

## **Development in the Law in 2023: Corporate Law and Securities Exchange Laws**

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### **Abstract**

This article reviews major developments in the areas of corporate law and securities regulations in the year of 2023. This article focuses on two major incidents: foreign institutional shareholders' proposal for a general meeting of Catcher Technology Co. Ltd., and the battle for corporate control of Tai-shan Co. Ltd., a food and beverage company. Both companies have a controlling shareholder or family. First, against the backdrop of Stewardship Principles promoted by the Financial Supervisory Commission in recent years, this article observes that shareholders' right to propose resolutions in general meetings might be an important pillar for institutional shareholders to engage with corporate management in the future. However, it is also clear that the management of Catcher Technology was against any proposal by outsiders. How corporate management or controlling shareholders might react to engagement by institutional investors should be considered by regulators for the Stewardship Principles to be effective in the future. Second, the battle for Tai-shan in 2023 raised many legal issues, ranging from the necessity of calling extraordinary general meetings to duties of directors and material purchase/sale of corporate assets. In addition, both sides applied for injunctions on multiple occasions, triggering several injunction decisions by the Commercial Court (some of which have been appealed to the Supreme Court). This article examines the reasonings behind those injunction decisions and considers the role of Commercial Court during a battle for corporate control. This article finds that key issues are the necessity of an injunction and damages that might be caused by such injunctions.

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The Commercial Court also seems to suggest that calling a general meeting is a last resort for independent directors after deploying other monitoring methods. However, this article also finds that the way courts consider damages caused by an injunction to suspend a general meeting is questionable, though this article generally supports the court's decisions. Last, the two cases raise common problems – corporate governance of family-owned enterprises and the succession of family ownership in a company – that worth further researches in the future.

**Keywords:** Corporate law, Securities Exchange Law, independent director, battle for corporate control, merger & acquisition, shareholder's proposal right, general meeting, Stewardship Principles, family-owned business