprises' qualification and conditions for the allocation of radio frequency; relevant procedures; period of use; number of radio frequencies; restrictions; fulfillment guarantees; and other related matters shall be promulgated by the competent authority.

Article 54

With respect to telecommunications enterprises' application for the use of radio frequency, the competent authority shall not only allocate radio frequencies in accordance with Article 56 but also take the objectives of the telecommunications industry policy, status of telecommunications market, and the needs for other public interests into consideration. Such allocation may be proceeded by adopting an evaluation system, public auction, or other appropriate methods.

When releasing specific radio frequency as described in the preceding paragraph, the competent authority shall announce the use purpose of that specific frequency; users' qualifications and restrictions; obligations borne thereby; or other use conditions and restrictions.

When the competent authority has adopted the evaluation system or other review methods to allocate the radio frequency as described in Paragraph 1, the following factors may be taken into consideration for determining whether to impose additional terms and conditions:

1. Use benefits of the radio frequency;
2. Coverage obligations and requirements for the service quality;
3. The sharing and use of the radio frequency;
4. Commitments made by the applicant.

Article 55

To facilitate the use benefits of the radio frequency and to satisfy the needs for the overall communications and information development, the competent authority may, upon receipt of the Executive Yuan's approval, announce that users of specific radio frequencies may apply to return the allocated radio frequency; and said frequencies will be allocated to other telecommunications enterprises by the competent authority through auction. In addition, the auctioned radio frequencies will not be bound by the original use thereof.

The competent authority shall, in the announcement as described in the preceding paragraph, specify that a certain percentage or amount of the auction price will be

paid to the users who have applied to return the frequencies. The amount paid thereto will be deducted from the amount obtained by the auction.

With respect to the application of the original user to whom the frequencies were originally allocated as described in Paragraph 1, the competent authority shall take the use benefits of radio frequency into consideration in order to agree or reject the application. The competent authority may proceed to auction the frequencies directly or after planning it with other radio frequencies.

With respect to radio frequencies that are granted to be returned as described in the preceding paragraph, the original user shall, before the radio frequency is auctioned to another party, maintain its operation according to the operation plan of operation license during the period of original operation license.

Before proceeding to auction, the competent authority shall announce the qualifications, conditions and obligations applicable to telecommunications enterprises participating in the auction. Only those who pass the competent authority's review will be able to join the auction.

The original users who meet said qualifications may also join the auction. However, when winning the bid, the original users will not receive the payment as described in Paragraph 2.

Article 56

Article 94 of Budget Act is not applicable to those who apply to use a radio frequency with any of the following purposes and whose application has been granted by the competent authority after a review.

1. For emergency subsidy, experimental R&D, dedicated telecommunications network, public use or other public welfare related uses;
2. For the use of terrestrial radio business or terrestrial television business;
3. For the use of wireless local loop, satellite link or microwave link in different time or different locations;
4. For the use of testing a station established under telecommunications networks.

The allocation of and adjustment to military radio frequencies shall be made by the competent authority under a discussion with the Ministry of National Defense; Article 94 of the Budget Act is not applicable in the case.

Those who apply for the allocation of a radio frequency as described in Paragraph 1 shall submit an application with relevant documents. Upon receipt of the competent authority's approval, the frequency use certificate will be issued and the user will be allowed to use it.

Article 57

The competent authority may take the use characteristics of radio frequency, national security, experimental R&D, and market competition into consideration and, according to its authority or an application, allocate the same radio frequency to two or more users. Where a military radio frequency is involved, the rules as described in Paragraph 2 of the preceding Article shall be abided by.

To encourage technology development and applications of interoperability, the competent authority may announce that specific frequencies will be open for experimental R&D.

Rules governing the use management and restrictions of radio frequencies as described in the preceding two paragraphs shall be promulgated by the competent authority.

The competent authority may commission a professional institution as described in Paragraph 1 to manage the use of a frequency as described in Paragraph 2.

Rules governing the qualifications and conditions of the professional institution as described in the preceding paragraph; delegated authority; cancellation or termination of the delegation; and matters that are commissioned for supervision shall be promulgated by the competent authority.

Article 58

Telecommunications enterprises who have received the competent authority's approval for using radio frequencies in accordance with Article 54 or 59 may transfer a part of the radio frequencies allocated thereto to other telecommunications enterprises by submitting an application and agreement to the competent authority and after said application has been approved by the competent authority.

The telecommunications enterprises that are the parties of the agreement as described in the preceding paragraph shall, upon receipt of the competent authority's approval, submit a self-assessment report to the competent authority to re-examine the PSTN established thereby. Where there is any change to the operating plan, an application shall also be made to the competent authority for its approval.

Where the telecommunications enterprise to which the radio frequency was originally allocated plans to share the radio frequency with other telecommunications enterprises, it shall submit the cooperation agreement, amended operating plan, and the network establishment plan to the competent authority for its approval.

When the competent authority grants the approval as described in the preceding paragraph, it shall take protection of fair market competition and consumers' rights and interests into consideration.

Rules governing frequencies that may be used by or shared with other telecommunications enterprises as prescribed in Paragraphs 1 and 3; the use methods and targets thereof; restrictions and management; interference alleviating measures; and other related matters shall be promulgated by the competent authority.

Article 59

A telecommunications enterprise whose use of radio frequency has been granted by the competent authority through auction or public tender may submit the following documents to the competent authority in order to have its radio frequencies, in whole or in part, being re-allocated to other telecommunications enterprises.

1. Application for the transfer of frequency use rights;
2. Agreement of assignment;
3. Transferee's plan of use;
4. Both parties' network establishment plan and operating plan that have been modified thereby;
5. Measures of handling the interference;
6. Other matters designated by the competent authority.

When deciding to accept or reject an application as described in the preceding article and preceding paragraph, the competent authority shall take the following matters into consideration and may add additional terms and conditions thereto:

1. User's qualifications;
2. Guarantee of the radio frequency use efficiency;

3. Use purpose of the radio frequency and the performance of obligation;
4. Fair market competition;
5. Period of radio frequency that can be used;
6. Interference of radio frequency;
7. National security.

The PSTN established by the telecommunications enterprises that are the parties of the agreement as described in Paragraph 1 shall re-submit a self-assessment report to the competent authority for inspection. Only after passing the competent authority's inspection, will the use thereof be initiated.

Article 60 With respect to those who have received the competent authority's approval for using the radio frequency according to Paragraph 1, if said parties desire to relocate their held radio frequencies, in whole or in part, to other telecommunications enterprises, provisions of the preceding three paragraphs are applicable in the case. Telecommunications enterprises whose application for the use of radio frequency has been approved by the competent authority in accordance with Paragraph 1 of Article 54, Article 55, Article 57 and the preceding Article shall submit the approved network establishment plan and operating plan to the competent authority for the issuance of a frequency use certificate.

Article 61 To implement the frequency supply plan as described in Paragraph 3 of Article 52, the competent authority shall take the needs of developing info-communications industry into consideration. With respect to users whom have been allocated with a radio frequency, the competent authority may, whenever necessary, relocate the frequency or abolish the allocation thereof; or notify said users to upgrade their equipment.

Where said radio frequency users suffer from a loss directly from the abolishment, relocation or equipment upgrade as described in the preceding paragraph, the competent authority shall make compensation thereto accordingly.

The amount of compensation as described in the preceding paragraph may be negotiated by the competent authority and original radio frequency users. If the negotiation fails, said amount shall be decided by the competent authority.

Article 62 Where the radio frequency user intends to terminate the use of radio frequency, it shall report it to the competent authority 30 days prior to the scheduled termination date

With respect to radio frequencies allocated to users, the competent authority may abolish the allocated frequencies in whole or in part if the user encounters any of the following circumstances:

1. Without justifiable reasons, the user fails to use the radio frequency for more than 6 months upon the date of allocation or for 6 consecutive months;
2. The user fails to pay the radio frequency use fees within the prescribed deadline, and the payment remains unpaid upon receipt of the competent authority's notification;
3. The user fails to fulfill its obligations for the use of the radio frequency as prescribed in the operating plan or network establishment plan, and no improvement has been or can be made upon receipt of the competent authority's notification;

4. The competent authority has abolished the registration of its telecommunications enterprise or the operation license for its terrestrial radio business or terrestrial television business;
5. The user allows others to use the radio frequencies allocated without permission.

Article 63 In case of having interference when using radio frequency allocated thereto, the user shall solely negotiate to make an improvement accordingly. If no negotiation can be made, the competent authority shall coordinate to resolve it. If the use of a military radio frequency has resulted in interference with other radio frequencies, the competent authority shall coordinate with the Ministry of National Defense to resolve the issue.

If no improvement has been made despite its attempt at coordination as described in the preceding paragraph, the competent authority may order related users to change the time and location of using the radio frequency; adjust the antenna transmission direction and power; or adopt other appropriate methods. Whenever it is necessary, the competent authority may, according to the application thereof, allocate other radio frequencies thereto for their use.

Where the source of interference comes from regions outside the Republic of China, the competent authority may handle it according to the Radio Regulations of International Telecommunication Union.

To maintain the order of using radio frequency, to investigate the use of radio frequency, and to maintain communication and broadcasting quality, establishing a radio frequency surveillance system is required.

Article 64 To effectively use radio wave resources, the competent authority shall charge radio frequency users use fees. However, where said resources are used for national security or for the fulfillment of one's public obligations, the use fee may be exempted if such circumstance is reported to the Executive Yuan and its approval for the exemption is granted.

With respect to the charge of use fees as described in the preceding paragraph, the allocation methods, purposes, use benefits and other public interest related factors shall be taken into the consideration; and the charge standards shall be promulgated by the competent authority.

Section 2 Management of radio frequency devices

Article 65 Radio frequency devices may be freely circulated and used, unless specified otherwise by law.

To maintain the order of radio waves, controlled telecommunications radio frequency devices announced by the competent authority shall obtain approval therefrom before the manufacture and import.

The approval methods in terms of manufacture and import of controlled telecommunications radio frequency devices and the conditions, abolishment and application procedures and documents, management and restrictions and other related matters thereof shall be promulgated by the competent authority.

Those who manufacture or import controlled telecommunications radio frequency devices; possess controlled telecommunications radio frequency devices for the establishment of station; or possess controlled telecommunications radio frequency

devices whose amount of power is above the standards announced by the competent authority shall report the trail, use and status of controlled telecommunications radio frequency devices to the competent authority on a regular basis.

The operating procedures and documents required for the declaration of a controlled telecommunications radio frequency device as described in the preceding paragraph; management and restrictions; and other related matters shall be promulgated by the competent authority.

Article 66 Only controlled telecommunications radio frequency devices that comply with technical specifications and pass relevant inspections can be traded, unless the competent authority has granted a special approval under specific circumstance. Technical specifications of controlled telecommunications radio frequency devices shall be announced by the competent authority.

Where mobile telecommunications terminal equipment certified with an approval certificate is likely to harm consumers as supported by the evidence, reporting such to the competent authority is required, and adopting necessary corrective measures or having such defective equipment recalled is required.

Where mobile telecommunications terminal equipment certified with an approval certificate is believed to be harmful to consumers, and this concern has been confirmed according to the investigation results, the competent authority shall order the one who acquired said approval certificate to recall the sold equipment within a prescribed deadline or adopt other approaches to have them appropriately handled. Rules governing the inspection methods and procedures for controlled telecommunications radio frequency devices; the issuance, renewal, reissuance and abolishment of approval certificate; the labeling, printing and use of approval label; the supervision and management of inspection activities; and the reporting and handling operations shall be promulgated by the competent authority.

For controlled telecommunications radio frequency devices that are used as telecommunications terminal equipment, Article 44 is applicable to the inspection and technical specifications thereof.

Article 67 The use of radio frequency devices must not interfere with legal communications or impact flight safety.

Upon finding any circumstances of interference as described in the preceding paragraph, the competent authority may restrict or prohibit the users thereof from using the device.

The users as described in the preceding paragraph may propose an improvement plan and, upon receipt of the competent authority's consent, restore the use of said device.

Chapter VI Management of Telecommunications numbers and URL Domain

Article 68 Telecommunications numbers includes the PSTN code, identification code and subscriber number.

To ensure the interoperability and identification of the telecommunications network and to maintain the operation of the telecommunications services, the agency designated by the Executive Yuan shall draw up the PSTN numbering plan in accordance with the ITU-T (ITU Telecommunication Standardization Sector)

protocols, ISO protocols, development trend of international telecommunications numbers and the demand of domestic communications industry.

To use signal point codes or telecommunications numbers set in the PSTN numbering plan as described in the preceding paragraph, telecommunications enterprises shall have said codes and numbers allocated by the competent authority, unless specified otherwise in the Act. In case of making any change, the same rule shall be applied.

When using telecommunications numbers other than those described in the preceding paragraph, telecommunications enterprises shall submit said number to the competent authority according to the method set thereby for its reference. In case of making any change, the same rule shall be applied.

In order to provide emergency rescue services, public affair counseling services, public rescue services or charity services, a government agency (organization), public welfare association, foundation, independent administrative institution or public enterprise may, upon obtaining approval from its superior agencies, supervisory agency or central authority in charge of the industry, apply to the competent authority for being allocated and using special telecommunications numbers.

The establishment and communications fees required to provide the services as described in the preceding paragraph shall be negotiated by the party that has been allocated with special telecommunications numbers and a telecommunications enterprise.

Article 69 Those who apply to use telecommunications numbers as described in Paragraph 3 of the preceding article shall submit an application, use plan and relevant documents to the competent authority for the allocation thereof.

The classification and numbering of telecommunications numbers; applicants' qualification and conditions; procedures; documents; matters to be described in the plan; use management and restrictions; adjustments; retrieval; and other related matters shall be promulgated by the competent authority.

The competent authority may charge a telecommunications number use fee to users thereof. The charging standards thereof shall be promulgated by the competent authority.

Article 70 Where the user of a telecommunications number encounters any of the following circumstances, the competent authority may abolish the allocation of telecommunications numbers in whole or in part:

1. Without justifiable reasons, the user fails to use the number for more than 1 year upon the date of allocation;
2. The user fails to pay the telecommunications number use fees within the prescribed deadline, and the payment remains unpaid upon receipt of the competent authority's notification;
3. The competent authority has revoked or abolished its registration of the telecommunications enterprise;
4. The competent authority has revoked or abolished the PSTN approval certificate thereof.

Article 71 The internet address or internet top-level domain name registration management services shall be organized by a corporate organization.
The national IP address registration authority or national code internet top-level domain name registration authority that provides IP addresses or domain name registration management services shall stipulate its operation rules and send them to the competent authority for reference.
Where the top-level domain name is sufficient to represent our country, the registration authority for such domain name shall stipulate the operation rules and send them to the competent authority for reference.
The qualifications and conditions of those who are engaged in services as described in Paragraph 1; the application procedures and methods; the matters to be specified in operation rules; the commissioned registration services; administrative management and other related matters shall be promulgated by the competent authority. Regulations governing related guidance measures shall be promulgated by the organization designated by the Executive Yuan.
To manage IP address or internet domain name registration relevant affairs, the competent authority may cooperate with international organizations for negotiation and cooperation.

Chapter VII Penalty

Article 72 Those who endanger public safety by damaging the submarine cable landing station, international switchboard center or satellite communications center shall be sentenced to imprisonment for not less than 3 years but not more than 10 years.
Those who negligently commit an offense specified in the preceding paragraph shall be sentenced to imprisonment not more than 6 months, short-term imprisonment, or a fine of not more than NT\$2 hundred thousand.

An attempt to commit an offense specified in Paragraph 1 is punishable.

Article 73 Those with significance in the market being in any of the following circumstances shall be fined not less than NT\$ 1 million but not more than NT\$ 10 million and shall be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively upon failure to make the necessary rectification by the prescribed deadline, or the party may have the registration abolished.

1. Upon a violation of the order made by the competent authority in accordance with Paragraph 1 of Article 30, where discrimination has been made to other telecommunications enterprises;
2. Upon a violation of the order made by the competent authority in accordance with Paragraph 1 of Article 31, where no interconnection, network access components or relevant telecommunications infrastructure is provided;
3. Upon a violation of Paragraph 3 of Article 31, where the party fails to comply with the ruling;
4. Upon a violation of the order made by the competent authority in accordance with Paragraph 1 of Article 33, where the set fee has caused cross-subsidy, price squeeze or other results in terms of an abuse of the market position;
5. Upon a violation of fee control measures, implementation methods or management relevant rules set by the competent authority in accordance with Paragraph 6 of Article 33;

6. Upon a violation of the order made by the competent authority in accordance with Paragraph 1 of Article 34, where no accounting separation system is established.

Those with significance in the market being in any of the following circumstances shall be fined not less than NT\$ 5 hundred thousand but not more than NT\$ 5 million and be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline, or the party may have the registration abolished:

1. Upon a violation of the order made by the competent authority in accordance with Paragraph 1 of Article 29, where the party fails to disclose necessary information, conditions and expenses related to interconnection, network access components or use of telecommunications infrastructure;
2. Upon a violation of the rules set by the competent authority in accordance with Paragraph 4 of Article 31 with respect to the provision of interconnection, network access component or segmented network components of related telecommunications infrastructure, establishment/co-installation/adoption of network interconnection points, rate calculation or interconnection agreement terms;
3. Upon a violation of the order made by the competent authority in accordance with Paragraph 1 of Article 32, where the party fails to draw up a template agreement or fails to have it approved by the competent authority;
4. Upon a violation of the standards set by the competent authority in accordance with Paragraph 3 of Article 34 with respect to the accounting separation methods and principles; cost separation principles; stipulation and review of accounting operating procedures; and administration management standards;

Article 74

Those who violate Paragraph 1 of Article 37 by establishing a PSTN that uses telecommunications resources without an approval will be fined not less than NT\$ 5 hundred thousand but not more than NT\$ 5 million; and be notified to have the use thereof suspended.

With respect to those who violate Paragraph 1 of Article 28 by establishing a PSTN that does not use telecommunications resources without an approval, the competent authority will notify it to terminate its use and to make corrections within a prescribed deadline. Those who fail to make corrections within the prescribed deadline and remain to use it will be fined not less than NT\$ 5 hundred thousand but not more than NT\$ 5 million and will be notified to have the use thereof terminated.

Those who violate Paragraph 2 of Article 52 by using a radio frequency that is not allocated by the competent authority will be fined not less than NT\$ 5 hundred thousand but not more than NT\$ 5 million and will be notified to have the use thereof suspended.

Those who interfere with the use of legal radio frequency users by engaging activities as described in the preceding paragraph shall be fined not less than NT\$ 1 million but not more than NT\$ 10 million and will be notified to have the use thereof terminated. Those who continue to use it upon receipt of said notification shall be

sentenced to imprisonment for not more than t2 years; in addition thereto, a fine of not more than NT\$ 5 million may be imposed.

A person who endangers public safety by committing the crime as described in the preceding paragraph shall be sentenced to imprisonment for not less than 3 years but not more than 10 years.

Article 75

Those who are in any of the following circumstances shall be fined not less than NT\$ 5 hundred thousand but not more than NT\$ 5 million and will be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline:

1. Upon a violation of Paragraph 1 of Article 12, where losses and necessary management fees derived from telecommunications universal services are not shared;
2. Upon a violation of Paragraph 1 of Article 26, where the party fails to receive approval from the competent authority with respect to the entire or primary assigned or transferred business or assets thereof; merger with other enterprises; or the investment in other enterprises' voting shares or capital that is above specific percentage announced by the competent authority;
3. Upon a violation of Paragraph 2 of Article 26, where the party fails to receive approval from the competent authority with respect to the assignment or transfer of business, or merger with other telecommunications enterprise;
4. Upon a violation of Paragraph 3 of Article 26, where the party fails to receive approval from the competent authority with respect to the acquisition of shares;
5. Upon a violation of the order made by the competent authority in accordance with Article 35, where no measures have been adopted;
6. Upon a violation of Paragraph 1 of Article 37, where the party fails to receive approval from the competent authority with respect to the launch of operations and implementation of an operating plan;
7. Upon a violation of Paragraph 3 of Article 37, where the party fails to submit an amended operating plan for approval.

With respect to the failure of sharing losses and necessary management fees derived from telecommunications universal services as described in Subparagraph 1, the party shall pay the overdue charges every 2 days, which is about 1% of the payable amount. However, the payable amount shall be limited to only one time more.

Those who have established PSTN and are in any of the following circumstances shall be fined not less than NT\$ 5 hundred thousand but not more than NT\$ 5 million; and be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline, or the approval certificate thereof will be abolished:

1. Upon a violation of Paragraph 2 of Article 39, where the PSTN used by the party has not been approved by the competent authority or the party fails to apply for an inspection on modified telecommunications infrastructure;
2. Upon a violation of the rules set by the competent authority in accordance with Paragraph 5 of Article 39 with respect to the use management of the PSTN and restrictions imposed thereon;

3. Failure to abide by the notification sent by the competent authority in accordance with Paragraph 3 of Article 40, where no correction was made within the prescribed deadline or the party continues to use the network;
4. Upon a violation of Paragraph 2 of Article 42, where the party fails to submit critical telecommunications infrastructure protection plan to the competent authority for approval within the prescribed deadline or fails to implement the approved plan.
5. Failure to abide by the notification made by the competent authority in accordance with Paragraph 3 of Article 42, where no correction has been made to the critical telecommunications infrastructure within the prescribed deadline.
6. Failure to abide by the notification made by the competent authority in accordance with Paragraph 4 of Article 42, where no improvement has been made or has been fully made within the prescribed deadline.

Article 76 Those who are in any of the following circumstances will be notified by the competent authority to make corrections within a prescribed deadline. If not, the party will be fined not less than NT\$ 2 hundred thousand but not more than NT\$ 2 million. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline, or the party may have the network establishment approval abolished:

1. The telecommunications enterprise violates Paragraph 2 of Article 8 by refusing a request for telecommunications services or communications relay without justifiable reasons;
2. Those who apply to establish a PSTN that use telecommunications resources violate Paragraph 4 of Article 36, where the chairman thereof is not a national of the Republic of China;
3. Those who apply to establish a PSTN that uses telecommunications resources violate Paragraph 5 of Article 36 with respect to restrictions imposed on foreigners' shareholding percentage.

Article 77 Those who are in any of the following circumstances shall be fined not less than NT\$ 1 hundred thousand but not more than NT\$ 1 million and will be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline, or the party may have the approval abolished:

1. Those who apply to establish a PSTN that uses telecommunications resources violate Paragraph 1 of Article 37, where the PSTN has been modified or changed without an approval;
2. Those that violate the rules set by the competent authority in accordance with Paragraph 9 of Article 37 with respect to the establishment and use of station or restrictions imposed thereon;
3. Those who established a PSTN that does not use telecommunications resources violate Paragraph 1 of Article 38 by amending PSTN or expanding the establishment thereof;
4. Those that violate Paragraph 5 of Article 50, where the party connects to PSTN without an approval or for non-prescribed purposes;

5. Those who violate the rules stipulated by the competent authority in accordance with Paragraph 7 of Article 50 with respect to the establishment or the use management of a dedicated telecommunications network or restrictions imposed thereon;
6. Those who violate the regulations stipulated by the competent authority in accordance with Paragraph 8 of Article 52 with respect to the transmission methods and use management of interference alleviation and restrictions imposed thereon.

Equipment or devices as described in Subparagraph 2 of the preceding paragraph will be wholly or partially confiscated regardless of the owners thereof.

Article 78

Those who are in any of the following circumstances shall be fined not less than NT\$ 1 hundred thousand but not more than NT\$ 1 million; and be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline, or the use approval certificate will be abolished:

1. Those who violate Paragraph 1 of Article 58, where a part of the radio frequencies allocated to the party is given to other telecommunications enterprises for their without an approval from the competent authority;
2. Those that violate Paragraph 3 of Article 68, where the party uses or changes the telecommunications numbers or signal point code that are not allocated thereto;
3. Those who violate the rules stipulated by the competent authority in accordance with Paragraph 2 of Article 69 with respect to the use management of, restrictions on or adjustment to telecommunications numbers;

Article 79

Telecommunications enterprises in any of the following circumstances shall be fined not less than NT\$ 1 hundred thousand but not more than NT\$ 1 million and will be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline:

1. Violating Paragraph 5 of Article 6, where the party fails to make public offering for its shares;
2. Violating Paragraph 4 of Article 8, where the party fails to handle emergency or necessary communications with priority;
3. Violating the front section of Paragraph 1 of Article 9, where the communications and accounting records have not been preserved within a specific period or the party fails to keep the confidentiality thereof;
4. Violating the rear section of Paragraph 1 of Article 9, where the inquiry service in terms of their communications or accounting record has not been provided to subscribers;
5. Violating Article 10, where the party fails to submit relevant documents to the competent authority, makes a public announcement or notifies the subscribers before the suspension or termination of its business;
6. Violating Paragraph 1 of Article 11, where no immediate announcement has been made or the notified matters are not true at all;

7. Violating regulations stipulated by the competent authority in accordance with Paragraph 2 of Article 11 with respect to the scope or methods of reporting;
8. Violating Paragraph 1 of Article 13, where the party refuses to negotiate with respect to the interconnection without justifiable reasons;
9. Violating Paragraph 3 of Article 13, where the party fails to adopt appropriate confidentiality measures;
10. Violating Paragraph 4 of Article 13, where no notification has been delivered to the telecommunications enterprise with whom the party interconnects;
11. Violating Paragraph 5 of Article 13, where the party accesses or transfers voice services provided by the operator who does not register as a telecommunications enterprise;
12. Violating Article 14, where no free emergency communications service has been provided;
13. Violating Paragraph 1 of Article 15, where no info-communications security management plan has been drawn up or implemented;
14. Violating Paragraph 1 of Article 16, where no portability service or equal access service number has been provided;
15. Violating Paragraph 4 of Article 16, where the party fails to co-establish or join a centralized database management organization;
16. Violating the rules stipulated by the competent authority in accordance with Paragraph 5 of Article 16 with respect to the establishment or management of a centralized database management organization or restrictions imposed thereon;
17. Violating Paragraph 1 of Article 17, where no standard service contractual terms and conditions have been stipulated or said contract has not been approved by the competent authority before the implementation or change thereof;
18. Violating Article 18, where service quality self-evaluation has not been carried out on a regularly basis or the results thereof are not published;
19. Violating Article 19, where the consumer protection and handling methods have not been approved by the competent authority or notified to the users within a prescribed deadline;
20. Violating Paragraph 1 of Article 20, where the party fails to co-establish a telecommunications consumers' complaint handling organization or fails to submit the articles of incorporation thereof to the competent authority for approval.
21. Violating the determination made by the competent authority in accordance with Paragraph 4 of Article 20, where the party fails to commission a telecommunications consumers' complaint handling organization to handle telecommunications consumer complaint issues;
22. Violating the determination made by the competent authority in accordance with Paragraph 5 of Article 20, where the party fails to join a telecommunications consumers' complaint handling organization;
23. Violating the designation made by the competent authority in accordance with Article 24, where no telecommunications universal service is provided;

24. Violating Paragraph 1 of Article 25, where the party fails to make a declaration or follow the declaration format and methods regulated by the competent authority.

Telecommunications consumers' complaint handling organizations that are in any of the following circumstances shall be fined not less than NT\$ 1 hundred thousand but not more than NT\$ 1 million and will be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make corrections by the prescribed deadline:

1. Violating Paragraph 3 of Article 20, where an amended article of incorporation has been implemented without being approved;
2. Violating rules stipulated by the competent authority in accordance with Paragraph 7 of Article 20 with respect to the supervision and management of the implementation of business activities.

Article 80

Those who are in any of the following circumstances shall be fined not less than NT\$ 1 hundred thousand but not more than NT\$ 1 million and will be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make corrections by the prescribed deadline:

1. Failure to abide by the notification made by the competent authority in accordance with Paragraph 7 of Article 42, where the correction was not made within a prescribed deadline or the corrections were made incompletely;
2. Refusal to accept competent authority's inspection on PSTN as prescribed in Paragraph 1 of Article 43;
3. Violating Paragraph 1 of Article 50, where a dedicated telecommunications network has been established, expanded or changed without an approval; 4. A foreigner violates Paragraph 4 of Article 50 by establishing a dedicated telecommunications network without an approval;
5. Violating Paragraph 2 of Article 65, where the party manufactured or imported controlled telecommunications radio frequency devices without an approval;
6. Violating the rules stipulated by the competent authority in accordance with Paragraph 3 of Article 65 with respect to rules governing the management of or restrictions on relevant manufacture or import activities;
7. Violating Paragraph 4 of Article 65, where the party fails to report the trail, use or status of controlled telecommunications radio frequency devices to the competent authority on a regular basis;
8. Violating the rules stipulated by the competent authority in accordance with Paragraph 5 of Article 65 with respect to the declaration procedures and management of controlled telecommunications radio frequency devices or restrictions imposed thereon;
9. Violating the order made by the competent authority in accordance with Paragraph 4 of Article 66, where the devices are not recalled or handled within the prescribed deadline;
10. Violating the order made by the competent authority in accordance with Paragraph 2 of Article 67, where the party continues to use it.

11. Violating Paragraph 4 of Article 68, where the party fails to submit it to the competent authority for reference or uses or amends the use of telecommunications numbers without approval.
12. Violating the rules set by the competent authority in accordance with Paragraph 4 of Article 71 with respect to administration management;
13. Violating Paragraph 2 of Article 90, where the party avoids, interrupts or refuses to accept the investigation.

Devices as prescribed in Subparagraphs 5, 6 and 10 of the preceding paragraph will be wholly or partially confiscated regardless of the owners thereof.

Article 81

Those who violate Paragraph 1 of Article 66 by selling controlled telecommunications radio frequency devices that have not been inspected will be fined not less than NT\$ 10 thousand but not more than NT\$ 2 hundred thousand; and be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make corrections by the prescribed deadline.

Telecommunications enterprises who are in any of the following circumstances shall be fined not less than NT\$ 10 thousand but not more than NT\$ 1 hundred thousand and will be notified to make corrections within a prescribed deadline. The fine may be imposed consecutively for failure to make the necessary rectification by the prescribed deadline:

1. The provided telecommunications services do not comply with Paragraph 1 of Article 8;
2. A violation of Paragraph 2 of Article 13, where the party fails to provide information that can facilitate the negotiation on interconnection related issues;
3. A violation of the rules set by the competent authority in accordance with Paragraph 3 of Article 15 with respect to the scope of info-communications security management, classification, inspection standards, procedures or joint-defense and response reporting operations;
4. Failure to comply with designation made by the competent authority in accordance with Paragraph 1 of Article 23, where access to required telecommunications services are not provided.
5. A violation of the Paragraph 8 of Article 49, where the party uses telecommunications equipment and relevant space for its establishment that is not examined as qualified.

Article 82 Those who are in any of the following circumstances shall be fined not less than NT\$ 10 thousand but not more than NT\$ 1 hundred thousand:

1. Violating Paragraph 1 or 2 of Article 41, where the party fails to select qualified telecommunications engineers;
2. Violating Paragraph 4 of Article 41, where the party fails to join a relevant association before launching the operations;
3. Violating Paragraph 1 of Article 44, where the party manufactures or imports telecommunications terminal equipment that has not been approved;
4. Violating the rules set by the competent authority in accordance with Paragraph 3 of Article 44 with respect to the labeling, printing and use of the approval label of telecommunications terminal equipment;
5. Violating Paragraph 1 of Article 51, where the amateur radio is operated by personnel without the amateur radio license;
6. Violating the rules stipulated by the competent authority in accordance with Paragraph 2 of Article 51 with respect to the call sign management and use management or restrictions imposed thereon;
7. Violating the regulations stipulated by the competent authority in accordance with Paragraph 5 of Article 66 with respect to the labeling, printing and use of approval label of controlled telecommunications radio frequency devices;
8. Violating Paragraph 4 of Article 90, where the party refuses to provide relevant information or fails to provide relevant information in the prescribed format.

Telecommunications terminal equipment as described in Subparagraph 3 of the preceding paragraph will be confiscated regardless of the owners thereof.

Chapter VIII Supplementary Provisions

Article 83 Within 3 years upon enforcement of the Act, telecommunications enterprises that obtain an operation and/or franchise license in accordance with Telecommunications Act, and enterprises that obtain establishment approval shall register themselves with the competent authority. Telecommunications enterprises that have been allocated with a radio frequency or telecommunications numbers before the promulgation of the Act shall, when registering themselves according to the Act, submit an operating

plan as prescribed in Article 37 and, upon receipt of the competent authority's approval, shall fulfill their obligations according to the operating plan. With respect to telecommunications enterprises that have been allocated with a radio frequency as described in the preceding paragraph, the competent authority will, after approving the network establishment plan provided thereby, issue a frequency use certificate thereto. Said enterprises will still retain the rights of using radio frequency within the validity of their franchise license previously obtained in accordance with the Telecommunications Act.

When granting an approval in accordance with Paragraph 2, the competent authority may, within the necessary scope, order the telecommunications enterprise or establisher to fulfill their obligations according to the original business plan, establishment agreement or system construction plan. Enterprises who fail to register themselves as a Type I or Type II telecommunications enterprise within 3 years upon enforcement of the Act shall be managed by the competent authority according to the original laws and regulations.

Where telecommunications enterprises have obtained an operation and/or franchise license in accordance with the Telecommunications Act, and enterprises having obtained an establishment approval as described in Paragraph 1 that fail to register themselves within the prescribed period, the original establishment, franchise or operation license will become invalid the next day of the 3 years after the enforcement date of this Act.

Article 84 Those who apply for an establishment permit in accordance with the Telecommunications Act may, upon promulgation of the Act and before their establishment has been approved, withdraw their applications, and the competent authority shall return the performance bond thereto. However, for those who have obtained their qualifications for establishment through public tender or auction, their application cannot be withdrawn after the public tender or auction procedures have been initiated.

Article 85 With respect to Type I telecommunications enterprises that have been announced as dominant market players according to the Telecommunications Act before the enforcement of the Act and their control measures, from the period between the Act taking effect and the competent authority determining their significant position in the specific market and hence adopting special control measures therefor based on the Act, the competent authority still supervises them in accordance with the Telecommunications Act and control measures thereof.

Article 86 With respect to a PSTN established by telecommunications enterprises or radio and television enterprises before the Act takes effect, the competent authority could, based on the quality and performance of their existing network, issue an approval certificate thereto directly. However, those who have amended their network shall carry out an inspection in accordance with Article 39. Stations established before the Act takes effect may be used continuously up to the expiry of the station license. As for stations that remain operating upon

the expiry of their license, the operators shall apply for a license renewal with the competent authority in accordance with the law.

Where a PSTN that does not use telecommunications resources is established by a government agency or school, completing the inspection and obtaining an approval certificate within three years upon the promulgation of the Act is required.

With respect to personnel who obtained an amateur radio operator license before the Act takes effect, their original license will remain valid up to the expiry date; personnel who needs to operate an amateur radio station after the license expires shall apply for license renewal with the competent authority in accordance with the law.

Article 87 The competent authority may commission professional telecommunications certification bodies to carry out a series of inspection work, such as those for PSTN, information and communications equipment used by the critical telecommunications infrastructure, dedicated telecommunications network, telecommunications terminal equipment and controlled telecommunications radio frequency devices, review of space design regarding telecommunications equipment installed in the building and relevant installation, and completed works.

The qualifications, accreditation conditions and delegated authority of various certification bodies as described in the preceding paragraph; cancellation or termination of the delegation; and matters that are commissioned for supervision shall be promulgated by the competent authority.

Provisions of the preceding paragraphs may be applied to information and communications equipment used by the critical telecommunications infrastructure; telecommunications terminal equipment; tests to be carried out on controlled telecommunications radio frequency devices; and testing body commissioned by the competent authority.

Article 88 The competent authority may, according to bilateral or multilateral agreements or protocols signed by our country with other countries, regional organizations or international organizations with respect to controlled telecommunications radio frequency devices, recognize the testing body or certification of the specific country or region and admit testing reports, certificates or declarations of conformity issued thereby with respect to telecommunications terminal equipment and controlled telecommunications radio frequency devices.

Article 89 Dedicated military communications devices shall not be bound by the Act, except for Paragraph 5 of Article 50; Paragraphs 3 and 4 of Article 52; Paragraph 2 of Article 56; Paragraph 1 of Article 57; and Paragraphs 1 and 3 of Article 63.

Article 90 With respect to the handling of supervision matters and investigations on violations of the Act, the competent authority may proceed with relevant matters according to the following procedures:

1. Notifying parties and related parties to state their opinions on the scene;
2. Notifying parties and related parties to submit account books, documents and other necessary information or evidence;

3. Dispatching personnel to parties and related parties' office, company, residence or other sites to implement necessary investigations.

Those investigated by the competent authority shall not avoid, obstruct or refuse investigations made in compliance with the provisions of the preceding paragraph without justifiable reasons.

The investigator shall present relevant certificates to justify their action, which is made for job duty. If the investigator fails to do so, the respondents may reject the investigation.

To satisfy the needs for industry survey, the competent authority may request parties and related parties to provide relevant information and documents in the format prescribed thereby; and the respondents must not refuse to do so without justifiable reasons.

Article 91 Unless specified otherwise in the Act, telecommunications enterprises may, with respect to major disputes arising from telecommunications services related contract, apply for mediation with the competent authority.

The mediation will be established based on the agreement of involved parties. However, if related parties refuse to cooperate or no agreement is reached among the parties, the mediation will not be established.

While applying for mediation, the applicant shall pay the necessary expenses derived therefrom.

To proceed with mediation as described in Paragraph 1, the competent authority may set a mediation meeting. Rules governing the determination of major disputes, the establishment of a mediation meeting, the mediation processes and deadline, the charge standards and other related matters shall be promulgated by the competent authority.

Article 92 Any registration, review, service quality check, issuance (renewal) of approval documents and license applications as well as review, inspection, examination and test operations accepted by the competent authority according to the Act shall be charged relevant fees to the applicants. The charge standards thereof shall be promulgated by the competent authority.

Article 93 The government may adopt necessary measures and appropriate a certain amount of its revenue generating from the administration fees received from the telecommunications supervision activities and the tender or auction of radio frequency, as a budget to facilitate the construction of a PSTN in remote countries.

Article 94 To facilitate innovation and the development of the telecommunications industry, the agency designated by the Executive Yuan may counsel and award telecommunications enterprises.

Rules governing the counseling or awarding target as described in the preceding paragraph, the qualifications thereof, evaluation standards, application procedures, and other related matters shall be promulgated by the organization designated by the Executive Yuan.

Article 95 The effective date of the Act shall be set by the Executive Yuan.