

## **Cross-Strait Sea Transport Agreement (Draft)**

To implement direct cross-strait transport of passengers and cargo by sea, so as to promote economic and trade interflows and facilitate contacts between the peoples on the two sides of the Taiwan Strait, 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 matters concerning direct cross-strait shipping:

### **1. Eligibility to Operate**

The Parties agree that vessels owned and registered on either side of the Taiwan Strait may, with due approval, engage in direct cross-strait carriage of passengers and cargo.

### **2. Direct Transport Ports**

The Parties agree to mutually open main external open ports in accordance with market demand and other relevant factors.

### **3. Vessel Identification**

The Parties agree that vessels registered on either side of the Taiwan Strait shall not fly their flag on the stern or mainmast of the vessel between entering and leaving the other side's ports, but shall fly their company flag for vessel identification.

### **4. Port Services**

The Parties agree to provide facilitation for cross-strait goods and passengers to pass through port customs and immigration controls.

### **5. Transport Capacity Arrangement**

The two sides will rationally arrange transport capacity according to the principles of equal participation and orderly competition, and based on market demand.

### **6. Mutual Tax Exemption**

The Parties agree to mutually exempt each other's shipping companies from the payment of business and income tax on revenue derived from participation in cross-strait shipping.

## **7. Sea Disaster Rescue and Assistance**

The two sides shall actively cooperate with sea search & rescue and recovery entities, shall establish search & rescue liaison and cooperation mechanisms, and shall jointly safeguard navigation and the safety of life, property and the environment at sea. When an accident occurs at sea, the two sides shall promptly notify each other, and promptly undertake rescue and assistance in accordance with the principles of proximity and convenience.

## **8. Supporting Matters**

The two sides shall handle matters concerning communication & navigation, license inspection, vessel inspection, crew services, navigation safeguards, pollution prevention & remediation, and maritime dispute arbitration in accordance with shipping practice and pertinent regulations, and strengthen cooperation.

## **9. Mutual Establishment of Entities**

The two sides' shipping companies may establish offices or business entities on each other's side to carry out related business operations.

## **10. Liaison Bodies**

- (1) Communications regarding the matters stipulated in this agreement shall be handled by the Taiwan Cross-Strait Shipping Association and the Cross-Strait Shipping Exchange Association. The Parties may designate other institution(s) for such communications, if necessary, upon mutual consent.
- (2) Communications regarding other matters related to this Agreement shall be handled by the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait.

## **11. Performance and Amendment to the Agreement**

- (1) The Parties shall comply with the provisions of this Agreement. The Annex to the Agreement shall have the same effect as the Agreement itself.

(2) This Agreement shall be amended only with both Parties' consents, and shall be confirmed in writing.

## **12. Dispute Resolution**

Any disputes arising from the application of this Agreement shall be resolved by prompt negotiation between the Parties.

## **13. Matters not Mentioned in this Agreement**

Matters not mentioned in this Agreement shall be separately discussed and resolved by the Parties in an appropriate manner.

## **14. Effective Date**

This Agreement shall become effective within 40 days after signature by the Parties.

This Agreement was signed on November 4 in four original copies, with each Party keeping two copies.

Annex: Vessel and port arrangements for direct cross-strait shipping.

Straits Exchange Foundation  
Chairman

Association for Relations Across the Taiwan Strait  
Chairman

*(Signature)*

*(Signature)*

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

## ANNEX

### **Vessel and Port Arrangements for Direct Cross-Strait Shipping.**

Specific arrangements under Articles 1 and 2 of this Agreement are as follows:

1. Vessels owned by companies on either side of the Taiwan Strait and registered in Hong Kong may similarly engage in direct cross-strait transport of passengers and cargo, and between entering and exiting cross-strait ports, their vessel identification method shall comply with the relevant provisions for Hong Kong vessels as set out in the Minutes of Talks on Taiwan-Hong Kong Shipping Negotiations.
2. Flag-of-convenience vessels owned by shipping companies on either side of the Taiwan Strait and that are currently already engaging in offshore shipping center (“test point for direct shipping”) transport, cross-strait third-territory container line transport, and sand and gravel transport, having obtained special permits, may, in compliance with the provisions concerning vessel identification set out in this Agreement, undertake direct cross-strait sea transport.
3. In the present stage, the two sides shall mutually open the following ports:

Eleven ports on the Taiwan side, namely: the six ports of Keelung (including Taipei), Kaohsiung (including Anping), Taichung, Hualien, Mailiao and Budai (initially to be carried out on a special case basis) and the five “Mini-Three links” ports of Liaoluo and Shueitou on Kinmen, Fuao and Baisha on Matsu, and Magong on Penghu.

Sixty-three ports on the Mainland side, namely the 48 seaports of Dandong, Dalian, Yingkou, Tangshan, Jinzhou, Qinhuangdao, Tianjin, Huanghua, Weihai, Yantai, Longkou, Lanshan, Rizhao, Qingdao, Lianyungang, Dafeng, Shanghai, Ningpo, Danshan, Taizhou, Jiaxing, Wenzhou, Fuzhou, Songxia, Ningde, Quanzhou, Xiaocuo, Xiuyu, Zhangzhou, Xiamen, Shantou, Chaozhou, Huizhou, Shekou, Yantian, Chiwan, Mawan, Humen, Guangzhou, Zhuhai, Maoming, Zhanjiang, Beihai, Fangcheng, Qinzhou, Haikou, Sanya and Yangpu, and the 15

river ports of Taicang, Nantong, Zhangjiagang, Jiangyang, Yangzhou, Changshou, Changzhou, Taizhou, Zhenjiang, Nanjing, Wuhu, Ma'an Shan, Jiujiang, Wuhan and Chenglingji.

The Parties agree to increase the opening of ports as circumstances warrant.