The Third Round of
Chiang-Chen Talks

Cross-Strait Air Transport Supplementary Agreement

(This agreement will become effective only after the completion of relevant procedures.)

The Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait, after negotiation based on an equal footing, hereby agree on the following supplementary matters concerning the opening of regular cross-strait passenger and cargo flights in accordance with the provisions of Articles 1, 3 and 4 of the Cross-Strait Air Transport Agreement:

1. Flight Paths

The Parties agree, on the basis of the northern flight path across the Taiwan Strait, to open direct two-way flight paths in a southern line and a second northern line, and to continue to negotiate for the opening of other more convenient new flight paths.

2. Regulation of Carriage

The Parties agree that the documents of carriage and conditions of liability used for regular cross-strait flights shall be regulated with reference to cross-strait modes of operation in current practice.

3. Carriers

The Parties agree that each may designate airline companies capitalized by and registered on either side of the Taiwan Strait to operate regular and irregular air transport services for the separate or combined carriage of passengers, cargo and mail.

4. Flight Points

The Parties agree to follow the existing agreements in the Cross-Strait Air Transport Agreement and to be agreed in the future, concerning flight points and other matters.

5. Air Tariffs

The Parties agree to follow the existing agreements in the Cross-Strait Air Transport Agreement concerning cross-strait air tariffs.

6. Representation

The Parties agree to respect and follow the provisions of the Taoyuan Airports Operation Agreement concerning the cross-strait airport service and the rights of the aviation authorities of the Parties to represent them in matters related to cross-strait air transport regulation.
passengers, luggage, cargo and mail between the flight points stipulated in the Annex to this Supplementary Agreement, and shall give prior notification thereof to the other Party. The same applies to the cancellation or alteration of the aforesaid designation.

4. Flight Points

The Parties agree that cross-strait flight points shall continue to follow the provisions in the Cross-Strait Air Transport Agreement, and that the opening of new flight points can be agreed through negotiation between the Parties in accordance with market demand.

5. Air Tariffs

The Parties agree that airline companies on both sides of the Strait shall submit a record of their tariffs for regular cross-strait flights to the aviation regulators on either side of the Strait.

6. Representative Entities

The Parties agree that airline companies on the two sides of the Taiwan Strait can establish representative entities in the cross-strait flight locations on the opposite side of the Strait, and by themselves or through a designated and approved agent sell documents of carriage, undertake advertising promotion, and conduct other business related to cross-strait air transportation. The staff members of a representative entity as aforesaid shall abide by the regulations of their place of location.
7. Mutual Exemption from Taxes and Fees

The Parties agree, on a basis of reciprocity, to negotiate mutual exemption from customs duty, inspection fees and other similar taxes and fees on equipment and goods related to cross-strait air carriers and their operational activities, with the specific items of tax and fee exemption and the range of goods covered thereby to be jointly determined through negotiation between the Parties, and to mutually exempt from business tax and income tax cross-strait airline companies' transportation revenue gained by the two sides' airline companies on each other's side of the Strait from participation in cross-strait air transport.

8. Income Currency Exchange

The Parties agree that cross-strait airline companies may at any time, in accordance with the procedure stipulated in their place of situation, convert the currency of their income earned on the other side of the Strait, and remit the converted funds to where their company headquarters are situated or to another designated place.

9. Aviation Safety

The Parties agree to establish an aviation safety liaison mechanism, for the mutual provision of all timely and necessary assistance, to jointly safeguard the flight safety of cross-strait air transport and the safety of the persons and property of cross-strait air passengers. When an incident or threat occurs to endanger flight safety, the Parties shall assist each other in adopting appropriate measures to

10. Ancillary Measures

The Parties shall cooperate in lifting ancillary measures concerning safety of flight handling operational matters, so on, in practical cooperation.

11. Application of Law

The Parties shall cooperate in applying the law of situational circumstances within the Strait.

12. Liaison

The Parties shall cooperate in conducting liaison and other matters in accordance with the stipulations.

13. Model Airplane

The issues of model airplane shall be handled in accordance with the Supplementary Agreement on the Cross-Strait model airplane.
swiftly and safely terminate the incident or threat.

10. Ancillary Matters

The Parties agree that related matters of certificate and license inspection, airworthiness certification, airport safety checks, inspection and quarantine, ground-handling agency, provision of data, service charges, and so on, shall be conducted with reference to air transport practice and related regulations, and shall strengthen cooperation for the provision of mutual facilitation.

11. Application of Regulations

The Parties agree that the two sides' airline companies shall comply with the relevant regulations in their place of situation when engaging in cross-strait air transport within the area on each other's side of the Strait.

12. Liaison Mechanism

The Parties agree that the aviation regulators on the two sides of the Strait shall establish a liaison mechanism, to conduct communication and exchange of views on matters related to cross-strait air transport at any time according to need.

13. Mode of Implementation

The implementation of matters set out in this Supplementary Agreement shall be handled by contact persons designated by the aviation regulators on the two sides of the Strait, liaising with each other using document formats as decided through negotiation
between the parties, and informing each other of news, answering each other's inquiries, and so on.

In the event of a dispute occurring between the Parties as to the implementation or interpretation of the Agreement, the dispute shall be resolved through negotiation between the aviation regulators on the two sides of the Strait.

14. Effective Date

This Supplementary Agreement shall become effective after both Parties have completed related preparations, within no more than 60 days of the date of signature.

This Supplementary Agreement was signed on April 26 in four original copies, with each Party keeping two copies.

Annex: Specific Arrangements for Cross-Strait Flight Paths and Flights

Straits Exchange Foundation
Chairman

Association for Relations Across the Taiwan Strait
Chairman

Chiang, Pin-Kung
Chen, Yunlin

[Note: In case of any discrepancy between the Chinese and English texts, the Chinese text shall govern.]