

# Taiwan

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**William Bryson, Chung-Ping Liu and Dannie Liu**  
**Jones Day**  
**Taipei**

In recent years, Taiwan has been accelerating its financial reform process, and establishing a more liberalized environment both for domestic and offshore issuers and investors.

The major pieces of legislation in 2003 and 2004 relating to securities and corporate finance were: (i) the Organization Law Governing the Establishment of the Financial Supervisory Commission, Executive Yuan (the Organization Law); (ii) the Real Estate Securitization Statute; and (iii) the Securities Investment Trust & Consulting Law.

### The Organization Law

The Organization Law came into effect on July 1 2004. It was implemented to establish an integrated financial supervisory function.

Taiwan's financial regulator, the Ministry of Finance (the MOF), faced a growing challenge from increasing financial industry mergers, or alliances of financial services enterprises in different industries in the wake of the passage of the Financial Holding Company Law in June 2001. Each segment of the financial industry in Taiwan – banks, insurance companies and securities houses – were regulated by different MOF departments (the Bureau of Monetary Affairs, the Department of Insurance and the Securities and Futures Commission). Furthermore, on-site examinations of banks were carried out by three different agencies – the Central Bank of China, the MOF and the Central Deposit Insurance Corporation.

To resolve the problem of overlapping authority among the multiple supervisory systems for insurance, securities, and banking, the Organization Law provided for all financial regulatory authority (other than foreign exchange) to be vested in a single, vertically integrated regulatory system. Pursuant to the Organization Law, the Financial Supervisory Commission (the Commission) was set up on July 1 2004.

The Commission is an independent, cabinet-level (Executive Yuan) authority. The chairperson and commissioners are nominated by the premier and appointed by the president. All the commissioners are from different areas of the financial industry, and must serve a fixed term of four years. The Commission's primary objectives are to consolidate the supervision and administration of

the banking, securities and insurance sectors, and to act as a single regulator for all of these industries. While the Commission retains a bureau structure that reflects the former divisions under the Ministry of Finance, the Commission now serves as a regulatory one-stop shop for coordinating complex regulatory matters, especially those that arise as a result of the further integration of the Taiwan financial industry.

### Securitization laws

Taiwan has been trying to catch up with other Asian countries to develop an asset securitization regime, and to facilitate the development of a robust securitization market. Following the examples of Japan, South Korea and Thailand, Taiwan has gradually developed a platform for securitization projects. The first development was the enactment of the Financial Asset Securitization Law in July 2002, and the second was the enactment of the Real Estate Securitization Law the following year.

#### *The Financial Assets Securitization Law (FASL)*

The FASL allows financial assets to be repackaged and securitized. The FASL permits securitization through either a special purpose company (SPC) or a special purpose trust (SPT). The financial assets that can be securitized under the FASL include housing loans, vehicle loans, credit card receivables, trade receivables, and any other assets which the FSC approves. This last catch-all in the statute has proven to be quite important, as it effectively permits financial institutions and non-financial companies to securitize their assets.

The response to the adoption of the FASL has been the development of an increasingly sophisticated securitization market in Taiwan that has seen the securitization of a wide variety of asset classes including residential mortgages, industrial loan receivables, automobile loans, credit cards, and industrial accounts receivable. The FASL has also proven flexible enough to permit cross-border securitization transactions, even those in which the underlying assets are denominated in new Taiwan dollars.

#### *The Real Estate Securitization Law (RESL)*

The RESL was enacted in July 2003 and provides the framework for securitizing real estate assets such as land, commercial buildings, houses, roads, bridges, tunnels, railways, ports, parking lots and other real estate with economic value. The real estate can be securitized either through public offering or

private placement, through either a real estate investment trust (Reit) or a real estate asset trust (Reat). Under the RESL, Reits issue securities to raise capital for investment in real estate, real estate-related rights and real estate-related securities. Reats, on the other hand, issue securities to beneficiaries who are entitled to the interests and rights arising from certain real estate that is held in trust.

#### The Securities Investment Trust & Consulting Law

The Securities Investment Trust & Consulting Law (SITCL) came into effect on November 1 2004. It covers the setting up and operation of securities investment trust enterprises (SITEs) and securities investment consulting enterprises (SICEs), entities whose establishment and operation used to be governed by Taiwan's Securities Exchange Law.

Under the SITCL, these two businesses are defined as follows: *Securities investment trusts*: a method of investment relating to the business of issuing beneficiary certificates in connection with raising a securities investment trust fund through public offering or private placement, and using the securities investment trust fund to invest in securities (and related products) approved by the Financial Supervisory Commission. A SITE is therefore an enterprise that engages in securities investment trust business, accepts consignment of discretionary trust fund management and any other relevant business approved by the FSC.

*Securities investment consulting* refers to the analysis of securities and securities-related products and investment suggestions. A SICE is an enterprise operating the business related to securities investment consulting, accepting consignment of discretionary trust fund management and other relevant business approved by the FSC.

The SITCL, on its face, provides for some new innovations in the securities market in Taiwan. One of the innovations introduced by the SITCL is a regulatory scheme for the private placement of funds. Before the enactment of the SITCL, securities investment trust funds could only be raised through public offering. Under the SITCL these funds can be privately placed, but only to: (i) banks, bills finance business, trust business, insurance business, securities firms and other legal entities approved by the FSC; and (ii) 35 or fewer individuals, legal entities or funds.

Another innovation introduced by the SITCL is a regulatory regime governing the offering of offshore funds in Taiwan. Offshore funds have been marketed in Taiwan for years through various channels, but there has always been some question as to the legality of this marketing process. In addition, the regulators have always found it difficult, for various reasons, to monitor the market for offshore funds.

To implement the SITCL, the FSC is empowered to enact more than 50 sets of implementing regulations. Implementing regulations relating to the general administration, establishment, operation and activities of SITEs and SICEs were adopted at the end of 2004. Implementing regulations relating to offshore funds, however, have yet to be adopted.

## Banking

### Recommended firms

Tier 1

**Baker & McKenzie**

**Jones Day**

**Lee and Li**

Tier 2

**Russin & Vecchi**

**Tsar & Tsai Law Firm**

Tier 3

**Formosa Transnational**

**LCS & Partners**

**Liang & Associates**

**Preston Gates & Ellis Taiwan Commercial Law Offices**

**Yangming Partners**

## Capital markets

### Recommended firms

Tier 1

**Baker & McKenzie**

**Jones Day**

**Lee and Li**

Tier 2

**LCS & Partners**

**Tsar & Tsai Law Firm**

Tier 3

**Chen & Lin**

**Lexcel Partners**

**Preston Gates & Ellis Taiwan Commercial Law Offices**

**Russin & Vecchi**

## Insolvency and restructuring

### Recommended firms

Tier 1

**Baker & McKenzie**

**Lee and Li**

**Tsar & Tsai Law Firm**

Tier 2

**Formosa Transnational**

**Formosan Brothers**

**Jones Day**

**Russin & Vecchi**

Tier 3

**Huang & Partners**

**LCS & Partners**

**Liang & Associates**

**Preston Gates & Ellis Taiwan Commercial Law Offices**

**Yangming Partners**

## Mergers and acquisitions

### Recommended firms

Tier 1

**Baker & McKenzie**

**Jones Day**

**Lee and Li**

Tier 2

**LCS & Partners**

**Lexcel Partners**

**Tsar & Tsai Law Firm**

Tier 3

**Chen & Lin**

**Formosa Transnational**

**Pamir Law Group**

**Preston Gates & Ellis Taiwan Commercial Law Offices**

**Yangming Partners**

## Project finance

### Recommended firms

Tier 1

**Baker & McKenzie**

**Lee and Li**

Tier 2

**Jones Day**

**LCS & Partners**

**Tsar & Tsai Law Firm**

### Baker & McKenzie

The Taipei office of Baker & McKenzie continues to be a star achiever in its extensive Asian and global network. Not only does it have an enviable market share, it is also rated highly in terms of quality.

The high standards are apparent in the firm's banking and finance practice, which has across-the-board experience in all types of finance work and plays host to leading lawyers such as Justin Liang and David Yang. Bee Lay Teoh is also singled out as an up-and-comer. In Chi Mei Optoelectronic, the banking practice has a client that provides a regular source of work, and the past year has been no exception. Chi Mei instructed Justin Liang and his team to act as borrower's counsel on a number of large corporate borrowings, the most recent being a \$2.1 billion facility from Bank of Taiwan to fund its capital requirements. In another deal, Liang advised Bank of Taiwan on a \$387 million syndicated facility for Chunghwa Picture Tubes. The firm has also won roles on some interesting cross-border financings recently, including the Phuc Son cement financing in Vietnam, on which the firm acted as Taiwanese counsel to the borrower and project sponsor, and an Exim Bank-guaranteed aircraft financing for China Airlines.

Several of the firm's banking experts also work on the financing aspects of large and complex projects. One interesting project financing saw the firm act as Taiwanese counsel to the Eastern Multimedia Company as borrower of a \$414 million non-

recourse multi-tranche loan, provided by a syndicate of domestic and international banks including ABN Amro, ANZ and WestLB. On the development side, construction expert Tiffany Huang has been guiding China Petroleum Corporation through the project documentation required in relation to the construction of an ammonia and methanol project, and in relation to the Tatan power project.

Baker & McKenzie's capital markets team is known for advising Taiwanese issuers on cross-border offerings. Recent examples include representing Fubon Financial on its \$399.6 million issue of global depositary receipts and advising Shin Kong Financial in relation to its equity-linked offering of \$260 million convertible bonds. Securitization is another area in which the firm is active, recently assisting Chang Hwa Bank as originator on its debut residential mortgage-backed securitization. At the time of writing, Kevin Liao was acting for Taishin International Bank on its first collateralized loan obligation deal.

The 10-partner corporate department is one of the firm's largest areas, making it able to handle complex top-end deals. One such deal saw the firm act for Fubon Financial Holding on its takeover of Hong Kong-listed International Bank of Asia. The HK\$4.3 billion (\$554 million) acquisition was notable for being Fubon's first overseas banking acquisition, as well as the first and largest acquisition of a Hong Kong financial institution by a Taiwanese bank. Completing the deal required purchasing the Arab Banking Corporation's 55% equity interest in the target and making a general offer for the remaining shares.

Other M&A highlights included advising Infineon Technologies on its \$117.5 million merger with ADMTek Incorporated, which involved merging ADMTek into a new Taiwanese subsidiary, and acting for Applied Materials' acquisition of an equity interest in Phoenix Silicon International Corporation for \$50 million. At the time of writing, Lindy Chen was acting for Taiwan Fixed Network on its proposed \$230 million acquisition of cable company Fu Yang.

Meanwhile, the venture capital sub-group is experienced in advising private equity clients on setting up investment funds and joint ventures, as well as on their strategic investments in Taiwanese companies. Managing partner Michael Wong is regarded as one of the leading corporate lawyers in the market.

### Leading lawyers

Justin Liang

Michael Wong

David Yang

### Key contact partners

Justin Liang

Kevin Wang

Michael Wong

### Chen & Lin

Chen & Lin is most active in the areas of capital markets and M&A, and has developed a niche for itself acting for technology companies. The firm has also advised underwriters such as Goldman Sachs, Citigroup, Lehman Brothers and Credit Suisse

First Boston on several debt and equity offerings. Most of the firm's equity instructions have been in relation to listings on overseas exchanges such as the main board of the Hong Kong Stock Exchange, the New York Stock Exchange and Nasdaq. The firm has also been active in equity-linked work, and advised on numerous European convertible bond issues. Meanwhile its securitization track record continues to grow, and it recently acted for the Chia Hsin Group as the originator on Taiwan's first real estate asset trust deal. The deal involved the securitization of rental payments by tenants of the IBM Building.

M&A is similarly technology-focused, and over the past year the firm assisted Sysware Corporation on a series of acquisitions of related businesses that were conducted by merger or share swap. Other transactions that have showcased the firm's expertise in this area include representing the selling shareholders in InterVideo Digital Tech's takeover of Ulead Systems, advising Fullerton Technology on the spin-off of its electronics devices business, and acting for ADMTEK Incorporated on its merger with Infineon Technologies.

#### **Key contact partner**

Chien-Chih Liu

#### **Jones Day**

Jones Day's investment in Taiwan has been extremely successful. Spearheaded by leading lawyers William Bryson and Jack Huang, the Taipei office has developed a winning combination of local knowledge and international expertise. Huang in particular is praised for his ability to provide practical solutions.

Whether in banking, M&A or capital markets, the firm garners strong recommendation. In December 2004 the firm closed two syndicated transactions as counsel to the lenders – a NT\$700 million (\$21.7 million) credit facility provided by Standard Chartered Bank to Key Equipment Finance Taiwan, and a \$50 million syndicated term and revolving facility granted by Chinatrust Commercial Bank to the Continental Carbon Company, a joint venture between China Synthetic Rubber and Taiwan Rubber. Among other deals the team advised Shinsei Bank on its bid for controlling interest in a domestic bank, and has been busy representing an international investment bank on several acquisitions of non-performing asset portfolios in the Philippines.

Since mid-2004, capital markets experts Chung-Ping Liu and Julian Lin have been busy on several equity-linked offerings, starting with Shin Kong Financial's \$260 million Regulation S offering of convertible bonds, in which Jones Day acted for Morgan Stanley as underwriter. November 2004 was especially busy for the firm, as it closed Hannstar Display's \$140 million issue of convertible bonds and a \$120 million convertible bond offering by Allied Material Technology Corporation. The firm acted as issuer's counsel on both deals, which involved offerings under Rule 144A and Regulation S. In March 2005 it advised Hannstar Display on another offering, this time of \$260 million-worth of global depositary receipts.

In securitization, Jones Day has a reputation for advising on cutting-edge deals. A recent standout deal was the World Peace Industrial account receivables securitization, the first of its kind in Taiwan. A team led by Bryson advised the Industrial Bank of Taiwan and Société Générale as joint arrangers of a NT\$2.5 billion issue of asset-backed commercial papers, which were backed by the account receivables of semi-conductor chip distributor World Peace Industrials. The firm also played a role in the JSB Taiwan Auto One securitization of auto loan receivables originated by Jih Sun International Bank, advising rating agency Standard & Poor's.

Headed by Jack Huang, the five-partner corporate department enjoys a market-leading position. This is reflected by its involvement in high-profile and complex deals such as United Test and Assembly Center's (Utac) share swap with UltraTera. The team advised Utac on the \$256 million stock-for-stock deal, which was the first to take place between a listed Taiwanese company and a foreign public company. At the time of writing, Huang's team was working on the proposed merger between IC component distributors World Peace Industrial and Silicon Application, which will involve a share swap between the two listed companies to form a new listed holding company. Many of the firm's other M&A deals in recent times have been in the electronics and technology sector.

#### **Leading lawyers**

William Bryson

Jack Huang

#### **Key contact partners**

William Bryson

Jack Huang

John Kao

#### **LCS & Partners**

Founded in 1998, LCS & Partners has quickly made a name for itself in the market by securing roles on a respectable share of deals. The 30-lawyer firm has also been ambitiously expanding, and made several important lateral hires over the past year, including Mark Harty from the Hong Kong office of Shearman & Sterling. Harty is a finance expert who has been charged with building up the firm's banking practice, which maintains a client base of domestic lenders such as Tachong Bank, Taishin Bank and Changhwa Bank. He is also responsible for the project finance practice, together with build-operate-transfer expert Margaret Huang.

Although well-known lawyer Amy Chin departed last year to become commissioner of the Financial Supervisory Commission, the firm's thriving capital markets practice has lost none of its momentum. In 2004 the firm acted as international counsel to lead manager Taiwan Securities on a series of mid-sized euro convertible bond (ECB) offerings by Taiwanese issuers, the largest of which was Ichia Technologies' \$70 million issue of Luxembourg-listed ECBs. A six-lawyer team also advised the issuers on an ECB offering by Mega Business Fund III, underwritten by ICBC Bank, which consisted of several

small to mid-sized underlying companies. Other clients in this field include JP Morgan, KGI Securities and Capital Securities.

The firm also boasts a dedicated securitization team, which has made the firm one of the more active players in this area. Deals in recent times include helping Calyon to arrange International Commercial Bank of China's NT\$5.35 billion (\$166 million) collateralized loan obligation deal and advising Société Générale and the Industrial Bank of Taiwan as co-arrangers of the NT\$4.4 billion IBM Building securitization, which constituted the first real estate asset trust securitization. The firm also landed a role acting for the originator on the World Peace Industrial securitization of account receivables, the first in Taiwan to use asset-backed commercial papers. Ongoing work consists of the ShinKong Life Insurance real estate investment trust securitization deal, on which the firm is advising the sponsor. David Chuang is considered to be the partner to turn to for advice on real estate securitization matters.

In M&A meanwhile, the firm has been making progress under the direction of Rich Lin, who is described as "intelligent and energetic." Besides picking up its fair share of mandates, the firm had the opportunity to work on a large telecoms M&A deal, advising KG Telecom on its NT\$33 billion merger with Far Eastone. Lin and his team also acted for Taiwanese public company Integrated Circuit Solution in relation to its NT\$3 billion merger with Nasdaq-listed ISSI, in which the team helped to obtain a special exemption from the regulatory authorities to enable the deal to proceed without the need for a public tender offer. Corporate partner Pijian Wu has also been busy advising various clients on their non-performing loan transactions.

Lastly, the firm also gets involved in insolvency and restructuring deals, and recently represented several unsecured trade creditors in the Chapter 11 reorganization and auction of Lantis Eyewear.

### Leading lawyers

David Chuang  
Rich Lin

### Key contact partners

David Chuang  
Mark Harty  
Rich Lin  
Brian Yu

### Lee and Li

Lee and Li is the largest law firm in Taiwan, consisting of 41 partners and 177 associates operating out of the Taipei office and additional staff working in four branch offices. The firm recently suffered the departure of several leading lawyers either to other firms or to in-house positions. Nevertheless, the firm has undergone a consolidation process, remaining the first choice of many domestic and international clients, earning praise from its rivals for its ability to weather challenges, and winning the *IFLR* award for Taiwanese firm of the year in 2005.

Sherry Lin and Alex Liu head the well-respected banking department, which is recognized as a leader in the syndicated lending market. The practice's client list is excellent, and includes international names such as UBS, Deutsche Bank, Goldman Sachs and Citibank. The banking team acted as lender's counsel on several of the largest syndicated financings of 2004, including the \$672 million expansion financing of Inotera Memories (involving more than 20 lenders) and the NT\$8 billion (\$248 million) refinancing of RSEA Engineering to fund an industrial park development.

The banking department also covers distressed debt deals, and recently completed the sale of Taiwan Business Bank's non-performing loans, acting for PricewaterhouseCoopers as financial advisor to the seller. The NT\$13.2 billion portfolio was the largest to be put up for auction in 2004.

Many of the firm's banking lawyers also possess expertise in asset and project financing. For example, export credit agency US Ex-Im sought the firm's advice in relation to two aviation financing deals for China Airlines, and Lee and Li provided Taiwanese law advice to the lead arrangers of the \$414 million non-recourse financing granted to the Eastern Multimedia Company. More recently, the team has been advising a group of German banks on the financing of the InfraVest wind farm project, the first-ever offshore financing of a Taiwanese energy project.

Turning to capital markets, Lilian Kou and her team continued to showcase the firm's excellent reputation in this area. Of particular note was a four-pronged equity-linked issue by the Formosa Group totalling \$1 billion-worth of convertible and exchangeable bonds. Lee and Li acted as Taiwanese counsel to the issuers: the parent, the Formosa Petrochemical Corporation, issued convertible bonds, and three of its subsidiaries issued exchangeable bonds that were exchangeable into shares in the parent. The unique and complex deal constituted Taiwan's first, and Asia's largest, simultaneous convertible and exchangeable bond issue, as well as Taiwan's first listed offering on the Singapore Stock Exchange. The deal was followed by Lee and Li's role on another sizeable offering, Cathay Financial Holding's \$493 million reissue of global depositary receipts.

Securitization was a similarly impressive area for the firm. Among the standout transactions of the past year, it advised Jih Sun International Bank as originator of the first cross-border auto loan securitization in Taiwan. The structure included a \$119 million issue of secured floating notes and a non-deliverable swap to hedge currency risk. Lee and Li also served as transaction counsel on the first securitization of credit card receivables – the NT\$4 billion Anshin credit card deal, which used the master trust structure for the first time in Taiwan.

Although there has been a degree of staff turnover in the corporate department, Lee and Li managed to keep busy over the past 12 months. In the first half of 2004, the team advised Japanese-listed Aplix on its 100% acquisition of Taiwan's iaSolution for \$70 million, and represented Mediaedge:cia in relation to its acquisition of Media Core Communication. Going into 2005, the team completed Newa Insurance's merger with Allianz President General Insurance, a unique merger

between non-life insurance businesses, and helped Far Eastone Telecommunications purchase a controlling stake in its vertical distributor Arcoa Communication. Lee and Li had also previously acted for Far Eastone on its \$1.37 billion acquisition of another mobile operator, KG Telecom.

#### Leading lawyers

Chao-Tung Chang  
Joyce Fan  
Lilian Kou  
Sherry Lin

#### Key contact partners

Lilian Kou  
Sherry Lin  
Alex Liu

#### Lexcel Partners

Lexcel Partners was formed in 2004 by ex-Lee and Li corporate partner Echo Yeh. Several other lawyers from Lee and Li, including Mike Lu and Sue Su, have also joined the corporate boutique. The primary focus of Lexcel Partners is high-end M&A work, and Yeh is one of Taiwan's leading lawyers in this area.

Unsurprisingly, the firm has already attracted several clients who have been impressed by the track record of Yeh's team, and as a result the firm has completed several M&A transactions. A recent highlight saw the firm act as Taiwanese adviser to Mitsui Sumitomo Insurance in connection with its acquisition of non-life insurer Mingtai Fire & Marine Insurance from the government. The NT\$8.4 billion (\$274 million) sale was the first government sale of an insurance business to a foreign buyer.

Capital markets work is another developing area for the firm, and in one highlight the firm acted for the underwriters on Fubon Financial Holdings' NT\$128 billion issue of global depositary receipts.

The firm's client base comes mainly from the financial sector, and includes Citigroup, ING, Lehman Brothers, GE Capital, the Carlyle Group, China Trust, China Development Industrial Bank, Taishin Financial and KGI Securities. Because of the firm's M&A expertise it has also advised the government on regulatory reform, and assisted with drafting corporate legislation. As this new firm gains more of a foothold in the market, it will be interesting to chart its progress in winning instructions ahead of some of the market's more established firms.

#### Leading lawyer

Echo Yeh

#### Key contact partners

Mike Lu  
Echo Yeh

#### Pamir Law Group

The Pamir Law Group was founded in April 2004 when the Taipei office of US firm Squire Sanders and Dempsey broke

away from the rest of the global practice. Led by Nick Chen, the 10-lawyer firm has acted for venture capital funds, private equity investors and technology companies on M&A and cross-border investment transactions. Chen has extensive experience working on technology deals in China and Taiwan, and receives compliments for being a highly intelligent lawyer.

The firm is particularly strong in mainland China transactions, on which it frequently advises foreign multinationals and Chinese companies on market entry and expansion strategies, either through direct investment or by establishing joint ventures or subsidiaries.

#### Key contact partner

Nicholas Chen

#### Preston Gates & Ellis Taiwan Commercial Law Offices

In January 2005, Taiwan Commercial Law Offices merged with the Taipei office of Preston Gates & Ellis to form Preston Gates & Ellis Taiwan Commercial Law Offices. The resulting firm of 20 lawyers boasts a broad domestic and international practice that covers corporate finance, M&A, securities, foreign investment and other work in the energy and telecommunications areas. Clients range from large domestic corporates and institutions such as Taiwan Power Company to multinationals operating in Taiwan.

The firm is co-managed by James Chen, who is experienced in cross-border M&A and capital markets work, and Christina Yang, who is a well-known banking and finance partner. Recently, the banking group acted for Chi Mei Optoelectronics in its \$2.1 billion corporate borrowing to finance capital expansion, and worked on a US Ex-Im-supported aircraft financing for China Airlines.

#### Key contact partners

James Chen  
Christina Yang

#### Russin & Vecchi

Russin & Vecchi has a solid reputation as a specialist finance practice that mainly acts for international banks and financial institutions. The firm's international outlook is further illustrated by its frequent collaboration with the other 11 affiliated offices in the Russin & Vecchi network. Among the team, competitors hold Tom McGowan in particularly high regard, and consider him to be one of the country's foremost banking lawyers. Echo Hsu also receives frequent mention as an up-and-comer.

In September 2004 the firm acted for the lead manager on Taiwan's second cross-border securitization, which involved the securitization of auto loan receivables originated by Jih Sun International Bank and resulted in the issue of \$110 million in secured floating rate notes. In other banking work, Russin & Vecchi was involved in the sale of Taiwan Business Bank's non-performing loans, the largest portfolio sale for 2004.

**Leading lawyer**

Thomas McGowan

**Key contact partner**

Thomas McGowan

**Tsar & Tsai Law Firm**

Founded in 1965 and consisting of 45 lawyers, Tsar & Tsai Law Firm is one of the oldest and largest law firms in Taiwan. The firm has traditionally been strong in banking and capital markets; CY Huang is praised for having “very sound fundamental banking knowledge” and Jackie Lin is regarded as “a significant player in NPLs and real estate securitization.”

Recent financing roles include assisting Chungwa Picture Tubes with the negotiation of a \$387 million credit facility provided by Bank of Taiwan, and acting for Goldman Sachs as global coordinator and bookrunner in connection with the Formosa Group’s \$1 billion issue of convertible and exchangeable bonds. The latter deal was highly complex, and marked the first time that a simultaneous convertible and exchangeable bond structure had been used in Taiwan, as well as the first time that a Taiwanese note issue had been listed on the Singapore Stock Exchange. The firm has also been active on many euro convertible bond and depositary receipt issues, both representing issuers and underwriters.

In M&A, meanwhile, Tsar & Tsai focuses mainly on the insurance sector, having acted on several large acquisitions by foreign insurance companies in the past. The M&A group has also seen growing activity in bank mergers.

**Leading lawyers**CY Huang  
Jackie Lin**Key contact partner**

CY Huang

**Yangming Partners**

Yangming Partners is a full-service law firm that counts a number of foreign lawyers in its ranks, a factor that boosts its cross-border capabilities. Market commentators consistently single out Paul Cassingham as the firm’s leading light.

M&A is the firm’s strong suit, and in this area the firm recently acted for UltraTera Corporation, a publicly listed Taiwanese company, in relation to its \$245 million acquisition by Singapore’s United Test and Assembly Center. The acquisition involved a share swap between the two companies, and was notable for being the first stock-for-stock transaction of its kind. Other corporate clients have included foreign telecommunications companies, utilities, private equity funds and international banks.

In other areas, Yangming Partners has represented creditors on debt workouts, advised Taiwanese companies on overseas listings, provided regulatory advice to leading securities houses and acted for bidders and sponsors in connection with various build-operate-transfer projects.

**Leading lawyer**

Paul Cassingham

**Key contact partner**

Paul Cassingham