

Enforcement Rules of the Cable Radio and Television Act

Chronology	
1	The Executive Yuan on December 20, 1993 issued a directive, Ref. (1993) Chiang Broadcast (I) No. 24753, with the full text comprising of a total of 41 provisions.
2	The Executive Yuan Government's Information Office on July 2, 1997 issued a directive, Ref. (1997) Wei Broadcast (V) No. 08925, to amend and announce the provisions of articles 11, 16, 37, 38 and 39.
3	The Executive Yuan Government's Information Office on July 12, 1999 issued a directive, Ref. (1999) Chien Broadcast (V) No. 10907, to amend and announce the title and the full text of a total of 37 provisions (the previous title: The Cable Television Act Implementation Detail)
4	The Executive Yuan Government's Information Office on September 25, 2001 issued a directive, Ref. (2001) Zheng Broadcast (V) No. 12708, to amend and announce the provisions of articles 4, 11, 12, and 33
5	The Executive Yuan Government's Information Office had on October 29, 2003 issued a directive, Ref. Xin Broadcast (I) No. 0920624152, to amend and announce the provision of Article 27; and also to delete the provision of Article 10.
6	The Executive Yuan Government's Information Office had on May 24, 2004 issued a directive, Ref. Xin Broadcast (I) No. 0930622945A, to append and announce the provisions of Article 12~1 through 12~3.

November 19, 2007

The provision of Article 13 was amended and announced by the National Communications Commission, Ref. Mass Media Broadcast Enterprise No. 09605170590

Chapter I General provisions

Article 1

These Enforcement Rules have been promulgated in accordance with stipulations set forth under Article 75 of the Cable Radio and Television Act (hereinafter referred to as the Act).

Article 2

The cable broadcast and television system operators (hereinafter referred to as the System Operators), when leasing the backbone circuit network from a communications enterprise, are required to complete the process by adhering to relevant stipulations set by the Telecommunications Act and by a communications enterprise.

Article 3

The term underground pipe duct as cited under Paragraph 2, Article 5 of the Act refers to the power company, communications enterprise's underground pipe ducts, rainwater ducts, military/police designated communications pipe ducts, and other central-ruled municipal governments, county (municipal) governments' public infrastructure shared ducts.

Chapter II The Cable Radio and Television Review Council

Article 4

The Cable Radio and Television Review Council (hereinafter referred to as the Review Council), when reviewing the evaluation of the business plan executed as per Paragraph 3, Article 8 of the Act, may separately retain experts and scholars to participate in the process.

The program utilization billing dispute as cited under Paragraph 4, Article 8 of the Act refers to disputes on the program authorization fee at the yearly contact renewal, and the other disputes cited include the rendering of the subscriber count, advertisement broadcasting entitlements and obligations.

The system operators or the channel providers who are applying for mediation due to disputes are required to submit a request in writing citing the petitioner and opponent, matters to be mediated, cause of disputes, facts and recommended mediation proposal, replete with submitting relevant documents.

The evaluation method as cited in Paragraph 1 is to be determined by the Review Council.

Article 5

The Review Council is to produce a mediation report for each mediation case applied, citing the following measures, and the mediating parties and the mediation committee councils present are to sign or endorse:

- I. The mediating parties and the directors' name, gender, age, occupation, place of residence of domicile, and if there is a related party participating in the mediation, the related party's name, gender, age, occupation, place of residence of domicile.
- II. The name of the mediating councils present.
- III. The reason of mediation.
- IV. The mediation results, including when the mediation is sustained, the mediating parties' entitlements and obligations and the validity when the mediation is breached.
- V. The venue of mediation.
- VI. The date, month and year of the mediation.

Article 6

The term relevant regions as cited under Paragraph 2, Article 9 of the Act refers to the announced cable radio and television operating areas (hereinafter referred to as the Operating Areas) as per Article 32 of the Act.

Article 7

An applicant applying to run a cable radio and television enterprise, when applying to have certain review council members extricated as per Paragraph 1, Article 15 of the Act, is to conduct the application in writing, replete with documents submitted that suffice to prove the facts presented.

Article 8

The term related party as cited under Paragraph 1, Article 16 of the Act refers to related parties directly related to the system operators in a given operating region.

The reckoning of the foresaid related party is to be determined through the review council meeting.

Article 9

A related Party, when applying to withdraw a resolution the review council has concluded as per Paragraph 1, Article 16 of the Act, is required to submit documents that suffice to prove there are circumstances as cited under Paragraph 1 or Paragraph 2 Article 14 of the Act.

Article 10

(Deleted)

Chapter III Operations management

Article 11

The term affiliated enterprise as cited under Paragraph 1, Article 21 and under Paragraph 3, Article 42 of the Act, is to heed to relevant stipulations governing affiliated enterprises stipulated by the Corporate Act.

Article 12

The term indirect holding calculation method as cited under Paragraph 2, Article 19 of the Act is calculated by the proportion of the local incorporate entity's shareholding ratio in the system operator times the proportion of the foreign incorporated entity's shareholding or capital contribution in the local incorporated entity.

Article 12~1

The term the policy party administration working personnel as cited by the Act refers to the following personnel:

- I. Personnel with a clearly defined position by a political party's chapter or organizational framework, except of those serving in the capacity as advisor.
- II. The commissioner and deputy commissioner at various departments and central-ruled municipality, county (municipal) branch organizations by a political party's chapter or organizational framework.

Article 12~2

The term government administrative personnel, cited by the Act, refers to the following personnel as defined by Article 2 of the Government Administrative Personnel's Retirement Pension Act:

- I. The personnel and specially appointed and special assigned personnel nominated by the President as per stipulations provided by the constitution
- II. The personnel nominated by the President as per stipulations provided by the constitution, and consented by the National Assembly or the Legislative Yuan.
- III. The personnel nominated by the Executive Yuan speaker and appointed by the President as per stipulations provided by the constitution.
- IV. Personnel on a referred position commensurate to the twelfth rank or higher at a central or local government as per other legal stipulations.

Article 12~3

The term appointed government position personnel as cited by the Act refers to the following personnel:

- I. The President and the Vice-President.
- II. The legislative councils.
- III. The administrative heads of the central-ruled municipalities, counties (municipalities) and village (township, city) local self-governance organizations.
- IV. The city council representatives of the central-ruled municipalities, counties (municipalities).

Article 13

The term the same administrative district as cited under heading 2, Paragraph 1, Article 21 of the Act refers to the same central-ruled municipality or county (municipality).

The competent central government authorities are to publicly announce, at the end of February and August each year, the total national subscriber count, the system operator count in the same administration district, and the total national system operator count as cited under Paragraph 1, Article 21 of the Act

Article 14

The application as cited under Paragraph 1, Article 22 of the Act is to state the following matters:

- I. When applying in the name as an incorporate entity with limited liability, the entity name, the names, nationality, place of residence, shareholding count, percentage, amounts of the directors, auditors, managers and shareholders holding over 5% shares, the shareholders meeting minutes, a photocopy of the profit entity registration permit and the company articles of incorporation.
 - II. When applying in the name as a founding incorporated entity with limited liability, the name of the entity, the name (title), nationality, place of residence, exposure, share pledging count, ratio and amount of the founders or share pledging investors expected to hold five percent or more of the shares.
 - III. The operating area.
 - IV. The system name and the abbreviated title.
 - V. The address where the system front-end is located and the expected address of the business venue.
 - VI. Any other measures so specified by competent central government authorities.
- The application format is to be defined by competent central government authorities.

Article 15

If an applicant's application filed to launch a cable radio and television enterprise or the business plan documents is found incomplete, and if the applicant is allowed to retroactively supplant the information, the competent central government authorities are to notify the applicant to supplant the information within a prescribed deadline; when failing to supplant the information by the deadline or the information supplanted should be deemed incomplete, the review council, upon motioning through a resolution, may reject the application.

Article 16

Whether the financial planner defined under Paragraph 1, Article 25 of the Act is able to realize the operating plan shall be reckoned by referring to the following measures:

- I. The applicant's source of capital and proof of documentation.
- II. The applicant's financial and credit records and status.

The utilization planning for designated public welfare, artistic and literal, social educational programming channels defined under Paragraph 2, Article 25 of the Act is to be defined by competent central government authorities.

Article 17

In assessing whether the services offered meet the local public equity and needs as stipulated under Paragraph 3, Article 25 of the Act, the Review Council may determine it through the following means:

- I. Stage public hearings.
- II. Appoint other institutions to conduct public surveys.
- III. Invite the applicant to participate in interviews or conduct interviews at various operating regions.
- IV. By other suitable means.

Article 18

The minimum paid-in capital for a system operator is two hundred million New Taiwan dollars.

Article 19

When filing for changes as per Paragraph 1, Article 26 of the Act, the applicant is to state the reason why, and also submit the following documents:

- I. A comparison table on the modified content and explanation.
- II. Other documents so specified by competent central government authorities.

Of incomplete submission of the foresaid document that can be retroactively supplanted, the competent central government authorities are to notify the applicant to retroactively supplant the information within a prescribed deadline; when failing to retroactively supplant the information or providing incomplete information, the review council, upon motioning through a resolution, may reject the application.

Article 20

The requisite essential documents as cited under Article 29 of the Act are as follows:

- I. Photocopied company license and profit entity registration permit, and the company articles of incorporation.
- II. The shareholders registry and the directors and auditors roster.
- III. Any other documents so specified by competent central government authorities.

Article 21

When the system launching is to be implemented by increment as per stipulations provided under Article 30 of the Act, the phase one's system launch may not fall short of thirty percent of the entire system launching.

Article 22

When the applied project verification documents of a system startup are deemed incomplete, and cannot be supplanted within the launching period as cited under Paragraph 1, Article 31 of the Act, the enterprise shall be deemed as failing to complete the system launching within the launching period.

Article 23

The system operator, when applying to renew the operating permit certificate as per Article 35 of the Act, is required to submit the following documents:

- I. One copy of the application.
- II. A business plan outlining the future nine years as per the mandated measures enlisted under Paragraph 2, Article 22 of the Act.
- III. The previous seven years' CPA-audited financial statements.

IV. Any other documents so specified by competent central government authorities.

Of incomplete submission of the foresaid document that can be retroactively supplanted, the competent central government authorities are to notify the applicant to retroactively supplant the information within a prescribed deadline; when failing to retroactively supplant the information or providing incomplete information, the Review Council, upon motioning through a resolution, may reject the application.

The application format as cited under heading 1, Paragraph 1, is to be defined by competent central government authorities.

Article 24

The Review Council, when reviewing the foresaid application cases, shall take into consideration the following:

- I. The evaluation of findings and state of correction on the state of the business plan implemented.
- II. Records for breaching the Act.
- III. Settlement of disputes with subscribers in the operating area

Article 25

In the instance where the review council has ruled to decline renewing an operating permit, the competent central government authorities are to refuse the application, and the previous operating permit certificate will cease to be valid at expiry.

Article 26

The notice for improvement to be adopted within a prescribed deadline as stipulated under Paragraph 2, Article 36 of the Act and as per Article 60 of the Act shall be conducted in writing, and shall include the following:

- I. The items mandated for correction.
- II. The correction deadline.
- III. The substantive information to be presented following the correction.
- IV. Stipulations governing the penalties when failing to adopt the improvement exceeding the deadline.

Article 27

The voluntary declaration with competent central government authorities pending further verification as stipulated under Paragraph 1, Article 39 of the Act shall be conducted in writing, and shall include the following:

- I. The temporary business suspension period, and the reason why, or the reason for terminating the operations.
- II. Any other documents so specified by competent central government authorities.

The notice as cited under Paragraph 1, Article 39 of the Act, shall be broadcast on a system operator's designated channels and related programs or be conducted in writing.

Chapter IV Programming management

Article 28

The system operator, when planning to conform to regulations to broadcast encrypted programming, is to submit the encryption method to the Ministry of Transportation and Communications for joint consultation with competent central government authorities to approve the method before the program may be broadcast.

Of the foresaid approved encryption method, in the event where the encryption equipment has been changed or unable to effectively broadcast the encrypted programming, the Ministry of Transportation and Communications may notify the system operator to resubmit the filing for approval within a prescribed deadline; when failing to file for an approval by the deadline or failing to secure an approval, the validity of the foresaid approved encryption method shall cease to exist.

Article 29

The term available channels as cited under Paragraph 3, Article 42 of the Act refers to the channels developed by the operating plans less the designated channels specified under Paragraph 2, Article 25 of the Act and under Article 56 of the Act.

The programming cited under Paragraph 4, Article 42 of the Act refers to proprietary programs produced by the system operators.

Article 30

The ratio of locally produced programs as cited under Article 43 of the Act is calculated based on the total hours of programs that the system operators can broadcast through available channels.

Chapter V Advertisement management

Article 31

The advertisement time as cited under Paragraph 2, Article 45 of the Act precludes the preannouncement of the channel's programming.

The disclosure as cited under Paragraph 3, Article 45 of the Act shall be clear and recognizable, and is also to be superimposed throughout the process when the advertisement begins.

Article 32

The term fixed periods as cited under Article 46 refers to April and October of each year.

Chapter VI Expenditures

Article 33

The system operators who declare the viewing billing as per Paragraph 1, Article 51 of the Act are required to submit the following documents:

1. The calculation method for various billing rates and the propensity of adjustment.
2. The cost analysis and investment return ratio calculation sheets.
3. The previous year's balance sheet and loss and gain report.
4. Other documents so specified by competent government authorities.

The billing council referred under Paragraph 2, Article 51 of the Act is to be made up by government representatives of a central-ruled municipality or county (municipality), consumer protection group representatives, experts in broadcast, finance and economics, accounting and law of seven to eleven council members.

The central-ruled municipal, county (municipal) governments are to announce the viewing billing stated in Paragraph 1 at the end of November each year, and also notify the competent central government authorities.

The stipulations set forth in the preceding two paragraphs may apply in the instance where the competent central government authorities approve the viewing billing as enlisted under Paragraph 2, Article 51 of the Act.

Article 34

The system operators who are required to post one percent of the current year's revenue amount with the competent central government authorities, as per stipulations set forth under Paragraph 1, Article 53 of the Act, are to complete posting the remittance within a six-month period upon concluding an accounting year.

The foresaid system operators, when posting the guarantee, are required to submit the previous year's CPA-audited financial statements.

Chapter VII Entitlement safeguard

Article 35

The term relevant circuit under Article 59 of the Act refers to the cable and equipment routed to the subscriber.

Article 36

Unless otherwise stipulated, the competent government authorities are to separately announce a processing petition for the petition cases filed under the law.

Article 37

These Enforcement Rules are to be implemented effective on the date of promulgation.