

Full Text of SEF-ARATS Minutes of Talks on Cross-Strait Charter Flights

The Straits Exchange Foundation (“SEF”) and the Association for Relations Across the Taiwan Strait (“ARATS”) believe that in recent years, the implementation of various charter flights—holiday charter flights, medical emergency charter flights, humanitarian charter flights, and specialized cargo charter flights—has promoted contacts between people across the Strait and economic exchanges. In order to implement cross-strait direct flights at the soonest possible time, the SEF and the ARATS, after negotiations based on an equal footing, signed the following minutes of talks on implementing cross-strait passenger charter flights and cargo charter flights:

1. Carrier

Parties agree to designate their respective charter flight carriers and to provide each other with advance notice based on the premise that each side shall operate an equal number of flights.

2. Passengers

Parties agree that all passengers who hold valid travel documents to travel across the Strait may take passenger charter flights.

3. Flight Routes

Parties agree to negotiate on the routes of cross-strait direct flights and establish direct communication procedures concerning air traffic management systems as soon as possible. Before the routes of direct flights are finalized, charter flights may temporarily fly across Hong Kong Flight Information Region.

4. Conveniences for Custom Clearance

Parties agree to simplify entry/exit and custom clearance procedures for passengers and cargo for the convenience of passengers and crew members.

5. Bonded Measures

Parties agree to facilitate the lease of the public bonded warehouse by carriers in the airport to store aircraft maintenance-related accessories. Parties shall supervise

and manage such facilities.

6. Representative Offices of Carriers

Parties agree that charter flight carriers may set up representative offices in flight destinations of the other side of the Strait. After the Minutes were signed, Mainland charter flight carriers shall be allowed to send staffs to Taiwan to handle relevant affairs and set up preparatory offices. Taiwan agrees that Mainland carriers may set up representative offices within six months.

7. Supplementary Arrangements

Parties agree to follow the holiday charter flight model to deal with various matters involving ground agents, sales channels, ticket payments, verification of aircraft and crew member certificates, maintenance and pre-flight security check, inspection, and quarantine. In case of special circumstances such as flight safety or emergency rescue, parties agree to handle related matters on a case-by-case basis through negotiations and to provide necessary assistances.

8. Application Procedures

Charter flight carriers shall apply for permission to operate flights in accordance with the regulations of each party every month. The application shall be submitted 15 days before each flight.

9. Mutatis Mutandis Application

Parties agree that holiday charter flights and medical emergency charter flights shall be implemented in accordance with the framework arrangements announced by parties for the time being. The provisions regarding passengers in the Minutes may apply *mutatis mutandis* to aforesaid charter flights.

10. Cargo Transportation Matters

Parties agree to negotiate on cross-strait cargo charter flights within three months after implementation of weekend passenger charter flights, and to reach consensus on implementation as soon as possible.

11. Regular Flights

Parties agree to negotiate on implementing regular cross-strait direct flights as soon as possible in order to meet the common aspiration of the people across the Strait and promote people's well-being.

12. Liaison Mechanism

Communications regarding matters agreed in the Minutes shall be handled by and between the Taipei Airlines Association and the Cross-Strait Aviation Transport Exchange Council. Parties may designate other institution(s) for such communications, if necessary, upon mutual consent.

13. Effective Date

The Minutes of Talks shall become effective 7 days after signature by the Parties.

The Annex to the Minutes shall have the same effect as the Minutes.

The Minutes were signed on June 13 in four original copies, with each party keeping two copies.

Annex: Time, destinations, and flights of cross-strait weekend charter flights

Straits Exchange Foundation

Chairman

Chiang Pin-Kung

**Association for Relations Across the
Taiwan Strait**

Chairman

Chen Yunlin

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

Annex: Time, destinations, and flights of cross-strait weekend charter flights

1. Time:

Weekend charter flights shall fly from each Friday to the following Monday for a total of four full days. It shall be officially implemented on July 4.

2. Destinations:

The Mainland side agrees to open the following five cities as destinations: Beijing, Shanghai (Pudong), Guangzhou, Xiamen and Nanjing. The Mainland side shall open Chengdu, Chongqing, Hangzhou, Dalian, Guilin, Shenzhen and other destinations later on and other cities if so demanded by the market.

The Taiwan side agrees to open the following eight cities as destinations: Taoyuan, Kaohsiung (Siaogang), Taichung (Chingchungkang), Taipei (Sungshan), Penghu (Makung), Hualien, Kinmen and Taitung.

3. Flights

Parties agree that each party may operate 18 round-trip weekend charter flights each week, reaching a total of 36 round-trip flights from both sides, in the preliminary stage. The flights may be increased if the market or circumstance so requires.

Taiwan carriers shall not operate more than nine round-trip flights per week to Shanghai (Pudong), whereas Mainland carriers shall not operate more than six round-trip flights per week to the Taichung Chingchungkang Airport.

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

【Source: News Release issued by the Straits Exchange Foundation】