



**2024 AVIA Regulating for Growth – Pay TV Matrix for Taiwan**

Questions	Pay TV	Foreshadowed changes?
<p>1. How regulated? <i>Details of regulator/s</i></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Regulatory system is beginning to shed the traditional heavy state-control orientation.</li> <li><input type="checkbox"/> The regulator, the National Communications Commission (NCC) is neutral and independent of operators but leaves little scope for private initiatives.</li> <li><input type="checkbox"/> The NCC appoints seven Commissioners, nominated by the Premier and appointed at the consent of the Legislative Yuan. Commissioners serve a four-year term and may be re-appointed to serve a consecutive term. However, following the first amendment of the act, among the Commissioners appointed for the first time, three are to serve a two-year term.</li> <li><input type="checkbox"/> The NCC Chairperson is politically appointed; the number of Commissioners with affiliation to the same political party may not exceed one-half of the total number of Commissioners.</li> <li><input type="checkbox"/> Currently, Taiwan regulates pay TV through three laws, including the Cable Radio and Television Act, the Radio and Television Act, and the Satellite Broadcasting Act. The Radio and Television Act (last amended on June 13, 2018) governs terrestrial broadcasting; the Cable Radio and Television Act (last amended on June 13, 2018) governs the cable broadcasting sector; and the Satellite Broadcasting Act (last amended on May 18, 2022) governs satellite broadcasting. Cumbersome legislative process delays and inhibits needed regulatory updates.</li> <li><input type="checkbox"/> To address the need for Internet governance, the Internet Communications Governance Division was established as an internal unit of the NCC in 2022. This department is responsible for six major tasks, including developing a mechanism to promote the rights and interests of internet users, promoting an accountability mechanism for internet</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The NCC has announced plans to publish a white paper on internet governance in response to the challenges faced by media in the internet age. Pursuant to the Next-generation anti-fraud strategy guidelines version 1.5, the NCC is also pushing for changes to mitigate issues such as internet fraud, pornography, violence, and fake news.</li> <li><input type="checkbox"/> The NCC proposed a new legislation titled the Digital Communications Services Act (the DCSA) in 2022 to regulate internet services. The main purpose of the DCSA is to safeguard freedom of speech on the internet, facilitate the free flow of information, and ensure online safeguards. Nevertheless, the announcement of the proposal sparked controversy in Taiwan, with opponents claiming it would restrict freedom of speech. As a result, the NCC postponed the amendment plan.</li> </ul>

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	<p>communication, planning internet literacy and civic education, studying internet communication governance trends and user behaviour, establishing a mechanism to handle internet communication disputes, and fostering cooperation and exchanges in cross-border internet communication governance.</p>	
<p>2. Copyright protection?</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The Taiwan Network Information Center (TWNIC) is the official referral entity under the Ministry of Digital Affairs (MODA), and has initiated an administrative site blocking mechanism through Mutually Agreed Norms for Internet Intermediaries (MANII) to handle copyright infringement disputes between right owners and ISPs.</li> <li><input type="checkbox"/> Weak but improving general enforcement of IP laws.</li> <li><input type="checkbox"/> Legal framework does not favour protection of pay TV signals. Copyright owners bear heavy burdens to stimulate enforcement. Fines for violations are too low.</li> <li><input type="checkbox"/> Government has no ability to enter into major IPR conventions but there are bilateral copyright agreements that help protect content owners.</li> <li><input type="checkbox"/> Commercial-scale online piracy is a growing problem.</li> <li><input type="checkbox"/> Cable is the main pay TV network, with IPTV a growing competitor. Several DTH systems have also been authorised.</li> <li><input type="checkbox"/> Lack of any clear provisions allowing rights holders to apply to the government or courts for orders to block pirate sites.</li> </ul>	<p>No changes.</p>
<p>3. Convergence and new technologies</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Playing field is not level; differential restrictions bind cable, DTH and IPTV operators.</li> <li><input type="checkbox"/> A telecom operator (ChungHwa Telecom) that runs the largest IPTV business and some cable firms have various obstacles from restrictions rooted in government shareholding.</li> <li><input type="checkbox"/> The NCC plans to gradually adjust the regulatory gap between IPTV and cable TV by amendment of related regulations in order to promote fair competition. For example, it has passed the amendment of Chunghwa Telecom Multimedia On Demand</li> </ul>	

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	Service Regulations in January 2019 to promote more operational flexibility for Chunghwa MOD, the main IPTV operator. However, nothing further has changed since then.	
4. Licensing of foreign channels <i>Allowed, prohibited or unregulated?</i>	<input type="checkbox"/> Downlinking requires government "landing permits" (3 year review and 6 year renewal), with application through a distribution agent. <input type="checkbox"/> Demanding restrictions on graphic advertising inserts are sometimes enforced.	No changes.
5. Licence fees and taxation	<input type="checkbox"/> Various nominal and transparent fees charged for licence application and renewal. <input type="checkbox"/> In addition, 1% of annual revenue is charged to a development fund, whose proceeds are used by the government to benefit pay TV, free-to-air TV, and local cultural facilities. This is applicable for cable TV operators, not individual channels.	No changes.
6. Rate regulation <i>Including wholesale and retail rate regulation and whether there are any price controls on e.g. basic tier</i>	<input type="checkbox"/> Extensive and rigid regulation of retail basic cable rates from central and local government bodies. <input type="checkbox"/> No market orientation. Cable rates have been manipulated for political purposes, especially at the local level. <input type="checkbox"/> Rates for new digital packages are unregulated, as are satellite DTH rates. <input type="checkbox"/> No direct wholesale regulation, but strong government interference, with respect to the "traditional" basic package.	No changes.
7. Programme packaging <i>Including tiering, bundling, any mandatory a la carte</i>	<input type="checkbox"/> Mandatory carriage of large, prescribed basic package (90-100 channels). <input type="checkbox"/> Programmes provided by system operators and their affiliated enterprises shall not exceed 25 percent of channels. <input type="checkbox"/> Above cable basic level, and for all IPTV: a la carte prices must be set but in practice some bundling has been permitted, with prices lower than the sum of a la carte rates. <input type="checkbox"/> Packaging/bundling not subject to approval.	No changes.
8. Restrictions on advertising	<input type="checkbox"/> According to the Regulations for the Methods of Broadcasting Advertisements and the Distribution of the Number of Advertisements of Radio and Television Businesses, amended	No changes.

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<i>Including localisation rules, revenue and minutage restrictions</i>	in 2024, a segment of advertisements may be inserted twice in programmes that last up to 30 minutes, three times in programmes that last up to 45 minutes, and four times in programmes that last up to 60 minutes. For live event broadcasts, advertisements may be inserted at appropriate times.	
9. (a) Content regulation <i>Including local content quotas, content control and insertion of classification and other content labels into international feeds</i>	<input type="checkbox"/> General guidelines on content control. <input type="checkbox"/> Regulator is becoming more interventionist on content standards through checking programme ratings and ensuring content meets TV classifications, motivated by concerns about content quality.	According to the IASMA Draft Act as orally informed by the NCC official in charge, there would be no specific content censorship imposed on OCC operators, provided that OCC operators shall ensure the contents of video programmes provided would not violate the current applicable laws (e.g., the Criminal Code).
9. (b) Content regulation <i>Including languages, dubbing/subtitling and captioning</i>	<input type="checkbox"/> Foreign-language programmes shall carry Chinese subtitles or be broadcast with Mandarin narration. If necessary, the regulatory agency may instruct that the programs be dubbed in Chinese.	No changes.
10. Programme supply restrictions <i>Including must provide rules and other restrictions on exclusivity and anti-siphoning rules</i>	No restrictions.	No changes.
11. Restrictions on FDI <i>Including platforms and wholesale supply of programming and cross-media ownership restrictions</i>	<input type="checkbox"/> Total direct and indirect foreign investment in a company operating a cable radio and/or television system shall be less than 60 percent of the total shares issued by the company. Direct foreign shareholding is limited to legal entities; the total shares directly held by foreign shareholders shall not exceed 20 percent of the total shares issued. <input type="checkbox"/> The total shares of a satellite broadcasting business directly held by foreign shareholders shall be less than 50 percent of the total shares issued by the said business.	<input type="checkbox"/> To ensure media pluralism and prevent a small number of media industry giants from monopolising news and information, the NCC proposed a draft “Media Pluralism Maintenance and Monopoly Prevention Act” in 2019. This act proposes control measures against the problem of concentration in the media industry. <input type="checkbox"/> The above proposal authorises the NCC to require operators to adopt suitable measures,

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	<ul style="list-style-type: none"> <li><input type="checkbox"/> In addition, cross-media ownership among broadcasters is subject to general competition laws such as the Fair Trade Act.</li> <li><input type="checkbox"/> Foreign applicants who invest in cable radio and/or television business shall not affect national security, impair or disadvantage the overall industrial development, hinder fair competition or make competition restraints. Should the applicant violate the above regulation, the regulatory agency may reject the application. Regarding such examination, the regulatory agency shall command the applicant to provide explanations and other supporting documents in term of following matters: <ul style="list-style-type: none"> <li><input type="checkbox"/> Openness of public access</li> <li><input type="checkbox"/> Diversity of channel content</li> <li><input type="checkbox"/> Protection and feedback of consumers' benefits</li> <li><input type="checkbox"/> Enhancement of operating efficiency</li> <li><input type="checkbox"/> Influence to media relevant market</li> <li><input type="checkbox"/> Other matters that the regulatory agency deems to facilitate the public interest.</li> </ul> </li> <li><input type="checkbox"/> Investment from the PRC is prohibited. Cross-ownership among broadcasting business operators is subject to general competition laws. In addition, the Cable Radio and Television Act stipulates that the total number of subscribers of a cable TV operator as well as its affiliates and directly or indirectly controlled cable TV operators, shall not exceed one-third of the total number of subscribers in Taiwan.</li> </ul>	<p>such as terminating individual channels, not applying for the operation of news and financial channels or channels for the production of news programmes for a period of time after the consolidation, or disposing of all or a portion of the shareholdings or capital contribution of individual channels that they hold or acquire. The aim of these measures is to eliminate or reduce the dominating influence of channels on public opinion after consolidation.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> While the proposal has not been discussed in the Legislative Yuan since 2019 due to its high controversies, there is potential development regarding the media cross-ownership issue. Currently, the Cable Radio and Television Act requires a cable radio and television system operator to report changes in ownership of up to 5% of the shares, but does not require changes in ownership of the upper echelons of the entity to be reported to the NCC unless otherwise required by law. This creates a potential regulatory loophole. To address this issue and increase transparency in the ownership of the system operator, the NCC has indicated that it will amend the related regulations in 2024.</li> </ul>
12. Retransmission arrangements <i>Including must carry and remuneration</i>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Cable operators must carry five major analogue FTA channels.</li> <li><input type="checkbox"/> No copyright licensing payments are required.</li> <li><input type="checkbox"/> No similar rules for IPTV or DTH operators.</li> </ul>	No changes.
13. Consumer protection <i>Including cooling-off period,</i>	<ul style="list-style-type: none"> <li><input type="checkbox"/> System operators are required to set up a channel carrying the system operator's name, logo, licence number, telephone</li> </ul>	No changes.

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<i>termination rights and payment mechanism</i>	<p>number of subscribers' complaint hotline, business address, a list of all channels, the licence period for each channel, and the programmes transmitted on each channel.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> The contract with the customer must include: <ul style="list-style-type: none"> <li>○ Rates and restrictions on fee adjustment;</li> <li>○ Numbers and names of channels, and the expiration date of each channel contract;</li> <li>○ Restoration of reception of terrestrial programming in certain circumstances;</li> <li>○ Compensation for certain service disruptions and cancellations;</li> <li>○ Subscribers' complaint hotlines; and</li> <li>○ Other items required by the regulator.</li> </ul> </li> </ul>	
14. Entering a new market: FAST TV	<ul style="list-style-type: none"> <li><input type="checkbox"/> No restrictions.</li> </ul>	No changes.
15. Data handling	<ul style="list-style-type: none"> <li><input type="checkbox"/> The Personal Data Protection Act (PDPA), a general law regulating the collection, processing and use of personal data in Taiwan, requires data controllers to have in place appropriate measures to prevent personal data from being stolen, altered, damaged, destroyed, lost or disclosed. The Enforcement Rules of the PDPA further provide certain technical and organisational measures that data controllers may consider adopting based on the principle of proportionality (i.e., based on the quality and quantity of the personal data involved). Moreover, pursuant to Article 21 of the PDPA, the central competent authority has the power, in its discretion, to prohibit cross-border transfers of personal data if, <i>inter alia</i>, it will prejudice any material national interest. After the PDPA amendment in 2023, the competent authority of the PDPA is the Personal Data Protection Commission.</li> </ul>	No changes.
Other country-specific information not already covered	None.	No changes.

