

**Developments in the Law in 2012:
Corporate Law and Securities and Exchange Act**

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Abstract

During 2012, many important revisions are done regarding Company Act and Securities and Exchange Act. Among them are the introduction of de facto directors and shadow directors and deregulation of distribution of paid-in and earned surpluses in terms of Company Act, and many stimulus to encourage foreign corporations to issue securities in Taiwan in terms of Securities and Exchange Act. All these revisions show that the government of Taiwan aspires to liberalize, harmonize and rationalize its Company Act and Securities and Exchange Act. On the other hand, however, judgments delivered by courts, even some of them should be applauded for their improvement in comparison with earlier judgments, often failed to recognize modern corporate governance idea and the real operation of securities markets. Many of these judgment reached their conclusions by deducing literally from relevant regulations, without taking into considerations the social developments behind them. It is expected that judgments will be more balanced by paying to the legislative purposes, not the words, of the relevant regulations.

Keywords: Company Act, corporate governance, company registration, insider trading, market manipulations, foreign companies, de facto directors, Securities and Exchange Act

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