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Taiwan

Merger Control

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This country-specific Q&A provides an overview of merger control laws and regulations applicable in Taiwan.

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Taiwan: Merger Control

1. Overview

Merger control in Taiwan is governed by the Taiwan Fair Trade Act (TFTA), with the Taiwan Fair Trade Commission (TFTC) as the competent authority. Filing with the TFTC is required for transactions classified as a "combination" under the TFTA, provided that any of the filing thresholds are met and no exemptions apply. In addition to TFTA, the supplementary rules on merger control include:

1. the Directions for Enterprises Filing for Mergers;
2. the Taiwan Fair Trade Commission Disposal Directions (Guidelines) on Handling Merger Filings ("Merger Guidelines"); and
3. the Guidelines on the Provision of Pre-Filing Consultation Service.

In terms of the substantive test, as prescribed under Article 13 of the TFTA, if the TFTC concludes, after considering all relevant factors, that the overall economic benefits of the combination outweigh the disadvantages resulting from competition restraint, clearance would be granted.

With respect to the timeline, if the TFTC does not make any objection to the filing within 30 working days following the last filing date, the parties to the proposed transaction would be free to proceed with the combination. The TFTC may shorten the 30-business-day waiting period or extend the period by up to another 60 working days if it deems necessary.

2. Is notification compulsory or voluntary?

A notification is compulsory if any of the filing thresholds is met.

3. Is there a prohibition on completion or closing prior to clearance by the relevant authority? Are there possibilities for derogation or carve out?

Under the TFTA, there is no provision allowing parties to complete a transaction prior to obtaining clearance from the TFTC. Consequently, parties are prohibited from closing the transaction until they receive the necessary approval.

Furthermore, it is unclear whether the TFTC would accept

proposals from the parties for a temporary carve-out regarding transactions related to Taiwan, as there is currently no established case precedent to guide such decisions.

4. What types of transaction are notifiable or reviewable and what is the test for control?

Under Article 10 of the TFTA, a transaction that qualifies as a "combination" and meets specific thresholds must be notified to the TFTC in advance, unless it falls under one of the exemptions under the TFTA. The TFTA broadly defines a "combination" to include the following types of transactions:

- a merger;
- the holding or acquisition of one-third or more of the voting shares or interest in another enterprise;
- a transfer or lease of the whole, or a substantial part, of an enterprise's business or assets;
- a contractual arrangement for regular and ongoing joint operations with another enterprise or the management of another enterprise's business through an entrustment contract; and
- a direct or indirect control over the business operations or personnel management of another enterprise. In this regard, whether "control" exists will be evaluated on a case-by-case basis, as there is no definitive definition provided.

As for the definition of "control/subordinate" relations, also defined in Paragraph 2, Article 11 of the TFTA, is further explained in Article 6 of the Enforcement Rules, as follows.

- An enterprise is deemed to have control over another if it holds more than one half of its shares.
- An enterprise has direct/indirect control over its business operations or personnel decisions.
- When significant portion of the business or assets is assigned or leased to the controlling enterprise or if the enterprises operate jointly.
- If a person or an organization and/or its related persons hold a majority of the total number of outstanding voting shares or the total capital of another enterprise, it should be concluded that the "control/subordinate" relation exists among the aforementioned entities.

5. In which circumstances is an acquisition of a minority interest notifiable or reviewable?

The acquisition of a minority interest will constitute a combination only if it falls under the definition of combination (i.e., holds or acquires one-third or more of the voting shares or interest in another enterprise, and/or control over the business operations or personnel management of another enterprise).

6. What are the jurisdictional thresholds (turnover, assets, market share and/or local presence)? Are there different thresholds that apply to particular sectors?

The jurisdictional thresholds are stipulated under Article 11 of the TFTA. According to Article 11, a notification is required if:

- any of the enterprises involved in the combination acquires at least one-third of the market share;
- any participating enterprise has a market share of at least one-quarter before the combination; or
- the previous fiscal year's turnover of a participating enterprise exceeded any of the following thresholds set by the TFTC:
 - a. the combined global turnover of all participating enterprises exceeded NTD 40 billion, and at least two of them had turnover in Taiwan of at least NTD 2 billion in the preceding fiscal year;
 - b. for non-financial enterprises, one enterprise must have generated at least NTD 15 billion in Taiwan, while the other must have generated at least NTD 2 billion; or
 - c. for financial enterprises, one must have an annual turnover of at least NTD 30 billion, while the other must have at least NTD 2 billion.

As mentioned above, the turnover thresholds for financial enterprises differ from those applicable to non-financial enterprises.

7. How are turnover, assets and/or market shares valued or determined for the purposes of jurisdictional thresholds?

According to Paragraph 2, Article 11 of the TFTA, the turnover should be calculated on a "group/consolidated" basis. This includes the sales revenues of any enterprise that is controlled by, controls, or is affiliated with the combining enterprises, as well as any enterprise that is under the common control of the same entity or entities

as those involved in the combination.

The TFTA does not specify whether changes in the business during the reference period—such as acquisitions, divestments, or business closures—should be considered in turnover calculations. However, as the TFTA states that the parties should refer to the data in the preceding fiscal year to determine whether the threshold is met, the enterprises may use the annual turnover figures reported in the parties' audited financial statements as the standard for this calculation.

In addition, when calculating the turnover threshold for foreign entities, only Taiwanese sales are relevant, which include:

- sales generated in Taiwan by affiliates, branches, or other entities defined in Article 11, Paragraph 2; and
- direct sales to Taiwan customers.

Regarding market share, the TFTA does not limit the filing threshold assessment to only overlapping products/services. As a result, it is possible for one party – either a target or an acquirer – to meet the threshold in the absence of a substantive overlap.

To further clarify the criteria for defining relevant markets, the TFTC has established the Guidelines for Handling of Relevant Market Definition. The geographic market is not always considered to be national in scope, but is evaluated on a case-by-case basis. However, the TFTC will place greater emphasis on market share information within Taiwan.

8. Is there a particular exchange rate required to be used for to convert turnover thresholds and asset values?

The TFTA does not specify a particular exchange rate for foreign currencies. In practice, the TFTC typically accepts the use of the annual average exchange rate published by the Central Bank of Taiwan for these conversions.

9. In which circumstances are joint ventures notifiable or reviewable (both new joint ventures and acquisitions of joint control over an existing business)?

A joint venture is subject to merger control rules if it meets the definition of a "combination" under the TFTA and any of the relevant aforementioned filing thresholds. Although the TFTA does not explicitly define "joint venture," the TFTC has clarified that both newly

established joint ventures and acquisitions of joint control over existing businesses are subject to review if they meet the definition of combination.

It is important to note that the TFTA does not classify joint ventures based on their structure or function. In addition, on 28 June 2023, the TFTC promulgated amendments to the "Combination Types to Which Paragraph 1, Article 11 of the Fair Trade Act Does Not Apply" by adding an additional "non-notifiable/exempted" type of combination of joint ventures. Such exemption applies to a combination involving foreign enterprises that jointly establish or operate a joint venture outside of Taiwan, where the joint venture is not engaging in economic activities within Taiwan.

10. Are there any circumstances in which different stages of the same, overall transaction are separately notifiable or reviewable?

The law and regulations do not specify that different stages of the same overall transaction are separately notifiable or reviewable, and in practice, it would depend on whether the relevant steps meet the definition of combination and the filing threshold. If a transaction is structured or completed in a series of steps, a notification may be required prior to the implementation of first step if the first step meets the definition of combination and the relevant parties meet the filing threshold. All relevant information should be provided at the initial step. If there are changes in subsequent stages or the content of the transaction, a new notification must be submitted unless the TFTC instructs otherwise.

11. How do the thresholds apply to "foreign-to-foreign" mergers and transactions involving a target / joint venture with no nexus to the jurisdiction?

The threshold apply to "foreign-to-foreign" mergers and transactions are the same as other transactions even if the target /joint venture have no nexus to Taiwan.

The TFTC has amended and repealed its Merger Guidelines on Extraterritorial Mergers in 2023. Following these changes, any extraterritorial combination that meets any of the filing thresholds must now be notified to the TFTC, regardless of whether it has a local nexus, unless the transaction falls into the foreign joint venture exemption (please refer to Q9). The previous right to waive jurisdiction for certain transactions has been eliminated, except for non-notifiable types of combinations.

12. For voluntary filing regimes (only), are there any factors not related to competition that might influence the decision as to whether or not notify?

Not applicable.

13. What is the substantive test applied by the relevant authority to assess whether or not to clear the merger, or to clear it subject to remedies?

Generally, the substantive test is employed by the TFTC as follows: if the TFTC finds no significant concerns regarding competition restraints after considering all relevant factors, it will determine that the merger's overall economic advantages outweigh any competitive disadvantages. Conversely, if there are concerns about competition restraints, the TFTC will conduct a more in-depth analysis to assess whether the merger's benefits truly surpass the negative impacts on competition.

In Taiwan, there is no other legislation for mergers relating to particular sectors. However, under several of the TFTC's guidelines on sectoral control of certain industries affecting public welfare, such as airlines, banking/finance or 4C industries, certain specific factors will be taken into account by the TFTC when reviewing a merger involving that particular industry.

14. Are factors unrelated to competition relevant?

The TFTA and relevant regulations do not address whether non-competition issues can be considered. It is uncertain whether the TFTC will factor in any non-competition issues during the review process, as there are no existing case precedents to provide guidance.

15. Are ancillary restraints covered by the authority's clearance decision?

As of now, there is no established case precedent in Taiwan addressing this issue. Therefore, it remains uncertain whether ancillary restraints, such as non-competition agreements, would be included within the scope of a clearance decision.

16. For mandatory filing regimes, is there a

statutory deadline for notification of the transaction?

The law does not specify a statutory deadline for making a filing; however, the parties cannot close the transaction before the TFTC grants clearance.

17. What is the earliest time or stage in the transaction at which a notification can be made?

The TFTC requires that a definitive agreement or relevant board resolution be submitted with the notification to demonstrate the parties' intention to proceed with the transaction. Therefore, the earliest time for the parties to submit their filing is once the board approves the proposed transaction or signs the definitive agreement.

18. Is it usual practice to engage in pre-notification discussions with the authority? If so, how long do these typically take?

The TFTC published the Guidelines on Offering Pre-Filing Consultation on 18 August 2021 to help the notifying parties clarify certain filing-related issues before submitting a formal filing. The consultation is treated confidentially. To ensure effective consultations, parties are encouraged to submit their consultation requests at least ten working days before the anticipated filing date. Please note that the TFTC's opinions in such consultations are non-binding. The duration of consultations varies depending on the complexity of each case.

19. What is the basic timetable for the authority's review?

The parties to the proposed transaction are free to proceed with the transaction if the TFTC does not make any objection to the filing within 30 business days following the latest filing date (with complete documents and information).

20. Under what circumstances may the basic timetable be extended, reset or frozen?

If the notification is considered incomplete, the RFIs will be issued by the TFTC during the review process requesting the parties to supplement information; such requests reset the clock. If it is deemed necessary, the TFTC may extend the 30-business-day waiting period by up to a total of 90 business days.

21. Are there any circumstances in which the review timetable can be shortened?

The review timetable may be shortened if the circumstances fall under the simplified procedure outlined below:

- For horizontal mergers, the combined market shares after the merger are below 20%; or the combined market shares after the merger are below 25% with one party's market share below 5%;
- For vertical mergers, the combined market shares in each individual market are below 25%;
- For conglomerate mergers, there shall be no significant potential for competition between the parties;
- If one of the enterprises participating in the merger directly owns more than one-third but less than half of the voting shares or paid-up capital of the other party;
- The transaction is to be conducted by the parties outside of Taiwan, with a transaction value of less than NTD 2.5 billion.
- One of the enterprises files the notification for reaching the market thresholds, and the filing meets one of the following criteria:
 - a. for horizontal mergers, the total domestic sales of the merging parties for the preceding fiscal year are less than NTD 200 million;
 - b. for vertical mergers, the domestic sales of each merging party for the preceding fiscal year are less than NTD 200 million; or
 - c. the domestic sales of the parties to be merged are all zero for the preceding fiscal year.

However, the TFTC may still require the parties to follow the standard procedure in certain situations, such as where the merger involves major public interest or the entry barriers are high, regardless of whether they meet the criteria for the simplified procedure.

22. Which party is responsible for submitting the filing?

The following parties are responsible for submitting the filing:

- all enterprises involved in the following transaction: (i) merger, and (ii) regularly operate jointly with another enterprise, or are commissioned by another enterprise to run operations;
- the enterprise that is holding or acquiring shares or capital contributions from another enterprise;
- the transferee or lessee when an enterprise transfers or leases its operations or assets to another

- enterprise; and
- the controlling enterprise if it directly or indirectly controls the business operations or the appointment or discharge of personnel of another enterprise.

If an enterprise required to file has not yet been established, the existing enterprises in the merger shall file the notification. Enterprises considering a combination should note that in a combination-type acquisition of shares or capital contributions of another enterprise, if a control/subordinate relation exists between the acquirers or the acquirers are under common control of one or more entities, the ultimate parent company of the acquirers will be the notifying party.

23. What information is required in the filing form?

Transactions must be notified using the standard form published by the TFTC. The following information must be included in the filing form.

- Basic information of the participating parties.
- Information on production.
- Horizontal competition information regarding the structure of the relevant market of the parties in Taiwan.
- Market information about the upstream (suppliers) and downstream (customers) industries relevant to the parties in Taiwan.
- A transaction description.
- Relevant market description.
- Information on potential barriers to entering the relevant market.
- Economic analysis.
- Information regarding the parties' investments in Taiwan, such as subsidiaries and branches.

24. Which supporting documents, if any, must be filed with the authority?

The following supporting documents should be included with the filing:

- The latest annual reports or financial reports of the parties;
- a copy of the definitive agreement for the proposed transaction or board resolutions approving the transaction;
- a power of attorney from the ultimate parent enterprise authorizing local counsel to file the combination notification on its behalf; and

- the most recent certificate of incorporation for the parties.

All supporting documents must be submitted in Chinese (Mandarin) or accompanied by a Chinese (Mandarin) translation.

25. Is there a filing fee?

No.

26. Is there a public announcement that a notification has been filed?

No public announcement will be made confirming the filing of a notification until the TFTC accepts a notification and determines to adopt the standard procedure to review the case. Under such situation, the TFTC will publish a summary of the proposed transaction on its website to seek public comments.

27. Does the authority seek or invite the views of third parties?

As mentioned above, when the TFTC accepts a notification and determines to adopt the standard procedure, it will publish a summary of the proposed transaction on its website for one week to seek public comments.

In instances where the TFTC believes that a transaction could significantly affect the local market, it may take additional steps, including:

- issuing letters to the parties' Taiwan customers, suppliers, and occasionally competitors to seek their opinions; or
- holding a symposium or public hearing to gather feedback from competitors, upstream and downstream enterprises, relevant authorities, and scholars.

28. What information may be published by the authority or made available to third parties?

As mentioned above, if the TFTC accepts a notification and determines to adopt the standard procedure, it will publish a summary of the proposed transaction on its website for one week. In this context, the fact of the notification and a description of the transaction will be made public. The TFTC typically will not disclose any commercially sensitive information that is explicitly

marked as confidential, such as trade secrets, to the general public.

When the TFTC clears a transaction without any condition/remedy, it will only publish a news release summarising its decision on its website and does not issue a formal decision letter. For a decision with a condition/remedy or prohibiting a transaction, the TFTC will issue an official decision to the parties, which will also be published on the TFTC's website.

Parties may request the TFTC to withhold specific confidential information from public disclosure and to handle the combination notification confidentially. If the parties have particular concerns regarding the TFTC's public announcement, they can submit an application asking the TFTC not to disclose certain details about the transaction. However, the approval of such requests is at the discretion of the TFTC.

29. Does the authority cooperate with antitrust authorities in other jurisdictions?

The TFTC may cooperate with foreign antitrust authorities, particularly when reviewing filings for cross-border or foreign-to-foreign transactions. The TFTC may consult with the regulatory authorities of the parties' home countries during this process. Furthermore, the TFTC has established several cooperation agreements and memorandums regarding the application of competition regulations with countries such as Australia, Canada, France, Hungary, Mongolia, and New Zealand, which facilitates anticipated cooperation between the TFTC and these jurisdictions.

However, it remains unclear whether such cooperation occurs at a general policy level or includes the exchange of specific transaction information. In practice, the TFTC typically seeks the parties' consent before sharing any information with foreign jurisdictions.

30. What kind of remedies are acceptable to the authority?

There is no legal standard that remedies must meet in order to be deemed acceptable. While the TFTA has not stipulated any formal remedies, the parties could suggest remedies for any concerns about the transaction.

According to the Merger Guidelines, the TFTC can impose the following two types of remedies as conditions:

- Structural Measures: the TFTC may order parties to dispose of shares or assets, transfer parts of their

operations, or remove personnel from specific positions.

- Behavioral Measures: the TFTC can order parties to continue supplying critical facilities or essential elements to external businesses, license their intellectual property rights, and prohibit exclusive dealing, discriminatory treatment, or tie-in sales.

31. What procedure applies in the event that remedies are required in order to secure clearance?

Depending on the nature of a remedy, it is acceptable for the parties to complete the merger before complying with the remedies. The TFTC will conduct periodic reviews of the parties' behavior or divestment status to ensure that they comply with the conditions imposed by the TFTC.

Since these remedies are conditions for the TFTC's approval, the parties must comply with them. If the TFTC finds any violations, it can impose penalties, which may include prohibiting the merger, requiring divestiture, transferring the acquired business, or removing designated personnel as well as imposing administrative fines ranging from NTD 200,000 to NTD 50 million.

32. What are the penalties for failure to notify, late notification and breaches of a prohibition on closing?

Failing to notify may result in several penalties, including:

- prohibition of the combination;
- divestiture or transfer of the acquired business;
- removal of personnel designated by the enterprises; and
- administrative fines ranging from NTD 200,000 to NTD 50 million.

The party or parties is/are liable for a penalty would be the notifying party or parties. In addition, the TFTC publishes information regarding penalties imposed for violations of merger control rules. Publicly available information indicates that no penalties have been imposed in cases involving foreign-to-foreign transactions

33. What are the penalties for incomplete or misleading information in the notification or in response to the authority's questions?

For notifications deemed incomplete, the TFTC may reject the filing or ask the parties to withdraw it after multiple rounds of RFIs. In such cases, while there are no penalties, the parties cannot proceed with the transaction since clearance has not been granted.

As for misleading information, the TFTC may impose various penalties such as prohibiting the combination, mandating divestiture, requiring the transfer of the acquired business, or removing designated personnel from the involved enterprises. Additionally, the TFTC may impose administrative fines ranging from NTD 100,000 to NTD 1 million.

34. Can the authority's decision be appealed to a court?

Yes, the authority's decision can be appealed to the High Administrative Court within two months of receiving that decision. The process for administrative litigation involves the TFTC as the defendant and the appealing parties as the plaintiffs, all conducted in a formal legal setting. The typical timeline for an appeal is about 12 to 18 months.

If a clearance decision negatively impacts or burdens a third party, that third party may also file an appeal.

35. What are the recent trends in the approach of the relevant authority to enforcement, procedure and substantive assessment?

In June 2023, after seeking the public's comments and consultation with various stakeholders, three major amendments to the merger control rules took effect:

Additional type of combination exempted from a filing

Notable amendments regarding the exceptions of notification were promulgated, which introduced an additional "non-notifiable/exempted" type of combination. Such exemption applies to a combination involving foreign enterprises that jointly establish or operate a joint venture outside of Taiwan, where the joint venture is not engaging in economic activities within Taiwan.

Additional types of combination eligible for simplified procedure

Furthermore, the TFTC has expanded the categories eligible for simplified procedure. In addition to the previously specified types, four new categories were added as follows:

- where the transaction value is below NTD 2.5 billion;
- in a horizontal combination, where the combined Taiwan revenues of the participating parties' relevant products or services does not reach NTD 200 million;
- in a vertical combination, where none of the participating parties has generated NTD 200 million or more in Taiwan for the relevant products or services; or
- where the enterprise being combined generates no Taiwan revenue.

Abolishment of the guidelines on handling extraterritorial combinations

The TFTC also repealed the Guidelines on Extraterritorial Mergers, emphasizing that any extraterritorial combinations meeting the filing thresholds must now be notified in accordance with the TFTA, thereby reinforcing jurisdictional clarity.

36. Are there any future developments or planned reforms of the merger control regime in your jurisdiction?

1. In December 2022, the TFTC released the White Paper on Competition Policy in the Digital Economy, addressing several competition issues, including "killer acquisitions" and the role of privacy in merger reviews. The TFTC has indicated that the content of the White Paper reflects its position at this point in time and does not preclude future adjustments in response to economic developments and industry changes.

2. Furthermore, in recent years, the TFTC has proposed removing the market share filing thresholds under Article 11 of the TFTA. The most recent proposal was in June 2023, with the "2023 Draft Amendments," which focused on antitrust issues in new business models. These amendments suggested eliminating market share thresholds and allowing for sector-specific turnover thresholds. In January 2024, the TFTC released an updated version ("2024 Draft Amendments") that retained the proposal to remove market share thresholds. However, the minutes from the TFTC Commissioners' meeting on 28 May 2025 indicate that the 2024 Draft Amendments have been revoked. As of now, there is no information on when or if the 2024 Draft Amendments or any other version of amendments will be proposed by the TFTC.

3. In addition, to assist enterprises in understanding whether their business practices on environmental sustainability constitute concerted actions under the TFTA, and to ensure free and fair competition in the

market, the TFTC issued the “Guidelines on Concerted Actions in the Context of Environmental Sustainability” (the “Guidelines”) on 19 February 2025. Although the Guidelines focus primarily on issues related to concerted actions and environmental sustainability, they reflect the TFTC’s recent enforcement stance, emphasising environmental sustainability issues. In this regard, it is foreseeable that the TFTC may extend this enforcement stance to merger control reviews involving environmental sustainability issues in the future.

4. Lastly, In July 2025, the TFTC prepared the “Explanatory Information on Soliciting Public Opinions on Competition Law Issues Related to Generative Artificial Intelligence in Taiwan” (the “Explanatory Information”). The purpose of this document is to better understand the current state of Taiwan’s AI-related industrial supply chain and competitive dynamics, and to broadly solicit public feedback as a reference for the TFTC’s future legislative and enforcement efforts.

The Explanatory Information expands the discussion to competition issues that may arise from generative AI,

particularly in the context of the four main types of competition law regulation, including mergers. The TFTC notes that the current AI market is actively developing cooperative relationships through horizontal, vertical, and conglomerate mergers to integrate resources and enhance market influence. These collaborations may take the form of investments, licensing agreements, or talent recruitment. Mergers among highly concentrated AI chip and cloud service providers have attracted significant attention. Given the high barriers to entry in terms of capital and technology in the generative AI infrastructure and model development markets, startups are increasingly incentivized to collaborate with or be acquired by major technology companies. Furthermore, considering the critical importance of professional talent in the AI industry, the impact on market competition of companies directly hiring teams from competitors or potential competitors remains to be seen.

It is important to continue monitoring whether the TFTC will issue further policy plans or guidelines regarding competition issues related to AI.

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