

Telecommunications - Taiwan

NCC considers spectrum trading

Contributed by **Shay & Partners**

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At the end of October 2012 the deputy chair and spokesperson of the National Communications Commission (NCC) confirmed that the NCC plans to emulate the practice in the United States and deregulate spectrum trading. The regulations will also allow for spectrum resale by bid-winning operators when 4G mobile broadband licences are released through competitive bidding, which is expected to occur in August 2013 at the earliest.

Until now, spectrum trading has not been deregulated in Taiwan, except for the transfer of spectrum used by one mobile operator to another operator through company consolidation approved by the competent telecommunications authorities.

Three out of the five NCC commissioners have openly voiced their approval of the plan to deregulate spectrum trading in 2013. Most NCC commissioners are inclined to deregulate spectrum trading so that licensed operators will have more flexibility planning their required frequencies and adjusting their business models. This will also encourage operators holding both 4G and 2G licences to accelerate the phase-out of legacy systems and upgrade to or provide advanced mobile broadband services. On November 14 2012 the NCC decided to allow incumbent 2G global system for mobile communications operators to continue to operate on their licensed bands until June 30 2017.

However, major telecommunications operators - including Chunghwa Telecom, which holds the largest market share - are not optimistic about the fast-changing policy. They have expressed concerns over whether it is realistic for the NCC to auction 4G licences and implement a spectrum trading system in less than a year when a draft regulation has not yet been made available for public consultation.

For further information on this topic please contact [Arthur Shay](#) at Shay & Partners by telephone (+886 2 8773 3600), fax (+886 2 8773 3611) or email (arthur@elitelaw.com).

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