Since the lifting of martial law in 1987 two political parties, the Kuomintang and Democratic Progressive Party, have dominated Taiwan’s party system. The party system has been much more stable than many other Asian democracies, such as South Korea or Japan. However there have been periods in which other challenger parties have won significant numbers of parliamentary seats and affected the political agenda. In this paper I assess the impact of these new parties on the party system and offer some explanations for their electoral success and failures. In a previous study I examined new parties in Taiwan between 1987 and 2004, thus this paper focuses on more recent developments since 2004.