

Promoting and Guarding the Country

Benefits of the 18 Cross-Strait Agreements

December 2012

Mainland Affairs Council (MAC)

Results of the Seven Rounds of Chiang-Chen Talks.....	2
Cross-Strait Negotiations	3
Defending Sovereignty.....	3
Implementation Results of the Cross-Strait Agreements.....	4
Implementation Review of the Cross-Strait Agreements.....	5
Public Support	5
Legislative Oversight	7
Cross-Strait Air Transport Agreement	8
Cross-Strait Sea Transport Agreement	9
Cross-Strait Agreement on Mainland Tourists Traveling to Taiwan	9
Cross-Strait Food Safety Agreement,,,.....	11
Cross-Strait Postal Service Agreement	13
Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance..	13
Cross-Strait Financial Cooperation Agreement	15
Cross-Strait Agreement on Cooperation in Quarantine and Inspection of Agricultural Products.....	16
Cross-Strait Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation.....	17
Cross-Strait Agreement on Cooperation in Respect of Fishing Crew Affairs	18
Cross-Strait Economic Cooperation Framework Agreement (ECFA)	19
Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation	22
Cross-Strait Agreement on Medical and Health Cooperation.....	24
Cross-Strait Nuclear Power Safety Cooperation Agreement.....	
Cross-Strait Investment Protection and Promotion Agreement.....	
Cross-Strait Customs Cooperation Agreement.....	

Results of the Eight Rounds of Chiang-Chen Talks

Institutionalizing Cross-Strait Exchanges

Internationalizing Taiwan's Economy

The First Talks (June 13, 2008)

Minutes of Talks on Cross-Strait Charter Flights

Cross-Strait Agreement on Mainland Tourists Traveling to Taiwan

The Second Talks (November 4, 2008)

Cross-Strait Air Transport Agreement

Cross-Strait Food Safety Agreement

Cross-Strait Sea Transport Agreement

Cross-Strait Postal Service Agreement

The Third Talks (April 26, 2009)

Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance

Supplementary Agreement on Cross-Strait Air Transport

Cross-Strait Financial Cooperation Agreement

Consensus on Mainland Investment in Taiwan

The Fourth Talks (December 22, 2009)

Cross-Strait Agreement on Cooperation in Quarantine and Inspection of Agricultural Products

Cross-Strait Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation

Cross-Strait Agreement on the Cooperation in Respect of Fishing Crew Affairs

The Fifth Talks (June 29, 2010)

Cross-Strait Economic Cooperation Framework Agreement (ECFA)

Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation

The Sixth Talks (December 21, 2010)

Cross-Strait Agreement on Medical and Health Cooperation

The Seventh Talks (October 20, 2011)

Cross-Strait Nuclear Power Safety Cooperation Agreement

The Eighth Talks (August, 2012)

Cross-Strait Investment Protection and Promotion Agreement

Cross-Strait Customs Cooperation Agreement

Consensus on the Protection of Personal Freedom and Safety

Cross-Strait Negotiations

Resuming Cross-Strait Negotiations

Advancing Taiwan in the World Market

Since May 20, 2008, the government, seizing a historic opportunity, has made great efforts to improve cross-strait relations. In doing so, it has maintained the status quo of "no unification, no independence, and no use of force" in the Taiwan Strait and remained faithful to the highest principle of "putting Taiwan first for the benefit of the people." Through institutionalized cross-strait negotiations, it has sequentially and steadily promoted policy measures to advance benign cross-strait interactions and create a new era of cross-strait mutual benefit, win-win outcome, peace, and stability. As a result, the Taiwan Strait, once an East Asian flashpoint, is now a region of peace and prosperity.

The government and the Mainland side have resumed institutionalized negotiations between the Straits Exchange Foundation (SEF) and the Association for Relations Across the Taiwan Straits (ARATS). To date, they have held eight Chiang-Chen Talks, signed 18 agreements, and reached two consensuses. These agreements have established explicit norms for the order of cross-strait exchanges and sought the well-being of the people on both sides. The improvement of cross-strait relations has not only provided key benefits for Taiwan's own development, but also transformed cross-strait exchanges into a motive force to lead Taiwan into the world. It creates, moreover, new opportunities for peace and stability in East Asia and paves a new route for Taiwan's economy to link with the world.

Defending Sovereignty

Defending the Sovereignty of the Republic of China

Putting Taiwan First for the Benefit of the People

The Republic of China (ROC) is an independent sovereign state. The highest guiding principle of the government in promoting Mainland policy and carrying out cross-strait negotiations is to "put Taiwan first for the benefit of the people." Putting Taiwan first means defending Taiwan's identity; for the benefit of the people means that the fruits of cross-strait negotiations must be shared by all the people and not just benefit specific business groups. Under the SEF-ARATS framework, the two sides have held official-to-official negotiations and signed agreements, fully manifesting

the fact that the Republic of China's sovereignty does exist. In the past eight Chiang-Chen Talks, negotiations between the two sides have been conducted on a "mechanism-to-mechanism" and "official-to-official" basis, without any loss to sovereignty as a result. The 18 agreements signed between the two sides contain no political preconditions, nor any political language. All of the agreements signed are in black and white, fully disclosed, transparent, and available for viewing. The implementation results of the agreements have benefited the people's livelihood and Taiwan's economy. Moreover, the sovereignty of the ROC not only has not suffered the slightest loss, but on the contrary has been further consolidated.

The improvement of cross-strait relations has broadened Taiwan's international space. Over the past more than four years, the Republic of China has not lost a single diplomatic ally. At the same time, it has successfully participated in the World Health Assembly (WHA) and become a contracting member of the Agreement on Government Procurement (GPA). Countries/areas including the United Kingdom, Ireland, New Zealand, Canada, the European Union, and the United States have successively granted visa-free treatment to the people of Taiwan, who consequently can now travel to 131 countries/areas (up to November 28, 2012) without advance visa application, an increase of 77 over the number of the countries/ areas that granted such treatment before President Ma Ying-jeou came into office in 2008. In addition, the government's success in establishing an office in Hokkaido, Japan, and other facts illustrate that the government's promotion of flexible diplomacy through cross-strait reconciliation has won a positive response from the international community. It also demonstrates that the government's Mainland policy is the "route to protect Taiwan," meaning working for the benefits of the people and defending our national sovereignty. Over the past more than four years, Taiwan has been increasingly active in the international arena and the Taiwanese people have been able to travel in the world more conveniently, with the result that Taiwan's national sovereignty is further consolidated.

Implementation Results of the Cross-Strait Agreements

Steadily Promoting Implementation of the Agreements

Benefiting the people on both sides

To date, the two sides have signed and successively brought 18 agreements into effect. These agreements have gradually realized policy effects and benefited the people on both sides. In the economic and trade realm, the Agreement which allows

Mainlanders to visit Taiwan for tourism has promoted the development of Taiwan's tourism industry and enabled the Mainland people to personally experience Taiwan's democracy and freedom. The direct cross-strait sea and air transport links have moved forward in a gradual, orderly manner, providing the public with timesaving and convenient service, while also upgrading Taiwan's overall competitiveness. The Cross-Strait Financial Cooperation Agreement as well as the Memorandums of Understanding signed between the two sides on financial supervision cooperation in the banking, securities, and insurance sectors have laid a foundation for Taiwan's financial institutions to establish branches in the Mainland. The Cross-Strait Economic Cooperation Framework Agreement (ECFA) signed in 2010 will help Taiwan break through the plight of economic marginalization, as well as further institutionalize cross-strait economic and trade relations. In addition, the Cross-Strait Food Safety Agreement establishes a food safety management system to ensure the safety of the food consumed by the people of Taiwan. The Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance helps maintain law and order and provides the people on both sides with more direct protections for the security of life and property as well as justice.

Actively Reviewing Agreement Implementation Expanding Policy Benefits

The government is actively establishing a mechanism to review the results of the cross-strait agreements so as to continue expanding the policy benefits of these agreements and truly realize the benefits of institutionalized cross-strait negotiations. The first Cross-Strait Agreement Result and Review Meeting, held in Taipei on June 8, 2011, achieved important results. Regarding the tourism agreement, the two sides agreed to officially implement a policy to allow Mainland tourists to visit Taiwan for independent travel, effective since June 22, 2011. On the air transport agreement, the two sides agreed to increase the number of weekly cross-strait flights from 370 to 558, as well as to actively coordinate on lowering fares. Regarding the food safety agreement, the health authorities of the two sides have notified each other recent cases involving the suspected addition of nitrates in Mainland dairy products and the contamination of Taiwan products with plasticizers. As for the melamine claim cases, face-to-face meetings with the related companies have been arranged to work out a solution. In the area of joint crime-fighting, the Philippines deported 14 Taiwan criminal suspects to mainland China in February 2011. The two sides have verified that the 14 suspects will be repatriated to Taiwan for investigation and trial. As for quarantine and inspection of agricultural products, according to data from the Council

of Agriculture, there are currently five livestock product manufacturers in Taiwan that have been approved to export pork, processed poultry products and eggs to the Mainland via ports in Beijing, Shanghai and Xiamen. Taiwan pears, rice and other agricultural products have also been approved for export to the Mainland.

Furthermore, the two sides have agreed to promote communication and coordination between the competent authorities of the two sides in the future. They have also agreed to meet regularly to jointly review the results of the phased implementation of the agreements and work on ways for improvements, as well as jointly study and discuss concrete resolution methods, further realizing the benefits of the agreements.

Public Support

Majority of the People Support Cross-Strait Negotiations

The government has been promoting cross-strait negotiations for more than four years based on the principle of "national needs, public support, and legislative oversight." The 18 agreements signed at the eight Chiang-Chen Talks have won majority support in Taiwan. This high level of public support has enabled the government to confirm that institutionalized negotiations are the best way to handle complicated cross-strait affairs and stabilize relations between the two sides. The government will continue to advance firmly and steadily in this direction to protect Taiwan, work for the benefits of the people, and defend Taiwan's national sovereignty.

Agreement Title or Public Opinion Survey Topic	Public Support
The First Chiang-Chen Talks	
* Conducive to the peace and stability of cross-strait relations	59.9%
* Agreements on weekend charter flights and Mainland tourists traveling to Taiwan	58.2%
The Second Chiang-Chen Talks	
* Handling issues related to cross-strait exchanges through institutionalized negotiations	71.8%
* Cross-Strait Air Transport Agreement	80.4%
* Cross-Strait Sea Transport Agreement	80.9%

* Cross-Strait Food Safety Agreement	68.9%
* Cross-Strait Postal Service Agreement	84.6%
The Third Chiang-Chen Talks	
* Handling issues related to cross-strait exchanges through institutionalized negotiations	73.8%
* Holding two institutionalized high-level talks annually is "just right"	58.1%
* Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance	78.8%
* Supplementary Agreement on Cross-Strait Air Transport	71.8%
* Cross-Strait Financial Cooperation Agreement	58.8%
* Consensus on Mainland Investment in Taiwan	64.5%
The Fourth Chiang-Chen Talks	
* Conducive to the peace and stability of cross-strait relations	68.3%
* Cross-Strait Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation	65.3%
* Cross-Strait Agreement on Cooperation in Respect of Fishing Crew Affairs	50.2%
* Cross-Strait Agreement on Cooperation in Quarantine and Inspection of Agricultural Products	61.3%
The Fifth Chiang-Chen Talks	
* The signing of the ECFA is conducive to Taiwan's signing FTAs with other countries	62.6%
* The results of ECFA negotiations	61.1%
* Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation	73.1%
* The signing of the ECFA and the	66.8%

Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation upholds Taiwan's interests	
The Sixth Chiang-Chen Talks	
* Cross-Strait Agreement on Medical and Health Cooperation	61.6%
* Conducive to the peace and stability of cross-strait relations	73.0%
The Seventh Chiang-Chen Talks	
* Continuously handling issues related to cross-strait exchanges through institutionalized negotiations	84.8%
* Cross-Strait Nuclear Power Safety Cooperation Agreement	71.3%
The Eighth Chiang-Chen Talks	
* Continuously handling issues related to cross-strait exchanges through institutionalized negotiations	72.5%
* Consensus on the Protection of Personal Freedom and Safety reached between the SEF and the ARATS under the Cross-Strait Investment Protection and Promotion Agreement	60.5%
* Cross-Strait Customs Cooperation Agreement	67.7%

(Sources: Mainland Affairs Council; Public opinion survey institutions: Election Study Center at National Chengchi University; China Credit Information Service; Berkeley Business Information Greater China; Center for Public Opinion and Policy, Taipei Municipal University of Education; TVBS Poll Center)

Legislative Oversight

Legislative Oversight

Transparency of Issues

All cross-strait agreements, once signed, have to be submitted to the Legislative Yuan for deliberation as required by law. Without any exception, the content of the

agreements has to be made open to the public and readily available to be reviewed word-for-word by the public.

Before the Talks: The MAC, the SEF and competent authorities for the issues covered by the agreements have to call on the legislators who are concerned with the issues to exchange opinions and ideas. Besides, they answer requests to present various special reports at the Legislative Yuan. The administrative agencies have to report to the Legislative Yuan at the latter's request.

After the Talks: As stipulated in Article 5 of the Act Governing Relations Between People of the Taiwan Area and the Mainland Area, the administrative agencies have to submit all of the agreements signed at the Chiang-Chen Talks to the Legislative Yuan for reference or deliberation. They also fully respect and accept the Legislative Yuan's oversight and resolution. Moreover, the administrative agencies have to present reports and briefings on the results of the talks to the joint meetings of relevant committees of the Legislative Yuan, subject to legislative oversight and interpellation.

Cross-Strait Air Transport Agreement

Time-saving, Comfortable, and Convenient

- **Creating a golden flight circle and linking with international flights**

The gradual and orderly development of direct cross-strait air transport links is conducive to increasing the number of Mainland tourists visiting Taiwan. It also increases the willingness of Taiwan businesses to invest back in Taiwan and reduces the export cost of Taiwan products. Furthermore, it creates a golden flight circle and links with international flights, making international businessmen travel more conveniently and connecting Taiwan with world markets.

- **Direct cross-strait transport links are time-saving and convenient**

From July 4, 2008 when direct cross-strait air links were introduced, to September 30, 2012, over 21.17 million person-trips were made through direct flights across the Taiwan Strait. Passengers no longer need to bring their suitcases to land and transfer at a third place. The flight from Taoyuan to Shanghai used to take six to seven hours with plane transfers. Now with the direct cross-strait flight, it only takes 84 minutes, more time saved and more convenience gained.

- **Efficient cross-strait transportation raises overall competitiveness**

Direct cross-strait air links reduce the time and cost of cross-strait contacts, increase the efficiency of cross-strait transportation, reestablish Taiwan's economic strategic position in Asia and even the Asia-Pacific region, increase Taiwan's overall competitiveness, and strengthen Taiwan's links with the global market. With the establishment of direct cross-strait air transport links, Taiwan is now able to attract investment by more transnational enterprises and become an operational base for such companies to advance into the mainland Chinese and Southeast Asian markets. These benefits will gradually be produced and reaped.

Cross-Strait Sea Transport Agreement

Reducing Time and Cost

Improving Transportation Efficiency

- **Re-establishing Taiwan's position as an Asia-Pacific trade hub**

Direct shipping reestablishes Taiwan's position as an economic and trade hub in the Asia-Pacific region. It also strengthens links between Taiwan's economy and the international market, which in turn can attract more transnational enterprises to invest in Taiwan and encourage such companies to make Taiwan their operational base to access the markets in mainland China and Southeast Asia. Overseas Taiwanese businesses will also have greater incentives to invest and establish operational headquarters in Taiwan.

- **Tapping new opportunities to market Taiwan's agricultural products in mainland China**

Direct cross-strait sea links mean that ships no longer need to detour to a third place, reducing shipping time by 16 to 27 hours each voyage, saving about NT\$1.2 billion annually, and significantly boosting logistic and distribution efficiency. The direct links also create new opportunities to market Taiwan's agricultural products in mainland China. Exports of fresh agricultural products from Taiwan to the Mainland have already increased since the direct cross-strait sea links were launched on December 15, 2008. According to the statistics by the Council of Agriculture and the customs, exports of live fish from Taiwan to the Mainland during the first nine months of 2012 increased by 29% compared with the same period in 2011. During the same comparison period, Taiwan's exports of fresh and chilled fruits to the Mainland increased by 56%, while exports of agricultural products (including vegetables, fruits, fish, crustaceans and molluscs and their products, etc.) increased by 39% over 2011.

Take Taiwan's groupers for example. The value of grouper exports from Taiwan to the Mainland in 2011 increased by 2.4-fold compared to 2010, which again increased by 1.3-fold between January and September of 2012 compared to the same period in 2011. The direct cross-strait transport links have reduced the landed cost of groupers (15 metric tons per time) by about NT\$400,000, or 30.8%. As for the shipping time, a direct shipment to Shanghai via the direct cross-strait transport links cuts the shipping time by about 27 hours and reduces the attrition rate by 50% (before the direct links, most shipments were routed through Hong Kong, which required 48 hours for one-way trips). This shows that, since the signing of the Cross-Strait Sea Transport Agreement, the time and cost of shipping fresh agricultural products to the Mainland have fallen and the freshness of such products has been maintained, enhancing the market competitiveness of Taiwan's agricultural products.

Agreement on Mainland Tourists Traveling to Taiwan

Promoting Tourism Industry's Development

Showcasing a Free and Democratic Taiwan

- **Directly generating over NT\$220 billion in tourism revenue**

Mainland tourists have been allowed to visit Taiwan since the Ma Administration came into office, and the first such visitor group arrived on July 4, 2008. According to the statistics, from July 2008 to the end of September 2012, Mainland tourists made over 4.29 million visits to Taiwan. In 2010, the number of Mainland tourists visiting Taiwan nearly doubled over the level of 2009. Not only has the number of Mainland tourists steadily increased over the years, but their average length of stay in Taiwan is the longest among Asian tourists. This has generated NT\$221.8 billion in foreign exchange for tourism related industries in Taiwan.

- **Strict and effective management mechanism**

Since July 2008 when Taiwan first opened up to Mainland tourists, up until the end of September 2012, only a total of 126 Mainland tourists overstayed and absconded from their tour groups. Of this number, 84 persons have been found and 42 are still missing, representing just 0.003% of the total number of tourists visiting Taiwan. This is the lowest ratio among all neighboring countries that allow Mainland tourists (For example: 0.09% of the Mainlanders visiting Japan abscond from their tour groups), indicating that Taiwan has achieved the best results in keeping watch.

- **Mainland tourists' visiting Taiwan has not squeezed out international tourists**

In 2011, the number of international visitors to Taiwan reached a new high of 6.08 million, of which 3.63 million came for tourism. During the same period, the number of Mainland tourists visiting Taiwan reached 1.29 million. Moreover, since Taiwan began admitting Mainland tourists in July 2008, the number of international tourists visiting Taiwan grew by 4.7% and 14.7% in 2009 and in 2010 respectively. In 2011, the number of international tourists visiting Taiwan increased by 16.11%. Within these figures, the number of tourists from Japan rose by 28.67%, from South Korea by 34.82%, from Singapore by 36.34% and from Malaysia by 9.74%. Therefore, it is clear that Mainland tourists are not squeezing out international tourists. On the contrary, the improved cross-strait relations coupled with the overall upgrading of the tourism quality in Taiwan have resulted in a steady growth in the number of international tourists visiting Taiwan.

- **Indirectly promoting development of related industries**

The continuous growth in the numbers of Mainland tourists and foreign tourists visiting Taiwan has driven development in related industries. According to statistics of the Tourism Bureau, Ministry of Transportation and Communications, an estimated amount as much as NT\$81.1 billion was invested in the construction of 339 new hotels, and NT\$15.8 billion in facility renovations at 727 hotels between the second half of 2008 and the end of 2011. From 2012 to 2015, it is estimated that up to NT\$174.9 billion will be invested in the construction of 450 hotels. Taiwan has also successfully attracted international chain hotel brands, such as W Hotel and Crowne Plaza, helping promote overall innovation among domestic hotel chain brands. Other sectors, such as travel agencies, guide services, tour coach operators, and the retail industry, have all grown steadily due to the increasing number of tourists.

The signing of this Agreement has also created an opportunity for rapid growth in Taiwan's industry of specialty agricultural products. One example is pineapple cakes, which are the most popular souvenir gift among Mainland tourists. According to the statistics compiled by the Taipei Bakery Association, the demand for Taiwan pineapple cakes from Mainland tourists visiting Taiwan is spurring the overall production value of the supply chain of upstream and downstream industries. The annual sale of pineapple cakes in Taipei has climbed from NT\$2 billion in 2005 to NT\$20 billion in 2010. Related businesses believe that opening Taiwan to Mainland visitors is one of the main reasons for such gain.

Cross-Strait Food Safety Agreement

Establishing a Food Safety Management System

Ensuring Food Safety for the People

- **Prompt notification, source suspension, and inspection to put people's minds at ease**

At the insistence of the Taiwan government, the "Cross-Strait Food Safety Agreement" was signed at the Second Chiang-Chen Talks. Since this Agreement came into effect on November 11, 2008, the two sides have used the notification window and the institutionalized handling mechanism of the Agreement to promptly report and request information on food problems. According to the statistics by the Department of Health, a total of 925 cross-strait cases involving unsafe food were reported from March 2009 when the reporting format was designated, to the end of September 2012. Problematic items in the reported cases, ranging from Mainland-exported tremella with pesticide residue, abalone with restricted veterinary drugs, to food-grade salt mixed with industrial salt, were effectively barred from entering Taiwan. Furthermore, in the case of the plasticizer incident in Taiwan, the competent authorities of the two sides also used the contact window established under the Agreement to report and collect pertinent information, which enabled the immediate tracking of affected products and conducting of related procedures.

In the future, the health authorities of the two sides will use the agreement reporting mechanism to continuously foster communication and cooperation on information related to cross-strait food safety incidents and upgrade the advance warning function of the prompt reporting of unsafe food so as to prevent major food safety cases.

- **Expanding cooperation and reducing risk**

Regarding food safety, an issue that affects the health of the people on both sides, the health authorities of the two sides have held six expert meetings between competent business units and three meetings on import and export food safety to carry out substantive and professional discussions on cross-strait food safety regulations, regulatory frameworks, inspection systems, and import and export monitoring systems. On the basis of the Agreement, specialists at operational agencies for food safety on the two sides will promote to establish task forces on cross-strait "food safety inspection and testing technology," "food safety standards," "safety of imported and exported food" and other issues, forming prompt and effective communication platforms to further improve mutual understanding and exchanges on food safety

management affairs.

During the expert meeting held by the health authorities of the two sides in 2010, the two sides agreed to apply the decided "Operating Guidelines for the Rapid Reporting of Cross-Strait Food Safety Information," so that Taiwan can continue to improve imported food source management in all relevant aspects, reduce threats and risks of unsafe food from the Mainland, and protect our people's health.

- **Source management for healthy and fearless eating**

After communication through the agreement platform, the Mainland side has agreed to strengthen production-side source management of pesticides use. These food safety source controls will enable the public to eat more healthily and fearlessly. Building on the implementation results of the Agreement, and in conjunction with the implementation of the Cross-Strait Arrangement on Cooperation in Quarantine and Inspection of Agricultural Product, the two sides can strengthen reporting of information on substandard food and agricultural products to help Taiwan grasp information on incidents in the Mainland concerning hygiene and safety. The two sides can also conduct exchanges and consultations on cross-strait inspection standards, procedures, regulations, and technology related to food and agricultural products, whereby establish a more complete food safety management system, further implement farm-to-table source management, and safeguard public food safety.

Cross-Strait Postal Service Agreement

Saving Time and Money

Improving Security

- **Fast, convenient, and secure direct mail service**

By avoiding third-point transfers, direct cross-strait postal service shortens the average delivery time by one to two days while reducing the risk of mail loss. The addition of mailing services for small packets, parcels, and express mails also improves postal convenience for the people and creates new business opportunities for enterprises.

From December 13, 2008 when the Cross-Strait Postal Service Agreement came into effect, to September 30, 2012, the average daily cross-strait mail volume amounted to 31,360 pieces (packets included) of ordinary mail and 2,657 registered letters (packets included), with mail delivery time reduced by about one to two days. In the same period, there were 391 parcels, 1,609 express mail items, and 240 super

express mail items delivered daily on average. In total, more than 36,000 pieces were sent across the Strait per day.

- **Convenient and safe two-way postal remittance service**

Cross-strait postal remittance service was originally limited to one-way transfers to the Mainland Area. This service has been expanded to include remittances from the Mainland Area, enabling Taiwanese in the Mainland to remit funds to relatives and friends back home, while also facilitating the inbound flow of overseas funds.

Since opening up two-way remittances, an average of 12 daily remittances have been made from the Mainland as of September 30, 2012, with a daily average amount of NT\$2.010711 million.

Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance

Protecting the People's Safety, Property, and Judicial Rights

- **Jointly fighting crime and maintaining orderly exchanges**

In order to maintain the order of cross-strait exchanges, cut off routes for illegal behaviors, and prevent criminals from fleeing to the Mainland, the two sides signed the "Cross-Strait Agreement on Joint Crime-Fighting and Judicial Mutual Assistance" at the insistence of the Taiwan side. The Agreement calls for the law enforcement agencies of the two sides to cooperate on arresting criminals.

- **Concrete results achieved in repatriating major criminals**

On October 12, 2012, the Mainland side repatriated major Taiwanese economic offender Wang X Hsiung to Taiwan. Since June 25, 2009 when the Agreement came into effect, to the end of September 2012, the Mainland side has repatriated 211 wanted criminals to Taiwan, including wanted criminal Huang X Feng , Chen X Chi, suspected murderer Hsu X Rong ,and Huang X Lung (suspected in a Taichung shooting case). The Criminal Investigation Bureau has also dispatched officers to bring back fraud perpetrator Liu X Hsing, kidnapper He X Lun, and drug offender Wu X Long. Furthermore, criminals that fled to the Mainland, including former Changhua County Council Speaker Pai X Shen, former legislator Kuo X Tsai, former judges Li X Ying and Chang X Lung, former confidential secretary of the Ministry of Transportation and Communications Sung X Wu, and major economic offender Liu X Chi, have been successfully repatriated to Taiwan through the agreement mechanism.

This provides the most direct safeguards for maintaining law and order and the safety of the life and property of the people on both sides.

- **Cross-strait cooperation smashes Taiwan fraud syndicates and leads to the arrest of telecommunication criminals**

As of the end of September 2012, the two sides had mutually exchanged crime-related information on 2,300 cases and cooperated in breaking 65 cross-border criminal cases involving fraud, kidnapping, drug trafficking, murder, robbery, embezzlement, and money laundering, resulting in the arrest of 4,335 suspects in total. The cases include 37 telecommunication fraud cases, arresting 4,210 suspects. The Mainland Affairs Council will continue negotiating with the Mainland side on its active assistance in sending back Taiwan's major suspects, further realizing the mutual assistance consensus of the Agreement and safeguarding the order of the society.

Breakthroughs on major cases between the two sides to date include the following:

(1) On August 23, 2012, cross-strait police forces conducted a joint anti-fraud operation, "Operation 0823", with the Philippines police force, resulting in the arrest of 385 suspects in the metro Manila area (including 291 Taiwanese suspects, 86 Mainland suspects, one New Zealand suspect, and 7 Philippine suspects). It was the first mopping-up operation jointly conducted by the Criminal Investigation Bureau, the Investigation Bureau and the prosecutorial system that resulted in the repatriation of 280 suspects to Taiwan from the Philippines on September 19.

(2) On May 24, 2012, the Taiwan police conducted the third large-scale joint operation with multiple Southeast Asian countries. The "Operation 1129" involved joint police forces in eight areas on the two sides, and was aimed at cracking down on fraud syndicates, resulting in total of 484 suspects arrested (including 300 Taiwanese suspects, 165 Mainland suspects, five Thai suspects, seven Malaysian suspects, and seven Burmese suspects).

(3) On September 28, 2011, the Taiwan police conducted another joint operation with police in Southeast Asian countries under the "Operation 0928." A large-scale investigation of the activities of fraud syndicates was carried out in nine areas across the Taiwan Strait, resulting in the arrest of 827 suspects (including 322 Taiwanese suspects, 493 Mainland suspects, four Laotian suspects, six Malaysian suspects, one Thai suspect, and one suspect of other nationality).

(4) On June 9, 2011, the Taiwan police and police in Southeast Asian countries jointly implemented the "Operation 0310." A large-scale investigation of the activities of fraud syndicates was carried out in six areas on the two sides, resulting in the arrest

of 692 suspects (including 471 Taiwanese suspects, 214 Mainland suspects, three Thai suspects, two Korean suspects, one Vietnamese suspect, and one Cambodian suspect). The action constituted a direct attack on criminal fraud syndicates and produced a deterrent effect. On June 11 and 13, 2011, police went to international airports in Macao and Jakarta, Indonesia, respectively, to repatriate Taiwanese suspects to Taiwan to stand trial.

Police on both sides of the Strait have jointly broken numerous cases involving cross-border fraud rings. The number of all fraud cases in the Taiwan Area (including telecommunication and internet fraud) fell from 38,802 in 2009 to 28,494 in 2010 (a 26.57% reduction compared with 2009), further reduced to 23,896 in 2011 (a 16.1% reduction compared with 2010). Furthermore, the amount of money stolen through fraud fell from NT\$10.27 billion in 2009 to NT\$6.11 billion in 2010, further to NT\$4.988 billion in 2011, clearly showing the benefits of the agreement implementation.

- **Cross-strait judicial mutual assistance protects the rights and interests of the people**

As of the end of September 2012, the two sides had mutually provided judicial documents and conducted investigations in over 23,600 request cases. These include more than 23,000 cases involving the mutual sending of judicial documents between the two sides, and over 3,800 cases involving assistance with arrest and repatriation, exchange of inmates in custody, and reporting important information. In April 2010, and between July and September 2011, Taiwan also successfully took custody of six convicted Taiwan criminals from the Mainland Area, including Feng X Hsin.

Institutionalized coordination mechanisms ensure notification of cross-strait court cases and delivery of documents. Moreover, they have allowed the people of Taiwan to make humanitarian family visits to Taiwan persons incarcerated in the Mainland Area. Therefore, the mutual assistance carried out actively by related agencies of the two sides under the Agreement can effectively protect the life, property, and judicial rights of the people.

Cross-Strait Financial Cooperation Agreement

Advancing Taiwan as a Regional Financial Center

- **MOU signing**

Since the signing of the "Cross-Strait Financial Cooperation Agreement," the

financial supervisory agencies of the two sides have completed the signing of three memorandums of understanding (MOUs) on financial supervision and cooperation in the banking, securities and futures, and insurance industries, laying a foundation for Taiwan financial institutions to establish branches in the Mainland.

- **Protecting Taiwan's financial market**

The issue of market access in the cross-strait financial service sector is still under discussion between the financial authorities of the two sides. On the other hand, the government will control the number of Mainland banks allowed in Taiwan and regulate the operational scope of such banks in order to strictly protect Taiwan's financial market.

- **Helping Taiwan's financial institutions enter the Mainland market and creating a regional financial center**

Eleven Taiwan banks have established branches in the Mainland to date, including the Land Bank of Taiwan, Taiwan Cooperative Bank, First Commercial Bank, Hua Nan Bank, Chang Hwa Bank, Cathay United Bank, Chinatrust, Bank of Taiwan, Megabank, E.Sun Bank, and Taiwan Business Bank. Ten of these branches, including Land Bank of Taiwan (Shanghai), Taiwan Cooperative Bank (Suzhou), First Commercial Bank (Shanghai), Hua Nan Bank (Shenzhen), Chang Hwa Bank (Kunshan), Cathay United Bank (Shanghai), Chinatrust (Shanghai), Mega (Suzhou), Bank of Taiwan (Shanghai), and E.Sun (Dongguan), have opened branches and established six offices in the Mainland. Moreover, Hua Nan Commercial Bank's Shenzhen Branch, Chang Hwa Bank's Kunshan Branch and Cathay United Bank's Shanghai Branch have been approved by the Mainland side to provide Renminbi services for Taiwan-funded enterprises, while First Commercial Bank's Shanghai Branch has been approved to start preparations of such operation.

After Taiwan financial institutions establish branches in the Mainland and begin local operations, they will be able to provide financial services to tens of thousands of Taiwanese enterprises and millions of Taiwanese businessmen based in the Mainland. They can also establish regional financial networks and support the development of Taiwan as a regional financial service center.

- **Carrying out Renminbi cash currency exchange and establishing cross-strait currency settlement mechanisms**

Under the "Cross-Strait Financial Cooperation Agreement," the currency authorities of the two sides will designate commercial banks and other appropriate institutions to arrange cash currency exchange, supply and backflow services, in

addition to cooperating on anti-counterfeiting technology and other areas. After several negotiations, the currency authorities of the two sides reached a consensus that Renminbi cash supply shall be directly handled by designated banks of the two sides. The Central Bank has revised and issued the "Regulations Governing the Administration and Settlement of Renminbi in the Taiwan Area." After applying for permission, designated foreign exchange banks in Taiwan can provide Renminbi covering services with institutions designated by the People's Bank of China.

According to the above-mentioned regulations and the consensus reached between the currency authorities of the two sides, the Central Bank and the Financial Supervisory Commission on October 19, 2010, designated the Bank of Taiwan and the Mega Bank as Renminbi cash-covering banks. The two banks' Hong Kong branches signed Renminbi coverage agreements with the PBC-designated Bank of China (Hong Kong) and have been supplying Renminbi cash since October 26, 2010.

In order to further realize the Cross-Strait Financial Cooperation Agreement, monetary authorities of the two sides signed the Memorandum of Understanding (MOU) on Cross-Strait Currency Settlement on August 31, 2012, and have also revised respective regulations, designated clearing banks, and carried out other relevant preparatory work, marking an important milestone in cooperation between cross-strait monetary authorities.

Cross-Strait Agreement on Cooperation in Quarantine and Inspection of Agricultural Products

Maintaining Safe Farm Production

Boosting Agricultural Exports

- **Establishing verification, communication and negotiation channels**

Under this Agreement, the two sides have assigned direct contacts and established mechanisms for communication and negotiation between their respective quarantine and inspection authorities to promptly resolve quarantine and inspection issues related to cross-strait import and export trade in agricultural products and accelerate customs clearance. Under the framework of this Agreement, the two sides have established a regular liaison mechanism between their respective operational agencies, with contact persons designated by the agencies to ensure smooth operation of the liaison channels.

- **Facilitating access to epidemic information to safeguard safety of**

agricultural production

Under the Agreement, the two sides handle emergency reporting of imported and exported agricultural products with diseases or pests, toxic and hazardous substances, and other substandard conditions. They also inform each other of quarantine and inspection laws, regulations and standards to help Taiwan keep track of and comprehend epidemic situations, health safety incidents, and related laws and regulations in the Mainland. This in turn enables Taiwan to adopt early response measures to prevent possible outbreaks of epidemics and safeguard agricultural production and the people's health.

- **Boosting exports of agricultural products from Taiwan**

This Agreement can facilitate exchanges on health and safety standards relevant to pesticide and veterinary drug residue and coordinate handling of issues related to standard discrepancies so as to smooth exports of fruits and other agricultural products to the Mainland.

- **Creating a mutually beneficial trade environment for agricultural products**

From March 21, 2010 when the Agreement came into effect, to September 30, 2012, the two sides used the liaison mechanism for 541 cases of mutual inquiry, reporting and contact, including 218 cases involving substandard products, 59 cases involving inquiries about product import and quarantine regulations, 198 cases involving quarantine and inspection operational contact, and 66 cases involving message reply. These exchanges have enhanced operational understanding between the two sides and helped resolve product customs clearance problems, bringing major benefits and creating an environment conducive to agricultural trade between the two sides.

Cross-Strait Agreement on Cooperation in Respect of Standards, Metrology, Inspection and Accreditation

Enhancing Industrial Competitiveness

Protecting Consumer Rights and Interests

- **Driving industrial upgrading and expanding international markets**

The two sides are cooperating on standards in emerging technology areas with collaboration niches, while also further leading the way in setting international standards. Over the short term, this will help our domestic industries cultivate the

Mainland's domestic market. Over the long-term, it will help our domestic industries occupy key positions in the international industrial chain and drive industrial upgrading.

- **Upgrading metrology capability and promoting industrial development**

The two sides have jointly developed establishment of measurement standards and absolute calibration techniques, which have upgraded Taiwan's measurement standards ability. Moreover, through bilateral contrast, it is hoped that the Mainland will approve Taiwan's metrology capability and calibration reports so that industries from Taiwan can expand in the Mainland.

- **Eliminating trade barriers and expanding market opportunities**

The competent authorities of the two sides have established modes for cooperation on statutory product testing and certification systems as well as on consulting and communication mechanisms so as to understand and accept confidently the inspection and verification capacity of the other side. This will help Taiwan exports gain a competitive advantage in the Mainland.

- **Harmonizing accreditation differences and facilitating trade**

The competent authorities of the two sides have established mechanisms for cooperation and communication on accreditation systems. Through technical exchanges on accreditation systems, the two sides can reduce differences in implementing compliance assessment operations, increase industrial mutual acceptance and utilization willingness, and facilitate cross-strait trade.

- **Blocking unsafe goods and protecting consumer rights and interests**

The competent authorities of the two sides have established a contact and coordination mechanism for consumer product safety information reporting in order to strengthen communication and coordination on handling substandard consumer goods. From March 21, 2010, when the Agreement came into effect, to September 30, 2012, a total of 536 cases involving substandard Mainland-produced consumer goods have been reported to the Mainland side through the reporting and coordination mechanism established under this Agreement. With cooperation of the Mainland side, export bans have been adopted for the related Mainland manufacturers and exporters, while supervision and management being strengthened and corrective measures being taken. This has truly overcome border restrictions and strengthened controls at the manufacturing source.

Cross-Strait Agreement on Cooperation in Respect of Fishing Crew Affairs

Improving the Fishing Labor Management System Facilitating the Development of the Fishing Industry

The Taiwan government has been allowing the offshore employment of Mainland crew members by Taiwan fishing boats for over 18 years. However, the lack of a system for fishing crew cooperation between the two sides has created difficulties in checking crew identities, resolving labor disputes, and handling follow-up matters after crew member accidents, resulting in bloodshed, escaping, and other at-sea illegalities from time to time.

In 1991, the government began to allow deep-sea fishing boats operating overseas for long periods to hire Mainland crewmembers at offshore sites to assist with their operations. In 1993, such permission was extended to fishing boats operating in coastal waters, under the precondition that no Mainlanders shall be allowed to work in Taiwan and under a policy of "offshore employment, offshore operations, and temporary transit settlement." In the more than 18 years since then, Mainland crewmembers have supplemented Taiwan's fishing workforce at suitable times, making a definite contribution to the development of Taiwan's fishing industry.

This Agreement has resolved these long-standing problems. It not only is consistent with Taiwan's long-term policy and approach of "offshore employment, offshore operations, and temporary transit settlement," but also strictly abides by the government's pledge not to allow Mainland laborers to work in Taiwan. The main content of the Agreement includes the following:

- **Enhancing the management system**

Mainland crewmembers are dispatched by a Mainland agency and received by a Taiwan intermediary designated, respectively, by the competent authorities of the two sides. This has normalized the order of cross-strait fishing crew cooperation and improved the management system for the two sides.

- **Reducing illegalities and lowering management costs**

Under the Agreement, Taiwan can demand that the Mainland side take responsibility for screening and upgrading the quality of dispatched crew members, reducing the occurrence of duressing, escaping, and other illegalities (according to the statistics by the Fisheries Agency, there have been no cases of crew flight since

the Agreement was signed), reducing administrative costs on the Taiwan side and safeguarding the life and property of fishing boat owners. The Agreement also stipulates protections for crew welfare, highlighting Taiwan's position of protecting human rights.

- **Establishing an assurance mechanism to protect the rights and interests of both sides**

After signing the Agreement, the government recovered its authority to license intermediaries. Intermediaries on the Taiwan side no longer need to apply for approval from or pay a security deposit to the Mainland side. Instead, the Taiwan government can grant approval directly. The use of intermediaries or agencies designated by the two sides establishes joint guaranteed responsibility to fishing boat owners or crew members to protect the interests of each side. Through the intermediaries or agencies designated by the two sides, disputes between boat owners and crew members can be handled in a timely manner, resolving conflicts and promoting harmonious employer-employee relations.

Cross-Strait Economic Cooperation Framework Agreement (ECFA)

A Milestone in the Globalization of Taiwan's Economy

The signing of the Cross-Strait Economic Cooperation Framework Agreement (ECFA) has major significance for Taiwan's economy. It also marks a new milestone in cross-strait economic cooperation. On the whole, the ECFA enables Taiwan to take three major steps forward: First, the ECFA is a major step for Taiwan in breaking through its economic isolation, as it heads off the threat of economic marginalization. Second, the ECFA is a major step forward for the two sides of the Taiwan Strait in economic and trade reciprocity and cooperation. Under a systematized framework, the Agreement will help Taiwan generate more business opportunities and create more jobs. Third, the ECFA constitutes a major step in facilitating economic integration in Asia and gives Taiwan a chance of becoming a springboard for companies from throughout the world seeking to access the Mainland market.

The ECFA is a New Engine for Taiwan's Economic Growth

- **Overall economic benefits**

The Ministry of Economic Affairs (MOEA) estimates that the ECFA will spur Taiwan's GDP growth, increase production value, and boost employment growth. Furthermore, the overall benefits of the ECFA include giving Taiwan a lead over

competitor countries in entering the Mainland market, helping traditional industries transform and upgrade, enabling Taiwan to use its geographical advantages to attract foreign enterprises to establish Asia-Pacific operations centers in Taiwan, encouraging overseas Taiwanese businesses to establish global operational headquarters in Taiwan, and helping improve Taiwan's overall economic environment.

Regarding the promotion of ECFA follow-up negotiations, the ECFA Cross-Strait Economic Cooperation Committee (CSECC) held its first regular meeting on February 22, 2011. During the meeting, the two sides agreed to establish six working groups focusing on trade in goods, trade in services, investment, dispute settlement, industrial cooperation, and customs cooperation. On this working platform, the competent authorities for economic and trade affairs on the two sides will institutionalize cross-strait talks on operational issues and work more efficiently in the hope that cross-strait economic and trade cooperation affairs can be handled and promoted more quickly and effectively.

- **ECFA Early Harvest benefits**

The Mainland has included 539 items (608 items if based on 2012 tariff rules) on the Early Harvest list granting tariff reductions to Taiwan. The value of exports of these products to the Mainland totaled US\$13.84 billion in 2009, accounting for 16.1% of mainland China's imports from Taiwan that year, and the average tariff rate on exports to the Mainland was 9.5%. Following the implementation of the ECFA Early Harvest list on January 1, 2011, tariffs on included products exported to the Mainland have fallen or been eliminated, increasing the competitiveness of Taiwan exports. According to Mainland customs statistics, the Economic Cooperation Framework Agreement (ECFA) saved Taiwanese companies more than US\$453 million in tariff costs between January 2011 and August 2012. The number of product types applicable for tariff reduction rose from 72 in 2011 to 437 in 2012, reaching a total of 509 items. Over 94% of all Early Harvest List products exported from Taiwan to the Mainland now enjoy zero-tariff treatment.

- **Agricultural benefits**

The ECFA negotiations did not result in further opening of Taiwan to Mainland agricultural imports. Rather, they pushed the Mainland side to include 18 types of Taiwan agricultural products as Early Harvest items for tariff-free treatment. Prior to their inclusion on the Early Harvest list, these products were subject to an average tariff rate of 13.3% when exported to the Mainland. Within two years from January 1, 2011, tariff rates will be reduced to zero in phases. Based on the US\$16.8 million value of Taiwanese exports of covered items to the Mainland in 2009, this will reduce

tariff payments by about US\$2.23 million. Since all of these products are with potentials and are highly important to Taiwan, the reduced tariffs will greatly contribute to expanding exports to the Mainland market. From January to September 2012, the amount and value of Mainland-destined exports of agricultural products under the ECFA Early Harvest Program were 26,030 metric tons and US\$95.61 million. Compared with the same period of 2011, this represents an increase of 206% in quantity (from 8,500 metric tons) and an increase of 38% in value (from US\$69.31 million).

- **SME benefits**

There are 539 items on the Taiwan Early Harvest list. In addition to agricultural products, the list also includes petrochemicals (including plastic materials), textiles, transportation equipments (including automobile parts), and machinery (including machine tools), most of which are in areas related to the interests of small and medium enterprises (SMEs) and traditional industries in Taiwan. Based on initial estimates, over 22,000 SMEs are expected to benefit after the ECFA Early Harvest program for trade in goods is implemented, countering claims that the ECFA only benefits consortiums and big businesses. According to a survey conducted by an academic institution commissioned by the Bureau of Foreign Trade, small and medium-sized manufacturers believe that the Early Harvest Program has benefited them more than it has benefited large companies. It demonstrates that the ECFA is not only beneficial to domestic companies but even more specifically, has brought gains for small and medium-sized manufacturers in Taiwan.

- **Benefits for the manufacturing industry**

From January to September 2012, a total of 45,841 ECFA certificates of origin were issued, with a total amount of about US\$5.232 billion. Products with the certificates of origin can be exported to mainland China with ECFA preferential tariff treatment. In terms of the numbers of ECFA Certificate of Origin issued, the top five industries were the petrochemical (17,082 certificates), machinery (10,435 certificates), textile (4,971 certificates), transportation equipment (3,827 certificates) and metal (3,532 certificates) sectors. Taiwan businesses do not need to leave to enjoy the competitive pricing advantage of preferential tariffs on exports to the Mainland market, further demonstrating that "a hard-working government makes businesses happy."

The ECFA Will Help Institutionalize Cross-Strait Economic and Trade Relations and Globalize Taiwan's Economy

- **The ECFA is the first step in "bringing the world to Taiwan and Taiwan into the world"**

The official implementation of the ECFA started on September 12, 2010, marking an important milestone for institutionalized cross-strait economic and trade exchanges. It also represents a major action under the government's overall economic strategy to "strengthen Taiwan, connect with the Asian Pacific region, and adopt a global outlook." Furthermore, it is conducive to creating a liberalized and international business environment in Taiwan and can further motivate other countries to sign FTAs with Taiwan. After the signing of the ECFA, Taiwan and Japan signed the Taiwan-Japan Investment Protection Arrangement on September 22, 2011. In addition, the Taiwan government and Singapore jointly announced in August 2010 that smooth progress has been achieved in the negotiation on signing an economic partnership agreement (ASTEP). The government has also started talks with New Zealand over the signing of an economic cooperation agreement (ECA). Furthermore, the Philippines, Indonesia, India, United States, Japan, European Union, and other major economic and trade partners have also expressed intentions to strengthen bilateral economic cooperation with Taiwan, showing that the ECFA is helping Taiwan strengthen economic links with the world, and will help expand Taiwan's export markets in the future.

The signing of the ECFA has increased the willingness of foreign businesses to invest in Taiwan. Foreign investment in Taiwan amounted to US\$9.532 billion in 2011 and reached US\$7.441 billion between January and July in 2012. Furthermore, the Agreement has also encouraged more offshore Taiwanese businesses to re-invest in Taiwan. In 2011, such investment amounted to NT\$46.9 billion, and the figure for January to August in 2012 was NT\$41.9 billion.

Cross-Strait Agreement on Intellectual Property Rights Protection and Cooperation

Fighting crimes, Upholding the Law, and Protecting People's Intellectual Fruits

- **Protecting Cross-Strait Intellectual Property Rights**

This Agreement was signed on June 29, 2010, and came into effect on September 12 in the same year. The major results of the Agreement include: mutual acknowledgement of priority rights for patents, trademarks, and plant variety rights; establishment of a communication platform and coordination mechanisms between

the competent agencies of the two sides; protection against the malicious registration of Taiwan's well-known trademarks; cooperation on combating piracy, counterfeiting, and false origin labeling of agricultural products; and direct copyright accreditation of Taiwan audio-visual products in the Mainland market by the Taiwan-designated Taiwan Association for Copyright Protection (TACP).

- **Mutual acknowledgement of priority rights for patents, trademarks and plant variety rights**

The two sides agreed to begin accepting and considering priority right claims for patents and trademarks of the other side on November 22, 2010. They also agreed that the base date for priority right claims would be made retroactive to September 12, 2010. Between November 22, 2010, and the end of June 2012, the Mainland side has accepted and processed 7,257 Taiwan patent right of priority claims and 65 trademark right of priority claims. The Taiwan side has processed 4,925 patent right of priority claims and 238 trademark right of priority claims from the Mainland side. To date, there have been no cases involving plant variety rights.

- **Launching a two-way coordination mechanism**

Based on the Agreement, the two sides have established a law enforcement coordination mechanism to appropriately handle affairs concerning the protection of intellectual property rights and to jointly fight various types of cross-border infringement. Regarding requests for assistance in coordinated handling of trademark cases, as of the end of September 2012, the competent authorities in Taiwan had received 253 requests for such assistance. Of which, 61 cases have been reported to the Mainland and completed processing, 100 cases have been reported to the Mainland and are still under processing, and 92 cases have been provided with legal assistance. Many cases have been successfully resolved through this mechanism, including cases involving the malicious registration of well-known domestic trademarks, such as "MSI," "Bank of Taiwan," and "Taiyen Biotech," by unscrupulous companies.

- **Designating domestic institutions to handle copyright accreditation to accelerate access for domestic audio-visual products to the Mainland market**

On December 16, 2010, the TACP was approved by the Mainland's National Copyright Administration to formally carry out copyright accreditation work for Taiwan audio-visual products entering the Mainland market. As of the end of September 2012, the TACP had completed 302 accreditation requests from Taiwan audio-visual companies, including 289 for audio recording products and 13 for movie

and television products.

- **Plant variety rights**

As for consultations on increasing the number of publicly announced protected plant species, Taiwan has requested that mainland China give priority to the protection of butterfly orchids, dancing-doll orchids, Indian jujubes, pineapples, and guavas. The two sides have agreed to strengthen related technical exchanges first. Taiwan will continue to request that the Mainland side actively handle intellectual property rights cases for these and other agriculture items in order to protect the rights and interests of Taiwan farmers.

Cross-Strait Agreement on Medical and Health Cooperation

Protecting the People's Health Rights

Caring for Biotech Industry Development

- **Accelerating epidemic reporting, establishing a disease prevention cooperation mechanism, and maintaining strict safeguards for the health safety of the people**

The two sides have established an information exchange and reporting mechanism for normal times and during major epidemics. For the past two years, the Taiwan side has been informed via the agreement channel of the cases involving Mainland people's infection with poliomyelitis, H5N1, and Adenovirus Type 55. This mechanism can help the Taiwan side reduce the time needed to obtain epidemic information, promptly follow the development of epidemics in the Mainland, gain firsthand information, fight for more time to adopt quarantines, avoid disease spread, and further protect the health safety of the people. The two sides will also cooperate on vaccine research and control for major communicable diseases in order to manage the risk of disease transmission.

- **Implementing safety management of medical and pharmaceutical products' and Chinese herbal medicine's quality to uphold consumer rights and interests**

Based on the Agreement, the two sides have established reporting, coordination, and other mechanisms for safety management of medical and pharmaceutical products (including pharmaceuticals, medical equipment, health food, and cosmetics). The two sides can, in accordance with internationally recognized safety management norms,

establish a cooperation mechanism to ensure the quality and safety of medical and pharmaceutical products. They can also establish a mechanism to report, handle, and follow-up on pharmaceutical safety management information, adverse reactions, and adverse events to prevent the circulation of shoddy medical and pharmaceutical products in Taiwan. For example: In April 2012, the media reported that unscrupulous Mainland companies were using surplus industrial gelatin from leather tanning to make substandard drug capsules with chromium content a hundredfold in excess of standards; and in August, it was reported that Mainland manufacturers were using waste oil to make pharmaceutical raw materials. In both cases, the Department of Health immediately contacted the Mainland side through the coordination mechanism established under the Cross-Strait Agreement on Medical and Health Cooperation to gain comprehensive understanding of the situation and track down affected products. It also issued a press release explaining the situation in order to protect the public's health safety in Taiwan.

Furthermore, the Agreement has also established a source management mechanism for Chinese herbal medicine (CHM), strengthen CHM import and export inspection measures. In order to realize this management mechanism, the Department of Health has announced that, starting from August 1, 2012, companies would be required to include Mainland-issued inspection certificates when applying to import any of the 10 major types of Chinese herbal medicine ingredients, including jujubes, astragalus, angelica, licorice root, rehmannia, ligusticum chuanxiong, wolfiporia extensa, white peony root, atractylodes macrocephala, and eucommia bark to prove that such ingredients are inspected and conform to domestic standards on limits of abnormal substances. Moreover, the Agreement clearly states the enhancement of implementation on Chinese herbal medicine management and screening procedures so as to better prevent imports of substandard goods and further ensure public safety of drug usage.

- **Promoting cross-strait cooperation on new drug research and development to upgrade the competitiveness of Taiwan's biotech industry**

Through this Agreement, the two sides are now discussing the promotion of cross-strait cooperation on new drug R&D and clinical trials so as to create a cooperation platform compliant with internationally recognized standards for medical and pharmaceutical management. This will accelerate clinical trials and shorten the time needed to develop and commercialize drugs, upgrading the competitiveness of Taiwan's biotech industry.

- **Establishing an emergency treatment coordination mechanism to protect the**

people's health safety

The emergency platform for treatment, contact and notification established under the Agreement provides a channel for health institutions on the two sides, in cases where persons on either side are involved in major accidents, to exchange information on emergency treatment, arrange hospital admission and medical measures, provide related services, such as transfers back to Taiwan, and professional medical treatment and assistance. It thereby creates a comprehensive coordination mechanism to further safeguard the life and health of the people on both sides. The two sides have used the platform to immediately convey to the other side information on the injured, and provide emergency treatment and assistance during major accidents, such as the bus accident in August 2011 involving a Taiwanese tour group at the Mainland's Changbai Mountain, the bus accident in October 2011 involving Mainland tourists on the Su'ao-Hualien Highway, and the bus accident in February 2012 involving a Mainland exchange mission in Hualien.

Cross-Strait Nuclear Power Safety Cooperation Agreement

Joining Hands across the Strait for Nuclear Safety, Ensuring the Safety for Everyone

- **Establishing a "mechanism for nuclear safety information exchanges" to upgrade the safety of nuclear power plant operations, reduce the incidence of nuclear power plant accidents, and prevent accidents from occurring in the first place**

Under the universal "safety first" principle of nuclear power application, and in order to prevent the occurrence of nuclear power plant disasters and to protect life, health, property, and the environment on both sides, the competent authorities of the two sides for nuclear power safety supervision and management will establish a "mechanism for nuclear safety information exchanges." Through this mechanism, the said authorities can exchange information and share experience on nuclear power plant safety supervision during normal times to upgrade the security and transparency of nuclear power plant operations. Moreover, cooperation, exchanges, and discussions between the two sides can help reduce the likelihood of nuclear accidents and prevent accidents from occurring in the first place.

- **Establishing a "nuclear power plant emergency accident reporting and liaison mechanism" and communicating through an emergency accident**

reporting hotline to promptly take response and safeguard measures to protect public safety

In consideration of the geographic proximity of the two sides of the Taiwan Strait, the coastal location of all major nuclear power plants of Taiwan and mainland China, the frequency of exchanges and contacts between people on both sides, and the highly cross-border nature of nuclear power accidents, this Agreement stipulates the establishment of a "nuclear power plant emergency accident reporting and liaison mechanism" between the competent authorities on the two sides for nuclear power safety supervision and management. If an accident occurs, the two sides can immediately obtain related information and promptly adopt response and safeguard measures, thereby preventing the damage from spreading.

Taiwan's No. 18 Nuclear Safety Drill was conducted on September 4, 2012, whereby contact windows of competent authorities on the two sides carried out tests on the notification system. In the future, the two sides will take turns holding quarterly communication tests on emergency response via fax. The first regular communication test was successfully concluded on October 2, 2012.

Furthermore, this Agreement requires that either side experiencing an accident should actively provide necessary assistance to ensure the safety of the people on the other side. The Agreement has given Taiwanese businesspeople and students in the Mainland greater peace of mind.

Cross-Strait Investment Protection and Promotion Agreement

Taking the "First Step for Security" to Provide Taiwanese Businesspeople with Institutionalized Protections for their Investment Rights and Interests

● **Comprehensive Investment Protections**

Cross-strait economic and trade relations are very close. Taiwanese business investment in the Mainland stimulates demand for trade with Taiwan and affects domestic industries and employment in related sectors. The Cross-Strait Investment Protection Agreement not only directly protects Taiwanese businesspeople in mainland China, but also indirectly protects the interests of Taiwanese industries and personnel linked to Taiwanese businesspeople and Taiwan-funded enterprises in the Mainland. The government has therefore promoted the signing of this Agreement based on overall interests.

The Agreement provides comprehensive protections for property rights, business operation rights, and personal safety of Taiwanese businesspeople in the Mainland.

These protections are effective retroactively and related regulations of the Agreement can be applied to investments made before the commencement of the Agreement. Additionally, the Agreement is uniformly applicable to all industries, bringing positive benefits for investments in all industries.

● **Institutionalized Investment Protections**

Prior to the signing of the Cross-Strait Investment Protection Agreement, the protection of the rights and interests of Taiwanese businesses with investments in the Mainland depended entirely on the Law of the People's Republic of China on Protection of Investment by Compatriots from Taiwan and its rules for implementation unilaterally announced by the Mainland side. These regulations have been unevenly enforced across regions and are subject to change at any time. As a result, they do not truly protect Taiwanese businesspeople. The Cross-Strait Investment Protection Agreement provides institutionalized guarantees for the investment rights and interests of Taiwanese businesspeople. The competent authorities of the two sides will supervise implementation of the Agreement and manage all related affairs that are included. Cases and issues related to the rights and interests of Taiwanese businesspeople can be researched and dealt with by competent authorities through communication channels established under the Agreement, thereby strengthening protections for the legitimate investment rights and interests of Taiwanese businesspeople.

● **Optimized Investment Environment**

The signing of the Cross-Strait Investment Protection Agreement will help optimize the investment environment through transparent investment regulations and measures relevant to the protection of investment rights and interests. Since the Agreement applies equally to Taiwanese and Mainland companies, it will still have a positive impact on attracting Mainland investment to Taiwan even though the treatments provided to Mainland companies are no better than those to other foreign enterprises. The Agreement is beneficial to promoting two-way cross-strait investment, and can also further attract foreign companies to invest in Taiwan, which may benefit Taiwan's economic development and upgrade Taiwan's overall competitiveness.

Cross-Strait Customs Cooperation Agreement

Establishing a Fast, Convenient and Secure Customs Clearance Environment

- **Helping companies resolve clearance problems and reduce operating costs**

The signing of the Cross-Strait Customs Cooperation Agreement will help customs authorities of the two sides communicate, coordinate, and take necessary resolution measures in a timely and effective way when problems emerge in the process of customs clearance. The two sides will also establish liaison mechanisms to help companies resolve customs clearance problems such as tariff classification, customs valuation and certificate of origin certification, thereby helping reduce operating costs.

- **Streamlining cross-strait cargo clearance procedures to establish a fast and convenient customs clearance environment**

After the Cross-Strait Customs Cooperation Agreement is signed, customs authorities of the two sides will actively promote implementation of mutual recognition of authorized economic operators (AEOs), apply radio frequency identification (RFID) technology in customs control, and strengthen exchanges and cooperation on customs management of bonded areas to establish a fast and convenient cross-strait cargo clearance environment.

- **Stamping out cross-strait smuggling and maintaining taxation and border security**

Under the Cross-Strait Customs Cooperation Agreement, customs authorities of the two sides will collaborate and engage in technical exchanges on investigation and handling of smuggling cases with the aim to stamp out smuggling and maintain taxation and border security.

Accomplishing What Once Could Not Be Done

The resumption of institutionalized cross-strait negotiations by the government after May 20, 2008 is not about leaning toward mainland China, nor does it constitute selling Taiwan out. Rather, it is a brave, confident, and wise move to face and resolve problems derived from close cross-strait exchanges over the years.

Cross-strait negotiations handled on "mechanism-to-mechanism" and "official-to-official" levels have not only reaped results shared by all of the people and enabled the orderly progress of exchanges, but also further consolidated Taiwan's national sovereignty.

Through the agreements, the two sides have established orderly cross-strait exchanges, pragmatically resolved cross-strait economic and trade, cultural and social

issues that arose from cross-strait exchanges and pertained to the interests of the people, protected their rights, and laid a foundation for benign cross-strait interactions and development.

Trade is the backbone of Taiwan's economy. Without trade, it will be impossible for Taiwan to survive. Under the government's leadership, Taiwan's economy and trade are once again making major strides, connecting with the Asia-Pacific region and advancing into the world. The signing of the ECFA is the correct path that will lead Taiwan back on the world economic and trade stage.

We have accomplished what once could not be done.

Upgrading National Strength, Building a Stronger and More Powerful Taiwan, and Upholding Taiwan's Identity

封底文字：

Opening Up to the World,

Taking the Right Path:

Taiwan Can Seize the Future!

Opening Up and Keeping Watch