

Mobile operator's security breach hits headlines

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On 15 January 2021 the National Communications Commission (NCC) issued an official order of recall against Taiwan Mobile, one of the country's top three mobile operators. The order concerned Taiwan Mobile's self-branded smartphone (the Amazing A32), which had been supplied by a Chinese company and was sold to more than 94,191 subscribers between April 2018 and July 2020.

On 6 January 2021 Taiwan Mobile had sent a notice to its 7,557 subscribers who used the affected smartphone, advising them that a trojan virus had been implanted during the manufacturing process in China, which eventually led to identity theft. Despite this, the NCC demanded full compensation from Taiwan Mobile for:

- the damages (actual and incidental) suffered by those who had used the affected smartphone, regardless of which operator's program they were subscribed to; and
- the attorney fees spent in defending their credit loss.

In addition, the NCC ordered an extensive recall, which must be completed by 15 March 2021.

By August 2020, up to 50 identity theft cases had been reported to the Criminal Investigation Bureau, which revealed that all of the victims were users of the affected smartphone. The trojan virus embedded in the smartphone had enabled hackers to intercept one-time password messages sent by service providers without the subscribers' knowledge and use these to conduct fraudulent transactions. The NCC was then advised to take part in a further investigation.

Although not uncommon in China, this was the first security breach involving a smartphone in Taiwan.

The NCC had published the Technical Guidance on the Security Inspection of Embedded Software on Smartphone Systems on 3 March 2017; however, this is not mandatory. In response to the increasing public concern regarding security breaches involving smartphones imported from China, the NCC has reiterated that it will further enforce the security inspection of Chinese smartphones to ensure that this does not happen again.

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