

ANNEX IV
SIDE LETTERS



THE HON ANDREW ROBB AO MP

MINISTER FOR TRADE AND INVESTMENT

17 June 2015

Mr Gao Hucheng
Minister of Commerce
The People's Republic of China

Dear Minister Gao,

In connection with the signing of the China-Australia Free Trade Agreement (the "Agreement") and discussions in relation to Chapter 8 (Trade in Services) and Chapter 10 (Movement of Natural Persons), I have the honour to confirm the following understanding shared by the Governments of Australia and China:

The Parties undertake to cooperate to streamline relevant skills assessment processes for temporary skilled labour visas, including through reducing the number of occupations currently subject to mandatory skills assessment for Chinese applicants for an Australian Temporary Work (Skilled) visa (subclass 457). Australia will remove the requirement for mandatory skills assessment for the following ten occupations on the date of entry into force of the Agreement.

Automotive Electrician [321111]
Cabinetmaker [394111]
Carpenter [331212]
Carpenter and Joiner [331211]
Diesel Motor Mechanic [321212]
Electrician (General) [341111]
Electrician (Special Class) [341112]
Joiner [331213]
Motor Mechanic (General) [321211]
Motorcycle Mechanic [321213]

The remaining occupations will be reviewed within two years of the date of entry into force, with the aim of further reducing the number of occupations, or eliminating the requirement within five years.

The Parties undertake to cooperate to encourage the streamlining of relevant licensing procedures and to improve access to relevant skills assessments. As part of this work, Trades Recognition

Australia (TRA), the China International Contractors Association (CHINCA) and other institutions¹ designated by the Chinese Government will cooperate with a view to expanding access to testing in China for an Australian Offshore Technical Skills Record (OTSR).

The Parties undertake to review progress in the above areas, as well as discuss avenues for further cooperation in the areas of skills recognition and licensing, within two years of the date of entry into force of the Agreement.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Andrew Robb

¹ Other institutions include relevant institutions designated by the Ministry of Human Resources and Social Security of the People's Republic of China.

17 June 2015

The Hon Andrew Robb AO, MP
Minister for Trade and Investment
Parliament House
CANBERRA ACT 2600

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Yours sincerely

Mr Gao Hucheng
Minister of Commerce
The People's Republic of China



THE HON ANDREW ROBB AO MP

MINISTER FOR TRADE AND INVESTMENT

17 June 2015

Mr Gao Hucheng
Minister of Commerce
The People's Republic of China

Dear Minister Gao,

In connection with the signing of the China-Australia Free Trade Agreement (the 'Agreement') and discussions in relation to Annex 8-B (Financial Services), I have the honour to confirm the following understanding shared by the Governments of Australia and China to strengthen cooperation in the field of financial services:

The Australian Prudential Regulatory Authority (APRA) and the China Banking Regulatory Commission (CBRC) will cooperate on issues of mutual interest. This may involve discussion about the development of prudential frameworks of both countries, as they apply to both branches and locally-incorporated subsidiaries.

Subject to their prudential laws, regulations and rules, Australia and China will process expeditiously all applications made by each other's financial institutions for the establishment of subsidiaries, branches and sub-branches in their respective territories, on an equitable, non-discriminatory and good faith basis, as and when such applications are received.

In assessing the knowledge and skills of Chinese people who are nominated as "responsible managers" of the branches or subsidiaries of Chinese banks in Australia, the Australian Securities and Investment Commission (ASIC) will consider his/her relevant qualifications and experience gained in China in accordance with ASIC policy and according to the same criteria as is applied to other jurisdictions.

Australia and China welcome the progress in implementing the 2009 and 2011 Group of 20 ("G20") commitments on Over-The-Counter (OTC) derivatives, with the goals of reducing systemic risk, improving transparency and protecting against market abuse. Australia and China will coordinate between regulatory authorities and support the use of flexible, outcomes-based equivalence processes in respect of G20 OTC derivatives commitments to assess whether each other's OTC derivative market participants and infrastructures are subject to equivalent regulation

(including G20 mandates) and enforcement regimes. Australia and China will both advance the recognition of each other's OTC derivatives regulation where necessary to facilitate cross-border activities. Australia and China will apply arrangements consistent with the Financial Stability Board (FSB) and G20 recommendations on equivalence, and defer to each other in a manner and to the extent envisaged in their regulatory regimes, when it is justified in light of such equivalence assessments.

Australia confirms that Chinese financial institutions may apply to become a member of the Reserve Bank Information and Transfer System (RITS), which is the Real Time Gross Settlement (RTGS) system operated by the Reserve Bank of Australia (RBA), on a national treatment basis.

Australia and China will seek to strengthen cooperation and information sharing on payments system oversight.

Australia confirms that Chinese institutions are currently eligible to provide payment services (including clearing payments) in Australia, both as members of a payment system and as payment system operators, on a national treatment basis.

With a view to promoting supervision and cooperation on combating money laundering and the financing of terrorism, anti-money laundering authorities in Australia and China will commit to exploring opportunities for achieving mutually beneficial outcomes on these issues.

Relevant Australian agencies and China's State Administration of Foreign Exchange (SAFE) will cooperate on issues of mutual interest, which may involve information exchange on regulatory systems and policies and any other agreed issues.

China welcomes the participation of Australian private equity and funds investors in the Chinese market as qualified foreign investors. Australia and China will strengthen future cooperation to facilitate greater Australian mid-market size funds investment participation in China, as well as options to strengthen Australia-China Renminbi (RMB) fund partnerships in China.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Andrew Robb

17 June 2015

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Minister for Trade and Investment
Parliament House
CANBERRA ACT 2600

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The People's Republic of China



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MINISTER FOR TRADE AND INVESTMENT

17 June 2015

Mr Gao Hucheng
Minister of Commerce
The People's Republic of China

Dear Minister Gao,

In connection with the signing of the China-Australia Free Trade Agreement (the "Agreement") and discussions in relation to Chapter 8 (Trade in Services), I have the honour to confirm the following understanding shared by the Governments of Australia and China to strengthen cooperation in the field of education services:

Australia and China share the view that education services are not only important in their own right, but also play an important role in facilitating trade and investment, enhancing growth and prosperity, and deepening mutual understanding, and institutional and people-to-people links between the two countries.

Noting China's commitment in its Schedule of Specific Commitments in Annex III to list within one year of the date of entry into force of this Agreement on the website www.jsj.edu.cn 77 Australian CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students)-registered higher education institutions, Australia will:

- (a) provide details of regulatory decisions made by the Australian Tertiary Education Quality and Standards Agency (TEQSA) Commission concerning CRICOS-registered higher education institutions;
- (b) following the process of TEQSA re-registration, make available to China the public report. If a provider's risk assessment identifies an issue that results in a regulatory decision being made, TEQSA will also make that regulatory decision available. In the event that an institution does not have its registration renewed, or is given less than the maximum period of registration by TEQSA, TEQSA will provide the reasons for its decision; and
- (c) provide to China the courses that listed institutions are accredited to deliver, and the dates by which the institutions will have to apply for TEQSA and CRICOS re-

registration or course re-accreditation. Information contained within the public reports listed on the National Register of higher education institutions will be regularly provided to China through diplomatic channels.

Australia and China will make joint efforts to ensure the smooth implementation of the Agreement and will continue to discuss listing on the website www.jsj.edu.cn of additional CRICOS-registered institutions.

Australia and China maintain programs facilitating teacher and student exchanges. Australia's Department of Education and China's Ministry of Education will continue to discuss options to expand and enhance student and teacher mobility between both countries. China welcomes and supports the increase in Australian students studying in China under Australian Government-funded programs, including the New Colombo Plan.

Australia and China will ensure the legal rights and interests of students from the other country in accordance with their respective laws and regulations.

Australia's Department of Education and China's Ministry of Education will discuss options for marketing and recruitment opportunities for Australian education suppliers in China. Discussions will cover application processing, the issuing of offers and provision of visa assistance.

Australia welcomes China's interest in establishing Chinese international schools in Australia. In Australia, rules governing international schools are administered by state and territory governments.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

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17 June 2015

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Dear Minister Gao,

In connection with the signing of the China-Australia Free Trade Agreement (the "Agreement") and discussions in relation to Chapter 8 (Trade in Services), I have the honour to confirm the following understanding shared by the Governments of Australia and China to strengthen cooperation in the field of commercial legal services:

Noting the vital role legal services play in facilitating bilateral trade and investment, as well as regional and global trade and investment flows, the Governments of Australia and China shall meet within 12 months of the date of entry into force of the Agreement, or at such other mutually agreed time, with a view to developing measures to enhance and support, through the peak legal professional bodies¹ in each country:

- (a) strengthened cooperation between lawyers registered in Australia and China, including with respect to trade, investment and other cross-border commercial projects;
- (b) increased mobility for Australian and Chinese lawyers, including through temporary entry measures to facilitate professional secondments and exchanges between each country; and
- (c) closer cooperation between commercial law firms from Australia and China in the effective provision of transnational legal services.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

¹ "Peak legal professional bodies" means for Australia, the Law Council of Australia, and for China, the All China Lawyers Association.

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Dear Minister Gao,

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“In connection with the signing on this date of the China-Australia Free Trade Agreement (the “Agreement”), I have the honour to confirm the following understandings reached between the delegations of Australia and China during the course of negotiations regarding Chapter 9 (Investment) of the Agreement:

The Parties shall enter into consultations within 12 months of the date of entry into force of the Agreement on the future application of the United Nations Commission on International Trade Law (UNCITRAL) Rules on Transparency in Treaty-based Investor-State Arbitration (UN Doc A/CN.9/783) (the “UNCITRAL Transparency Rules”) to arbitrations initiated pursuant to Section B of Chapter 9 (Investment).

Unless the Parties otherwise agree, the UNCITRAL Transparency Rules shall not apply to arbitrations initiated pursuant to Section B of Chapter 9 (Investment).

I have the honour to propose that this letter and your letter in reply confirming that your Government shares these understandings shall constitute an integral part of the Agreement.”

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