

**Developments in the Law in 2017:
Corporate Law and the Securities Exchange Act**

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Abstract

In 2017, there were no concrete new revisions in Corporate Law and the Securities Exchange Act, but the process of the revising Corporate Law was certainly in full swing. The revised amendment was finally promulgated in 2018. The revision concerned was first promoted through a committee in which the relevant industries, officials and universities proposed and composed an overall revision of corporate law. However, the committee that had cooperated with the officials stopped participating in the work because of their differences of opinion about the goals and procedures of the revision. The officials finished this work without the committee's cooperation. In view of this disagreement, we should perhaps devise a new framework for revision work in which all the different opinions can be collected on the same platform, which would allow parties holding different stances to negotiate reasonably and constructively. Even when the results of the revision do not satisfy all the parties concerned, this kind of framework would be a better way to persuade the parties to accept this bill.

Regarding judicial and practical developments, this paper focuses on the following high-profiled cases and judgments. First, the Datung case involved certain issues that arose from the then-current nomination system for director candidates and these issues might be resolved through the forthcoming revised regulations. Second, the TPPC case gave rise to three legal issues. The first is related to the chairman of

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the board who is the only party entitled to convene board meetings. The second issue concerns whether the legitimacy of the shareholders' meeting convened by a certain supervisor would be affected by his or her discharge. The third issue is that the proxy could be used to interfere the shareholders' meeting. Some of the issues invoked the regulations to be revised afterwards. Regarding the director dismissal rule, the Supreme Court maintained the lower courts' recent opinions on the Securities and Futures Investors Protection Center's litigation. It is worth noting that these opinions would be adopted regardless of whether a company is nonlisted. The other new development that requires attention is that the high court held that the scope of the shareholders who should be responsible for the corporate creditors could be broader as applied the disregard of corporate entity. It is noteworthy that this opinion is applied either to all the cases or only the specific case. In addition, the new regulations for confiscation have been in effect, which has changed the accounting method by which the cost should not be deducted in the case of insider trading. The Supreme Court has applied the new rule, but there is still no unified opinion about the accounting method.

Keywords: revision of Corporate Law, nomination of director candidates, entitlement to convene board meetings, convening the shareholders' meeting by supervisor, director dismissal by judgment, disregard of corporate entity, profit from insider trading