

LEHMAN, LEE & XU



雷曼律師事務所

## PRESS RELEASE

### Mainland, Taiwan Signed Landmark Economic Pact of ECFA

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On June 29th 2010, Mainland and Taiwan negotiators signed the long-awaited Economic Cooperation Framework Agreement (“ECFA”) in Chongqing, which is a move hailed by many as a milestone in cross-Strait relations.

To enhance cross-Strait economic cooperation, the ECFA was agreed upon by the Mainland's Association for Relations Across the Taiwan Straits (“ARATS”) and Taiwan's Straits Exchange Foundation (“SEF”). The ARATS and SEF handle cross-Strait issues on behalf of their respective authorities.

According to the ECFA, the two sides agreed to “gradually reduce and remove barriers of trade and investment and create a fair environment” in both regions. The ECFA provides protection for cross-Strait investments to facilitate capital flows in both directions. A series of products and services are to first benefit from the ECFA, which provides preferential duty cuts and treatment within six months of the ECFA taking effect. Also, both sides will continue discussing agreements for commodity trade, service trade and investment at the same time. Further discussions on commodity trade agreement will include: reduction and removal of tariff, rules of origin, procedures of customs, and remedies for trades.

Edward E, Lehman, Managing Director of Lehman, Lee & Xu, said, “The signing of ECFA is a milestone in the history of cross-Strait economic cooperation.” He further explained, “The Mainland is the largest trading partner of Taiwan, and Taiwan is the sixth largest trading partner of the Mainland. The ECFA eliminates the obstacles and uncertainties on the way of cooperation, and it enables the Mainland and Taiwan to become closer economic partners to face globalization and further recession.” Lehman, Lee & Xu is a prominent Chinese corporate law firm and trademark and patent agency with offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm has also been recognized as one of the top full service as well as intellectual property firms in China by several international magazines. The law firm is managed by Mr. Edward Lehman, a leading expert on corporate law with 20 years of practice experience in Mainland China.

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