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| Title :       | Electronic Game Arcade Business Regulation Act <b>Ch</b>  |
| Date :        | 2016.12.28  |
| Legislative : | 1.Promulgated on February 3, 2000<br>2.Amended on March 12, 2009<br>3.Amended on June 10, 2009<br>4.Amended on December 28, 2016  |
| Content :     | <p><b>CHAPTER I GENERAL PRINCIPLES</b></p> <p><b>Article 1</b><br/>This Act is duly codified to regulate the electronic game arcade businesses, and to safeguard social peace, good custom, public safety as well as physical and mental health of the people.</p> <p><b>Article 2</b><br/>Governing authorities as stated in this Act refer to the Ministry of Economic Affairs in the central government, the centrally-governed city governments in centrally-governed cities, and the county (city) governments in counties (cities).</p> <p><b>Article 3</b><br/>An electronic game arcade business as stated in this Act refers to a profit-seeking enterprise that places electronic game arcades for education and entertainment of non-specified persons.</p> <p><b>Article 4</b><br/>Electronic game arcades as stated in this Act refer to amusement machinery that is controlled by use of electricity, electronics, computer, mechanics or other similar methods to generate or display sounds, lights, images, graphics or motions, or amusement machinery that controls injection of steel balls or steel sheets by the aforesaid methods, except for machinery not built in by images or graphics and solely provided for riding of children. Electronic game arcades set forth in the preceding Paragraph may not contain any design or device of gambling or offenses against morals, and are categorized as follows:<br/>(1)Education category.<br/>(2)Steel ball category.<br/>(3)Entertainment category.<br/>The categorization standard set forth in the preceding Paragraph shall be established by the central governing authority.</p> <p><b>Article 5</b><br/>Operations of electronic game arcade businesses are rated as follows:<br/>(1)General rate: It refers to operations only placing education-category electronic game arcades for the entertainment of children, teenagers and the general public.<br/>(2)Restricted rate: It refers to operations placing steel-ball-category or entertainment-category, or supplementally placing education-category electronic game arcades solely for the entertainment of people over the age of eighteen.<br/>An electronic game arcade business may not operate under mixed business rates in the same place of business.<br/>The standard for determining the same place of business as stated in the preceding Paragraph shall be established by the central governing authority.</p> |

## CHAPTER II REGISTRATION AND REVIEW

### Article 6

A manufacturer, importer or software development vendor of electronic game arcades shall apply with the central governing authority for issuance of categorization review papers for the software before production or import; it shall also apply with the central governing authority for inspection upon shipping or importing, where the qualified products will be issued the machinery category identification certificate, except for production of electronic game machines exclusively for export.

For the inspection set forth in the preceding Paragraph, the central governing authority may entrust relevant organizations for assistance. To perform the categorization review set forth in Paragraph 1, the central governing authority shall establish a review committee, of which the organization and review operating procedure shall be established by the central governing authority.

The central governing authority shall finalize the decision regarding the categorization review and announce the result of the categorization review within thirty days from the day it accepts the review application.

The manufacturer or importer set forth in Paragraph 1 shall apply for inspection on machine configuration in accordance with the Commodity Inspection Act.

### Article 7

An operator of electronic game arcade business may not display or use electronic game arcades that have not been reviewed, categorized and announced by the central governing authority, and may not arbitrarily modify electronic game arcades that have been reviewed and categorized. For the electronic game arcades of which the machinery configuration or software has been modified, it shall be considered a new machine model, and shall immediately apply for inspection and categorization review in accordance with pertinent rules.

### Article 8

In the course of application to set up an electronic game arcade, its place of business shall comply with the following rules:

- (1) For the place of business that is located in an area where urban planning is enforced, it shall comply with the Urban Planning Act and the rules governing zoning of urban land; for the place of business in a non-urban-planning area, it shall comply with the Area Planning Act and the rules governing control on use of non-urban land.
- (2) The structure and equipment of the building for the place of business shall comply with construction laws and regulations.
- (3) Fire safety equipment in the place of business shall comply with fire safety laws and regulations.

### Article 9

The place of business of an electronic game arcade business shall maintain a distance of no shorter than fifty meters from any junior high or elementary school, high school, vocational school, or hospital.

The distance set forth in the preceding Paragraph shall be linearly measured against the closest two points between borderlines of the two construction sites.

### Article 10

An operator of electronic game arcade business shall conduct company or business registration; the name and business items of the company or business shall clearly state that it is an electronic game arcade business. The preceding Paragraph regarding the name also applies when the company or business files for registration of change for increase of business items of the electronic game arcade business.

### Article 11

After an electronic game arcade business has completed company or business registration in accordance with law, it shall fill an application,

attached by documents confirming that its place of business complies with Article 8 Subparagraph (1) and Subparagraph (2), to apply for issuance of the business rating certificate for electronic game arcade business and conduct registration of the following matters with the governing authority in the centrally-governed city or the county (city) before it may commence operations:

- (1) Name of the electronic game arcade business.
- (2) Business rating.
- (3) Machinery category.
- (4) Representative, if the electronic game arcade business is organized as a company; person-in-charge, if it is organized as a business.
- (5) Manager of the place of business.
- (6) Address and area of the place of business.

Only one electronic game arcade business may be set up under the same door plate.

When registered matters set forth in Subparagraphs of Paragraph 1 incur any change, registration of change shall be completed in advance.

When the governing authority voids or revokes company or business registration matters of an electronic game arcade business in accordance with law, the authority shall simultaneously void or revoke its business rating certificate for electronic game arcade business.

#### Article 12

For the person-in-charge or the manager of the place of business of an electronic game arcade business that incurs any of the following situations, he or she may not assume the position; for the said person that has assumed the position, he or she shall certainly be dismissed:

- (1) The person has no legal capacity, has limited legal capacity, or has been declared under assistance.
- (2) The person has committed a crime prescribed by the Organized Crime Prevention Act or the Statute Governing the Control and Prohibition of Gun, Cannonball and Knife, and has been convicted under final and unappealable judgment.
- (3) The person has committed a crime under Chapter XVI of the Criminal Code regarding offenses against sexual autonomy, under Chapter XVI-1 of the Code regarding offenses against morals, under Chapter XVII Articles 240 to Article 243, Chapter XXI Article 268 or Chapter XXVI Article 298 Paragraph 2, under the Child and Youth Sexual Transaction Prevention Act, or Child and Youth Sexual Exploitation Prevention Act, where it has been less than five years since he or she was convicted under final and unappealable judgment with the sentence enforced or since he or she was granted a pardon, or where he or she was declared a suspended-sentence that has not yet expired.
- (4) The person has committed a crime under the Tobacco and Narcotics Clearance Act or the Anesthetic Drug Regulation Act, where it has been less than five years since he or she was convicted under final and unappealable judgment with the sentence enforced or since he or she was granted a pardon, or where he or she was declared a suspended-sentence that has not yet expired.
- (5) The person has committed a crime under the Narcotics Hazard Prevention Act, where it has been less than five years since he or she completed observation, abstention, correction or mandatory treatment, or was convicted under final and unappealable judgment with the sentence enforced or since he or she was granted a pardon, or where he or she was declared a suspended-sentence that has not yet expired.
- (6) The person has been finally and unappealably sentenced for imprisonment of not less than five years, where it has been less than five years since the sentence was enforced or a pardon was granted.
- (7) The person has operated an electronic game arcade business, where it has been less than three years since its profit-seeking enterprise registration, business rating certificate or business rating certificate for electronic game arcade business was voided or revoked.

In any of the events provided by Subparagraphs of the preceding Paragraph, the electronic game arcade business shall make improvement within fifteen days from the day following the day the fact occurs; for the arcade business that fails to make improvement by the specified deadline, the governing authority in

the centrally-governed city or the county (city) shall order it to make improvement by another deadline; for the arcade business that fails to make improvement by the deadline, its business rating certificate for electronic game arcade business and company or business registration shall be revoked.

### CHAPTER III REGULATION

#### Article 13

An electronic game arcade business that has been issued the business rating certificate for electronic game arcade business shall purchase public accident liability insurance for its place of business before commencing operations, and shall renew the insurance within the period of operations; the required insurance scope and coverage shall be set by the central governing authority.

#### Article 14

An electronic game arcade business may provide prizes for customers to exchange or receive from directly handling the machine; the value of the prize in a restricted-rate electronic game arcade for each exchange or receipt may not exceed two thousand New Taiwan Dollars (NT\$2,000); the value of the prize in a general-rate electronic game arcade for each exchange or receipt may not exceed one thousand New Taiwan Dollars (NT\$1,000).

An electronic game arcade business that conducts exchange may not engage in conduct under the following Subparagraphs:

- (1) Provide cash, negotiable securities or other currencies as the prize.
- (2) Purchase back the prize provided to the customer.

The value of the prize for exchange shall be based on the original purchasing invoice held by the operator.

The governing authority may adjust the upper limit of the prize value year by year based on commodity price fluctuation.

A non-for-profit public interest organization given approval of the central governing authority may operate public interest buyout stores to buy out prizes exchanged from restricted-rate electronic game locations.

#### Article 15

One who does not hold the business rating certificate for electronic game arcade business in accordance with this Act may not operate any electronic game arcade business.

#### Article 16

Any other profit-seeking enterprise that is not an electronic game arcade business may not offer its place of business for other people to place electronic game machines for operations.

#### Article 17

An operator that runs an electronic game arcade business shall abide by the following items of rules:

- (1) A general-rate electronic game arcade shall prohibit entry and stay of persons under the age of fifteen during school hours and after 10 p.m.
- (2) A restricted-rate electronic game arcade shall prohibit entry of persons under the age of eighteen.
- (3) It shall hang the business rating certificate for electronic game arcade business on an obvious spot of the place of business.
- (4) Marking business grade and age limit at the prominent place of entrance of the business premises.
- (5) It may not use real coins, credit cards, debit cards, cash cards, stored-value cards, or other electromagnetic records or chips used for debiting, withdrawing, transferring or paying on electronic game machines; the size, type or weight of tokens for entertainment use may not be identical or similar to that of real coins.
- (6) Activities involved with gambling, impairing decency or other criminal conducts are not allowed.

In performing the requirements of the previous Paragraph, employees of an electronic game arcade business may ask consumers to present proof of age.

#### Article 18

An electronic game arcade business or its place of business that voluntarily ceases operations for over one month shall file a report with the governing authority in the centrally-governed city or the county (city) before it ceases operations; the same rule applies when it resumes operations.

#### Article 19

An electronic game arcade business that is dissolving or terminating operations shall file a report with the governing authority in the centrally-governed city or the county (city) within fifteen days from the day following the day the fact occurs, and shall return for voidance the business rating certificate for electronic game arcade business.

#### Article 20

The governing authority in a centrally-governed city or a county (city) may periodically or non-periodically dispatch its personnel to inspect operations of an electronic game arcade, and the person-in-charge of the electronic game arcade business, the manager of the place of business or its employees may not avoid, hinder or reject the inspection.

When the governing authority in a centrally-governed city or a county (city) conducts the inspection set forth in the preceding Paragraph, it may invite related agencies such as urban planning, construction regulation, fire safety, environmental protection, and health to cooperate in the inspection, and may seek assistance from the police department when necessary.

Personnel that conduct the inspection set forth in Paragraph 1 shall take the initiative to present identification documentation.

#### Article 21

An electronic game arcade business may not place electronic game arcades that have been banned via public announcement before this Act comes into force for entertainment of customers.

### CHAPTER IV PENAL PROVISIONS

#### Article 22

For any arcade business in violation of Article 15, the wrongdoer shall be penalized by imprisonment of not more than one year or detention, or imposed by or jointly imposed by a fine of not less than five hundred thousand New Taiwan Dollars (NT\$500,000) but not more than two million and five hundred thousand New Taiwan Dollars (NT\$2,500,000).

#### Article 23

For any manufacturer, importer or software development vendor of electronic game arcades in violation of Article 6 Paragraph 1, its person-in-charge or the wrongdoer shall be sanctioned by a fine of not less than two hundred thousand New Taiwan Dollars (NT\$200,000) but not more than one million New Taiwan Dollars (NT\$1,000,000).

For any business in violation of Article 6 Paragraph 5, it shall be sanctioned in accordance with the Commodity Inspection Act.

For any arcade business in violation of Article 7 Paragraph 1, its person-in-charge or the wrongdoer shall be sanctioned by a fine of not less than one hundred thousand New Taiwan Dollars (NT\$100,000) but not more than five hundred thousand New Taiwan Dollars (NT\$500,000).

#### Article 24

For any arcade business in violation of Article 11 Paragraph 2 or Paragraph 3 regarding application for registration of change, its person-in-charge shall be sanctioned by a fine of not less than fifty thousand New Taiwan Dollars (NT\$50,000) but not more than two hundred and fifty thousand New Taiwan Dollars (NT\$250,000), and it shall be ordered to make improvement by a specified deadline; for the arcade business that fails to make improvement by the deadline, it may be sanctioned consecutively for each day of violation.

#### Article 25

For any arcade business that arbitrarily changes the business rate or machinery category of the electronic game arcade, or operates under mixed business ratings, its person-in-charge shall be sanctioned by a fine of not less than two hundred thousand New Taiwan Dollars (NT\$200,000) but not more than one million New Taiwan Dollars (NT\$1,000,000), and it shall be ordered to make improvement by a specified deadline; for the arcade business that fails to make improvement by the deadline and still continues to operate, its business rating certificate for electronic game arcade business and all or part of its company or business registration matters shall be revoked.

#### Article 26

For any arcade business in violation of Article 13 by failing to purchase public accident liability insurance, failing to renew insurance upon expiration of the insurance term, canceling insurance without cause after purchasing insurance, or failing to meet the insurance scope or coverage required by the central governing authority, its person-in-charge shall be sanctioned by a fine of not less than two hundred thousand New Taiwan Dollars (NT\$200,000) but not more than one million New Taiwan Dollars (NT\$1,000,000), and it shall be ordered to make improvement by a specified deadline; for the arcade business that fails to make improvement by the deadline, its business rating certificate for electronic game arcade business and all or part of its company or business registration matters shall be revoked.

#### Article 27

For any arcade business in violation of Article 14, its person-in-charge shall be sanctioned by a fine of not less than two hundred thousand New Taiwan Dollars (NT\$200,000) but not more than one million New Taiwan Dollars (NT\$1,000,000); for the arcade business that is suspected of involving in gambling, it shall be moved to the law enforcement agency for further proceeding in accordance with law.

#### Article 28

For any arcade business in violation of Article 16, the wrongdoer shall be sanctioned by a fine of not less than one hundred thousand New Taiwan Dollars (NT\$100,000) but not more than five hundred thousand New Taiwan Dollars (NT\$500,000), and it shall be ordered to make improvement by a specified deadline; for the arcade business that still fails to make improvement by the deadline, it shall be sanctioned consecutively for each violation until it makes improvement.

#### Article 29

For any arcade business in violation of Article 17 Paragraph 1 Subparagraph (1) or Subparagraph (2), its person-in-charge shall be sanctioned by a fine of not less than two hundred thousand New Taiwan Dollars (NT\$200,000) but not more than one million New Taiwan Dollars (NT\$1,000,000); for any arcade business in violation of Article 17 Paragraph 1 Subparagraph (3) or Subparagraph (4), its person-in-charge shall be sanctioned by a fine of not less than fifty thousand New Taiwan Dollars (NT\$50,000) but not more than two hundred and fifty thousand New Taiwan Dollars (NT\$250,000), and it shall be ordered to make improvement by a specified deadline; for the arcade business that still fails to make improvement by the deadline, it shall be sanctioned consecutively for each violation until it makes improvement.

#### Article 30

For any arcade business in violation of Article 17 Paragraph 1 Subparagraph (5), its person-in-charge shall be sanctioned by a fine of not less than one hundred thousand New Taiwan Dollars (NT\$100,000) but not more than five hundred thousand New Taiwan Dollars (NT\$500,000), and it shall be ordered to make improvement by a specified deadline; for the arcade business that still fails to make improvement by the deadline, it shall be sanctioned consecutively for each violation until it makes improvement.

#### Article 31

For any arcade business in violation of Article 17 Paragraph 1 Subparagraph (6), the governing authority in the centrally-governed city or the county (city) shall order it to cease operations, and shall suspend accepting its application for registration of change for company or business name and representative or person-in-charge. For the arcade business that has been convicted under final and unappealable judgment by the Court, its business rating certificate for electronic game arcade business and all or part of its company or business registration matters shall be revoked.

#### Article 32

For any arcade business in violation of Article 18, its person-in-charge shall be sanctioned by a fine of not less than fifty thousand New Taiwan Dollars (NT\$50,000) but not more than two hundred and fifty thousand New Taiwan Dollars (NT\$250,000).

#### Article 33

For any arcade business in violation of Article 19, its person-in-charge shall be sanctioned by a fine of not less than fifty thousand New Taiwan Dollars (NT\$50,000) but not more than two hundred and fifty thousand New Taiwan Dollars (NT\$250,000), and it shall be ordered to return for voidance the business rating certificate for electronic game arcade business by a specified deadline; for the arcade business that still fails to return the certificate for voidance by the deadline, the certificate shall be voided via public announcement.

#### Article 34

For any arcade business in violation of Article 20 Paragraph 1 that avoids, hinders or rejects the inspection, its person-in-charge shall be sanctioned by a fine of not less than one hundred thousand New Taiwan Dollars (NT\$100,000) but not more than five hundred thousand New Taiwan Dollars (NT\$500,000).

#### Article 35

For any arcade business in violation of Article 21, its person-in-charge or the wrongdoer shall be sanctioned by a fine of not less than five hundred thousand New Taiwan Dollars (NT\$500,000) but not more than two million and five hundred thousand New Taiwan Dollars (NT\$2,500,000), and its business rating certificate for electronic game arcade business and all or part of its company or business registration matters shall be revoked, with its machinery simultaneously forfeited and destroyed; for the arcade business that is suspected of involving in gambling or offenses against morals, it shall be moved to the law enforcement agency for further proceeding in accordance with law.

#### Article 36

Unless provided by Article 23 Paragraph 2, the fine and forfeiture prescribed by this Act shall be executed by governing authorities in centrally-governed cities and counties (cities).

#### Article 37

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### CHAPTER V SUPPLEMENTARY PROVISIONS

#### Article 38

An electronic game arcade business that has already held the profit-seeking enterprise registration certificate before the articles of this Act amended on January 6, 2009 come into force shall apply for the business rating certificate for electronic game arcade business in accordance with Article 11 within six months from the day of implementation of the amendment of this Act; for the arcade business that fails to file the application by the specified deadline, its registration of electronic game arcade business shall be revoked.

Article 39

This Act shall come into force on the day of promulgation.

For the articles of this Act amended on January 6, 2009, their date of implementation shall be set by the Executive Yuan.