

TAIWAN

Taiwan legislation guide



**By Jerry Chan
Wu & Partners**

Tel: +886 2 2546 2050 Fax: +886 2 2546 2036 Website: www.wuplaw.com

禾同國際法律事務所
Wu & Partners, Attorneys-at-Law

In order to set up a company in Taiwan, organisations used to have to register with the Ministry of Economic Affairs (MOEA) or the municipal governments for company registration, followed by profit-seeking enterprise registration and tax registration. In order to simplify the process, Taiwan abolished the requirement of profit-seeking enterprise registration in 2009.

Therefore, a company in Taiwan can now be set up after company registration and tax registration. However, foreign enterprises are still required to apply with the Investment Committee of MOEA before seeking company registration.

The Income Tax Law of Taiwan was amended on May 1 2009, and became effective on January 1 2010. The amendment reduced the corporate income tax rate from 25% to 20%. The threshold of taxable amount for corporate income tax has increased from NTD50,000 (US\$1,560) to NTD120,000. At the same time, certain tax ranges for personal income tax rates have been reduced from 21%, 13%, 6% to 20%, 12% and 5% respectively.

The Statute for Upgrading Industries expired on December 31 2009 after nearly 19 years of enactment. It had provided enterprises in Taiwan with numerous tax incentives such as a five-year tax exemption and tax deductions for investments, and research and development. On April 16 2010, Taiwan's law-making body the Legislative Yuan voted to pass a draft of the Statute to Encourage Industrial Innovation. Legislators aim to have this new law replace the Upgrading Industries Statute, and hope it will stimulate the country's industrial sector and provide support to small and medium-sized enterprises. Aligning with this new statute, on May 28 2010, the Legislative Yuan approved an Income Tax Act revision that reduced business income tax to 17% from 20%. The government sentiment is that lowering the business income tax will increase the competitiveness of local companies across all sectors and industries, and induce more foreign investments into Taiwan.

The Memorandum of Understanding for Financial Supervision Cooperation (the MOU) between Taiwan and China was entered into simultaneously in Taipei and Beijing by Taiwan's Financial Supervisory Commission (FSC) and China's Banking Regulatory Commission, Securities Regulatory Commission and Insurance Regulatory Commission on November 16 2009. The MOU became effective on January 16 2010.

Both the Taiwanese and Chinese sides agreed to cooperate with each other on matters relating to financial and currency supervision, and to implement measures for currency exchanges between the Taiwan Dollar and China's renminbi. Both sides will undertake measures

on information exchange, and the safeguarding of confidentiality and financial inspections regarding banking, securities, futures and insurance enterprises.

Subsequently, on March 16 2010, Taiwan's FSC announced three financial regulations regarding business operation and investment approval for banking, securities and insurance activities across Taiwan and China.

Taiwan's banks in China will now be able to upgrade their representative offices into branch offices or subsidiary banks. Furthermore, Taiwan's financial institutions will be able to undertake credit card and debit card businesses across the Taiwan Strait. Banks from China (including offshore Chinese banks) will be able to set up representative offices, branch offices and joint ventures in Taiwan, but one bank may only set up one branch office or have one joint venture operation in Taiwan. And in order to set up a branch office, the Chinese bank must have set up its representative office in Taiwan for two years or longer. The minimum operational capital of a branch office of a

The government sentiment is that lowering the business income tax will increase the competitiveness of local companies across all sectors and industries, and induce more foreign investments into Taiwan

bank is NTD250 million (US\$7.8 million). It should be noted that that portion of the regulations focusing on setting up joint ventures by banks from China is not effective yet, but is expected to become effective following implementation of the Economic Cooperation Framework Agreement (ECFA) between Taiwan and China.

The ECFA was signed between Taiwan and China on June 29 2010 together with the Intellectual Property Protection Pact, which will take effect after ratification by the Legislative Yuan.

The ECFA covers frameworks for trade in goods and services, investment protection and economic cooperation across the Taiwan Strait. The WTO dispute settlement mechanism is preserved in the ECFA. Within six months of the ECFA coming into effect, Taiwan and China will continue negotiations for substantial agreements on tariff reductions, product origin issues, non-tariff barriers, transparency in investments, protection on IP, and financial cooperation.

According to the finalised early harvest lists contained in the ECFA, a total of 539 items of Taiwanese goods and services will receive tariff cuts or improved market access. This is more than double the 267 items of goods and services included on China's list.

Banking & Finance

RECOMMENDED FIRMS
Tier 1
Baker & McKenzie
Lee and Li
Tier 2
Jones Day
LCS & Partners
Lexcel Partners
Russin & Vecchi
Tsar & Tsai
Tier 3
Chen & Lin
Formosa Transnational
K&L Gates
Liang & Partners
Yangming Partners

Baker & McKenzie

The Taipei office of international firm Baker & McKenzie is full service and enjoys an excellent reputation in the market. Clients appreciate its client-oriented approach. “Baker & McKenzie accommodates and fits itself into our shoes when providing services,” says one.

The firm houses many leading practitioners in the market, including managing partner Henry Chang, Alex Chiang, Wen-Yen Kang, banking specialist Justin Liang and M&A specialist Michael Wong.

The first-rate M&A team acted on the high profile Primus Pacific Partners acquisition of Nan Shan Life Insurance, where it advised on merger and post-merger issues as Taiwan special counsel to Primus. Australia and New Zealand Banking Group (ANZ) also instructed the firm on a similar mandate when it acquired the business of Royal Bank of Scotland in Taiwan.

On the capital markets front, the firm is advising Himax Technologies on its application for listing on the Taiwan Stock Exchange. Although a Taiwan-based company, Himax is listed on the Nasdaq and wasn't previously allowed to additionally list in Taiwan.

Banking deals saw the firm feature in the first acquisition of a new building by an existing Reit, representing Mega International Commercial Bank on the purchase of an office building and relevant syndicated loan transactions.

Corporate/M&A

RECOMMENDED FIRMS
Tier 1
Baker & McKenzie
Jones Day
LCS & Partners
Lee and Li
Tier 2
Chen & Lin
Lexcel Partners
Tsar & Tsai
Tier 3
Formosa Transnational
Formosan Brothers
K&L Gates
Russin & Vecchi
Yangming Partners

Jones Day

The banking and M&A practices of Jones Day are highly regarded in the market and the firm is the premier choice for many domestic and foreign clients. “Jones Day has a very strong international network, which makes liaising with foreign offices in other jurisdictions a lot easier,” says one client.

Managing partner Jack Huang is an eminent figure in Taipei with his years of experience in the capital markets and M&A spaces. William Bryson and Chung-Ping Liu are key partners in the banking and finance team. “William is very experienced and has a very good understanding of the banking and M&A markets,” says a client. Another client has praise for Liu: “He is very professional, very smart and responsive and he provides valuable comments quickly.”

A highlight for the firm was featuring in the first inbound cross-strait M&A transaction between two listed companies when it advised BOE Technology Group in its acquisition of K-tronics (Suzhou) Technology and the computer monitor and TV assets of Jean. The firm has also been busy on several issuances of Taiwan depository receipts (TDRs) and IPOs.

LCS & Partners

LCS & Partners has established a leading position in the M&A market and holds a respectable footing in the capital markets space. “The firm is very diligent and it works on

many deals,” notes one rival. “The LCS team is professional and a problem solver,” says a client.

Clients are quick to offer praise for Victor Chang. “He is very strategic with strong commercial views while very professional in dealing with new issues or structures in the local market. He is a tough negotiator too,” says one. Amy Chin, Mark Harty and Rich Lin are also leading partners at the firm.

One highlight M&A transaction saw the team represent ANZ in its acquisition of the retail, wealth, commercial and institutional businesses of Royal Bank of Scotland, which was the first foreign-to-foreign sale of banks in Taiwan. The firm also acted on a significant capital markets offering, representing Integrated Memory Logic as the first foreign issuer to list on the Taiwan Stock Exchange.

Lee and Li

Leading the pack in Taiwan’s legal market, Lee and Li is well-versed in all practice areas be it banking and financing work, capital markets offerings or M&A transactions. The firm is home to such leading practitioners as Chao-Tung Chang, Robin Chang, Sherry Lin, Abe Sung and Ken-Ying Tseng. Sung is said by one client to be “especially experienced in the financial services industry”, while Robin Chang is described as “a reliable banking lawyer”.

The firm frequently acts on the more sophisticated, big-ticket transactions. Some recent examples in the capital markets space include advising Want Want and Ju Teng in their issuances of TDSs. These were the first two issuances of TDSs after the regulations regarding foreign securities issuers were relaxed in 2008.

A highlight on the M&A front was advising KGI Securities in its acquisition of Taishin Securities, which resulted in KGI becoming the second largest securities firm in Taiwan. Banking and finance deals saw the team advise eight Taiwan financial institutions on the refinancing of two syndicated loans to Taiwan High Speed Rail Corporation.

Chen & Lin

Chen & Lin has a stable presence on M&A transactions and capital markets offerings and the firm has been getting involved in more banking and finance work recently. For example, on two recent occasions it advised Chinatrust Commercial Bank as lender’s counsel on syndicated loan transactions.

In a demonstration of the firm’s command of M&A deals, Chen & Lin advised Waterland Financial Holding on its acquisition of MetLife Taiwan Insurance Company, which was the first time that a financial company had expanded into the insurance industry in Taiwan through

the M&A route. Key capital markets deals saw the team feature in issuances of convertible bonds and TDRs. Che-Hung Chen and Jennifer Wang are key contacts at the firm.

Lexcel Partners

Lexcel Partners is a strong contender in the M&A market, with clients always impressed with its performance. “We were impressed by its experienced and practical advice, which helps different parties reach agreement in a short period of time,” says one. “The firm is top-notch and its knowledge of the local regulatory framework and M&A is also invaluable,” agrees another. Sue Su and Echo Yeh are held in high regard by clients.

A headline transaction saw the firm advising Taishin Securities on its merger with KGI Securities. This US\$935 million M&A deal was one of the largest in 2009. Additionally, the firm is fortifying its capital markets offering by acting on several transactions involving demergers. For example, it is advising Asustek Computer on the spin-off of Pegatron Corporation and the subsequent listings of both companies on the Taiwan Stock Exchange.

Russin & Vecchi

Russin & Vecchi is widely recognised as a powerhouse in the banking area and much of the firm’s standing emanates from the reputation of leading light Thomas McGowan. “It is a very famous firm specialised in banking for many years,” says one rival firm. “We see Tom a lot on financing transactions,” admits another.

The firm is noted for its prowess on acquisition financings. One client singled out what he finds best at the firm: “R&V is quite professional on specific areas, such as derivatives, structured products and some foreign securities investment issues.”

Tsar & Tsai

Tsar & Tsai has a long history in the market and earns the respect of many clients with its connections and experience. “The firm has many partners who have many relationships. It is important as they are able to talk to the regulators,” says one. Star lawyers in the firm include Richard Chuang, Jackie Lin and Janice Lin.

A notable M&A transaction the firm is working on is representing China Mobile on its entrance into share subscription and strategic cooperation agreements with Taiwan’s Far EasTone Telecommunications. On the capital markets front, the firm advised Wisdom Marine Lines on applying for trading on the GreTai Securities Market and on the rights issue of common shares in 2009.

Formosa Transnational

Delphine Chen leads the corporate and financial service practice group of Formosa Transnational. The firm is often found on banking and finance transactions, providing advice to financial institutions on various products. For example, it advised a bank on a cross border syndicated funding. In addition, the firm can often be seen on M&A deals in the life science and hi-technology sectors. Key practitioners include Chun-yih Cheng and Rick Lee.

Formosan Brothers

Formosan Brothers is best known for restructurings and insolvencies but the firm has been actively expanding its M&A offering. Led by Li-Pu Lee, the M&A practice advised a US-Canadian medical equipment manufacturer on the acquisition of a Taiwanese supplier company. The firm has good relationships with government authorities and was engaged by the Bankers Association to research on the Debt Settlement Act. Peter Chen and Chung-Chiang Lai are also key contacts in the group.

K&L Gates

K&L Gates is noted for its capability in the capital markets space. Demonstrating the firm's international network and its comprehension of cross-border transactions, the firm acted on the IPO of Array Network, a company based in Silicon Valley, on Taiwan's GreTai Securities Market. This June 2009 offering was the first ever IPO by a foreign company based outside Taiwan. James Chen and Jacqueline Fu are highly recommended.

Other active firms

Lee Tsai & Partners

Active in the M&A market, Lee Tsai & Partners advised Bayer Taiwan Company in the merger with Bayer CropScience in which Bayer Taiwan is the surviving company. The firm also has an office in Shanghai which enables it to work on cross-straits deals. Partner Elizabeth Pai is recommended.

Lin & Partners

Banking work is a core practice at Lin & Partners and the firm is expanding its offering to other areas of law, most recently gaming law and green technology. The firm was selected by Taiwan's Financial Supervisory Commission in June 2009 for the drafting of a financial ombudsmen scheme and it has been the sole counsel of the Bankers Association for over 10 years. George Lin is the managing partner.

PricewaterhouseCoopers Legal

Eric Tsai and Ross Yang lead the financial and corporate

practice at PricewaterhouseCoopers Legal, formerly known as Puhua & Associates. The firm advises on a full range of matters and it has access to the international network of PwC Legal.

Dispute Resolution

RECOMMENDED FIRMS

Tier 1

Baker & McKenzie
Formosa Transnational
Formosan Brothers
Lee and Li
Tsar & Tsai

Tier 2

Jones Day
LCS & Partners

Tier 3

Winkler Partners

Baker & McKenzie

Partner David Liou leads the dispute resolution practice group of Baker & McKenzie, which is well-versed in nearly all areas of disputes. The team bid farewell to partners Catherine Chen and Joseph Chang over the past year but did see the arrival of former judge Andrew Hsu and former prosecutor Jo-Fan Yu.

One client is quick to mention key partner Remington Huang. "He has done an excellent job and he was up to speed. My case was not the easiest of mandates, so I was very happy and satisfied with the firm." Of note is the firm's representation of Dell in several matters. These include investigations from Taiwan's Fair Trade Commission, the Taipei City Government and the Ministry of Economic Affairs, as well as legal proceedings from customers in relation to its 'online pricing error' incidents.

Formosa Transnational

"Formosa Transnational clearly has a very good brand in dispute resolution," says one peer. The firm's reputation is so strong that some even label it as a dispute resolution firm when it actually offers the full spectrum of legal services. Led by the well-regarded Wellington Koo, the team is most famous for litigation but also has a good name for arbitration matters. The firm represents a broad range of clients, from individuals to multinational companies, in both civil and criminal cases.

Some highlights for the firm over the past year include acting for Pacific Electric Wire & Cable in a civil action for breach of fiduciary duty, and representing a Japanese construction company in disputes arising from a construction project for Taipei MRT system.

Formosan Brothers

Formosan Brothers is a stable presence in the dispute resolution space and has fully earned its place on the first tier for another year. James Ku and Chih-Poung Liou are key partners for disputes work and the duo have experience in different areas such as maritime, bankruptcy, labour, IP and administrative remedies.

Boasting a large Japanese client base, Ku led a team advising five of the largest Japanese construction corporations in arbitration and litigation against the Taiwan government for compensation of construction costs in relation to some construction projects. Another highlight saw the firm represent a domestically-listed hi-tech company in an ICC arbitration case against a Singapore company involving a clean room project in Russia.

Lee and Li

As one of the dominant players in the Taiwanese legal market, Lee and Li has a top-notch disputes practice adding to its firm-wide excellence. The litigation practice has sub-groups in areas like constitutional law, criminal law, civil, administrative and cross-border litigation, and arbitration and alternative dispute resolution, providing comprehensive advice to clients. Some recent notable cases include defending a semiconductor company against a charge of wrongful termination brought by a former employee, and acting on several patent cases for both local and foreign clients.

Tsar & Tsai

Tsar & Tsai has a strong dispute resolution practice and is particularly noted for its capacity to act on cross-border matters. The firm also has an excellent reputation for defending commercial crime and for IP litigation. One highlight case navigated by the team in the past year saw it acting for Pacific Construction Group in litigation against an employee of Far East Group for forgery of shareholder meeting minutes and board meeting minutes of Pacific Lutong. Pacific Construction Group won the case, which resulted in the cancellation of Pacific Lutong's registration of capital increase injected by Far East Group. Key practitioners in the corporate litigation team are Edgar Chen, Jennifer Lin and Lillian Chu.

Jones Day

"Jones Day's team is familiar with both the commercial

area and litigation, which differentiates it from its peers in Taiwan," says one client. Clients speak highly of Victor Chang and Ming-Wei Lo. "They are both presentable, logical, and provide us with excellent advice," says one. "Victor spotted the issues in our cases in a very short time and simultaneously presented constructive suggestions or solutions. We trust and have full confidence in Victor's strategies and capabilities in litigation and communication." Marianne Chao and IP expert Jason Chen are also recommended.

The firm has expertise advising on insider trading and shareholder dispute matters and has been acting on more construction and financial institution disputes. One notable case was defending HSBC against charges from an institutional investor for alleged missing information in the prospectus for a collateralised bond obligation issued by HSBC.

LCS & Partners

Although LCS & Partners is best known for its commercial and corporate practice, the firm has been expanding its dispute resolution practice aggressively in recent years. It has landed mandates on many notable cases, especially in the construction and projects space. Margaret Huang is the key partner in this respect and some highlight cases saw her acting as the arbitrator and mediator in disputes in this sector.

Winkler Partners

Described by a competitor as "a very talented law firm", Winkler Partners enjoys a good position in the market. Hui-ling Chen takes charge of the dispute resolution practice and the firm is often seen as a go-to choice for foreign clients as it has US partners within the group. The team was engaged on a number of insurance cases over the past year. For example, it represented an international insurance brokerage in defamation litigation against a competitor.

Intellectual Property

RECOMMENDED FIRMS

Tier 1

Baker & McKenzie

Lee and Li

Tsar & Tsai

Tier 2

Formosa Transnational

Jones Day

Saint Island International Patent & Law Offices

Tai E International Patent & Law Office

TIPLO

Tsai Lee & Chen

Tier 3

Deep & Far

Rich IP & Co

Winkler Partners

Wood & Wu Patent and Trademark Office

Baker & McKenzie

"I would recommend Baker & McKenzie for its knowledge of local law, responsiveness and thoroughness," says one client. "To date, its advice has been practical and sound." Led by trade mark specialist Joy Pan and patent expert Grace Shao, the firm has an established foothold in Taiwan's IP space. Shao is highly recommended by clients. "Grace is highly competent, professional, knowledgeable about many areas of the law and personable," says one. "She speaks fluent English, understands differences in culture and can utilise them effectively." One highlight case saw the firm represent Sanofi-aventis in defending a patent cancellation action and suing Taiwanese companies for patent infringement at the same time.

Lee and Li

Housing leading practitioners such as Daisy Wang, TC Chiang, Dennis Huang, Joseph Yang and Cathy CW Ting, Lee and Li has a first-rate trade mark and patent prosecution and contentious practice. It is also top tier for copyright work, making it hard to argue against the firm's leading position in the Taiwanese IP market.

The firm boasts a long list of clients, which include prominent names like Micron Technology, Sandisk Corporation and Qualcomm Incorporated. A number of court cases have been keeping the team busy. For example, it advised Sanofi-aventis when it sued a local pharmaceutical company for infringing its patent. The

case lasted for more than three years with Sanofi-aventis winning a favourable judgment from The Taipei District Court in August 2009.

Tsar & Tsai

Home to market luminary Jennifer Lin, Tsar & Tsai is one of the market leaders in the Taiwan IP space. "Jennifer Lin is one of the top lawyers in the country," says one client. More talents at the firm include Edgar Chen and Joyce Ho, who together take charge of much of the contentious work.

As a full-service law firm, Tsar & Tsai has a prosecution practice but the core area of its work is litigation and dispute resolution. Some highlight cases include representing Triumph International defend a patent infringement claim, and helping Ritz-Carlton Hotel Company to object to a third party's trade mark registration. The clients won in both cases.

Formosa Transnational

Yu-Lan Kuo leads the technology law group at Formosa Transnational, which provides comprehensive IP advice and services to clients. The firm boasts a large Japanese client base and tends to focus on serving foreign clients. Notably, partner Hsiaoling Fan has passed the PRC bar exam and is triple qualified in Taiwan, China and the US. This enables the firm to provide better advice to international clients. Some work undertaken by the team in the past year includes patent infringement suits, Fair Trade Commission investigations and negotiations for copyright licences.

Jones Day

"Jones Day is a global law firm with a strong network and resources worldwide. It is capable of providing a comprehensive perspective and solutions for disputes, especially in IP and general legal fights," says one client. Another client notes that the firm has "a strong working team", instead of relying only on one lawyer for the work. In an illustration of this strength, Jones Day's Taipei office is working with its San Francisco office to defend AnMo Electronics Corporation against a patent infringement charge in the US. Jason Chen takes charge of the Taiwan IP practice while Ya-Chiao Chang is the Asia IP coordinator for the firm.

Saint Island International Patent & Law Offices

Saint Island International Patent & Law Offices houses one of the largest IP teams in Taiwan with over 380 staff. The firm's prosecution practice is among the best and counts many multinationals as clients including The Dow Chemical, Intel, Dell, Pfizer and Wyeth. Highlight cases handled by the firm include patent and trade mark

infringements and cancellation suits. For example, the firm successfully defended CK Hair International against the non-use cancellation claim of its trade mark. Patrick Yun and Frank Liu are key practitioners at the firm.

Tai E International Patent & Law Office

IP boutique Tai E International Patent & Law Office is one of the top filers for patent and trade mark applications in Taiwan reflecting the firm's broad base of local and foreign clients. Nikon, Cypress Semiconductor, Samsung and Axcelis Technologies are just some of the high profile names that turn to the firm for advice. On the litigation side, the team represented a Canadian supplier of camera equipment in a trade mark infringement case. Henry Guei is president while Perkin Liaw takes charge of the international servicing group.

TIPLO

TIPLO is known for having a broad Japanese client base. The firm handles a large number of patent and trade mark prosecutions and has patent engineers covering a range of technical areas, such as engineering, biotechnology, pharmaceutical and semiconductor. The firm has an active presence on the contentious side as well, defending clients against patent invalidation and infringement claims. JK Lin is the director and key contact at the firm.

Tsai Lee & Chen

IP firm Tsai Lee & Chen provides comprehensive IP solutions, including licensing, technology transfer and litigation, but is best known for its prosecution work. In particular, the firm is seeing more patent prosecution work from Japanese clients. Qualcomm, Nidec Copal and Konami Digital Entertainment are just some of the firm's key clients. Thomas Tsai, Victor Lee and Candy Chen are the main contacts at the firm.

Deep & Far

Led by founder and chairman CF Tsai, Deep & Far is best known for its representation of Achem Corporation in the knife-free adhesive tape case which has been locked in dispute since 1971. The firm is strongest in patent and it counts many companies from different technology sectors as clients, such as Delta Electronics, Arcadyan Technology Corporation and Aten International.

Winkler Partners

"The fact that we keep using the firm for so long shows that the experience has been quite positive," says one client of Winkler Partners. A partnership of Taiwanese and US lawyers, the firm can count many multinationals

as clients and is very active in the contentious space. Clients note that the firm "understands Taiwan's market well", and has "a high level of English ability". Key partners include Steven Hanley and Peter Dernbach. One client recommends Hanley as a "well known, long serving lawyer with a strong background in IP law in Taiwan".

Other active firms

Eiger Law

Eiger Law can trace its roots to Switzerland and its Taipei office works on many IP dispute resolution and enforcement cases for European companies. Some of its active clients include Abercrombie & Fitch, Gucci Group and Subway. "Eiger Law is so good that we want to find a law firm like this in other Asian countries that we operate in," says one client. "The firm stands out for its professionalism, thoroughness and ability to get issues identified and sorted out."

Finnegan Henderson Farabow Garrett & Dunner

US IP firm Finnegan Henderson provides US law advice for its clients. "The firm is extremely responsive and very business-friendly," says one client. "Douglas [Weinstein] is one of the top five business lawyers I know and he also understands the Chinese language." The firm is frequently involved in litigation in the US, and is defending Winbond and Nuvoton against charges of patent infringement and trade secrets misappropriation.

Orrick Herrington & Sutcliffe

"Orrick is professional and deliberate. Its service and advice are helpful," says one client of Orrick Herrington & Sutcliffe. The US firm has an office in Taipei led by Kai Tseng, and has more than 40 lawyers providing strategic IP advice and IP transactional support to many Taiwanese companies.

IT, Telco & Media

RECOMMENDED FIRMS

Tier 1

Baker & McKenzie

Lee and Li

Yangming Partners

Tier 2

Jones Day

Lee Tsai & Partners

Tsar & Tsai

Tier 3

LCS & Partners

Pamir Law Group

Shay & Partners

Winkler Partners

Baker & McKenzie

Partner Stacey Lee heads up the IT and Communications practice at Baker & McKenzie, which receives warm plaudits from clients. "It is very good and is always professional. The advice is clear and the lawyers come back promptly in answering our queries." TMT clients include Skype, Iridium and Chunghwa Telecom. A notable transaction handled by the team recently was representing Flander OY, a Finnish IT services company, in its multi-jurisdictional merger with Symbio Group.

Lee and Li

Lee and Li is highly visible in the TMT sector, advising on matters from regulatory compliance to M&A transactions. Its robust presence and excellent reputation in the Taiwan legal market has always attracted companies from all industries, including those in the telecommunications and technology sectors. For example, Ralink Technology Corporation engaged the firm in its stock-for-stock merger with TrendChip Technologies Corporation. Apart from commercial work, Lee and Li has, throughout the years, got involved in the telecom and media regulatory reform process to help create a more friendly environment in Taiwan. This helps the firm better represent its clients' interests. Christina Chao and James Chen are key contacts at the practice.

Yangming Partners

Yangming Partners has one of the most respected and focused TMT practices in Taiwan. A team of lawyers dedicate their time to TMT work, including three partners

Robert Lee, Fran Wang and Eddie Chan. Lee heads up the group and is held in high regard in the market. With extensive experience on many fields in this sector, the firm is particularly known for regulatory, licensing, joint venture and contracts. Its clients include many of the leading players and the team continues to act for several of the largest fixed-line and mobile telecommunications operators in the world in respect of Taiwan's telecommunications regulatory environment. Additionally, the team often acts on TMT-related M&A transactions and litigation cooperating with other groups within the firm.

Jones Day

Although Jones Day does not really house a dedicated TMT group, it frequently gets involved in disputes, M&A transactions and capital market offerings with a TMT element to them. For example, the firm is defending D-Link Corp, a designer and manufacturer of networking, broadband and digital electronics, against copyright and trade mark infringement claims. Another highlight saw it advise Walsin Lihwa Corporation in its acquisition of the equity interests of Miradia Inc., a manufacturer of micro-electro-mechanical system products.

Lee Tsai & Partners

Complemented by its IP practice, Lee Tsai & Partners has a strong record acting for clients in the technology sector. Some of the firm's IP and TMT clients include high profile names such as Lenovo Technology, IBM, Acer and BenQ. In addition, the firm has a dedicated media and entertainment practice and advises on a range of work such as broadcasting rights, B2B and business-to-consumer distribution, e-commerce and regulatory compliance. Senior partner Jaclyn Tsai is a former general counsel of IBM Greater China Group and has extensive experience and connections in the market.

Tsar & Tsai

Tsar & Tsai is normally to be found on M&A deals that have a telecommunications or information technology element to them, utilising its experience with cable laws, satellite laws and information technology services, licences and bids. The firm advised Mitsui & Co in its acquisition of 85% of the shares of ShopNet, which is the operator of the VIVA home shopping channel in Taiwan. The deal also involved obtaining business combination approval from Taiwan's Fair Trade Commission.

Winkler Partners

Steven Hanley spearheads the TMT practice at Winkler Partners, and it is one of the core areas of the firm's work. As a partnership between Taiwanese and US lawyers, the

firm is often engaged in Taiwan-US cross-border matters. One highlight saw the firm represent a US-based maker of biometric security modules on its acquisition of the Taiwan branch and business of a competitor. Hanley has experience working in Silicon Valley and comes highly recommended.

Labour & Employment

RECOMMENDED FIRMS

Tier 1

Baker & McKenzie

Lee and Li

Tier 2

Formosan Brothers

Jones Day

LCS & Partners

Ming-Li Law Firm

Tsar & Tsai

Baker & McKenzie

Baker & McKenzie has one of the largest labour and employment groups in Taiwan and provides an extensive array of services for clients such as Wells Fargo Bank, Oracle and McDonald's. One client notes that the firm is "professional and gives responses to inquiries on a timely basis". Head of department Seraphim Mar has many years of experience in labour and employment law matters and is a highly respected figure in the market. Howard Shiu and his team are also recommended.

A key matter saw the firm represent Eli Lilly and Company in structuring employment issues for promotional activities. Bakers is also assisting in the employee transfer between Oracle Taiwan and Sun Taiwan.

Lee and Li

"The firm is very good, very professional and gives timely responses," says one client of Lee and Li. "Lawrence Yu has in-depth knowledge of labour law. I am most impressed by the firm's ability to address issues quickly."

The firm advises on general labour and employment issues as well as on related disputes and litigation. For example, it is representing the largest life insurance company in Taiwan in a dispute with the labour union over a provident fund issue. It is also defending a semiconductor company against a charge of wrongful termination brought by an ex-employee.

Formosan Brothers

Formosan Brothers is one of the leading law firms in Taiwan for labour and employment matters. A number of partners focus their practice in this area including Chih-Poung Liou, who is president of the Taiwan Labour Law Association.

The firm was appointed by the government to draft the standard workplace rules in Chinese, Japanese and English, to be referenced by corporations, demonstrating its status in the market. It is also strong for litigation, and in one case represented a Taiwanese corporation in litigation over insufficient salary claims after the restructuring of the corporation.

Jones Day

Jones Day's labour and employment practice focuses on providing general advisory work and receives support from other departments for disputes. A selection of its clients include Sierra Wireless, Wal-Mart Stores and Woodward Governor Company. "Jones Day was extremely responsive via email and conference calls," says one client, describing a recent experience. "It was diligent in pre-work, enabling it to give us the best advice and options. The representatives also had good follow-through and follow-up." Louis Liu and William Hsu were recommended for being "very professional, knowledgeable and capable for the situation we were working through".

LCS & Partners

LCS & Partners is best known in the M&A space although its employment group complements this strength and is often found providing related advice on M&A deals. An example in the past year saw it advising a foreign banking group on issues such as labour transfer, mass redundancy and pension arrangement when it acquired the business of another foreign bank in Taiwan. The firm also acts on labour and employment disputes. Margaret Huang is the key contact of the group.

Ming-Li Law Firm

The respective names of Ming-Li Law Firm and its lead practitioner Jin Quan Chen are frequently mentioned by peers for their highly-focused labour and employment capability. The firm handles a large number of employment-related cases and mainly operates in Chinese, representing domestic clients. Chen is also active in academic and governmental organisations.

Tsar & Tsai

Clients praise the ability of Tsar & Tsai to provide a one-stop-shop service, and its labour and employment practice is one of the strengths they appreciate the most.

Apart from advisory work the firm is often involved in employment-related disputes, and over the past 12 months was kept especially busy in the insurance sector. The team represented AXA in defending employment-related claims initiated by its former insurance agents. It is also defending PCA Life Assurance in a number of suits initiated by its former insurance agents for matters such as wage compensation and severance payment. CY Huang is the key contact in these cases.

Tax

RECOMMENDED FIRMS

Tier 1

Baker & McKenzie

Lee and Li

Tier 2

Jones Day

PricewaterhouseCoopers Legal

Tsar & Tsai

Baker & McKenzie

The tax group at Baker & McKenzie is a key component of the integrated legal services that the firm provides to clients. The team is regularly involved in tax work for banks and in tax planning on M&A transactions where it is able to handle cross-border matters. Western Digital, Apple, Broadcom, NVIDIA and Texas Instrument are some of the firm's key clients.

A sample of its work saw it being retained by Chi-Mei Optoelectronics to provide legal and tax advice on its merger with Innolux. This deal shows the firm's experience and ability to handle all areas of M&A, including structuring and implementation. Key members of the group include Michael Wong and certified public accountant Dennis Lee.

Lee and Li

Headed up by respected tax lawyers Josephine Peng and Frank Lin, the tax practice at Lee and Li is one of the go-to firms for Citigroup Global Markets, Goldman Sachs, Morgan Stanley and Accenture.

Combined with its excellent dispute resolution practice, the tax team has been busy on several tax disputes over the past year. For example, it advised a motor importer on matters relating to customs valuation and helped the client settle the case with Customs. In another case, the firm assisted a multinational telecommunications

company obtain a tax exemption approval and avoid a US\$1.7 million penalty in a dispute.

Jones Day

Thanks to its international network, Jones Day is a premier choice in Taiwan for cross-border high value tax planning on corporate transactions with a standout presence in the real estate sector. In addition, the firm regularly provides tax advice on investments, financial products and employee benefits. For example, RJ Reynolds is engaging the team to advise on tax and surcharges relating to tobacco products while Yulon Motor is seeking the firm's advice on tax issues regarding overtime payment to management.

PricewaterhouseCoopers Legal

PricewaterhouseCoopers Legal expanded its team over the past year with the recruitment of partner Ross Yang and seven associates. As a member firm of the PwC international network, the firm has a close working relationship with its auditor cousins. China Petrochemical Development Corporation and High Tech Computer Corporation are just two of the firm's key clients. One highlight tax case saw the firm represent High Tech Computer Corporation to lowering the tax-exempt income.

Tsar & Tsai

Tsar & Tsai provides advice on all-aspects of tax related issues, including general advisory work, tax audit, appeals and litigation. It also enjoys a strong tax reputation counselling business transactions. Noteworthy matters handled by the firm include advising the NYSE-listed Jabil on global employee's stock options, and a compensation scheme and related tax matters. It also represented Hitachi when it applied for exemption of income tax on patent licensing royalties.