



Q4 What is the main content of the Cross-strait BIA?

The basic framework is similar to that of other investment agreements, with the incorporation of issues that Taiwanese investors are concerned with.

The main content of the Cross-strait BIA includes a definition of “investments” and “investors,” scope of application and exceptions, standard of treatment, transparency, phased reduction of investment restrictions, facilitation of investments, expropriation, compensation for losses, subrogation, transfer, denial of benefits, dispute settlement, contact and communication mechanisms, and other important topics that Taiwanese investors are concerned with.

Q5 Will the implementation of the Cross-strait BIA bring about a major liberalization of the policy on Mainland Chinese investment in Taiwan?

No.



The government has established the policy for Mainland Chinese investment in Taiwan based on the principles of “first tight, then liberal,” “gradual and orderly liberalization,” and “further liberalization depending on the outcome of previous liberalization.” The competent authorities have set up a complete set of regulations and accompanying measures related to the aforementioned policy. The government will continue to evaluate the impact of Mainland Chinese investment on Taiwan’s economy, industry, and society as a whole, and will review the policies and regulations related to Mainland Chinese investment in Taiwan based on the above principles.

Cross-strait Bilateral Investment Agreement

Q & A



Q1 What is the Cross-strait Bilateral Investment Agreement (Cross-strait BIA)?

It is a mechanism that protects the rights and interests of investors of Taiwan and Mainland China in the way of an agreement.

The Cross-strait BIA is a part of the whole picture of the cross-strait Economic Cooperation Framework Agreement (ECFA). It is an agreement that is reached between the two governments to stipulate in writing the matters related to investments and investors' rights and to provide investment protection in areas that are concern to the investors of Taiwan and Mainland China.

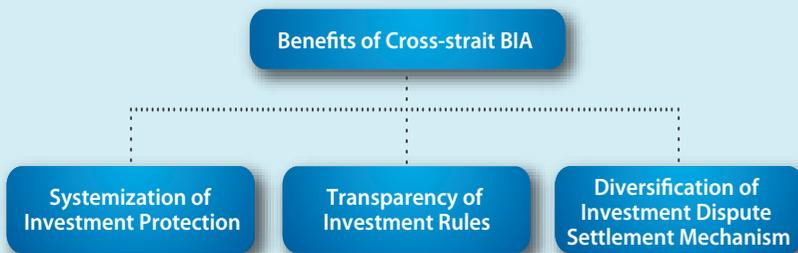


Diagram 1: Benefits of the Cross-strait BIA



Diagram 2: The Cross-strait BIA is an essential part of ECFA

Q2 Why enter into the Cross-strait BIA?

To protect the investors of Taiwan and their investments in Mainland China.

1. Mainland China is the largest recipient of foreign direct investment from Taiwan. However, the current investment protection provided by Mainland China to Taiwanese investors is unilateral and cannot meet the needs of Taiwanese investors. Taiwanese investors and business and trade organizations have been urging the Taiwan government to enter into a bilateral investment agreement with Mainland China's government for years.
2. The implementation of the Cross-strait BIA will establish a systematic and diversified dispute settlement mechanism for investment disputes to protect the rights and interests of investors.

Q3 Who is protected under the Cross-strait BIA? Are investors of Mainland China included?

The Cross-strait BIA provides protection to investors and enterprises of Taiwan and Mainland China investments in Mainland China.

Like other bilateral or regional economic and trade agreements, the Cross-strait BIA is an agreement that protects investors of both parties in a reciprocal manner, including Taiwanese investors who invest in Mainland China directly or indirectly via a third country and Mainland Chinese investors who conduct investment activities in Taiwan.

