

# From Deregulation to Re-regulation: An Analysis of the 2025 Amendment to Taiwan's Telecommunications Management Act



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As information and communication technologies (ICT) rapidly evolve, global industries have experienced swift iteration and convergence in the past decades. To adapt to this trend and dismantle outdated regulatory restrictions, Taiwan passed the Telecommunications Management Act in 2019<sup>[1]</sup>, replacing the Telecommunications Act<sup>[2]</sup> of 1996.

This move marked a departure from the traditional model of heavily regulating the telecommunications industry as a concession-based business. The new law aimed to promote the launch of innovative services and foster fair market competition. Its fundamental goal was to deregulate, encourage innovation, and establish a more flexible and efficient regulatory framework.

However, the 2025 amendment to the Telecommunications Management Act suggests that Taiwan's telecommunications policy is shifting from openness toward a more conservative stance.

### I. Background: The 2019 Shift to a Registration-Based System

The original Telecommunications Act adopted a strict licensing system and vertical regulation, categorizing operators based on whether they owned physical network infrastructure and the specific services they offered. This rigid regime established detailed rules for each business category and imposed heavy penalties on unlicensed operators, stifling the industry's potential for innovation.

In response, the 2019 Telecommunications Management Act introduced a horizontal regulation approach, structuring the communications industry into three distinct layers: infrastructure (telecommunications networks), operations (telecommunications services), and content/application.

Furthermore, the market entry system was transformed from a licensing model to a registration model. Only service providers needing to interconnect with other operators, apply for radio frequencies, or use telecommunications numbering resources were required to register as "telecommunications enterprises." Providers of other services, like Internet Access Service Providers (IASPs) and Mobile Virtual Network Operators (MVNOs), were not required to register—a policy designed to invigorate the market by encouraging innovation and cross-industry operations.

Once registered, however, an enterprise is subject to close supervision by the National Communications Commission (NCC) and must fulfill various legal obligations, including:

- General Obligations (e.g., retaining communication records).
- Special Obligations (for specific services, such as providing emergency communications).
- Designated Obligations (cooperating with national policies like disaster response and assisting with communication surveillance).

Given these obligations and a lack of sufficient incentive, IASPs and MVNOs are unlikely to voluntarily register as telecommunications enterprises.

### II. The 2025 Amendment: Mandating Registration to Combat Fraud Crime

The 2025 amendment to Article 5 of the Telecommunications Management Act fundamentally alters this framework. It now mandates that all MVNOs and IASPs register as telecommunications enterprises and fulfill the corresponding obligations. The amended law took effect on July 2, 2025, and existing operators have a one-year grace period to complete their registration.

The primary driver for this policy reversal is the national imperative to combat fraud-related crimes.

For MVNOs, the rationale is clear. Mobile phone numbers are integral to modern life, functioning as digital identifiers for accessing financial services and engaging in economic activities. To prevent criminals from exploiting anonymous numbers, mandatory registration enables the government to enforce Know Your Customer (KYC) procedures, ensuring the verification of the end-user's identity.

For IASPs, the previous voluntary system created ambiguity regarding the total number of operators in the market. The government requires cooperation from IASPs to implement crime-fighting measures, such as restricting access to fraudulent websites under "The Fraud Crime Hazard Prevention Act"<sup>[3]</sup>, or providing "network traffic records" to judicial authorities as required by "The Communication Security and

Surveillance Act”<sup>[4]</sup>. Mandatory registration ensures all IASPs are identifiable and can be called upon to assist in these efforts.

### III. Challenges and Outlook: The "Tiered Management" Approach

Notably, the new law authorizes the NCC to implement "Tiered management", a system that allows for different regulatory requirements based on an operator's revenue, user base, and other factors. This suggests that smaller operators, which may have different risk profiles and a lesser impact on the public interest, could face more relaxed regulations. The NCC is currently drafting the specific standards for this tiered approach.

This presents a potential paradox. If the primary goal of mandatory registration is to establish a comprehensive defense against crime, allowing regulatory intensity to vary by company size could create the very loopholes the amendment aims to close. Effectively implementing a framework that is both fair to smaller businesses and robust against criminal exploitation will be a significant test of NCC.

[1]Telecommunications Management Act, Laws & Regulations Database of the Republic of China (Taiwan), <https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=K0060111> (last visited Sept. 30, 2025).

[2]Telecommunications Act, Laws & Regulations Database of the Republic of China (Taiwan), <https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=K0060001> (last visited Sept. 30, 2025).

[3]Fraud Crime Hazard Prevention Act, Laws & Regulations Database of the Republic of China (Taiwan), <https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=D0080226> (last visited Sept. 30, 2025).

[4]The Communication Security and Surveillance Act, Laws & Regulations Database of the Republic of China (Taiwan), <https://law.moj.gov.tw/ENG/LawClass/LawAll.aspx?pcode=K0060044> (last visited Sept. 30, 2025).



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