

## Developments in the Law in 2022: Corporate Laws and Securities Exchange Laws

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### Abstract

This article selects and analyzes certain themes in the development of company law and securities exchange regulations in 2022. In recent years, numerous cases have come to light exposing the issues of piercing the corporate veil or disregarding the corporate entity, with the courts' reasoning showing similarities. Often, their interpretations deviate significantly from the provisions of the Company Act. One particularly noteworthy case is a 2022 Supreme Court judgment that directly denied the corporate separate personality to enforce a contract. Apart from this, the topic discussed in this article includes the transformation of directors' duty of care into the duty of oversight. In modern corporations, most directors do not actually engage in the daily business operations of the company. Therefore, the concept of directors fulfilling their duty of care cannot be based on the traditional criterion of directly executing company operations. Instead, it is now determined by whether directors have established effective internal control systems and whether these systems operate properly. In our legal context, there is still no stable consensus on this shift, so this article discusses both U.S. law and our judicial judgments on the matter. This article also addresses common issues, such as using someone else's name for registration, and the challenge of distinguishing between direct and derivative lawsuits.

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In 2022, the majority of securities law cases revolved around financial statement misrepresentation and insider trading. Despite misrepresentation evolving over the years, and most of the courts accepting the fraud-on-the-market theory as a means of proof, the Supreme Court surprised many by separating misrepresentation of financial statements from US law and aligning it with the path of tort under German and Taiwanese Civil Law. This article delves into a discussion and critique of this change. Finally, various phenomena related to the contest for control of companies in the capital market, including the removal of the chairman through temporary motions and the independent directors convening extraordinary shareholder meetings to remove directors with opposing views, have caused significant market unrest. In response, the competent authority has amended relevant regulations in an attempt to address these issues, and this article discusses these changes.

**Keywords:** Piercing the corporate veil, disregard of the corporate entity (personality) 、 duty to monitor (duty of oversight) 、 duty of care 、 duty of loyalty 、 independent director 、 registering under someone else's name 、 audit committee 、 misrepresentation of financial statements 、 fraud-on-the-market theory