

## INTRODUCTION

**T**aiwan is surrounded by the East China Sea, Philippine Sea and the South China Sea. It is located north of the Philippines and off the southeast coast of China and is adjacent to both the Taiwan and the Luzon Straits.

In 1895, military defeat forced China to cede Taiwan to Japan. However, Taiwan reverted to Chinese control after World War II. Following Communist victory on the mainland in 1949, 2 million nationalists fled to Taiwan and established a government using the 1946 constitution drawn up for all of China. Over the next five decades, the ruling authorities gradually democratised and incorporated the native population within the governing structure. In 2000, Taiwan underwent its first peaceful transfer of power from the Nationalist to the Democratic Progressive Party. Throughout this period, the island prospered and became one of East Asia's economic tigers. The dominant political issues continue to define relationships between Taiwan and China – specifically the question of eventual unification – as well as domestic political and economic reform.

Today Taiwan operates under a multiparty democratic regime headed by an elected president and unicameral legislature. There are almost 23 million people, of whom 84 percent

are Taiwanese (including Hakka), 14 percent are mainland Chinese and 2 percent are aborigine. Approximately 93 percent of the population is Buddhist, Confucian or Taoist, with a further 4.5 percent Christian. The official language is Mandarin, although Taiwanese and Hakka dialects are spoken.

### Economic outlook

Taiwan has a dynamic capitalist economy with gradually decreasing government guidance for investment and foreign trade. In keeping with this trend, some large government-owned banks and industrial firms are being privatised. Exports have provided the primary impetus for industrialisation. The trade surplus is substantial and foreign reserves are the world's third largest. Agriculture contributes less than 2 percent to GDP, down from 32 percent in 1952 and Taiwan is a major investor throughout Southeast Asia. China has overtaken the US to become Taiwan's largest export market. Because of its conservative financial approach and its entrepreneurial strengths, Taiwan suffered little compared with many of its neighbours from the Asian financial crisis in 1998. The global economic downturn, combined with problems in policy coordination by the administration and bad debts in the banking system, pushed Taiwan into recession in 2001, the first year of negative growth ever recorded.

Strong trade performance has since pushed Taiwan's GDP growth rate to an average 4.9 percent, between 2003-2007. But, the index of leading economic indicators, which forecasts conditions over the next three to six months, predicts that the economy will slow in 2008. In response, the governing KMT will seek to secure free-trade agreements with Taiwan's trading partners, including Singapore and the US, to bolster revenue. The success of this policy will of course ultimately depend on whether China gives these countries tacit approval. Real GDP

- Taiwan ranks 13th in the World Competitiveness Scoreboard 2008, gaining five places since 2007
- Taiwan's main industries include electronics, petroleum refining, armaments, chemicals, textiles, iron and steel, machinery, cement, food processing, vehicles, consumer products and pharmaceuticals
- Under the current legal training system, a bachelor's degrees with a major in law is all that is required to make one eligible to sit for one of three law-related examinations; the judge and prosecutor exam, the public defender exam or the attorney exam.

growth is predicted to average around 4 percent in 2008-12, largely driven by domestic demand as unemployment continues on its downward trend.

**Bureaucracy and corruption**

While political corruption ranging from vote buying to nepotism and cronyism used to be prevalent, in recent years the government has stepped up the fight. The Department of Anti-Corruption under the Investigation Bureau of the Ministry of Justice is responsible for the investigation of corruption. Presently the country is a has sunk to 39th on the Transparency International's Corruptions Perceptions Index 2008, down five places from 2007.

Taiwan's bureaucracy has made quantum leaps in the last five years and polite, efficient service is available all over the country. That said, plenty of authoritarian officials remain. Although the system moves slowly, it moves. If you jump through all the hoops, you will eventually get what you want.

**Legal system**

Taiwan is a civil law country, which means it emphasises the statutory legal system rather than a case law system. The legal system ranks the Constitution above codes, statutes, and ordinances. Taiwan's highest judicial organ is the Judicial Yuan, which is responsible for supervising the administration of the various levels of the courts. It has the further responsibility of insuring the discipline of civil servants. The Judicial Yuan has 15 grand justices, of whom two are appointed by the president to serve as president and vice-president of the Yuan. Under the Judicial Yuan are the Supreme Court, the high courts, district courts, the Administrative Court, and the Commission on the Disciplinary Sanctions of Public Functionaries. In addition, there is a Council of Grand Justices made up of the grand justices of the Judicial Yuan.

**Bar Association**

The Taiwan National Bar Association is the largest association in the Taiwanese legal arena, with more than 4,000 members. It is composed of local bar associations from all over Taiwan. There is also a Taiwan Law Society. **PBP**

**PRACTITIONERS' TIPS**

**In-house counsel**

The emergence of Taiwan as a leading technology and semi-conductor manufacturing hub has paved the way for the in-house community, and an increasing number of companies are beginning to recognise the importance of employing an internal legal team. The country is only just on the turn, however, and a shocking number of firms continue to handle their own projects without the assistance of external counsel, despite the fact that they still have no internal legal team. Those that do have in-house teams report that they are doing more work in-house and that this trend will continue.

**External selection**

Significant developments in financial services practices have meant a hefty increase in new business for law firms in Taiwan and this is expected to continue in the coming months. Both recommendations and pitches are used when selecting external counsel in Taiwan, and panels are on the whole uncommon. Most of the major companies understand that they need to have a strong relationship not only with a local firm to handle their domestic needs, but also an international firm for more sophisticated transactions.

**Billing arrangements and discounts**

After two years of steady rates, law firms made inflation-adjusted hikes in fees and hourly rates in 2005, with the size of the hikes varying between 2.5 and 10 percent. While hourly billing was once the norm, today they are seen similar to hotel rack rates – something that can be negotiated. Fixed fees are becoming increasingly popular. There appears to be very little difference in the rates quoted by the top-tier local and international firms operating in Taipei. Obviously, expect to pay less for a smaller, less well-known firm. It is not unusual to request a discount after the bill has been presented.

**Billing rates per hour**

Local firm associate	US\$150-250
Local firm partner	US\$400-600
International firm associate	US\$200-350
International firm partner	US\$500-700

## COUNTRY FILE

### Banking and finance

**Alliance International Law Offices** has had a close association with international law firm Deacons since 1995 and operates as Deacons' independent Taiwan affiliate office. Partner David Lu heads up the well-respected banking and finance division.

Head of **Baker & McKenzie's** banking and finance practice Justin Liang and key partners Murray Bowler, Alex Chiang, Wen-Yen Kang, David Liou and Nicole Chu have advised on some of the largest and most complex private equity investments in Taiwan. Liang and Bee Leay Teo recently advised Mega International Commercial Bank and other lenders in a \$14.97 billion New Taiwan dollar syndicated credit facility, while Wayne Yang acted as lead partner on a transaction for Chinatrust Commercial Bank and other lenders in the grant of \$8,148 million New Taiwan dollar and US\$8.5 million loan and performance bond facilities.

**Chen & Lin Attorneys-at-Law** provide foreign and domestic banks advice on the full range of regulatory requirements in Taiwan. Clients have included Taiwan Cooperative Bank, Chinatrust Commercial Bank and the Taiwan Greater China Fund. Key partners Shelly Chen and Jennifer Wang worked on the strategic cooperation between Taiwan Cooperative Bank and BNP Paribas.

**Jones Day's** banking and finance practice is notable in size and scope. The firm represents financial institutions—including commercial, merchant, and investment banks; insurance companies; placement agents; and trust companies—as well as borrowers, lessees, and other capital users, in a broad range of commercial financing transactions. The team in Taipei has advised on several high-profile cases in this field during the past year, including the representations of BNP Paribas in connection with its Formosa Bond offering, and Industrial Bank of Taiwan in connection with the securitisation of Chi-Mei Opto-electronic's account receivables.

Mark Harty leads **LCS & Partners'** banking practice, while Dean Chiang heads up the insurance practice and David Chuang handles securitisations and REITS. The banking practice group has experience in all areas of private finance including structuring, negotiating and documenting syndicated loans, project financing, asset-based financing, securitisations, structured and other off-balance sheet financing, acquisition financing, LBOs, refinancings and restructurings. Recently, the firm has represented either the lenders or the borrowers in a number of high profile financing transactions for LBOs. David Chuang's REITS team has been especially active in the sale and purchase of major commercial build-

ings, including the BenQ office complex in Taipei's Neihu science park district.

**Lee and Li's** services in the banking field include syndication lending, project financing, aircraft financing, ship financing, derivatives, factoring, distressed assets management, consumer banking and regulatory compliance. The firm represents a number of private equity funds (including Carlyle, Oaktree, CVC and SAC) for their financing needs in connection with the M&A activities in Taiwan. The firm also frequently acts as counsel representing lenders and borrowers in secured/guaranteed/structured financing transactions and deals involving PRC subsidiaries and branches of Taiwanese companies.

**Tsar and Tsai Law Firm** is experienced in representing large banks and other financial institutions, both Taiwanese and foreign. Key partners in the banking group include CY Huang, Jackie SJ Lin, Richard Chuang, Shawn Teng and Janice Lin. Under their capable direction, the firm represented HSBC in a public bidding of the bank assets of a distressed local Chinese bank and the Longreach Group in its \$18.8 billion New Taiwan dollar investment in EnTie Bank.

**Formosa Transnational, Russin & Vecchi, Yangming Partners** and **Winkler Partners** are also recommended in this area.

### Capital markets

**Alliance International Law Offices** has extensive experience in capital markets transactions. David Lu, head of the capital markets practice, is highly regarded in this field.

**Baker & McKenzie's** capital markets group is headed by Michael Wong, who has represented such key clients as Gloria Solar International Holding Inc and Morgan Stanley. Key partners include Wen-Yen Kang, Alex Chiang and Nicole Chu. The team recently represented E Sun Financial Holding Co in its issuance of US\$200 million in European convertible bonds.

**Chen & Lin Attorneys-at-Law** offer expertise in securities laws and regulations relating to stock listings. The capital markets practice at the firm is headed by Jennifer Wang and has represented such key clients as K Laser Technology Inc, UMC Group and Harvatek Corp.

**Davis Polk & Wardwell** has one of the premier capital markets practices in Taiwan. The group advised the joint global coordinators and joint bookrunners in connection with an offering of GDSs representing the common shares of InnoLux Display Corp, raising gross proceeds of approximately US\$1.343 billion. Other key clients include ABN AMRO Bank NV, NM Rothschild & Sons Ltd and Lehman Brothers International.

**Jones Day** Taipei office lawyers have a breadth of experience in public offerings and private sales of securities, both overseas and domestically. Their capital markets practice in Taiwan for the past year includes the representations of Capxon International Electronic Com Ltd and Uni-President China Holdings Ltd in connection with their respective IPO and listing on the Stock Exchange of Hong Kong; JP Morgan in connection with Financial One Corp's IPO and listing on the Singapore Stock Exchange; and Super Micro Computer Inc in connection with its IPO in the US.

**LCS & Partners'** notable capital markets practice is divided into two areas: traditional capital markets, led by Brian Yu and securitisations, led by David Chuang. The firm's expertise in both areas are highly ranked among clients and peers. LCS commands the largest market share of securitisations transactions in Taiwan.

Led by Lilian Kou and Abe Sung, **Lee and Li's** capital market practice group has contributed to a number of major pilot or innovative deals in Taiwan. The firm has advised Taiwan Semiconductor Manufacturing Co, Innolux Display Corp, Motech Industries Inc, Asia Cement Corp, and Yuen Foong Yu Paper Mfg on their offshore offerings. It has also advised Want Want China Holdings and Solargiga Energy Holdings on their IPOs in Hong Kong. In addition to the first securitisation deal originated by the Taiwan government (the Taipei City Government partial rentals of superficies rights over non-public use land securitisation), the firm have participated in and are currently handling most of the securitisation deals that are going on in Taiwan, and working closely with arrangers, such as Wachovia, HSBC and BNP PARIBAS.

**Sullivan & Cromwell** has a large Greater China capital markets practice and long-standing relationships with many clients in Taiwan. The firm regularly advises on transactions by Taiwan Semiconductor Manufacturing Co, including having advised the selling shareholder on the US\$2.6 billion SEC-registered secondary offering of ADS, reducing Philips' stake from 12.78 percent to 8.13 percent. The firm also advised the underwriters in the Chunghwa Telecom US\$1.14 billion SEC-registered global equity offering and NYSE listing of ADSs and concurrent public auction of common shares in Taiwan.

**Tsar & Tsai Law Firm** advises on all matters related to the issuance and trading of securities and the regulation of securities firms, IPOs and listing requirements, regulations governing Taiwan Stock Exchange and OTC, regulation of underwriters, brokers and traders, mutual funds, insider tradings and tender offers, creation of new financial instruments (such as GDR, TDR and convertible bond), and margin lending. The firm has 20 fee earners, with expertise in both

domestic and cross-border matters. In a recent notable transaction, the firm represented Chunghua Picture Tubes Ltd in a private placement of euro-convertible bonds in the amount of US\$250 million.

**Yangming Partners** has advised several locally listed companies in share swaps with offshore-based shareholders for overseas IPO projects, which were the first instances of Taiwanese companies listing overseas through share swaps. The firm also represented a leading US underwriter in connection with the Taiwan Government's first GDR offering with existing China Steel shares as the underlying securities.

**Cleary Gottlieb Steen & Hamilton LLP** and **Winkler Partners** are also active in this area.

### **Corporate and M&A**

**Alliance International Law Office** acts for major pan-Asian companies and international blue chip clients doing business in Asia and has a wide depth of knowledge in mergers and acquisitions as well as in general corporate, commercial and inbound foreign investment law. Well-respected David Lu heads the firm's corporate and M&A practice groups.

Kevin Wang and H Henry Chang co-head **Baker & McKenzie's** corporate team of of 54 fee earners, among them key partner Stephen Tan. In notable transactions of the past 12 months, lead partners Michael Wong and Murray Bowler advised Eaton Corp in its acquisition of Phoenix Power Co Ltd for US\$565 million, while Transpac Capital was advised on its acquisition of the remaining shares of Eastern Home Shopping and Leisure Co by key partners Kevin Wang and Owen Chio.

In the area of corporate law, **Chen & Lin Attorneys-at-Law** offer expertise to clients on corporate formation and registration procedures, the definition of rights and liabilities between shareholders and board directors, harmonising labour and management relations, and tax planning. In the past 12 months, the practice has acted in high-profile transactions such as the Novatek Microelectronics Corp merger with Cheerteck Inc and the ITE Tech Inc merger with Afa Technologies Inc, Chip Advanced Technology Inc and Smedia Technology Inc.

**Davis Polk & Wardwell** has a broad and experienced corporate practice. In the past 18 months, key partners William Barron, Show-Mao Chen and Eugene Gregor have worked on the Advanced Semiconductor Engineering's Acquisition ASE Test in connection with the US\$784 million acquisition of ASE in a going-private transaction. They also acted as advisors to MediaTek on its US\$350 million acquisition of assets related to Analog Device Inc. Alan Denenberg was key partner in this regard.

M&A is one of major practice areas in **Jones Day** Taipei office. Last year they represented more than 20 clients of high-tech industries, venture capital companies, private equity funds and investors, and successfully completed multi-million dollar deals for premium clients, such as counselling Fubon Securities as a financial advisor to Taiwan Mobile to tender offer Taiwan Fixed Line, and representing CMA CGM in connection with its tender offer for and subsequent purchase of shares in Cheng Li Navigation.

Ranked number one in Taiwan by both Bloomberg and Mergermarket in terms of deal size and deal volume for 2007, **LCS & Partners'** M&A practice is expertly led by the formidable Rich Lin. The firm has actively participated in virtually all of the significant M&A transactions in Taiwan in the last 18 months and is the only firm to have acted for one party or the other in all of Taiwan's PE-led LBOs to date.

**Lee and Li** has advised Oaktree Capital Management LLC in its acquisition and back-end merger, through its Taiwan subsidiary, of Fu Sheng Industrial Co Ltd, a Taiwan listed company; CVC Capital Partners Asia Pacific II LP in its acquisition and back-up merger, through its Taiwan subsidiary, Nien Made Enterprise Co Ltd, also a Taiwan listed company. In addition to the manufacturing industry, Lee and Li also represents financial institutions in their M&A practice. The firm advised SAC Private Equity Fund (SAC) in a US\$900 million joint investment with GE in Cosmos Bank, Taiwan, under which SAC invested US\$650 million by subscribing for preferred shares of US\$100 million and mandatory convertible bonds of US\$550 million which enabled SAC to own Cosmos on a fully diluted basis of 58.6 percent.

**Paul, Weiss, Rifkind, Wharton & Garrison LLP's** corporate practice was active in the previous year, working on such high-profile transactions as the sale of China Network Systems to MBK Partners, a deal valued at US\$932 million; and acting as international counsel to Oaktree Capital Management in the first private equity buyout of a listed company in Taiwan.

**Sullivan & Cromwell** participates in a steady flow of matters with a Taiwanese element. Recent work by the firm includes advising the Special Committee of the Board of Directors of ASE Test Ltd in its acquisition by Advanced Semiconductor Engineering Inc, pursuant to a scheme of arrangement under Singapore law that also constituted a going private transaction under US law, as well as advising ChipMOS Technologies (Bermuda) Ltd in the US\$191 million purchase of the equity interest in ChipMOS Technologies Inc (ROC) held by Siliconware Precision Industries Co Ltd and the subsequent acquisition of a minority interest in ChipMOS.

Well regarded in this area, **Tsar and Tsai Law Firm** is actively engaged in providing legal advice pertaining to ROC corporate law and M&A related laws. Its practice includes incorporations, joint ventures, reorganisations, dissolutions, M&As, and tax planning relating to such transactions. The team represented MBK Partners in its US\$1.435 billion acquisition of cable television system operators owned by China Network Systems, the largest foreign acquisition ever in Taiwan.

**Winkler Partners** assisted a major financial firm in establishing a new futures trust entity in Taiwan; advised a client on the acquisition of controlling stake of company in highly regulated industry; handled Taiwan component of acquisition of French chemical firm by German competitor; acted in the merger of Taiwan entities of upstream international semiconductor firm; and assisted with the acquisition of regional businesses of former licensor by Taiwanese licensee.

**Yangming Partners** has advised various private equity investors on a number of successful leveraged buy-outs. The firm has also advised several international companies in going private transactions involving Taiwan listed companies. Other activities include: representation of a US-based direct equity investor with respect to its potential buy-out of one of Taiwan's biggest telecommunication companies, and representation of a global media company in the reduction of a large stake in one of Taiwan's largest multiple system operators. The firm also represented an Australia listed fund in connection with its acquisition and sale of Taiwan's third largest multiple system operator; and represented a private equity investor in connection with its acquisition of a Taiwan multiple system operator.

**Cleary Gottlieb Steen & Hamilton LLP, Clifford Chance, Formosa Transnational, JTJB Partners** and **K&L Gates** are also recommended in this area.

## Employment

**Alliance International Law Offices** has helped numerous clients in the area of employee hiring and termination, employee benefits and executive compensation, employee share incentives, and employment and labour litigation and disputes. Practice group head Susan Shyy comes highly recommended.

Seraphim Mar heads **Baker & McKenzie's** Taiwan employment practice. She has lead transactions such as Standard Chartered Bank's negotiations with its union to stop two strikes and proceed with collective bargaining as well as GE Cosmos Bank's in its handling of various claims raised by its capital injection into the bank by employees, management and the union alike.

**Chen & Lin Attorneys-at-Law's** employment practice

is headed by partner Vanessa Weng. The firm holds Yum! Restaurants (Taiwan) Co Ltd and Largan Precision Co Ltd among its clients.

**Jones Day's** well-regarded employee benefits and executive compensation practice provides sophisticated, practical legal advice to businesses regarding employee compensation and benefits matters. They have full-service capabilities, from pay and equity compensation packages for CEOs and other senior executives and directors to broad-based equity, retirement, and welfare plans.

**LCS & Partners'** Margaret Huang is an expert in employment law and the resolution of disputes arising from labour relations. Under her leadership, the firm has provided employment law advice in relation to executive compensation and severance packages to major international corporations, and is the exclusive partner providing assistance to the World Bank's *'Doing Business'* guides since 2003 in the areas of labour and employment benefits.

**Lee and Li** houses one of the largest and most comprehensive employment practice groups in Taiwan, handling a variety of labour related cases for both well-known multinational and local companies.

**Tsar & Tsai Law Firm** advises employers on compliance with these rapidly developing laws, and assists employers in negotiating and drafting employee contracts and company regulations. The firm recently represented AXA (National Mutual) in defending the complicated employment-related claims initiated by former insurance agents, and TECO Image Systems Co Ltd, providing advice on labour and employment related matters.

**Winkler Partners** have successfully assisted Mainland Chinese and other foreign executives of major high-tech, insurance and pharmaceutical multinationals in obtaining work permits for Taiwan.

**Yangming Partners** represents a number of major US high-technology companies in connection with their operations in Taiwan. The firm also represented a consortium of European and North American banks in the resolution of the indebtedness problem of a major Taiwan equipment manufacturer.

### Intellectual property

**Alliance International Law Offices** offers a strong IP practice. Practice group head Susan Shyy is highly respected.

Stacey Lee and Joy Pan head **Baker & McKenzie's** 43 fee earner strong Taiwan IP practice group. In the previous year, the team advised Rohm and Haas Electronics Materials in its patent dispute, while partner Seraphim Mar led the team representing Microchip Technology Inc in its patent actions in both China and Taiwan. Other key partners in this

practice area are David Yang, Grace Shao, David Liou and H Henry Chang. Additional key clients include Macronix and Osram.

**Chen & Lin Attorneys-at-Law** concentrate on management and protection of patent, trademark, copyright, and trade secrets. Practice group head CH Chen leads a team of 8 fee earners on such matters as the Celanese patent litigation and the NEC infringement litigation.

Continuing **Jones Day's** strong IP reputation, the Taipei office assist in patent and ITC litigation involving US, Taiwanese and Chinese companies. Besides its continual effort in litigations carried over from 2007, the Taipei office developed new cases such as defending D-link.

Lucia Yiou heads technology licensing and IP litigation at **LCS & Partners**. The firm's clientele includes high-tech corporations such as integrated circuitry designers, silicon chips designers, PC designers and manufacturers, electro-optics, telecommunications, software companies among others.

**Lee and Li's** respected IP practice has continued to grow over the last 18 months. In addition to its Taiwan work, the firm also serves clients with respect to their patent, trademark and other IP matters in China, and in 2003, the firm established an exclusive alliance relationship with Lee and Li - Leaven IPR Agency Ltd, a licensed patent and trademark firm in Beijing.

**Tsar & Tsai Law Firm** has considerable experience and expertise on all matters related to trademarks, copyrights, patents, and other types of IP, including the protection of trade secrets. In the past 12 months, the firm has advised such high-profile clientele as TechWing Inc, defending against a preliminary injunction on the basis of patent infringement claims and Applied Materials and AKT America Inc relating to disputes concerning the enforcement of IP rights.

**Winkler Partners** have reaffirmed key trademark rights at the appellate level for a leading sportswear manufacturer and invalidated competitor's patent in a tech industry dispute. The firm also represents industry-leading companies in trademark clearance projects and handles market enforcement and brand protection for leading multinational manufacturers of luxury goods, semiconductors, snack foods, sporting goods, clothing and alcoholic beverages and advised Taiwan PC manufacturer on global IP aspects of new open-source, software-based products.

**Yangming Partners** advises on a full range of IP practices for patent, trademark, copyright, domain names, IP protection at customs, litigation, licensing and counselling. The firm recently represented a major company, which sells electronic map products, in a copyright infringement claim.

**Formosa Transnational, Huang & Partners, K&L Gates** and **TIPLO** are also recommended in this area.

### Litigation and dispute resolution

**Alliance International Law Offices** litigation and dispute resolution department is headed by the respected Susan Shyy.

**Baker & McKenzie's** litigation and dispute resolution practice is headed by David Liou, and benefits from the expertise of key partners Remington Huang, Tiffany Huang, Joesph Fu, Besson Lu, Catherine Chen, May Lu and Shelly Fan. The team acted for Eli Lilly and Co in its civil suit patent infringement action against a generic company without proper license. Liou and key partner Victoria Lin meanwhile advised Littlefuse Inc in its dispute arising out of a joint venture agreement. Taiwan High Speed Rail Corp was another notable client in the previous year.

**Chen & Lin Attorneys-at-Law** litigation and dispute resolution practice group worked on the Celanese patent litigation and on a prominent case alleging illegal investments in the previous year. Headed by CH Chen, the team of 13 fee earners is well equipped to respond rapidly with knowledgeable personalised service in an efficient and cost effective manner.

With a professional team of former judges and experienced litigators, **Jones Day** Taipei has become a powerhouse in the field of litigation and dispute resolution in Taiwan. The most representative deal last year is to defend Matra Transport in court actions brought by the Department of the Taipei Rapid Transit System (DORTS) with respect to an arbitral award, about NT\$2 billion, granted in favour of Matra. They are also representing Matra in filing two lawsuits against DORTS to claim approximately NT\$1 billion in total with respect to DORTS' final acceptance of Matra's works.

**LCS & Partners** regularly represents listed and multinational companies in handling a wide variety of high profile and complex matters, including proxy fights, shareholders' contests, JV disputes and related civil and criminal litigation. Margaret Huang is a well-known attorney and arbitrator for dispute resolution cases in the areas of employment and construction, while Lucia Yiou is a notable litigator in the area of patents, trademarks and licensing.

Housing a team of 30 partners in litigation and dispute resolution, **Lee and Li** has handled and won several high profile cases, including construction disputes, environmental protection cases and securities complaints. Currently, the firm's financial dispute resolution practice group, led by Chi-chang Yu, represents a foreign bank defending against a securities case where the amount at issue exceeds US\$150 million and won the case in the district court.

**Tsar & Tsai Law Firm** represented UPS in its express service related litigations in Taiwan, including obtaining the favorable ruling from the Taiwan Supreme Court affirming that UPS' liability limitation clause is effective. The firm also represented Applied Materials and AKT America Inc. and obtained favorable ruling from the Taipei Administrative High Court in January 2007 relating to disputes under the Fair Trade Law.

**Winkler Partners** have represented leading insurance and reinsurance firms in arbitration and litigation matters; and provided litigation support for major US patent infringement action. Chen Hui-ling is a key individual in this area.

Recent activity for **Yangming Partners** includes: representing a large American entertainment company in trademark, copyright and contract claims arising from the creation of its entertainment products; representing a seller of electronic map products in the Taiwan market, in a copyright infringement claim; and assisting a large American insurance company with coverage investigation and negotiation with claimants over coverage disputes.

**Formosan Brothers Attorneys-At-Law, Formosa Transnational, J&J Attorneys-At-Law** and **K&L Gates** are also recommended in this area.

### Projects and project financing

**Baker & McKenzie's** project and project financing team is co-headed by partners Remington Huang and Tiffany Huang. The team represented Macquarie International Infrastructure Fund Ltd with respect to its acquisition of a prominent wind farm, one of few foreign investments into Taiwan's regulated renewable energy sector. Key partners in this group include Owen Chio, Shelley Fan, Justin Liang, Besson Lu, May Lu Min-Hui Li and Wayne Yang.

**Jones Day** Taipei is ranked as one of the leading project finance firms. During the past year they represented Century Asset Management Co in respect of non-performing loans and real estate related investment, advised CLSA Capital Partners on its acquisition of Asia Plaza buildings and represented Capmark Financial Group, Lehman Brothers, Merrill Lynch and CLSA in various real estate development or investment projects. In addition they also represented major international contractors in various infrastructure projects, such as Taiwan High Speed Rail Project, Taipei MRT project, power plant project.

One of Taiwan's strongest firms in the field of build-operate-transfer (BOT) projects, **LCS & Partners'** Margaret Huang shines as practice head. Under her supervision, the firm represented Taiwan Area National Freeway Bureau in structuring and selecting the best applicant for the BOT

project of Electronic Toll Collection, the Taipei City Government in the BOT bidding project of Taipei Dome, and the Kaohsiung City Government to structure a marine/air value-added logistics service and re-export project.

**Lee and Li** represented ANZ Bank, Taipei Branch for the refinancing of an existing project finance for the Miaoli Hou-lung II windfarm project in Taiwan, following acquisition of the windfarm project by Macquarie International Infrastructure Netherlands BV. The firm also represented the Standard Bank of South Africa, Taipei Branch for a number of project finance deals regarding the development of shopping malls and five-star hotels located in Taichung and Yilan Counties.

**Tsar & Tsai Law Firm** has a history of experience in advising clients on legal matters related to construction and government procurement projects. The practice group recently represented the Ministry of the Interior in the Sewage Projects in Taipei County, Kaohsiung City and Kaohsiung County.

**Winkler Partners** were commissioned by a major international agency to prepare an overview of Taiwan's experience with unsolicited proposals under the BOT Act. The firm also advised one of Taiwan's largest municipal governments in connection with public-private partnerships in infrastructure.

**Alliance International Law Offices, J&J Attorneys At Law, Pamir Law Group** and **Yangming Partners** are also active in this area.

### Restructuring and insolvency

**Alliance International Law Office** regularly represents creditors and debtors in all types of troubled situations ranging in size and complexity from multimillion dollar, cross-border insolvency proceedings to mid- and smaller-size restructurings and recapitalisations. David Lu leads this well regarded practice group.

**Jones Day** lawyers are well-positioned to represent debtors, creditors, and other parties in complex restructurings, out-of-court workouts, and other matters involving financially distressed entities. In the past year, they have represented Lehman Brothers, Capmark Financial Group, Merrill Lynch, Colony, and Shinsei Bank in various non-performing loans transactions as well as investments in distressed banks.

Since 2002, when the Taiwan market was liberalised through changes in law and regulations, **LCS & Partners** has been closely involved in the sale and purchase of non-performing loans. The firm also provides tax law advice in major bankruptcy and reorganisation projects. Mark Harty is a strong restructuring and insolvency lawyer, and Dr Pijan Wu is one of the top advisors for non-performing loans and

sale of troubled financial institutions. Recent projects include the insolvency auction of two Taiwan banks and one insurance company.

**Lee & Li** represented the Taiwan government for the sale/disposition of several distressed financial institutions and their assets taken over by the Taiwan government in 2007. They include Taitung Business Bank, Enterprise Bank of Hualien, The Chinese Bank and China United Trust & Investment Corp. All have been successfully sold to banks with a view to expanding their banking business in Taiwan, including Chinatrust, Cathay United, ABN Amro and HSBC.

**Winkler Partners** advised a major European reinsurance firm on insolvency of insurer in Taiwan; advised Australian retailers on dealing with insolvent Taiwanese department store chain; negotiated settlements for US-based creditor against Taiwanese debtors; and advised a US manufacturer on secured debt facilities and letters of credit issues following acquisition of Taiwanese subsidiary.

Led by practice group head Charles Hwang, **Yangming Partners** has advised on general matters with respect to Taiwan's reorganisation laws and acquisitions involving Taiwanese companies under reorganisation. The firm represented a US corporation, whose key shareholder was a US subsidiary of a Taiwanese company under reorganisation, in a share transfer under Taiwan's reorganisation laws.

### Shipping

With a fine reputation for shipping work, **Lee and Li** has assisted a large number of clients with ship financing, cargo dispute, charter party and marine insurance. Recent work includes assisting a client in settling a collision dispute of about US\$22 million.

**Tsar and Tsai Law Firm** handles the legal aspects of ship sales, ship financing, charterparties, cargo claims and bills of lading, arrests of vessels, freight forwarding, mortgage foreclosures, maritime liens, general average, salvage, collisions, marine insurance, and personal injury. The firm has recently assisted Macquarie in the Taiwan portion of the multi-jurisdictional acquisition and restructuring of the marine terminal business of Hanjin Shipping and Hamburg SD and NYK Lines in relation to each of their business operations in Taiwan.

**Chen Chang & Associates, Ding & Ding, Huang & Partners, JTJP Taipei** and **Formosa Transnational** are also recommended in this area.

### Telecommunications, media & technology

**Chen & Lin Attorneys-At-Law's** TMT group is headed by partner CH Chen. The firm represented MBK in its takeover

of China Network Systems, a deal valued at US\$1.4 billion. The firm also recently acted for Taiwan Broadband Communications Co Ltd.

**Jones Day** Taipei has a solid reputation in advising on work with a hi-tech element. The firm has been active in a number of restructurings and venture capital work with a strong record in dot.com and telecoms transactions.

**Lee and Li** has actively participated in the liberalisation of the Taiwan telecom and broadcasting market and has gained intensive experience in the relevant market sectors. In the telecom sector, Lee and Li represents several leading Type I and Type II telecom operators, including Far Eastone, KG, NCIC, GigaMedia, and Yahoo. In the broadcasting sector, they represent a number of system operators and channel suppliers, including CNS, Taiwan Broadband, Eastern Multimedia, CTN, AXN, ESPN, and Bloomberg.

Over the years **Paul, Weiss, Rifkind, Wharton & Garrison** LLP has maintained a solid position in the TMT practice area. The firm acted as international counsel to Star Group, a shareholder of China Network Systems in that companies sale to MBK Partners. The sale of CNS to a foreign private equity fund, and the allocation of related commercial risk involved numerous complex structuring and regulatory issues.

**Tsar & Tsai Law Firm**'s well regarded TMT practice group consists of 20 fee earners, including key partners Dr CY Huang, Wellington Liu and James Cheng. The firm represented MBK Partners in its acquisition of CNS, and Macquarie Media Group in its proposed acquisition of a cable multiple system operator in Taiwan.

Amongst other TMT work, **Winkler Partners** advised on the Taiwan component of a regional acquisition by major south Asian telecom and advised international and Taiwanese news channels on disciplinary action before National Communications Council.

The well regarded TMT practice of **Yangming Partners** is one of the most active of all major law firms in Taiwan. The firm has represented two of the largest foreign investors in Taiwan's cable television industry and also represents several of the world's largest telecommunication companies.

**Alliance International Law Offices, Formosa Transnational** and **Sullivan & Cromwell LLP** are also recommended in this area. **PBP**

*Note: The list of law firms above is not exhaustive. Other firms are active in this jurisdiction.*