

For information

**LEGISLATIVE COUNCIL PANEL ON
COMMERCE AND INDUSTRY**

**MAINLAND AND HONG KONG
CLOSER ECONOMIC PARTNERSHIP ARRANGEMENT
(CEPA)**

PURPOSE

This note informs Members that the Administration has reached agreement with the Central People's Government (CPG) on the six Annexes to the main text of CEPA and the six Annexes will be signed on 29 September 2003.

BACKGROUND

2. The main parts of CEPA were signed on 29 June 2003, and discussions with the Mainland on the implementation details commenced. The discussions focused on the origin rules applicable to those products to be covered in the initial phase of tariff elimination, the application procedures for products to be included in subsequent phases, cooperation of the enforcement and regulatory authorities on both sides, the details of implementing the concessions under the various services sectors, and the mechanism for assessing the eligibility of enterprises under the CEPA definition of "Hong Kong service suppliers". The outcome of the discussions is set out in paragraphs 3 to 13 below. The six CEPA Annexes are attached.

TRADE IN GOODS

(1) Import Tariffs

3. The Mainland has agreed to eliminate tariffs on imported goods of Hong Kong origin by stages. 273 Mainland product codes meeting the rules of origin requirement (see paragraph 4 below) will enjoy zero tariff starting from 1 January 2004. These product codes cover some electrical and electronics products, plastic articles, paper articles, textile and clothing, chemical products, pharmaceutical products, clocks and watches, jewellery, cosmetics, metal products, etc. For other products, the Mainland will apply

zero tariff latest by 1 January 2006 upon applications by local manufacturers and upon the CEPA rules of origin being agreed and met. Before 1 October each year, both sides will confirm the product list and complete consultations on the origin rules. For products that are currently in production, tariff elimination will commence in the following year. For products that have not yet been manufactured in Hong Kong, zero tariff will be applied from 1 January of the following year after production has commenced on the ground.

(2) Rules of Origin

4. For the 273 Mainland product codes covered in the initial phase, the Mainland has accepted Hong Kong's existing origin rules for 187 (68%) product codes as the CEPA origin rules. These include items such as textiles and clothing, jewellery, cosmetics, pharmaceutical products, and plastic and paper articles. In respect of 48 (17%) product codes for which there are no existing Hong Kong origin rules, such as chemical products, metal products, and some electronic products and electronic components, the Mainland has agreed to adopt the "Change in Tariff Heading" (CTH)¹ approach as the CEPA origin rules, except for only two products where the CTH rule is not applicable². For the remaining 38 (14%) product codes, which include items such as some electronic and optical components, watches and clocks, and watch movements, a 30% value-added requirement will be adopted as the CEPA origin rule. The formula for calculating the value-added percentage will take into account the costs of product development (e.g. design, development, intellectual property rights, etc.) incurred in Hong Kong, thereby helping to encourage high value-added activities to be undertaken in Hong Kong.

5. For products not covered in the initial phase, the Administration shall discuss and agree with the Mainland on the applicable origin rules, on the basis of applications submitted by local manufacturers (see paragraph 3 above) and in accordance with the timetable set out in CEPA Annex 1.

¹ A "CTH" origin rule means that the products have been manufactured to the extent that their classification in the World Customs Organisation Harmonised System falls in a different four-digit heading from the classification of the non-originating constituent materials used. For example, printed matters are classified under HS 4911. If they are manufactured from paperboards classified under HS 4810, the "CTH" requirement is considered to have been fulfilled. "CTH" is a common requirement in the context of the on-going rules of origin discussion in the World Trade Organisation.

² The two products are: unworked or simply worked non-industrial diamond (HS 7109 3100) and other chemical products (HS 3824 9090).

6. The two sides have also agreed on the procedures for products to claim zero tariff under the CEPA. To enjoy tariff preference, products imported into the Mainland must be accompanied by a Hong Kong certificate of origin (CO(CEPA)) issued by either the Trade and Industry Department or one of the Government Approved Certification Organisations.³ In the first six months beginning 1 January 2004, the procedures for issuing CO(CEPA) will be the same as the existing arrangement for issuing regular Certificates of Hong Kong Origin (see paragraph 7 below).

7. To ensure smooth implementation of the CEPA origin rules⁴ and prevent illegal circumvention, a computer link and an electronic data exchange mechanism have been established between the issuing and regulatory authorities of both sides so that information on CEPA(CO) issued in Hong Kong can be transmitted to the Mainland to facilitate verification at customs entry points. As a transitional arrangement, the Mainland has also agreed that the electronic transmission of some data fields in Chinese could be deferred to July 2004. To strengthen enforcement of the CEPA origin system, the two sides have further agreed on the scope of co-operation under the framework of the Customs Co-operative Arrangement between the Hong Kong Customs and Excise Department and the Customs General Administration of the Mainland.

TRADE IN SERVICES

8. On trade in services, the Mainland has agreed to grant liberalization in one additional sector, i.e. the telecommunications services, taking the total number of liberalised sectors for Hong Kong under CEPA to 18⁵. Specifically, the Mainland will open up five value-added telecommunications services, namely internet data centre services; store and forward services; call centre services; internet access services; and content

³ Under the Protection of Non-Government Certificates of Origin Ordinance (Cap. 324), there are five Government Approved Certification Organisations (GACOs) designated to issue certificates of origin: Hong Kong General Chamber of Commerce; Federation of Hong Kong Industries; Indian Chamber of Commerce, Hong Kong; Chinese Manufacturers' Association of Hong Kong; Chinese General Chamber of Commerce.

⁴ We do not envisage a need to seek legislative amendment to implement the CEPA rules of origin, except that, for the purpose of the Trade Descriptions Ordinance, the Commissioner of Customs and Excise may have to issue orders on the origin marking requirements of a few products.

⁵ The 18 sectors are: management consulting services; convention services; advertising services; accounting services; construction and real estate services; medical and dental services; distribution services; logistics services; freight forwarding agency services; storage and warehousing services; transport services; tourism services; audiovisual services; legal services; banking services; securities services; insurance services and telecommunications services.

services to Hong Kong service suppliers as from 1 October 2003. Hong Kong suppliers will be allowed to form joint ventures with Mainland enterprises to provide such services in all parts of the Mainland although their equity share is capped at 50%.

9. For the 17 sectors of services whose liberalization measures have already been agreed and announced on 29 June, the two sides have agreed on some further clarifications and refinements in respect of market access and definition of Hong Kong service suppliers (previously called “Hong Kong companies”). A more significant improvement is that for the insurance sector, the maximum allowed equity participation in a Mainland insurance company has been raised from 15% in the June 29 text to 24.9% now (the cap is set at 10% outside CEPA). Details of the liberalization measures of all the 18 services sectors are set out in CEPA Annex 4.

10. As regards the definition of Hong Kong service suppliers, the two sides have, on the basis of the consensus reached in June, agreed on the detailed requirements as set out in CEPA Annex 5. A significant improvement over the 29 June text is that apart from companies, partnerships, sole proprietorships and natural persons of Hong Kong will also be able to enjoy CEPA benefits provided that they fulfil the stipulated conditions. Generally speaking, natural persons will have to be Hong Kong permanent residents whereas juridical persons will have to be incorporated or formed in Hong Kong and have engaged in substantive business operations in Hong Kong for three to five years.

11. The CEPA Annex 5 also sets out the certification mechanism for the eligibility of enterprises under the CEPA definition of “Hong Kong service suppliers”. In this regard, Hong Kong service suppliers as juridical persons should apply to TID for a Hong Kong Service Supplier (HKSS) Certificate before they can enjoy the treatment under CEPA. The service supplier should submit to TID a copy of the statutory declaration, which is required by the Mainland to be attested by a China-appointed attesting officer in Hong Kong, as well as relevant documents to substantiate that -

- (i) it has been incorporated or registered according to the applicable laws of Hong Kong. In this regard, the service supplier should provide as appropriate certified true copies of its Certificate of Incorporation, Business Registration Certificate and Extract of Information on the Business Register; and

- (ii) it has engaged in substantive business operations in Hong Kong. The criteria for determination include the nature and scope of business, years of operation, profit, scale of its business premises as well as employment of staff. Documents required include annual reports, audited financial statements, certified true copies of Profit Tax Returns and Employer's Return of Remuneration and Pensions.

After obtaining the HKSS Certificate, the Hong Kong service supplier can apply to the relevant Mainland authorities for the provision of relevant services under CEPA.

12. A Hong Kong service supplier who wants to obtain CEPA treatment as a natural person should provide to the relevant Mainland authorities identification of his or her Hong Kong permanent resident status, and if he or she is a Chinese citizen among them, the Home Visit Permit or HKSAR passport. Copies of the identification documents should be attested by the attesting officers appointed by the Mainland.

TRADE AND INVESTMENT FACILITATION

13. Both sides have reached agreement on enhancing co-operation in the following seven areas :

- (i) trade and investment promotion;
- (ii) customs clearance facilitation;
- (iii) commodity inspection and quarantine, food safety, quality and standardization;
- (iv) electronic business;
- (v) transparency in laws and regulations;
- (vi) cooperation of small and medium enterprises; and
- (vii) cooperation in Chinese medicine industry.

The two sides agreed on the contents and modalities of cooperation for each of the seven areas above, and that new areas of trade and investment facilitation could be added in future. Liaison mechanisms already established will be utilized for implementation purpose as far as possible, and the Joint Steering Committee of CEPA will be responsible for overall coordination. The details are set out in CEPA Annex 6.

FURTHER LIBERALISATION

14. The Administration will continue to pursue requests of the business sectors for further liberalisation on goods and services trade with the Mainland with a view to broadening CEPA's scope and coverage incrementally.

IMPLICATIONS OF THE CEPA IMPLEMENTATION

15. In terms of economic benefits, the CEPA has good potential to open up many more new business opportunities in the Mainland for Hong Kong. It will enhance the attractiveness of Hong Kong to overseas investors. The zero import tariff preference may attract to Hong Kong manufacturing of brand name products, or manufacturing processes with high-value added content or substantial intellectual property input. The WTO-plus market liberalization measures for trade in services would give companies in Hong Kong a "first mover" advantage. Obviously, it is up to businessmen from Hong Kong and elsewhere in the world to decide whether and how they would like to leverage on the CEPA to gain greater access into the Mainland market. This will determine the scale of CEPA -induced business activities and direct and indirect economic spin-offs for Hong Kong. At this point in time, it is difficult to quantify, with reasoned assumptions, the effects of these potential new opportunities. The Administration shall of course spare no effort in encouraging the business sector in Hong Kong to make full use of the openings under the CEPA, and also include the business opportunities secured under the CEPA in attracting more foreign investment to Hong Kong.

16. There will be additional workload arising from operationalizing the CEPA provisions relating to trade in goods and the certification of "Hong Kong service suppliers". The main implementation departments are TID and C&ED. Other relevant policy bureaux and departments will be involved in the implementation of those parts of the CEPA agreement relating to the services sectors under their purview. There will also be many enquiries from the trade on the implementation of CEPA. A designated Branch in TID will be established to handle public enquiries and to disseminate practical information in relation to doing business or investing on the Mainland. This Branch will also process applications for the certification of "Hong Kong service suppliers", and co-ordinate further liberalisation measures for agreement with the Mainland in future phases. The additional work will be

met by CITB, TID, C&ED and by other relevant bureaux and departments from within their existing resources.

NEXT STEPS

17. The Administration will launch a publicity programme, featuring a signing ceremony, a press conference and background briefings for the media, and open seminar etc. A contact point in TID will be set up to answer enquiries from the public and the business sector. Various trade-related advisory bodies will also be briefed.

Commerce, Industry and Technology Bureau
29 September 2003

Annex 1

Arrangements for Implementation of Zero Tariff for Trade in Goods

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter called "CEPA"), the Mainland and the Hong Kong Special Administrative Region have concluded this Annex on the arrangements for implementation of zero tariff for trade in goods.

2. Hong Kong continues to apply zero tariff to all imported goods of Mainland origin.

3. From 1 January 2004, the Mainland will implement by stages zero tariff on imported goods of Hong Kong origin. The term "imported goods of Hong Kong origin" refers to those goods that fulfil the requirements stipulated in Annex 2 of CEPA. The responsible department of the Hong Kong Special Administrative Region Government and its approved certification organisations will issue certificates of origin under CEPA according to the relevant laws of Hong Kong. Importers of goods benefiting from zero tariff under CEPA should submit to the Mainland Customs the certificates of origin issued by the responsible department of the Hong Kong Special Administrative Region Government or its approved certification organisations in accordance with the procedures set out in Annex 3 of CEPA.

4. From 1 January 2004 the Mainland will apply zero tariff to imported goods of Hong Kong origin as set out in Table 1 of this Annex. Table 1 forms an integral part of this Annex. Changes in the Mainland tariff codes will result in corresponding changes in the tariff codes set out in Table 1. In submitting applications for

goods benefiting from zero tariff, Hong Kong manufacturers should use the tariff codes prevailing in that year.

5. The Mainland will apply zero tariff to imported goods of Hong Kong origin other than those set out in Table 1 of this Annex not later than 1 January 2006. The detailed implementation procedures are as follows:

(1) Application and Verification

1. From 1 January 2004, Hong Kong manufacturers may, in accordance with the rules made by the Hong Kong Special Administrative Region Government, submit applications for goods benefiting from zero tariff to the Hong Kong Trade and Industry Department.
2. The applicants will provide to the Hong Kong Trade and Industry Department the description of the goods, and information and data on the production capacity or projected level of production.
3. The Hong Kong Trade and Industry Department and the Hong Kong Customs and Excise Department will assess and verify the information provided by the applicants, and consolidate the applications for goods currently being produced and goods proposed to be produced separately.

(2) Confirmation and Consultations

1. Before 1 June each year, the Hong Kong Trade and Industry Department will submit the consolidated list on description of goods, and information and data on the production capacity or projected level of production to the Ministry of Commerce.
2. In conjunction with the relevant Mainland departments, the Ministry of Commerce and the Hong Kong Trade

and Industry Department will jointly examine and confirm the list of goods before 1 August that year.

3. After confirmation of the list of goods, the General Administration of Customs and the Hong Kong Trade and Industry Department will enter into consultations on the rules of origin for the relevant goods. Both sides will complete the consultations on the rules of origin before 1 October that year.

(3) Announcement and Implementation

1. For goods currently being produced in Hong Kong, the Mainland will, in accordance with the consensus reached in the consultations, supplement the list of goods and the corresponding rules of origin in Table 1 of this Annex and Table 1 of Annex 2 respectively. Beginning 1 January of the year following the completion of consultations, the Mainland will, in accordance with the certificates of origin issued by the Hong Kong issuing authorities, apply zero tariff to the import of the relevant goods under CEPA.
2. For products proposed to be produced in the future, the Mainland will, in accordance with the consensus reached in the consultations, supplement the rules of origin for these goods in Table 1 of Annex 2. After the applicant has put the proposed goods into production, the Hong Kong Trade and Industry Department will conduct verification jointly with the Hong Kong Customs and Excise Department and inform the Ministry of Commerce. The Mainland will, after confirmation by both sides, supplement the list of goods in Table 1 of Annex 1. Beginning 1 January of the year following confirmation by both sides, the Mainland will, in accordance with the certificates of origin issued by the Hong Kong issuing authorities, apply zero tariff to the import of the relevant goods

under CEPA.

3. Both sides will announce the confirmed list of goods and the rules of origin before 1 December each year.

(4) The timetable for tariff reduction will be deferred by one year if information on goods seeking to benefit from zero tariff under CEPA is submitted by the Hong Kong Trade and Industry Department to the Ministry of Commerce after 1 June each year.

6. In the event that the implementation of this Annex causes substantial impact on the trade and relevant industries of either side, the two sides will, at the request of one side, conduct consultations on the relevant provisions in this Annex.

7. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this 29th day of September 2003 in the Chinese language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(Signature)

(Signature)

Table 1

List of Hong Kong Origin Products for Implementation of Zero Import Tariff by the Mainland

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
1	21050000	Ice cream and other edible ice, whether or not containing cocoa	24.2	0
2	27100054	Lubricating oils	6.0	0
3	28433000	Gold compounds	5.5	0
4	30041011	Ampicillin	6.0	0
5	30041012	Amoxycillin	6.0	0
6	30041013	Penicillin V	6.0	0
7	30041019	Other medicaments containing penicillins	6.0	0
8	30041090	Other medicaments put up in measured doses, with penicillin or streptomycins	6.0	0
9	30049054	Essential balm	3.0	0
10	30049059	Other medicaments of Chinese type	3.0	0
11	30049090	Other medicaments put up in measured doses	4.0	0
12	32041600	Reactive dyes and preparations based thereon	9.6	0
13	32041700	Pigments and preparations based thereon	6.5	0
14	32064900	Other inorganic colouring matter and other preparations	6.5	0
15	32081000	Paints and varnishes etc., based on polyesters, and dissolved in a non-aqueous medium	10.0	0
16	32089090	Other paints and varnish solutions, dissolved in a nonaqueous medium	10.0	0
17	32100000	Other paints and varnishes; prepared water pigments of a kind used for finishing	10.0	0
18	32151900	Other printing ink	8.2	0
19	33029000	Other mixtures of odoriferous substances and mixtures with a basis of one or more of these substances, of a kind used as raw materials in industry	21.7	0
20	33030000	Perfumes and toilet waters	18.3	0
21	33041000	Lip make-up preparations	18.3	0
22	33042000	Eye make-up preparations	18.3	0
23	33043000	Manicure or pedicure preparations	21.7	0
24	33049900	Other beauty or make-up preparations	22.3	0
25	35069900	Other prepared glues and other prepared adhesives, not specified elsewhere	15.0	0
26	38099100	Other products and preparations, not specified elsewhere, of a kind used in the textile industry	6.5	0
27	38249090	Other chemical products, not elsewhere specified	6.5	0
28	39031900	Other polystyrene in primary forms	11.8	0
29	39042200	Plasticized polyvinyl chloride, in primary forms	11.8	0
30	39151000	Waste, parings and scrap, of polymers of ethylene	11.8	0
31	39152000	Waste, parings and scrap, of polymers of styrene	11.8	0
32	39153000	Waste, parings and scrap, of polymers of vinyl chloride	11.8	0
33	39159000	Waste, parings and scrap, of other plastics	11.8	0
34	39204100	Plates, sheets, film, foil and strip, of rigid polymers of vinyl chloride	10.4	0
35	39204200	Plates, sheets, film, foil and strip, of flexible polymers of vinyl chloride	10.4	0
36	39209990	Other non-cellular plates and sheets, of other plastics	8.4	0
37	39211210	Cellular polymers of vinyl chloride, combined with textile fabrics	12.7	0
38	39231000	Boxes, cases and similar articles, of plastics	12.0	0
39	39232900	Sacks and bags, of other plastics	12.0	0
40	39239000	Other articles for the conveyance or packing of goods, of plastics	12.0	0
41	39269010	Parts of machines or instruments, of plastics	10.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
42	39269090	Other articles of plastics	12.0	0
43	41041000	Whole bovine skin leather, of a unit surface area not exceeding 2.6 square meter	6.4	0
44	41043990	Other leather of bovine or equine animals	7.2	0
45	48051000	Semi-chemical fluting paper (corrugating medium)	10.4	0
46	48056000	Other thin uncoated paper and paperboard	6.3	0
47	48058000	Other thick uncoated paper and paperboard	10.4	0
48	48101200	Thick writing and printing paper and paperboard, coated with inorganic substance	7.0	0
49	48102900	Other writing and printing paper and paperboard, coated with inorganic substance	7.0	0
50	48109100	Multi-ply paper and paperboard, coated with inorganic substance	7.0	0
51	48119000	Other coated, impregnated or covered paper and paperboard	7.5	0
52	48191000	Cartons, boxes and cases, of corrugated paper or paperboard	11.7	0
53	48192000	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	11.7	0
54	48211000	Printed paper or paperboard labels of all kinds	10.0	0
55	48239090	Other paper and articles of paper	13.3	0
56	49111090	Other trade advertising material and the like	7.5	0
57	49119900	Other printed matters	7.5	0
58	50072019	Other fabrics of bombyx mori silk	13.4	0
59	51071000	Yarn of combed wool, not put up for retail sale	8.0	0
60	51121900	Fabrics of combed wool, of a weight exceeding 200g/square meter	16.7	0
61	52051100	Cotton single yarn, measuring high decitex, carded, not put up for retail sale	5.0	0
62	52051200	Cotton single yarn, measuring medium decitex, carded, not put up for retail sale	5.0	0
63	52052200	Cotton single yarn, measuring medium decitex, combed, not put up for retail sale	5.0	0
64	52053200	Cotton multiple or cabled yarn, measuring medium decitex, carded, not put up for	5.0	0
65	52054200	Cotton multiple or cabled yarn, measuring medium decitex, combed, not put up for	5.0	0
66	52083200	Lighter weight plain weave cotton fabric, dyed	10.0	0
67	52083300	Light weight 3-thread or 4-thread twill cotton fabric, dyed	10.0	0
68	52083900	Other light weight cotton fabrics, dyed	10.0	0
69	52084200	Light weight plain weave cotton fabric, of yarns of different colours	10.0	0
70	52084900	Other light weight cotton fabrics, of yarns of different colours	10.0	0
71	52091200	Heavy weight 3-thread or 4-thread twill cotton fabric, unbleached	11.8	0
72	52093100	Heavy weight plain weave cotton fabric, dyed	11.8	0
73	52093200	Heavy weight 3-thread or 4-thread twill cotton fabric, dyed	11.8	0
74	52093900	Other heavy weight cotton fabrics, dyed	11.8	0
75	52094100	Heavy weight plain weave cotton fabric, of yarns of different colours	11.8	0
76	52094200	Heavy weight twill cotton fabric (denim), of yarns of different colours	10.0	0
77	52094300	Heavy weight 3-thread or 4-thread twill cotton fabric, of yarns of different colours	11.8	0
78	52103100	Light weight plain weave cotton fabric mixed with man-made fibres, dyed	12.6	0
79	53091900	Other fabrics of mainly flax	12.4	0
80	53092900	Other fabrics of flax, mixed with other textile materials	12.4	0
81	54011010	Sewing thread of synthetic filaments, not put up for retail sale	8.2	0
82	54074200	Fabrics of mainly nylon, dyed	18.7	0
83	54074300	Fabrics of mainly nylon, of yarns of different colours	18.7	0
84	54075200	Fabrics of mainly textured polyester filaments, dyed	18.7	0
85	54076100	Other fabrics, of mainly non-textured polyester filaments	18.7	0
86	54077200	Other fabrics, of mainly synthetic filaments, dyed	18.7	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
87	54079200	Other fabrics of synthetic filaments mixed with other textile materials, dyed	18.7	0
88	55081000	Sewing thread of synthetic staple fibres	11.0	0
89	55093200	Multiple or cabled yarn, of mainly acrylic or modacrylic staple fibres, not put up for	11.0	0
90	55121900	Other fabrics, of mainly polyester	18.7	0
91	55129900	Other fabrics, of mainly synthetic fibres	18.7	0
92	55132100	Light weight plain weave fabric of polyester fibres, mixed with cotton, dyed	18.7	0
93	55161200	Fabrics, of mainly artificial staple fibres, dyed	17.3	0
94	58012200	Cut corduroy, of cotton	12.5	0
95	58042100	Mechanically made lace of man-made fibres	17.3	0
96	58062000	Narrow fabrics, containing by weight 5% or more of elastomeric yarn or rubber thread	16.7	0
97	58071000	Woven labels, badges and similar articles of textile materials, not embroidered	16.7	0
98	59031020	Imitation leather impregnated, coated, with polyvinyl chloride	13.0	0
99	59031090	Other textile fabrics impregnated, coated, with polyvinyl chloride	13.2	0
100	59032090	Other textile fabrics impregnated, coated, with polyurethane	13.2	0
101	59039090	Other textile fabrics impregnated, coated, with other plastics	13.2	0
102	60019200	Knitted or crocheted pile fabrics, of man-made fibres	16.0	0
103	60023010	Cotton knitted or crocheted fabric of a width exceeding 30cm	12.5	0
104	60023090	Other knitted or crocheted fabrics of a width exceeding 30cm	16.0	0
105	60024200	Warp knit fabric of cotton	12.5	0
106	60029200	Other knitted or crocheted fabrics of cotton	12.5	0
107	60029300	Other knitted or crocheted fabrics of man-made fibres	16.0	0
108	61046200	Women's or girls' trousers, bib and brace overalls etc., knitted or crocheted and of	17.7	0
109	61051000	Men's or boys' shirts, knitted or crocheted and of cotton	17.7	0
110	61052000	Men's or boys' shirts, knitted or crocheted and of man-made fibres	21.3	0
111	61059000	Men's or boys' shirts, knitted or crocheted and of other textile materials	20.5	0
112	61061000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of cotton	17.7	0
113	61062000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of man-made fibres	21.3	0
114	61069000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of other textile materials	20.5	0
115	61071100	Men's or boys' underpants, briefs, knitted or crocheted and of cotton	16.3	0
116	61083100	Women's or girls' nightdresses and pyjamas, knitted or crocheted and of cotton	16.3	0
117	61091000	T-shirts, singlets, etc., knitted or crocheted and of cotton	16.3	0
118	61099090	T-shirts, singlets, etc., knitted or crocheted and of other textile materials	19.5	0
119	61101010	Jerseys, pullovers etc., knitted or crocheted and of Angora, Tibetan, Kashmir or similar goats wool	19.5	0
120	61101020	Jerseys, pullovers etc., knitted or crocheted and of wool	19.5	0
121	61101030	Jerseys, pullovers etc., knitted or crocheted and of rabbit or hare hair	19.5	0
122	61101090	Jerseys, pullovers etc., knitted or crocheted and of other animal hair	19.5	0
123	61102000	Jerseys, pullovers etc., knitted or crocheted and of cotton	14.0	0
124	61103000	Jerseys, pullovers etc., knitted or crocheted and of man-made fibres	19.0	0
125	61109010	Jerseys, pullovers etc., knitted or crocheted and of silk or silk waste	19.5	0
126	61109090	Jerseys, pullovers etc., knitted or crocheted and of other textile materials	19.5	0
127	61112000	Babies' garments and clothing accessories, knitted or crocheted and of cotton	16.3	0
128	61179000	Parts of garments or of clothing accessories, knitted or crocheted and of other textile	19.5	0
129	62034210	Men's or boys' Arabian trousers, of cotton	18.5	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
130	62034290	Men's or boys' trousers, bib and brace overalls, etc., of cotton	18.5	0
131	62043200	Women's or girls' jackets, of cotton	17.7	0
132	62043300	Women's or girls' jackets, of synthetic fibres	21.3	0
133	62045200	Skirts and divided skirts, of cotton	16.3	0
134	62046200	Women's or girls' trousers, bib and brace overalls, etc., of cotton	17.7	0
135	62046300	Women's or girls' trousers, bib and brace overalls, etc., of synthetic fibres	21.3	0
136	62052000	Men's or boys' shirts, of cotton	17.7	0
137	62053000	Men's or boys' shirts, of man-made fibres	20.5	0
138	62059090	Men's or boys' shirts, of other textile materials	20.5	0
139	62063000	Women's or girls' blouses, shirts and shirt-blouses, of cotton	17.7	0
140	62064000	Women's or girls' blouses, shirts and shirt-blouses, of man-made fibres	21.3	0
141	62069000	Women's or girls' blouses, shirts and shirt-blouses, of other textile materials	20.5	0
142	62082200	Women's or girls' nightdresses and pyjamas, of man-made fibres	19.0	0
143	62179000	Parts of garments or of clothing accessories, non-knitted or crocheted	19.5	0
144	63025190	Other table linen, of cotton	16.3	0
145	64069900	Parts of footwear, gaiters etc., of other materials	17.0	0
146	70195900	Other woven fabrics of glass fibres	12.0	0
147	70200011	Conductivity glass	10.5	0
148	71023100	Unworked or simply worked non-industrial diamonds	3.0	0
149	71131100	Articles of jewellery and parts, of silver	26.7	0
150	71131910	Articles of jewellery and parts, of gold	26.7	0
151	71131990	Articles of jewellery and parts, of other precious metal	35.0	0
152	71132000	Articles of jewellery and parts, of base metal clad with precious metal	35.0	0
153	71141100	Articles of silversmiths' wares and parts	35.0	0
154	71141900	Articles of goldsmiths' and silversmiths' wares and parts, of precious metal	35.0	0
155	71142000	Articles of goldsmiths' and silversmiths' wares and parts, of base metal clad with precious metal	35.0	0
156	71151000	Catalysts in the form of wire cloth or grill, of platinum	3.0	0
157	71159010	Articles of precious metal or of metal clad with precious metal, for technical or laboratory use	3.0	0
158	71159090	Articles of precious metal or of metal clad with precious metal, for other use	35.0	0
159	71161000	Articles of natural or cultured pearls	35.0	0
160	71162000	Articles of precious or semi-precious stones	35.0	0
161	71171100	Cuff-links and studs of base metal	35.0	0
162	71171900	Other imitation jewellery of base metal	24.7	0
163	71179000	Other imitation jewellery of materials not specified elsewhere	35.0	0
164	73181500	Other screws and bolts	8.0	0
165	73269090	Other articles of iron or steel, not for technical use	10.4	0
166	74040000	Copper waste and scrap	1.5	0
167	74081900	Other refined copper wire, of which the maximum cross-sectional dimension not exceeding 6mm	4.0	0
168	74092100	Brass plates, sheets and strip, in coils	7.0	0
169	74092900	Other brass plates, sheets and strip	7.0	0
170	74099000	Other copper alloy plates, sheets and strips	7.0	0
171	74101100	Refined copper foil, not backed	4.0	0
172	74102100	Refined copper foil, backed	4.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
173	76011000	Unwrought aluminum	5.0	0
174	76020000	Aluminum waste and scrap	1.5	0
175	76061190	Other rectangular aluminum plates, sheets and strip	6.0	0
176	76061240	Rectangular aluminum alloy plates, sheets and strip, of a thickness exceeding 0.35mm	6.0	0
177	76069100	Aluminum plates, sheets and strip, not rectangular	6.0	0
178	76069200	Aluminum alloy plates, sheets and strip, not rectangular	10.0	0
179	80030000	Bars, rods, profiles and wire, of tin and tin alloys	8.0	0
180	83089000	Beads and spangles of base metal	10.5	0
181	84159010	Parts of air-conditioning machines of a refrigerating effect not exceeding 4000 Cal per	10.0	0
182	84435990	Other printing machinery	8.0	0
183	84514000	Washing, bleaching or dyeing machines	8.4	0
184	84518000	Other machinery within HS heading 84.51, not specified elsewhere	12.0	0
185	84798962	Automatic coreslice adhering machines	3.6	0
186	84804100	Moulds for metal or metal carbides, injection or compression types	8.0	0
187	84807900	Other moulds for rubber or plastics	5.0	0
188	84818019	Other valves, not specified elsewhere	7.0	0
189	84821000	Ball bearings	8.0	0
190	85011010	Electric motors for use in toys, of an output not exceeding 37.5W	24.5	0
191	85011091	Micromotors with a housing diameter of 20mm or more but not exceeding 39mm	11.2	0
192	85011099	Other micromotors, of an output not exceeding 37.5W	9.0	0
193	85013100	DC electric motors and generators, of an output not exceeding 750W	12.0	0
194	85030010	Parts for micromotors for use in toys	12.0	0
195	85030020	Parts for AC generators, of an output exceeding 350 MVA	3.0	0
196	85030030	Parts for wind-powered electric generating sets	3.0	0
197	85030090	Parts for other electric motors, electric generating machine (sets)	8.0	0
198	85043190	Other electrical transformers, having a power handling capacity not exceeding 1kVA	7.2	0
199	85044090	Other static converters, not specified elsewhere	10.0	0
200	85049019	Parts of other transformers	8.0	0
201	85049090	Parts of other static converters and inductors	8.0	0
202	85051190	Other permanent magnets. of metal	7.0	0
203	85051900	Permanent magnets, of non metal	7.0	0
204	85061000	Primary cells and primary batteries of manganese dioxide	20.0	0
205	85068000	Other primary cells and primary batteries	14.0	0
206	85073000	Nickel-cadmium electric accumulators	10.0	0
207	85078010	Nickel-hydrogen accumulators	12.0	0
208	85079010	Parts of lead-acid accumulators	10.0	0
209	85079090	Parts of other electric accumulators	8.0	0
210	85089000	Parts of electro-mechanical tools for working in the hand, with self-contained electric	6.6	0
211	85099000	Parts of electro-mechanical domestic appliances	12.0	0
212	85139010	Parts of torches	14.0	0
213	85139090	Parts of other portable electric lamps designed to function by their own source of	14.0	0
214	85152110	Aligning tube welding machines	10.0	0
215	85152190	Other fully or partly automatic machines for resistance welding of metal	10.0	0
216	85158000	Other welding machines and apparatus	8.0	0
217	85169010	Parts for electric soil heating apparatus and electric heating resistors	8.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
218	85169090	Other parts of products within HS heading 85.16	14.6	0
219	85181000	Microphones and stands	10.0	0
220	85189000	Parts of products within HS heading 85.18	10.5	0
221	85221000	Pick-up cartridges	35.0	0
222	85229010	Parts and accessories for turntables (record decks) or record-players	27.0	0
223	85229021	Transport mechanisms of cassette recorders	27.0	0
224	85229030	Other parts and accessories for video recording or reproducing apparatus	30.0	0
225	85229090	Other parts of products within HS headings 85.19 to 85.21	20.0	0
226	85239000	Other prepared unrecorded media for sound recording or similar recording of other phenomena	8.3	0
227	85291010	Aerials and parts for radar apparatus and radio navigational aid apparatus	1.5	0
228	85299030	Parts of walkie-talkie	8.0	0
229	85299049	Parts of television cameras of other use	12.0	0
230	85299060	Parts for radio-broadcast receivers and their combinations	15.0	0
231	85299090	Parts of products within HS headings 85.25 to 85.28	4.0	0
232	85318010	Buzzers	15.0	0
233	85361000	Fuses, for a voltage not exceeding 1000 V	10.0	0
234	85364900	Relays, for a voltage exceeding 60 V	10.0	0
235	85371010	Other numerical control panels	5.0	0
236	85371090	Other apparatus for electric control or the distribution of electricity	8.4	0
237	85372090	Other apparatus for electric control or the distribution of electricity	8.4	0
238	85389000	Parts of products within HS headings 85.35, 85.36 or 85.37	7.0	0
239	85392991	Electric filament lamps, not specified elsewhere, of a voltage 12 V or less	12.0	0
240	85404000	Data/graphic display tubes, colour, with a phosphor dot screen pitch smaller than	8.0	0
241	85441100	Copper winding wire	10.0	0
242	85444190	Other electric conductors, fitted with connectors, for a voltage not exceeding 80 V	4.0	0
243	85445190	Other electric conductors, fitted with connectors, for a voltage exceeding 80 V but not exceeding 1000 V	7.0	0
244	85445990	Other electric conductors, for a voltage exceeding 80 V but not exceeding 1000 V	13.8	0
245	90011000	Optical fibre bundles and cables	7.0	0
246	90012000	Sheets and plates of polarizing material	8.0	0
247	90019000	Other optical elements, not specified elsewhere, within HS heading 90.01	8.0	0
248	90021990	Other objective lenses, not specified elsewhere, within HS heading 90.02	15.0	0
249	90069110	Parts and accessories for cameras specially designed	8.0	0
250	90069120	Parts and accessories for instant print cameras	5.0	0
251	90069191	Automatic focal setting units for cameras	10.0	0
252	90069192	Shutter units for cameras	10.0	0
253	90069199	Other parts and accessories for other cameras	10.0	0
254	90138010	Hand magnifying glasses	12.0	0
255	90138090	Other liquid crystal devices and optical appliances	5.0	0
256	90139010	Parts and accessories for lasers and telescopes	6.0	0
257	90139090	Other parts and accessories of products within HS heading 90.13	8.0	0
258	90318090	Other measuring or checking instruments, appliances and machines, not specified	5.0	0
259	91021100	Other electrically operated wrist-watches, with mechanical display	15.0	0
260	91021200	Other electrically operated wrist-watches, with opto-electronic display	23.0	0
261	91031000	Electrically operated clocks with watch movements	23.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
262	91051100	Electrically operated alarm clocks	23.0	0
263	91081100	Complete and assembled electrically operated watch movements, with mechanical	16.0	0
264	91081200	Complete and assembled electrically operated watch movements, with opto-electronic display	16.0	0
265	91081900	Other complete and assembled electrically operated watch movements	16.0	0
266	91089900	Other complete and assembled mechanically operated watch movements	16.0	0
267	91112000	Cases of base metal	14.0	0
268	91132000	Watch straps, watch bands and watch bracelets, and parts of base metal	14.0	0
269	91149000	Other clock or watch parts	14.0	0
270	95039000	Other toys, not specified elsewhere	7.0	0
271	96062200	Buttons of base metal	17.0	0
272	96071100	Slide fasteners fitted with chain scoops of base metal	21.0	0
273	96071900	Other slide fasteners	21.0	0

Annex 2

Rules of Origin for Trade in Goods

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter called "CEPA"), the Mainland and the Hong Kong Special Administrative Region have concluded this Annex on the rules of origin for trade in goods.

2. Goods seeking zero tariff under CEPA and directly imported by one side from the other side will have the origin determined in accordance with the principles set out below:

- (1) goods wholly obtained in one side is regarded as originating in that side; or
- (2) for goods not wholly obtained in one side, a goods originates in that side only if it has undertaken substantial transformation in that side.

3. The term "goods wholly obtained in one side" as set out in Article 2(1) of this Annex refers to:

- (1) mineral products mined or extracted in that side;
- (2) plants or vegetable products harvested or collected in that side;
- (3) live animals born and raised in that side;
- (4) products obtained in that side from live animals specified in paragraph (3) of this Article;

- (5) products obtained from hunting or fishing in that side;
- (6) fish and other marine products obtained by fishing conducted in the high seas by vessels holding a licence issued by that side and flying the national flag (for Mainland vessels) or the Hong Kong Special Administrative Region flag (for Hong Kong vessels);
- (7) products obtained from the processing of products set out in paragraph (6) of this Article aboard vessels holding a licence issued by that side and flying the national flag (for Mainland vessels) or the Hong Kong Special Administrative Region flag (for Hong Kong vessels);
- (8) waste and scrap articles collected in that side which are produced from consumption in that side and fit only for the recovery of raw materials;
- (9) waste and scrap which are produced from processing or manufacturing operations in that side and fit, only for the recovery of raw materials;
- (10) goods obtained through processing in that side of products set out in paragraphs (1) to (9) of this Article.

4. Processes or treatment for the following specified purposes, whether undertaken individually or collectively, is regarded as minor processing treatment. Such treatment will not be taken into account in determining whether the goods are wholly obtained or not:

- (1) processing or treatment for transportation or storage of goods;
- (2) processing or treatment to facilitate packaging and delivery of goods;
- (3) processing or treatment such as packaging or display for distribution and sale of goods.

5. On the criteria for “substantial transformation” set out in Article 2 (2) of this Annex, the two sides agree on the following:

- (1) the criteria for determining “substantial transformation” may include “manufacturing or processing operations”, “change in tariff heading”, “value-added content”, “other criteria” or “mixed criteria”;
- (2) “manufacturing or processing operations” refers to the principal manufacturing or processing operations carried out in the area of one side which confer essential characteristics to the goods derived after the operations;
- (3) “change in tariff heading” refers to the processing and manufacturing operations of non-originating materials carried out in the area of one side and resulting in a product of a different four-digit tariff heading under the “Product Description and Harmonized System Codes”. Moreover, no production, processing or manufacturing operations will be carried out in countries or territories other than that side which will result in a change in the four-digit tariff heading;
- (4) “value-added content” refers to the total value of raw materials, component parts, labour costs and product development costs exclusively incurred in one side being greater than or equal to 30% of the FOB value of the exporting goods, and that the final manufacturing or processing operations should be completed in the area of that side. The formula for calculation is as follows:

$$\frac{\text{value of raw materials} + \text{value of component parts} + \text{labour costs} + \text{product development costs}}{\text{FOB value of the exporting goods}} \times 100\% \geq 30\%$$

- (i) “product development” refers to product development carried out in the area of one side for the purposes of

producing or processing the exporting goods. Development expenses incurred should be related to the exporting goods. These expenses include fees payable for the development of designs, patents, patented technologies, trademarks or copyrights (collectively "these rights") carried out by the manufacturer himself, fees payable to a natural or legal person in the area of one side for undertaking development of these rights, and fees payable for purchasing these rights owned by a natural or legal person in the area of one side. The fees payable should be clearly identifiable under generally accepted accounting principles and the requirements of "Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994";

(ii) calculation of the above "value-added content" will be consistent with generally accepted accounting principles and the "Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994";

(5) "other criteria" refers to methods agreed by both sides in determining origin, other than "manufacturing or processing operations", "change in tariff heading" and "value-added content" as set out above;

(6) "mixed criteria" refers to the use of two or more of the above criteria in determining origin.

6. Simple diluting, mixing, packaging, bottling, drying, assembling, sorting or decorating will not be regarded as substantial transformation. Enterprises adopting production or pricing practices with the purpose of circumventing provisions in this Annex will also not be regarded as substantial transformation.

7. In determining the origin of the goods, the origin of energy, factory premises, facilities, machinery and equipment, and tools for production of the goods will not be taken into account; origin of the

materials used in the production process but not constituting the composition or the component parts of the goods will also not be taken into account.

8. The following factors will not be taken into account in determining origin:

- (1) package, packaging materials and repository accompanying the goods for import customs declaration and classified as the same item with the goods in the “Customs Import and Export Tariff of the People’s Republic of China”;
- (2) parts, spare parts, tools and explanatory materials accompanying the goods for import customs declaration classified as the same item with the goods in the “Customs Import and Export Tariff of the People’s Republic of China”.

9. The two sides have drawn up the “Schedule on Rules of Origin for Hong Kong Goods Benefiting from Tariff Preference for Trade in Goods” (Table 1 of this Annex) in accordance with the eight-digit tariff headings of the “Customs Import and Export Tariff of the People’s Republic of China” and the criteria prescribed in this Annex. Table 1 forms an integral part of this Annex. Under CEPA, goods which meet the origin requirements of Table 1 of this Annex are regarded as having undergone substantial transformation in Hong Kong.

For goods of Hong Kong origin and goods proposed to be produced in Hong Kong which are entitled to zero tariff under Article 5 of Annex 1, their rules of origin will be supplemented in Table 1 of this Annex.

10. The goods seeking zero tariff under CEPA should be directly transported from the port of one side to the port of the other side.

11. Upon implementation of this Annex, if one side considers necessary to amend the content of this Annex or the rules of origin of the goods listed in the Table 1 of this Annex due to the advancement of production technologies or other reasons, one side may request the other side to enter into consultations and submit a written explanation

with supporting data and information. Resolution will be made through consultations conducted by the Joint Steering Committee established under Article 19 of CEPA.

12. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this 29th day of September 2003 in the Chinese language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(signature)

(signature)

Table 1

Schedule on Rules of Origin for Hong Kong Goods Benefiting from Tariff Preference for Trade in Goods

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
1	21050000	Ice cream and other edible ice, whether or not containing cocoa	Manufacture from milk or milk substitutes, sweeteners and additives. The principal processes are mixing and freezing. If there is an outer shell on the product, it should also be manufactured in Hong Kong.
2	27100054	Lubricating oils	Chemical transformation of industrial oils. The principal processes is oil refinery processing including separation, dehydration, distillation and blending with other ingredient additives.
3	28433000	Gold compounds	Change in Tariff Heading.
4	30041011	Ampicillin	Manufacture from chemical ingredients. The principal processes are dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products.
5	30041012	Amoxycillin	Manufacture from chemical ingredients. The principal processes are dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products.
6	30041013	Penicillin V	Manufacture from chemical ingredients. The principal processes are dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products.
7	30041019	Other medicaments containing penicillins	Manufacture from chemical ingredients. The principal processes are dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products.
8	30041090	Other medicaments put up in measured doses, with penicillin or streptomycins	Manufacture from chemical ingredients. The principal processes are dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products.
9	30049054	Essential balm	Change in Tariff Heading.
10	30049059	Other medicaments of Chinese type	Manufacture from chemical/herbal ingredients. The principal processes are: (a) dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products; <u>or</u> (b)Cooking, mixing and grinding. If dissolving and/or drying and/or filtering is/are required after grinding, such process/processes must also be done in Hong Kong.
11	30049090	Other medicaments put up in measured doses	Manufacture from chemical/herbal ingredients. The principal processes are: (a) dissolving and mixing according to proportion, ratio or scale to form tablets, cream or ointment, oral liquid preparation (elixir, oral solution, suspension), lotion, capsules or other forms of pharmaceutical products; <u>or</u> (b)Cooking, mixing and grinding. If dissolving and/or drying and/or filtering is/are required after grinding, such process/processes must also be done in Hong Kong.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
12	32041600	Reactive dyes and preparations based thereon	Manufacture from chemicals or other colouring matters. The principal process is mixing of chemicals or other colouring matters.
13	32041700	Pigments and preparations based thereon	Manufacture from chemicals or other colouring matters. The principal process is mixing of chemicals or other colouring matters.
14	32064900	Other inorganic colouring matter and other preparations	Manufacture from chemicals or other colouring matters. The principal process is mixing of chemicals or other colouring matters.
15	32081000	Paints and varnishes etc., based on polyesters, and dissolved in a non-aqueous medium	Manufacture from ingredients other than paints, enamels or similar products. The principal processes are: (a) mixing of ingredients; and (b) emulsification (if applicable); and (c) synthesis.
16	32089090	Other paints and varnish solutions, dissolved in a nonaqueous medium	Manufacture from ingredients other than paints, enamels or similar products. The principal processes are: (a) mixing of ingredients; and (b) emulsification (if applicable); and (c) synthesis.
17	32100000	Other paints and varnishes; prepared water pigments of a kind used for finishing leather	Manufacture from ingredients other than paints, enamels or similar products. The principal processes are: (a) mixing of ingredients; and (b) emulsification (if applicable); and (c) synthesis.
18	32151900	Other printing ink	Manufacture from pigment and chemical solvents. The principal processes are dissolving and mixing.
19	33029000	Other mixtures of odoriferous substances and mixtures with a basis of one or more of these substances, of a kind used as raw materials in industry	Manufacture from natural or chemical ingredients. The principal process is mixing to cause chemical transformation of the ingredients.
20	33030000	Perfumes and toilet waters	Manufacture from natural or chemical ingredients. The principal processes are mixing, heating and blending according to specific formulae or instructions to cause chemical transformation of ingredients.
21	33041000	Lip make-up preparations	Manufacture from natural or chemical ingredients. The principal processes are mixing, heating and blending according to specific formulae or instructions to cause chemical transformation of ingredients.
22	33042000	Eye make-up preparations	Manufacture from natural or chemical ingredients. The principal processes are mixing, heating and blending according to specific formulae or instructions to cause chemical transformation of ingredients.
23	33043000	Manicure or pedicure preparations	Manufacture from natural or chemical ingredients. The principal processes are mixing, heating and blending according to specific formulae or instructions to cause chemical transformation of ingredients.
24	33049900	Other beauty or make-up preparations	Manufacture from natural or chemical ingredients. The principal processes are mixing, heating and blending according to specific formulae or instructions to cause chemical transformation of ingredients.
25	35069900	Other prepared glues and other prepared adhesives, not specified elsewhere	Manufacture from chemical ingredients. The principal processes are blending of mixing of chemical ingredients to cause physical or chemical transformation of ingredients.
26	38099100	Other products and preparations, not specified elsewhere, of a kind used in the textile industry	Change in Tariff Heading.
27	38249090	Other chemical products, not elsewhere specified	Manufacture from chemical ingredients and to fulfil the value-added content requirement.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
28	39031900	Other polystyrene in primary forms	(1) Manufacture from polymers, cross linker and other chemical ingredients. The principal processes are blending or mixing, melting or fusion, extruding and pelletising ; <u>or</u> (2) Manufacture from plastic wastes. The principal processes are granulating, extruding and cutting.
29	39042200	Plasticized polyvinyl chloride, in primary forms	(1) Manufacture from polymers, cross linker and other chemical ingredients. The principal processes are blending or mixing, melting or fusion, extruding and pelletising ; <u>or</u> (2) Manufacture from plastic wastes. The principal processes are granulating, extruding and cutting.
30	39151000	Waste, parings and scrap, of polymers of ethylene	(1) Waste and scrap articles collected in Hong Kong which are produced from consumption in Hong Kong and fit only for the recovery of raw materials; <u>or</u> (2) Waste and scrap which are produced from processing or manufacturing operations in Hong Kong and fit only for the recovery of raw materials.
31	39152000	Waste, parings and scrap, of polymers of styrene	(1) Waste and scrap articles collected in Hong Kong which are produced from consumption in Hong Kong and fit only for the recovery of raw materials; <u>or</u> (2) Waste and scrap which are produced from processing or manufacturing operations in Hong Kong and fit only for the recovery of raw materials.
32	39153000	Waste, parings and scrap, of polymers of vinyl chloride	(1) Waste and scrap articles collected in Hong Kong which are produced from consumption in Hong Kong and fit only for the recovery of raw materials; <u>or</u> (2) Waste and scrap which are produced from processing or manufacturing operations in Hong Kong and fit only for the recovery of raw materials.
33	39159000	Waste, parings and scrap, of other plastics	(1) Waste and scrap articles collected in Hong Kong which are produced from consumption in Hong Kong and fit only for the recovery of raw materials; <u>or</u> (2) Waste and scrap which are produced from processing or manufacturing operations in Hong Kong and fit only for the recovery of raw materials.
34	39204100	Plates, sheets, film, foil and strip, of rigid polymers of vinyl chloride	(1) Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2) Manufacture from PVC sheets. The principal processes are pressing and cutting.
35	39204200	Plates, sheets, film, foil and strip, of flexible polymers of vinyl chloride	(1) Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2) Manufacture from PVC sheets. The principal processes are pressing and cutting.
36	39209990	Other non-cellular plates and sheets, of other plastics	(1) Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2) Manufacture from PVC sheets. The principal processes are pressing and cutting.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
37	39211210	Cellular polymers of vinyl chloride, combined with textile fabrics	(1)Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2)Manufacture from PVC sheets. The principal processes are pressing and cutting.
38	39231000	Boxes, cases and similar articles, of plastics	(1)Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2)Manufacture from plastic granules or sheetings. The principal processes are pressing and cutting.
39	39232900	Sacks and bags, of other plastics	(1)Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2)Manufacture from plastic granules or sheetings. The principal processes are (a) forming and cutting; or (b) cutting and extruding, sealing or sewing. If assembling is required after sewing, it must also be done in Hong Kong.
40	39239000	Other articles for the conveyance or packing of goods, of plastics	(1)Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2)Manufacture from plastic granules or sheetings. The principal processes are (a) forming and cutting; or (b) cutting and extruding, sealing or sewing. If assembling is required after sewing, it must also be done in Hong Kong.
41	39269010	Parts of machines or instruments, of plastics	(1)Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2)Manufacture from plastic granules or sheetings. The principal processes are (a) forming and cutting; or (b) cutting and extruding, sealing or sewing. If assembling after sewing is required, it must also be done in Hong Kong.
42	39269090	Other articles of plastics	(1)Manufacture from rubber or plastics. The principal process is moulding; <u>or</u> (2)Manufacture from plastic granules or sheetings. The principal processes are (a) forming and cutting; or (b) cutting and extruding, sealing or sewing. If assembling after sewing is required, it must also be done in Hong Kong.
43	41041000	Whole bovine skin leather, of a unit surface area not exceeding 2.6 square meter	(1) Manufacture from hides of animal slaughtered in Hong Kong. The principal process are skinning and salting; <u>or</u> (2) Manufacture from imported hides. The principal process are soaking or drumming, tanning and drying. If shaving is required after drying , it must also be done in Hong Kong.
44	41043990	Other leather of bovine or equine animals	(1) Manufacture from hides of animal slaughtered in Hong Kong. The principal process are skinning and salting; <u>or</u> (2) Manufacture from imported hides. The principal process are soaking or drumming, tanning and drying. If shaving is required after drying, it must also be done in Hong Kong.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
45	48051000	Semi-chemical fluting paper (corrugating medium)	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
46	48056000	Other thin uncoated paper and paperboard	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
47	48058000	Other thick uncoated paper and paperboard	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
48	48101200	Thick writing and printing paper and paperboard, coated with inorganic substance	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
49	48102900	Other writing and printing paper and paperboard, coated with inorganic substance	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
50	48109100	Multi-ply paper and paperboard, coated with inorganic substance	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
51	48119000	Other coated, impregnated or covered paper and paperboard	Manufacture from waster paper or wood pulp and coating materials. The principal processes are forming, drying, calendaring and coating.
52	48191000	Cartons, boxes and cases, of corrugated paper or paperboard	Manufacture from paper. The principal processes are plate-making, printing, cutting and assembling. If type-setting is required after plate-making, it must also be done in Hong Kong.
53	48192000	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	Manufacture from paper. The principal processes are plate-making, printing, cutting and assembling. If type-setting is required after plate-making, it must also be done in Hong Kong.
54	48211000	Printed paper or paperboard labels of all kinds	Manufacture from plastics or paper. The principal processes are printing or glue coating and cutting.
55	48239090	Other paper and articles of paper	(1)Manufacture from paper. The manufacturing processes are cutting and pressing. If forming and/or assembling are required after pressing, they must also be done in Hong Kong; <u>or</u> (2)Manufacture from paper. The manufacturing processes are plate-making, printing and cutting. If type-setting is required after plate-making, it must also be done in Hong Kong; <u>or</u> (3)Manufacture from tissue or acetate, and paper. The manufacturing processes are cutting, die-pressing, wrapping and glueing. If rolling and/or forming is/are required after die-pressing, such process/processes must be also done in Hong Kong ; <u>or</u> (4)Manufacture from paper and/or plastic sheets. The manufacturing processes are printing and cutting. If heat-sealing is required after cutting, it must also be done in Hong Kong.
56	49111090	Other trade advertising material and the like	Manufacture from paper. The principal processes are plate-making, printing and assembling. If type-setting is required after plate-making, it must also be done in Hong Kong. If cutting is required after printing, it must also be done in Hong Kong.
57	49119900	Other printed matters	Manufacture from paper. The principal processes are plate-making, printing and assembling. If type-setting is required after plate-making, it must also be done in Hong Kong. If cutting is required after printing, it must also be done in Hong Kong.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
58	50072019	Other fabrics of bombyx mori silk	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Decoration of imported or locally made fabrics, and to fulfil the value-added content requirement; <u>or</u> (3) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes: resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
59	51071000	Yarn of combed wool, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
60	51121900	Fabrics of combed wool, of a weight exceeding 200g/square meter	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) dyeing or printing (except for yarn-dyed fabric); and (c) milling; and (d) drying; and (e) tentering; and (f) shearing or raising or brushing; and (g) decatizing.
61	52051100	Cotton single yarn, measuring high decitex, carded, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
62	52051200	Cotton single yarn, measuring medium decitex, carded, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
63	52052200	Cotton single yarn, measuring medium decitex, combed, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
64	52053200	Cotton multiple or cabled yarn, measuring medium decitex, carded, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
65	52054200	Cotton multiple or cabled yarn, measuring medium decitex, combed, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
66	52083200	Lighter weight plain weave cotton fabric, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
67	52083300	Light weight 3-thread or 4-thread twill cotton fabric, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
68	52083900	Other light weight cotton fabrics, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
69	52084200	Light weight plain weave cotton fabric, of yarns of different colours	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
70	52084900	Other light weight cotton fabrics, of yarns of different colours	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
71	52091200	Heavy weight 3-thread or 4-thread twill cotton fabric, unbleached	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
72	52093100	Heavy weight plain weave cotton fabric, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
73	52093200	Heavy weight 3-thread or 4-thread twill cotton fabric, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
74	52093900	Other heavy weight cotton fabrics, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
75	52094100	Heavy weight plain weave cotton fabric, of yarns of different colours	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
76	52094200	Heavy weight twill cotton fabric (denim), of yarns of different colours	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
77	52094300	Heavy weight 3-thread or 4-thread twill cotton fabric, of yarns of different colours	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
78	52103100	Light weight plain weave cotton fabric mixed with man-made fibres, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
79	53091900	Other fabrics of mainly flax	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
80	53092900	Other fabrics of flax, mixed with other textile materials	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
81	54011010	Sewing thread of synthetic filaments, not put up for retail sale	Manufacture from filament yarn. The principal processes are doubling, twisting, heat-setting, oiling and winding.
82	54074200	Fabrics of mainly nylon, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
83	54074300	Fabrics of mainly nylon, of yarns of different colours	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
84	54075200	Fabrics of mainly textured polyester filaments, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
85	54076100	Other fabrics, of mainly non-textured polyester filaments	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
86	54077200	Other fabrics, of mainly synthetic filaments, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
87	54079200	Other fabrics of synthetic filaments mixed with other textile materials, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
88	55081000	Sewing thread of synthetic staple fibres	Manufacture from yarn made in Hong Kong. The principal processes are (a) twining and winding; <u>or</u> (b)(i) Dyeing or mercerizing or bleaching and (ii) waxing or oiling; and (iii) winding
89	55093200	Multiple or cabled yarn, of mainly acrylic or modacrylic staple fibres, not put up for retail sale	Manufacture from fibre or chemical compounds. The manufacturing process is spinning.
90	55121900	Other fabrics, of mainly polyester	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
91	55129900	Other fabrics, of mainly synthetic fibres	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
92	55132100	Light weight plain weave fabric of polyester fibres, mixed with cotton, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
93	55161200	Fabrics, of mainly artificial staple fibres, dyed	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
94	58012200	Cut corduroy, of cotton	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
95	58042100	Mechanically made lace of man-made fibres	Manufacturing from yarn. The principal process is weaving or knitting.
96	58062000	Narrow fabrics, containing by weight 5% or more of elastomeric yarn or rubber thread	Manufacturing from yarn. The principal process is weaving or knitting.
97	58071000	Woven labels, badges and similar articles of textile materials, not embroidered	(1) Manufacturing from yarn. The principal process is weaving or knitting; <u>or</u> (2) Manufacture from fabrics, textile tapes or ribbons. The principal processes are cutting (if manufactured from fabrics) and printing or embroidering.
98	59031020	Imitation leather impregnated, coated, with polyvinyl chloride	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
99	59031090	Other textile fabrics impregnated, coated, with polyvinyl chloride	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
100	59032090	Other textile fabrics impregnated, coated, with polyurethane	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
101	59039090	Other textile fabrics impregnated, coated, with other plastics	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
102	60019200	Knitted or crocheted pile fabrics, of man-made fibres	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
103	60023010	Cotton knitted or crocheted fabric of a width exceeding 30cm	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
104	60023090	Other knitted or crocheted fabrics of a width exceeding 30cm	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
105	60024200	Warp knit fabric of cotton	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
106	60029200	Other knitted or crocheted fabrics of cotton	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.
107	60029300	Other knitted or crocheted fabrics of man-made fibres	(1) Manufacture from yarn. The principal process is weaving or knitting; <u>or</u> (2) Finishing of imported or locally made grey fabrics. The principal processes are (a) scouring; and (b) bleaching or mercerising; and (c) printing or dyeing (including optical whitening); and (d) any one of the following processes : resin finish, pre-shrinking, shearing, brushing, glazing, schreiner, moiring, permanent embossing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
108	61046200	Women's or girls' trousers, bib and brace overalls etc., knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
109	61051000	Men's or boys' shirts, knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
110	61052000	Men's or boys' shirts, knitted or crocheted and of man-made fibres	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
111	61059000	Men's or boys' shirts, knitted or crocheted and of other textile materials	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
112	61061000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
113	61062000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of man-made fibres	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
114	61069000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of other textile materials	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
115	61071100	Men's or boys' underpants, briefs, knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
116	61083100	Women's or girls' nightdresses and pyjamas, knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
117	61091000	T-shirts, singlets, etc., knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
118	61099090	T-shirts, singlets, etc., knitted or crocheted and of other textile materials	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
119	61101010	Jerseys, pullovers etc., knitted or crocheted and of Angora, Tibetan, Kashmir or similar goats wool	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
120	61101020	Jerseys, pullovers etc., knitted or crocheted and of wool	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
121	61101030	Jerseys, pullovers etc., knitted or crocheted and of rabbit or hare hair	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
122	61101090	Jerseys, pullovers etc., knitted or crocheted and of other animal hair	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
123	61102000	Jerseys, pullovers etc., knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
124	61103000	Jerseys, pullovers etc., knitted or crocheted and of man-made fibres	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
125	61109010	Jerseys, pullovers etc., knitted or crocheted and of silk or silk waste	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
126	61109090	Jerseys, pullovers etc., knitted or crocheted and of other textile materials	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p>
127	61112000	Babies' garments and clothing accessories, knitted or crocheted and of cotton	<p><u>Cut-and-sewn</u> Assembly of parts into garment. The principal process is sewing of parts into garment. If linking and/or stitching is/are required, such process/processes must also be done in Hong Kong.</p> <p><u>Piece-knitted</u> (1) Manufacture from yarn. The principal process is knitting of yarn into knit-to-shape panel; <u>or</u> (2) Manufacture from knit-to-shape panels. The principal process is linking of knit-to-shape panels into garment. If stitching is required, it must also be done in Hong Kong.</p> <p><u>Accessories</u> (1) Manufacture from yarn. The principal process is knitting; <u>or</u> (2) Manufacture from fabric. The principal processes are cutting of fabric and sewing of cut pieces into product.</p>

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
128	61179000	Parts of garments or of clothing accessories, knitted or crocheted and of other textile material	(1) Assembly of parts into garment. The principal process is sewing of parts into garment; <u>or</u> (2) manufacture from yarn. The principal process is knitting.
129	62034210	Men's or boys' Arabian trousers, of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
130	62034290	Men's or boys' trousers, bib and brace overalls, etc., of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
131	62043200	Women's or girls' jackets, of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
132	62043300	Women's or girls' jackets, of synthetic fibres	Assembly of parts into garment. The principal process is sewing of parts into garment.
133	62045200	Skirts and divided skirts, of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
134	62046200	Women's or girls' trousers, bib and brace overalls, etc., of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
135	62046300	Women's or girls' trousers, bib and brace overalls, etc., of synthetic fibres	Assembly of parts into garment. The principal process is sewing of parts into garment.
136	62052000	Men's or boys' shirts, of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
137	62053000	Men's or boys' shirts, of man-made fibres	Assembly of parts into garment. The principal process is sewing of parts into garment.
138	62059090	Men's or boys' shirts, of other textile materials	Assembly of parts into garment. The principal process is sewing of parts into garment.
139	62063000	Women's or girls' blouses, shirts and shirt-blouses, of cotton	Assembly of parts into garment. The principal process is sewing of parts into garment.
140	62064000	Women's or girls' blouses, shirts and shirt-blouses, of man-made fibres	Assembly of parts into garment. The principal process is sewing of parts into garment.
141	62069000	Women's or girls' blouses, shirts and shirt-blouses, of other textile materials	Assembly of parts into garment. The principal process is sewing of parts into garment.
142	62082200	Women's or girls' nightdresses and pyjamas, of man-made fibres	Assembly of parts into garment. The principal process is sewing of parts into garment.
143	62179000	Parts of garments or of clothing accessories, non-knitted or crocheted	(1) Manufacture from yarn. The principal processes are weaving or knitting; and cutting; <u>or</u> (2) Assembly of parts into garment parts. The principal process is sewing of cut pieces into garment parts; <u>or</u> (3) Assembly of parts into garment. The principal process is sewing of parts into garment.
144	63025190	Other table linen, of cotton	Manufacture from yarn. The principal process is weaving or knitting.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
145	64069900	Parts of footwear, gaiters etc., of other materials	Change in Tariff Heading.
146	70195900	Other woven fabrics of glass fibres	Change in Tariff Heading.
147	70200011	Conductivity glass	(1) Manufacture from glass sheet and chemicals. The principal processes are etching and sand grinding; <u>or</u> (2) Manufacture from glass sheet, lead wire and chemicals. The principal processes are cutting of glass sheet, assembling and soldering.
148	71023100	Unworked or simply worked non-industrial diamonds	(1) Unworked non-industrial diamonds: Mined in Hong Kong; <u>or</u> (2) Simply worked non-industrial diamonds: Manufacture from unworked and unsorted diamonds and to fulfil the value-added content requirement.
149	71131100	Articles of jewellery and parts, of silver	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
150	71131910	Articles of jewellery and parts, of gold	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
151	71131990	Articles of jewellery and parts, of other precious metal	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
152	71132000	Articles of jewellery and parts, of base metal clad with precious metal	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
153	71141100	Articles of silversmiths' wares and parts	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
154	71141900	Articles of goldsmiths' and silversmiths' wares and parts, of precious metal	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
155	71142000	Articles of goldsmiths' and silversmiths' wares and parts, of base metal clad with precious metal	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
156	71151000	Catalysts in the form of wire cloth or grill, of platinum	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
157	71159010	Articles of precious metal or of metal clad with precious metal, for technical or laboratory use	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
158	71159090	Articles of precious metal or of metal clad with precious metal, for other use	Manufacture from precious metal. The principal process is moulding. If assembling is required, it must also be done in Hong Kong.
159	71161000	Articles of natural or cultured pearls	Manufacture from precious metal and precious or semi-precious stones. The principal processes are moulding and setting. If assembling is required after setting, it must also be done in Hong Kong.
160	71162000	Articles of precious or semi-precious stones	Manufacture from precious metal and precious or semi-precious stones. The principal processes are moulding and setting. If assembling is required after setting, it must also be done in Hong Kong.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
161	71171100	Cuff-links and studs of base metal	Manufacture from metal. The principal process are die-casting, forming and assembling. If blanking is required after die-casting, it must also be done in Hong Kong.
162	71171900	Other imitation jewellery of base metal	<u>Plastic jewellery</u> Manufacture from plastic granules or compounds. The principal processes are moulding and assembling. <u>Metal jewellery</u> Manufacture from metal. The principal processes are cutting (including blanking), forming and assembling.
163	71179000	Other imitation jewellery of materials not specified elsewhere	<u>Plastic jewellery</u> Manufacture from plastic granules or compounds. The principal processes are moulding and assembling. <u>Metal jewellery</u> Manufacture from metal. The principal processes are cutting (including blanking), forming and assembling.
164	73181500	Other screws and bolts	Manufacture from metal. The principal process are cutting, blanking, forming and lathing . If drilling and/or threading and/or milling is/are required after lathing, such process/processes must also be done in Hong Kong.
165	73269090	Other articles of iron or steel, not for technical use	Manufacture from metal and parts (such as tapes, strings, chains or panels). The principal process is cutting. If assembling is required, it must also be done in Hong Kong.
166	74040000	Copper waste and scrap	(1) Waste and scrap articles collected in Hong Kong which are produced from consumption in Hong Kong and fit only for the recovery of raw materials; <u>or</u> (2) Waste and scrap which are produced from processing or manufacturing operations in Hong Kong and fit only for the recovery of raw materials.
167	74081900	Other refined copper wire, of which the maximum cross-sectional dimension not exceeding 6mm	Manufacture from metal. The principal processes are melting and forming. If extruding is required after forming, it must also be done in Hong Kong.
168	74092100	Brass plates, sheets and strip, in coils	Manufacture from metal. The principal process is forming of metal material (including melting, extruding and cutting). If punching and/or blanking is/ are required, such process/processes must also be done in Hong Kong.
169	74092900	Other brass plates, sheets and strip	Manufacture from metal. The principal process is forming of metal material (including melting, extruding and cutting). If punching and/or blanking is/are required, such process/processes must also be done in Hong Kong.
170	74099000	Other copper alloy plates, sheets and strips	Change in Tariff Heading.
171	74101100	Refined copper foil, not backed	Manufacture from copper, resin and chemical solvent. The principal processes are mixing, coating and sheeting.
172	74102100	Refined copper foil, backed	Manufacture from copper, resin and chemical solvent. The principal processes are mixing, coating and sheeting.
173	76011000	Unwrought aluminum	Manufacture from metal. The principal processes are smelting, physical or chemical separating, blending and casting.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
174	76020000	Aluminum waste and scrap	(1) Waste and scrap articles collected in Hong Kong which are produced from consumption in Hong Kong and fit only for the recovery of raw materials; <u>or</u> (2) Waste and scrap which are produced from processing or manufacturing operations in Hong Kong and fit only for the recovery of raw materials.
175	76061190	Other rectangular aluminum plates, sheets and strip	Manufacture from metal. The principal process is forming of metal material (including melting, extruding and cutting). If punching and/or blanking are required, they must also be done in Hong Kong.
176	76061240	Rectangular aluminum alloy plates, sheets and strip, of a thickness exceeding 0.35mm	Manufacture from metal. The principal process is forming of metal material (including melting, extruding and cutting). If punching and/or blanking is/are required, such process/processes must also be done in Hong Kong.
177	76069100	Aluminum plates, sheets and strip, not rectangular	Manufacture from metal. The principal process is forming. If punching and/or blanking are required, they must also be done in Hong Kong.
178	76069200	Aluminum alloy plates, sheets and strip, not rectangular	Manufacture from metal. The principal process is forming. If punching and/or blanking is/are required, such process/processes must also be done in Hong Kong.
179	80030000	Bars, rods, profiles and wire, of tin and tin alloys	Manufacture from metal. The principal process is forming. If punching and/or blanking is/are required, such process/processes must also be done in Hong Kong.
180	83089000	Beads and spangles of base metal	Manufacture from metal. The principal processes are die-casting, forming and assembling. If blanking is required after die-casting, it must also be done in Hong Kong.
181	84159010	Parts of air-conditioning machines of a refrigerating effect not exceeding 4000 Cal per hour	Change in Tariff Heading.
182	84435990	Other printing machinery	Metal working (the metal process may be carried out on imported component parts) and assembling, and to fulfil the value-added content requirement.
183	84514000	Washing, bleaching or dyeing machines	Metal working (the metal process may be carried out on imported component parts) and assembling, and to fulfil the value-added content requirement.
184	84518000	Other machinery within HS heading 84.51, not specified elsewhere	Metal working (the metal process may be carried out on imported component parts) and assembling. The principal processes are metal working, assembling and testing.
185	84798962	Automatic coreslice adhering machines	Metal working (the metal process may be carried out on imported component parts) and assembling, and to fulfil the value-added content requirement.
186	84804100	Moulds for metal or metal carbides, injection or compression types	Manufacture from metal. The principal processes are lathe-working, milling, drilling and polishing.
187	84807900	Other moulds for rubber or plastics	Manufacture from metal. The principal processes are lathe-working, milling, drilling and polishing.
188	84818019	Other valves, not specified elsewhere	Metal working (the metal process may be carried out on imported component parts) and assembling, and to fulfil the value-added content requirement.
189	84821000	Ball bearings	Metal working (the metal process may be carried out on imported component parts) and assembling, and to fulfil the value-added content requirement.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
190	85011010	Electric motors for use in toys, of an output not exceeding 37.5W	Assembled in Hong Kong and to fulfil the value-added content requirement.
191	85011091	Micromotors with a housing diameter of 20mm or more but not exceeding 39mm	Assembled in Hong Kong and to fulfil the value-added content requirement.
192	85011099	Other micromotors, of an output not exceeding 37.5W	Assembled in Hong Kong and to fulfil the value-added content requirement.
193	85013100	DC electric motors and generators, of an output not exceeding 750W	Assembled in Hong Kong and to fulfil the value-added content requirement.
194	85030010	Parts for micromotors for use in toys	Change in Tariff Heading.
195	85030020	Parts for AC generators, of an output exceeding 350 MVA	Change in Tariff Heading.
196	85030030	Parts for wind-powered electric generating sets	Change in Tariff Heading.
197	85030090	Parts for other electric motors, electric generating machine (sets)	Change in Tariff Heading.
198	85043190	Other electrical transformers, having a power handling capacity not exceeding 1kVA	Assembled in Hong Kong and to fulfil the value-added content requirement.
199	85044090	Other static converters, not specified elsewhere	Assembled in Hong Kong and to fulfil the value-added content requirement.
200	85049019	Parts of other transformers	Change in Tariff Heading.
201	85049090	Parts of other static converters and inductors	Change in Tariff Heading.
202	85051190	Other permanent magnets. of metal	Change in Tariff Heading.
203	85051900	Permanent magnets, of non metal	Change in Tariff Heading.
204	85061000	Primary cells and primary batteries of manganese dioxide	Assembled in Hong Kong and to fulfil the value-added content requirement.
205	85068000	Other primary cells and primary batteries	Assembled in Hong Kong and to fulfil the value-added content requirement.
206	85073000	Nickel-cadmium electric accumulators	Assembled in Hong Kong and to fulfil the value-added content requirement.
207	85078010	Nickel-hydrogen accumulators	Assembled in Hong Kong and to fulfil the value-added content requirement.
208	85079010	Parts of lead-acid accumulators	Change in Tariff Heading.
209	85079090	Parts of other electric accumulators	Change in Tariff Heading.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
210	85089000	Parts of electro-mechanical tools for working in the hand, with self-contained electric motors	Change in Tariff Heading.
211	85099000	Parts of electro-mechanical domestic appliances	Change in Tariff Heading.
212	85139010	Parts of torches	Change in Tariff Heading.
213	85139090	Parts of other portable electric lamps designed to function by their own source of energy	Change in Tariff Heading.
214	85152110	Aligning tube welding machines	Assembled in Hong Kong and to fulfil the value-added content requirement.
215	85152190	Other fully or partly automatic machines for resistance welding of metal	Assembled in Hong Kong and to fulfil the value-added content requirement.
216	85158000	Other welding machines and apparatus	Assembled in Hong Kong and to fulfil the value-added content requirement.
217	85169010	Parts for electric soil heating apparatus and electric heating resistors	Change in Tariff Heading.
218	85169090	Other parts of products within HS heading 85.16	Change in Tariff Heading.
219	85181000	Microphones and stands	Assembled in Hong Kong and to fulfil the value-added content requirement.
220	85189000	Parts of products within HS heading 85.18	Change in Tariff Heading.
221	85221000	Pick-up cartridges	Change in Tariff Heading.
222	85229010	Parts and accessories for turntables (record decks) or record-players	Change in Tariff Heading.
223	85229021	Transport mechanisms of cassette recorders	Change in Tariff Heading.
224	85229030	Other parts and accessories for video recording or reproducing apparatus	Change in Tariff Heading.
225	85229090	Other parts of products within HS headings 85.19 to 85.21	Change in Tariff Heading.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
226	85239000	Other prepared unrecorded media for sound recording or similar recording of other phenomena	(1) Manufacture from tapes and plastic granules. The principal processes are tape-winding, case-moulding and assembling; <u>or</u> (2) Manufacture from plastic sheet and/or granules and magnetic disk. The principal processes are burnishing, case-making and assembling; <u>or</u> (3) Manufacture from polycarbonate and coating materials. The principal processes are injection moulding, reflective coating and protective coating (plus dye coating for recordable compact disc).
227	85291010	Aerials and parts for radar apparatus and radio navigational aid apparatus	Change in Tariff Heading.
228	85299030	Parts of walkie-talkie	Change in Tariff Heading.
229	85299049	Parts of television cameras of other use	Change in Tariff Heading.
230	85299060	Parts for radio-broadcast receivers and their combinations	Change in Tariff Heading.
231	85299090	Parts of products within HS headings 85.25 to 85.28	Change in Tariff Heading.
232	85318010	Buzzers	Assembled in Hong Kong and to fulfil the value-added content requirement.
233	85361000	Fuses, for a voltage not exceeding 1000 V	Manufacture from bakelite powder and metal. The principal processes are cutting (including blanking) and assembling. If forming and/or moulding is/are required after cutting, such process/processes must also be done in Hong Kong.
234	85364900	Relays, for a voltage exceeding 60 V	Manufacture from bakelite powder and metal. The principal processes are cutting (including blanking) and assembling. If forming and/or moulding after cutting is/are required, such process/processes must also be done in Hong Kong.
235	85371010	Other numerical control panels	Assembled in Hong Kong and to fulfil the value-added content requirement.
236	85371090	Other apparatus for electric control or the distribution of electricity	Assembled in Hong Kong and to fulfil the value-added content requirement.
237	85372090	Other apparatus for electric control or the distribution of electricity	Assembled in Hong Kong and to fulfil the value-added content requirement.
238	85389000	Parts of products within HS headings 85.35, 85.36 or 85.37	Change in Tariff Heading.
239	85392991	Electric filament lamps, not specified elsewhere, of a voltage 12 V or less	(1) Manufacture from local glass bulbs. The principal processes are inserting tungsten wire, evacuating air and sealing bulb to base; <u>or</u> (2) Manufacture from glass tubes. The principal processes are coating and assembling.
240	85404000	Data/graphic display tubes, colour, with a phosphor dot screen pitch smaller than 0.4mm	Assembled in Hong Kong and to fulfil the value-added content requirement.
241	85441100	Copper winding wire	Manufacture from metal wire. The principal process is sheathing.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
242	85444190	Other electric conductors, fitted with connectors, for a voltage not exceeding 80 V	Assembled in Hong Kong and to fulfil the value-added content requirement.
243	85445190	Other electric conductors, fitted with connectors, for a voltage exceeding 80 V but not exceeding 1000 V	Assembled in Hong Kong and to fulfil the value-added content requirement.
244	85445990	Other electric conductors, for a voltage exceeding 80 V but not exceeding 1000 V	Assembled in Hong Kong and to fulfil the value-added content requirement.
245	90011000	Optical fibre bundles and cables	Change in Tariff Heading.
246	90012000	Sheets and plates of polarizing material	Change in Tariff Heading.
247	90019000	Other optical elements, not specified elsewhere, within HS heading 90.01	Manufacture from lens blank. The principal process is grinding or polishing of refractive curvature.
248	90021990	Other objective lenses, not specified elsewhere, within HS heading 90.02	Change in Tariff Heading.
249	90069110	Parts and accessories for cameras specially designed	Change in Tariff Heading.
250	90069120	Parts and accessories for instant print cameras	Change in Tariff Heading.
251	90069191	Automatic focal setting units for cameras	Change in Tariff Heading.
252	90069192	Shutter units for cameras	Change in Tariff Heading.
253	90069199	Other parts and accessories for other cameras	Change in Tariff Heading.
254	90138010	Hand magnifying glasses	Change in Tariff Heading.
255	90138090	Other liquid crystal devices and optical appliances	Manufacture from raw glass or coated glass; and liquid crystal materials and polarizers, and to fulfil the value-added content requirement.
256	90139010	Parts and accessories for lasers and telescopes	Change in Tariff Heading.
257	90139090	Other parts and accessories of products within HS heading 90.13	Change in Tariff Heading.
258	90318090	Other measuring or checking instruments, appliances and machines, not specified elsewhere	Assembled in Hong Kong and to fulfil the value-added content requirement.
259	91021100	Other electrically operated wrist-watches, with mechanical display	Assembly of component parts and accessories into watch, testing, time adjustment and quality control, and to fulfil the value-added content requirement.
260	91021200	Other electrically operated wrist-watches, with opto-electronic display	Assembly of component parts and accessories into watch, testing, time adjustment and quality control, and to fulfil the value-added content requirement.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
261	91031000	Electrically operated clocks with watch movements	(1) Manufacture of the watch movement, assembly and to fulfil the value-added content requirement; <u>or</u> (2) Case making and assembly and to fulfil the value-added content requirement.
262	91051100	Electrically operated alarm clocks	(1) Manufacture of the watch movement, assembly and to fulfil the value-added content requirement; <u>or</u> (2) Case making and assembly and to fulfil the value-added content requirement.
263	91081100	Complete and assembled electrically operated watch movements, with mechanical display	Assembly of watch movement, testing and adjustment and to fulfil the value-added content requirement.
264	91081200	Complete and assembled electrically operated watch movements, with opto-electronic display	Assembly of watch movement, testing and adjustment and to fulfil the value-added content requirement.
265	91081900	Other complete and assembled electrically operated watch movements	Assembly of watch movement, testing and adjustment and to fulfil the value-added content requirement.
266	91089900	Other complete and assembled mechanically operated watch movements	Assembly of watch movement, testing and adjustment and to fulfil the value-added content requirement.
267	91112000	Cases of base metal	(1) Manufacture from rough blanks. The principal processes are lathing, drilling and assembling; <u>or</u> (2) Manufacture from metal sheets or plates. The principal processes are cutting, forming and assembling.
268	91132000	Watch straps, watch bands and watch bracelets, and parts of base metal	Manufacture of metal parts (minor accessories such as spring may be imported) and assembling. The principal process is making of parts and assembling (including chaining).
269	91149000	Other clock or watch parts	Manufacture from metal or from rubber or plastics. The principal process is cutting (including blanking). If lathing and/or moulding and/or assembling is/are required after cutting, such process/processes must also be done in Hong Kong.

Serial No.	Mainland 2001 Tariff Codes	Product Description	Origin Criteria
270	95039000	Other toys, not specified elsewhere	<p>(1) Manufacture from plastic granules or compounds. The principal processes are moulding and assembling. If cutting and/or sealing of characteristic component parts is/are required after moulding, such process/processes must also be done in Hong Kong; <u>or</u></p> <p>(2) Manufacture from textile fabrics. The principal processes are cutting and assembling. If sewing and/or stuffing and/or hair-rooting is/are required after cutting, such process/processes must also be done in Hong Kong; <u>or</u></p> <p>(3) Manufacture from plastic sheets. The principal processes are cutting of plastic sheets, joining of plastic sheets by heat sealing and setting of a valve; <u>or</u></p> <p>(4) Manufacture from metal. The principal processes are die-casting and assembling. If blanking and/or forming of characteristic component parts is/are required after die-casting, such process/processes must also be done in Hong Kong; <u>or</u></p> <p>(5) Manufacture from plain plastic sheet or paper board or sponge. The principal processes are printing and cutting. If heat sealing is required after cutting, it must also be done in Hong Kong.</p>
271	96062200	Buttons of base metal	Manufacture from metal. The principal processes are die-casting, forming and assembling. If blanking after die-casting is required, it must also be done in Hong Kong.
272	96071100	Slide fasteners fitted with chain scoops of base metal	Manufacture from metal or fabric. The principal processes are teeth-fixing and assembling.
273	96071900	Other slide fasteners	Manufacture from metal or plastic parts and fabric. The principal processes are teeth-fixing and assembling.

Note 1: To be eligible as goods of Hong Kong origin that can enjoy the tariff preference under the CEPA, goods listed in the Schedule must comply with both the Rules of Origin for Trade in Goods in the CEPA and the origin criteria listed in this Schedule.

Note 2: "Change in Tariff Heading" in the Schedule must comply with the requirements set out in Article 5(3) of Annex 2.

Note 3: "Value-added content requirement" in the Schedule must comply with the requirements set out in Article 5(4) of Annex 2.

Annex 3

Procedures for the Issuing and Verification of Certificates of Origin

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter called "CEPA"), the Mainland and the Hong Kong Special Administrative Region have concluded this Annex on the procedures for the issuing and verification of certificates of origin, and for strengthening enforcement co-operation between the two sides.
2. The issuing authorities of certificates of Hong Kong origin are the Hong Kong Trade and Industry Department and the "approved bodies" specified in the "Protection of Non-Government Certificates of Origin Ordinance" (Chapter 324, Laws of Hong Kong). If there is any change to the Hong Kong issuing authorities, the Customs General Administration will be informed immediately.
3. The content and format of the certificate of Hong Kong origin is set out in Form 1. Form 1 is an integral part of this Annex. Any change to the content and format of the certificate of origin will be agreed by both sides through consultation.
4. The Hong Kong Trade and Industry Department will provide specimens of the official stamps on the certificates of origin to the Customs General Administration for record purpose. If there is any change to the official stamps used on the certificates of origin, the Customs General Administration will be informed immediately.
5. Prior to exportation of goods of Hong Kong which are

entitled to zero tariff under CEPA, the exporter or manufacturer will apply for a certificate of Hong Kong origin from the Hong Kong issuing authorities.

6. A certificate of Hong Kong origin issued by the Hong Kong issuing authorities must satisfy the following requirements:

- (1) A certificate of origin will have a unique certification reference number.
- (2) Each certificate of origin will only cover one batch of goods that enter into the Mainland at the same time. A certificate of origin may contain not more than five eight-digit tariff heading items, and all of them must be goods listed in Table 1 of Annex 1 of CEPA.
- (3) A certificate of origin will specify the designated single port of discharge.
- (4) The Mainland Harmonized System code for products on a certificate of origin will be completed in accordance with the eight-digit tariff code stipulated in the applicable "Customs Import and Export Tariff of the People's Republic of China".
- (5) The quantity unit on a certificate of origin will be completed by reference to the applicable quantity unit as used in the actual transaction.
- (6) Correction or double printing is not allowed on a certificate of origin; otherwise, the certificate must be re-issued.
- (7) A certificate of origin will be valid for 120 days from the date of issue.
- (8) A certificate of origin will be printed in Chinese on A4 size paper according to the format of Form 1. This

language requirement will be implemented not later than 1 July 2004.

- (9) In the event of theft, loss or damage of a certificate of origin, the exporter or manufacturer may make a written request to the Hong Kong issuing authorities for the issue of a duplicate certificate. The exporter or manufacturer will ensure that the original copy has not been used. The duplicate certificate will bear the words "certified true copy". If the original certificate has been used, the duplicate certificate will be invalid. If the duplicate certificate has been used, the original certificate will be invalid.

7. The two sides will manage the origin declarations of Hong Kong goods which are entitled to zero tariff under CEPA through interconnection, and will transmit the following information by means of electronic data interchange through a dedicated line to the Customs General Administration:

- (1) From 1 January 2004, the Hong Kong Trade and Industry Department will, within ten days after the end of each quarter, transmit to the Customs General Administration production data and information on certificates of origin issued for Hong Kong goods benefiting from zero tariff in the previous quarter;
- (2) After the issue of a certificate of origin by the Hong Kong issuing authorities, the Hong Kong Trade and Industry Department will immediately transmit basic information on the certificate of origin, including the certificate number, name of exporter, factory registration number, port of discharge, Mainland Harmonised System code of the product, product name, quantity unit and quantity, amount and currency, and the name of the Hong Kong issuing authority, etc., to the Customs General Administration through a designated line;

- (3) The customs administration at the port of clearance will verify the certificate of origin submitted by the importer against the electronic data transmitted by the Hong Kong Trade and Industry Department. If the information is verified to be in order, an acknowledgement will be sent to the Hong Kong Trade and Industry Department within seven days to complete the verification and endorsement process;
- (4) Other information which is considered necessary by the two sides.

8. In making an import declaration, the importer should take the initiative to inform the customs administration at the port of clearance that the goods are eligible for zero tariff and submit a valid certificate of origin. If the information is verified to be in order through interconnection by the customs administration at the port of clearance, the imported goods will be granted zero tariff treatment. In the event that the information cannot be verified through interconnection, the customs administration at the port of clearance may, at the request of the importer, act in accordance with the stipulated import procedures and release the goods. However, a deposit of an amount equal to the tariff charged at the applicable non-CEPA import tariff rate will be collected for the goods concerned. The customs administration at the port of clearance will verify the details on the certificate of origin within 90 days following the release of the goods and, in accordance with the verification results, proceed with the procedure to either return the deposit or convert the deposit to import tariff.

9. If the customs administration at the port of clearance has doubts about the authenticity of the content of a certificate of origin, it may, through the Customs General Administration or its authorised customs unit, seek assistance from the Hong Kong Customs and Excise Department for verification. The Hong Kong Customs and Excise Department will respond within 90 days after receiving such requests. If the Hong Kong Customs and Excise

Department cannot complete the verification and confirm the status of the certificate of origin of the goods concerned within 90 days, the Customs General Administration may notify the customs administration at the port of clearance to act in accordance with the stipulated import procedures and release the goods. However, a deposit of an amount equal to the tariff charged at the applicable non-CEPA import tariff rate will be collected for the goods. After verification by the Hong Kong Customs and Excise Department, the customs administration at the port of clearance will, in accordance with the verification results, immediately proceed with the procedure to either return the deposit or convert the deposit to import tariff.

10. The two sides may incorporate the administrative assistance required for the purpose of implementing the rules of origin in Annex 2 of CEPA and this Annex in the “Customs Co-operative Arrangement” concluded between the Customs General Administration and the Hong Kong Customs and Excise Department. The two sides may exchange relevant information, including information about the origin of the goods imported from Hong Kong to the Mainland, the authenticity of the contents in a certificate of origin, whether the Hong Kong goods enjoying zero tariff comply with the rules of origin, and other information which may facilitate the monitoring of the proper implementation of this Annex. Subject to the agreement of both sides, the staff of one side may conduct visits to the other side for the purpose of understanding the relevant situation.

11. The customs administrations of the two sides will notify each other and take appropriate legal action if the investigation by one side confirms that goods subject to zero tariff do not comply with the requirements set out in Table 1 of Annex 2 of CEPA and this Annex.

12. Both sides will maintain the confidentiality of information in respect of information exchanged for the purpose of verifying the origin of goods imported. In the absence of consent from the applicant of the certificate of origin, no such information will be

disclosed or used for other purposes, unless it is required by judicial proceedings.

13. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this 29th day of September 2003 in the Chinese language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(signature)

(signature)

出口商 (名稱及香港地址) Exporter (full name and Hong Kong address)		證書編號 CERTIFICATE NO.	
		簽證日期 DATE OF ISSUE	
		證書有效截止日期 VALID UP TO	
收貨人 (名稱及內地地址) Consignee (full name and Mainland address)		原產地證書 [內地與香港關於建立更緊密經貿關係的安排] CERTIFICATE OF HONG KONG ORIGIN (CLOSER ECONOMIC PARTNERSHIP ARRANGEMENT) (CEPA) 【Logo of the Certificate Issuing Organization】	
離港日期 Departure Date	工廠登記編號 Factory Number		
船隻 / 飛機 / 火車 / 貨車編號 Vessel/Flight/Train/Vehicle No.	裝貨地 Place of Loading	內部專用 For Internal Use Only	
到貨口岸 Port of Discharge			
包裝標誌, 數量及貨櫃編號; 包裹件數及種類; 貨物摘要及產品內地協制編號; 離岸價(港元) Marks, Nos. and Container No.; No. and Kind of Packages; Description of Goods and Mainland HS Code.; FOB value (HK\$)		數量 (計量單位) Quantity (Quantity Unit)	商標名稱或標籤 Brand Names or Labels (if any)
<p>[Light green colour paper is used for this Certificate of Hong Kong Origin (CEPA). Watermark of the logo of the issuing organization is embedded in the Certificate.]</p>			
<p>本人謹證明以上描述之貨物均符合《內地與香港關於建立更緊密經貿關係的安排》下貨物貿易的原產地規則的要求。 I HEREBY CERTIFY THAT THE GOODS DESCRIBED ABOVE COMPLY WITH THE REQUIREMENTS OF THE RULES OF ORIGIN FOR TRADE IN GOODS UNDER CEPA.</p>			
【Stamp of the Certificate Issuing Organization】		【Signature by the Certificate Issuing Organization】	

Annex 4

Specific Commitments on Liberalization of Trade in Services

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereafter called "CEPA"), the Mainland and Hong Kong Special Administrative Region have concluded this Annex on the specific commitments of the liberalization of trade in services.
2. As from 1 January 2004, the Mainland will apply to services and service suppliers of Hong Kong the specific commitments set out in Table 1 of this Annex. Table 1 forms an integral part of this Annex. The commitments for value-added telecommunication services will apply as from 1 October 2003.
3. In respect of the service sectors, sub-sectors or relevant measures not covered by this Annex, the Mainland will apply Annex 9 of the "Schedule of Specific Commitments on Services List of Article II MFN Exemptions" of the "Protocol on the Accession of the People's Republic of China".
4. In respect of the implementation of the specific commitments set out in Table 1 of this Annex, apart from applying the provisions of this Annex, the relevant laws and regulations, and administrative regulations of the Mainland should also be applicable.
5. As from 1 January 2004, Hong Kong will not impose any new discriminatory measures on Mainland's services and service suppliers in those areas of services covered in Table 1 of this Annex.
6. The two sides will, through consultations, formulate and

implement further liberalization of Hong Kong's service sectors for the Mainland. The relevant specific commitments will be listed in Table 2. Table 2 forms an integral part of this Annex.

7. The two sides will, through consultations, formulate and implement specific commitments of Hong Kong in relation to Mainland people obtaining professional qualifications of Hong Kong.

8. In the event that the implementation of this Annex causes substantial impact on the trade and relevant sectors of either side, the two sides will conduct consultations on the relevant provisions of this Annex at the request of either side.

9. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this 29th day of September 2003 in the Chinese language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(signature)

(signature)

Table 1

The Mainland's Specific Commitments on Liberalization of Trade in Services for Hong Kong¹

Sectors or sub-sectors	1. Business services
	A. Professional services
	a. Legal services (CPC861)
Specific commitments	<p>1. To allow Hong Kong law firms (offices) that have set up representative offices in the Mainland to operate in association with Mainland law firms, except in the form of partnership. Hong Kong lawyers participating in such association cannot handle matters of Mainland law.</p> <p>2. To allow Mainland law firms to employ Hong Kong legal practitioners². Such practitioners who are employed by Mainland law firms must not handle matters of Mainland law.</p> <p>3. To allow the 15 Hong Kong lawyers who have already acquired Mainland lawyer qualifications to intern and practise on non-litigation legal work in the Mainland.</p>

¹ Sectoral classification is based on WTO's GATS Services Sectoral Classification List (GNS/W/120). For the contents of the sectors, reference is made to the relevant CPC, United Nations Provisional Central Product Classification.

² In this Annex, Hong Kong legal practitioners refer to solicitors and barristers of Hong Kong.

	<p>4. To allow Hong Kong permanent residents with Chinese citizenship to sit the legal qualifying examination in the Mainland and acquire Mainland legal professional qualification in accordance with the “State Judicial Examination Implementation Measures”.</p> <p>5. To allow those who have acquired Mainland legal professional qualification under item 4 above to engage in non-litigation legal work in Mainland law firms in accordance with the “Law of the People's Republic of China on Lawyers”.</p> <p>6. The minimum residency requirement is waived for all Hong Kong representatives stationed in the Mainland representative offices of Hong Kong law firms (offices) located in Shenzhen and Guangzhou. For the Hong Kong representatives stationed in the Mainland representative offices of Hong Kong law firms (offices) located in places other than Shenzhen and Guangzhou, their minimum residency requirement is 2 months each year.</p>
--	---

Sectors or sub-sectors	1. Business services
	A. Professional services
	b. Accounting, auditing and bookkeeping services (CPC862)
Specific commitments	<p>1. Hong Kong accountants who have already qualified as Chinese Certified Public Accountants (CPAs) and practised in the Mainland (including partnership) are treated on par with Chinese CPAs in respect of the requirement for annual residency in the Mainland.</p> <p>2. The validity period of the “Temporary Auditing Business Permit” applied by Hong Kong accounting firms to conduct temporary auditing services in the Mainland is 1 year.</p>

Sectors or sub-sectors	1. Business services
	A. Professional services
	d. Architectural services (CPC8671) e. Engineering services (CPC8672) f. Integrated engineering services (CPC8673) g. Urban planning and landscape architectural services (except general urban planning) (CPC8674)
Specific commitments	To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, architectural services, engineering services, integrated engineering services, urban planning and landscape architectural services in the Mainland. ¹

¹ Hong Kong service suppliers may set up wholly-owned engineering consultancy companies in the Mainland to provide the above services.

Sectors or sub-sectors	<p>1. Business services</p> <p>A. Professional services</p> <p>h. Medical and dental services (CPC9312)</p>
Specific commitments	<p>1. The majority of medical personnel employed by Hong Kong-Mainland joint venture hospitals or clinics can be Hong Kong permanent residents.</p> <p>2. The maximum duration of the licence to provide short-term medical, dental and Chinese medicine services in Mainland is 3 years for practitioners who are legally eligible to practise in the Hong Kong Special Administrative Region. On expiry, the licence for short term practice is renewable.</p> <p>3. To allow Hong Kong permanent residents, who have acquired a medical degree from the University of Hong Kong, or the Chinese University of Hong Kong, and who are legally eligible to practise in Hong Kong and have completed 1 year internship in Hong Kong, to sit the Mainland's qualification examination. A "medical practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.</p>

4. To allow Hong Kong permanent residents who have acquired a dental degree from the University of Hong Kong and who are legally eligible to practise in Hong Kong and have practised for more than 1 year to sit the Mainland's qualification examination. A "medical (dental) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.

5. To allow Hong Kong permanent residents in possession of a medicine higher degree from a full-time tertiary institution approved by the Education Administration Department of the Mainland State Council to sit the Mainland's qualification examination after they have passed the Hong Kong qualification examination, and after they have completed one year of internship and become legally eligible to practise in Hong Kong. A "medical practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.

6. To allow Hong Kong permanent residents in possession of a dental higher degree from a full-time tertiary institution approved by the Education Administration Department of the Mainland State Council to sit the Mainland's dental qualification examination after they have become legally eligible to practise through examination in Hong Kong and after they have been licensed to practise for over one year. A "medical (dental) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.

7. Hong Kong permanent residents in possession of a medicine or dental higher degree from a full-time tertiary institution approved by the Education Administration Department of the Mainland State Council may sit the Mainland's qualification examination in accordance with paragraphs 5 and 6 above. They may also sit the Mainland's qualification examination after they have completed one year's internship in the Mainland and passed an assessment in accordance with the relevant requirements. A "medical (or medical (dental)) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.

8. To allow Hong Kong permanent residents who have acquired a Chinese medicine degree from the Chinese University of Hong Kong or the Hong Kong Baptist University and are legally eligible to practise in Hong Kong to sit the Mainland's qualification examination on the condition that they have completed 1 year's internship in a third-level Chinese medicine hospital in the Mainland and have passed the performance test; or that they have been practising in Hong Kong for more than 1 year. A "medical (Chinese medicine) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.

	<p>9. To allow Hong Kong permanent residents who are in possession of a Chinese medicine higher degree from a full-time tertiary institution approved by the Education Administration Department of the Mainland State Council to sit the Mainland's medical qualification Examination after they have become legally eligible to practise in Hong Kong for over one year through the Chinese medicine qualification examination for one year. They may also sit the Mainland's medical qualification examination after they have completed one year of internship in the Mainland and passed an assessment and in accordance with the relevant requirements. A "medical (Chinese medicine) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.</p> <p>10. The categories of medical qualification examinations that Hong Kong permanent residents may apply to sit are clinical medicine, Chinese medicine and dental medicine.</p>
--	--

Sectors or sub-sectors	1. Business services
	D. Real estate services
	<ul style="list-style-type: none"> a. Real estate services involving own or leased property (CPC821) b. Real estate services on a fee or contract basis (CPC822)
Specific commitments	<p>1. To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, high standard real estate projects services in the Mainland.¹</p> <p>2. To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, real estate services on a fee or contract basis in the Mainland.</p>

¹ High standard real estate projects refer to the real estate projects with construction costs per unit two times more than the average construction costs per unit in the same city.

Sectors sub-sectors	or	1. Business services
		F. Other business services
		a. Advertising services (CPC871)
Specific commitments		To allow Hong Kong service suppliers ¹ to set up wholly-owned advertising firms in the Mainland.

¹ In this sector, a Hong Kong service supplier must be an enterprise juridical person engaging in advertising services (but not necessarily as its principal business).

Sectors or sub-sectors	1. Business services
	F. Other business services
	c. Management Consulting services (CPC86501, 86502, 86503, 86504, 86505, 86506, 86509)
Specific commitments	<p>1. To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, management consulting services, including general management consulting services, financial management consulting services (except business tax), marketing management consulting services, human resources management consulting services, production management consulting services, public relations services and other management consulting services in the Mainland.</p> <p>2. The minimum registered capital requirement for Hong Kong service suppliers providing management consulting services in the Mainland follows the requirements in the “Company Law of the People’s Republic of China”.</p>

Sectors sub-sectors	or	1. Business services
		F. Other business services
		Convention services and exhibition services (CPC87909)
Specific commitments		To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, convention services and exhibition services in the Mainland. ¹

¹ Excluding exhibitions outside the Mainland.

Sectors or sub-sectors	2. Communication services
	C. Telecommunication services
	Valued-added services
Specific commitments	<p>1. As from 1 October 2003, to allow Hong Kong service suppliers to set up joint venture enterprises in the Mainland to provide the following five types of value-added telecommunication services¹:</p> <ul style="list-style-type: none"> (1) internet data centre services; (2) store and forward services; (3) call centre services; (4) internet access services; (5) content services. <p>2. Hong Kong service suppliers' shareholding in the joint venture enterprises engaging in the value-added telecommunication services mentioned in item 1 above should not exceed 50%.</p> <p>3. There will be no geographic restriction for the joint venture enterprises formed by Hong Kong service suppliers and the Mainland to provide value-added telecommunication services mentioned in item 1 above.</p>

¹ To implement in accordance with the Mainland's "Telecommunication business classification".

Sectors or sub-sectors	2. Communication services
	D. Audiovisual services
	Videos distribution services (CPC83202), Sound recording products distribution services Cinema theatre services Chinese language motion pictures and motion pictures jointly produced
Specific commitments	Videos, sound recording products distribution services 1. To allow Hong Kong service suppliers to provide, in the form of joint venture, videos and sound recording products (including motion picture products) distribution services in the Mainland. ¹ 2. To allow majority shareholding, not exceeding 70%, for Hong Kong service suppliers.
	Cinema theatre services 1. To allow Hong Kong service suppliers to construct, renovate and operate cinema theatres on an equity joint venture or contractual joint venture basis.

¹ In undertaking distribution services in the Mainland in respect of videos and sound recording products, Hong Kong service suppliers should comply with the relevant laws, regulations and requirements of the review system in the Mainland.

	2. To allow majority shareholding, not exceeding 75%, for Hong Kong service suppliers.
--	--

	<p>Chinese language motion pictures and motion pictures jointly produced</p> <ol style="list-style-type: none"> 1. Chinese language motion pictures produced in Hong Kong may be imported for distribution in the Mainland on a quota-free basis, after vetting and approval by the relevant Mainland authority. 2. Chinese language motion pictures produced in Hong Kong refer to those motion pictures made by production companies which are set up or established in accordance with the relevant laws of the Hong Kong Special Administrative Region, and which own more than 75% of the copyright of the motion pictures concerned. Hong Kong residents should comprise more than 50% of the total principal personnel¹ in the motion pictures concerned. 3. Motion pictures jointly produced by Hong Kong and the Mainland are treated as Mainland motion pictures for the purpose of distribution in the Mainland. Translated versions of the motion pictures in languages of other Chinese ethnic groups and Chinese dialects, which are based on the Putonghua version, are allowed to be distributed in the Mainland. 4. For motion pictures jointly produced by Hong Kong and the Mainland, there is no restriction on the percentage of principal creative personnel² from Hong Kong, but at least one-third of the leading artistes must be from the Mainland; there is no restriction on where the story takes place, but the plots or the leading characters
--	---

¹ Principal personnel includes personnel performing the roles of director, screenwriter, leading actor, leading actress, supporting actor, supporting actress, producer, cinematographer, editor, art director, costume designer, action choreographer, and composer of the original film score.

² Major creative personnel refers to personnel performing the roles of director, screenwriter, cinematographer and leading artistes. Leading artistes refer to leading actor, leading actress, leading supporting actor and leading supporting actress.

	must be related to the Mainland.
--	----------------------------------

Sectors or sub-sectors	3. Construction and related engineering services CPC511, 512, 513 ¹ , 514, 515, 516, 517, 518 ²
Specific commitments	<p>1. For construction enterprises set up in the Mainland by Hong Kong service suppliers, the performance of both the enterprises in Hong Kong and in the Mainland is taken into account in assessing the qualification of the construction enterprises in the Mainland. However, the number of managerial and technical staff in the construction enterprises in the Mainland will be the actual number of staff working there.</p> <p>2. To allow Hong Kong service suppliers to wholly acquire construction enterprises in the Mainland.</p> <p>3. Construction enterprises in the Mainland set up and invested by Hong Kong service suppliers are exempted from foreign investment restrictions when undertaking Chinese-foreign joint construction projects.</p>

¹ Including dredging services relating to infrastructure construction.

² Coverage is limited only to the rental and leasing services of construction and/or demolition machines (with operators) which are owned and used by foreign construction enterprises in the course of providing services.

	<p>4. Construction enterprises in the Mainland invested by Hong Kong service suppliers will follow the relevant laws and regulations in the Mainland for application of construction qualification certificates. Those which have acquired such certification are permitted in accordance with laws to bid for construction projects in all parts of the Mainland.</p>
--	--

Sectors or sub-sectors	4. Distribution services A. Commission agents' services (excluding salt and tobacco) B. Wholesale trade services (excluding salt and tobacco)
Specific commitments	1. To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, commission agents' services and wholesale trade services and to set up wholly-owned external trading companies in the Mainland. ¹ 2. To apply for the setting up of wholesale commercial enterprises in the Mainland on a wholly-owned, equity joint venture, or contractual joint venture basis, Hong Kong service suppliers must fulfill the following conditions:

¹ The wholesale trade services and commission agents' services provided by Hong Kong service suppliers in the Mainland in respect of books, newspapers, magazines, pharmaceutical products, pesticides, mulching film, chemical fertilizers, processed oil and crude oil remain subject to Mainland's commitments to members of the World Trade Organization.

	<p>The average annual sales value of a Hong Kong service supplier in the preceding 3 years is not less than US\$30 million; the asset in the preceding year is not less than US\$10 million; the minimum registered capital for setting up an enterprise in the Mainland is RMB 50 million. For setting up a wholesale commercial enterprise in the Central and Western Region², the average annual sales value of a Hong Kong service supplier in the preceding 3 years is not less than US\$20 million; the minimum registered capital is RMB 30 million.</p>
	<p>3. To apply for the setting up of external trading companies in the Mainland on a wholly-owned, equity joint venture or contractual joint venture basis, the Hong Kong service suppliers must fulfill the following conditions:</p> <p>The average annual trade value with the Mainland of a Hong Kong service supplier in the preceding 3 years is not less than US\$10 million; for setting up an external trading company in the Central and Western Region, the average annual trade value with the Mainland of a Hong Kong service supplier in the preceding 3 years is not less than US\$5 million; the minimum registered capital for setting up a company in the Mainland is RMB 20 million; for setting up an external trading company in the Central and Western Region, the minimum registered capital is RMB 10 million.</p>

² In this Annex, the Central and Western Region include Central Region and Western Region. Western Region refers to 12 provinces/autonomous regions/municipality including Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Guangxi; and Xianxi Tugia-Miao Autonomous Prefecture of Hunan Province, Enshi Tugia-Miao Autonomous Prefecture of Hubei Province and Yanbian Korean Autonomous Prefecture of Jilin Province. Central Region refers to 8 provinces including Heilongjiang, Jilin, Shanxi, Henan, Hubei, Hunan, Anhui and Jiangxi.

	<p>4. There are no geographic restrictions for Hong Kong service suppliers to provide, in the form of wholly-owned operations, commission agents' services and wholesale trade services in the Mainland.</p>
--	--

Sectors or sub-sectors	4. Distribution services C. Retailing services (excluding tobacco)
Specific commitments	<p>1. To allow Hong Kong service suppliers to set up wholly-owned retail commercial enterprises in the Mainland.¹</p> <p>2. To apply for the setting up of retail commercial enterprises in the Mainland on a wholly-owned, equity joint venture or contractual joint venture basis, Hong Kong service suppliers must fulfill the following conditions:</p> <p style="padding-left: 40px;">The average annual sales value of a Hong Kong service supplier in the preceding 3 years is not less than US\$100 million; the minimum asset in the previous year is US\$10 million; the minimum registered capital for setting up an enterprise in the Mainland is RMB 10 million. For setting up a retail commercial enterprise in the Central and Western Region, the minimum registered capital is RMB 6 million.</p> <p>3. To allow Hong Kong service suppliers to set up retailing enterprises in all cities at the prefectural level in the Mainland, and cities at the county level in Guangdong Province.</p>

¹ The retailing services provided by Hong Kong service suppliers in the Mainland in respect of books, newspapers, magazines, pharmaceuticals, pesticides, mulching film, chemical fertilizers, staple food, vegetable oil, edible sugar, cotton and processed oil remain subject to Mainland's commitments to members of the World Trade Organization.

	<p>4. To allow Hong Kong service suppliers to set up wholly owned retailing enterprises in the Mainland for sale of motor vehicles.²</p> <p>5. To allow Hong Kong permanent residents with Chinese citizenship to set up, in accordance with the relevant laws and regulations, and administrative regulations, individually owned stores in Guangdong to provide retailing services excluding franchising operation, without being subject to the approval procedures applicable to foreign investments. The sales area of such stores should not exceed 300 square metres.</p>
--	---

² Chain stores with more than 30 outlets remain subject to Mainland's commitments to members of the World Trade Organization.

Sectors sub-sectors	or	4. Distribution services
		D. Franchising
Specific commitments		To allow Hong Kong service suppliers to engage, in the form of wholly-owned operations, in franchising in the Mainland. ¹

¹ The relevant laws and regulations will be promulgated separately.

Sectors or sub-sectors	7. Financial services
	A. All insurance and insurance-related services
	<ul style="list-style-type: none"> a. Life, health and pension/annuities insurance b. Non-life insurance c. Reinsurance d. Services auxiliary to insurance
Specific commitments	<ol style="list-style-type: none"> 1. To allow groups formed by Hong Kong insurance companies through re-grouping and strategic mergers to enter the Mainland insurance market subject to established market access conditions (total assets held by the group of over US\$ 5 billion; more than 30 years of establishment experience attributable to one of the Hong Kong insurance companies in the group; and a representative office established in the Mainland for over 2 years by one of the Hong Kong insurance companies in the group). 2. The maximum limit of capital participation by a Hong Kong insurance company in a Mainland insurance company is 24.9%. 3. To allow Hong Kong residents with Chinese citizenship, after obtaining the Mainland's professional qualifications in actuarial science, to practise in the Mainland without prior approval.

	<p>4. To allow Hong Kong residents, after obtaining the Mainland's insurance qualifications and being employed or appointed by a Mainland insurance institution, to engage in the relevant insurance business.</p>
--	--

Sectors sub-sectors	<p>or 7. Financial services</p> <p>B. Banking and other financial services (excluding insurance and securities)</p> <p>a. Acceptance of deposits and other repayable funds from the public;</p> <p>b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;</p> <p>c. Financial leasing;</p> <p>d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (including import and export settlement);</p> <p>e. Guarantees and commitments;</p> <p>f. Trading for own account or for account of customers: foreign exchange.</p>
Specific commitments	<p>1. For Hong Kong banks to set up branches or body corporates in the Mainland, the total asset requirement at the end of the year preceding application is not less than US\$ 6 billion; for finance companies to set up body corporates, the total asset requirement at the end of the year preceding application is not less than US\$ 6 billion.</p> <p>2. There will be no requirement for setting up a representative office in the Mainland before a Hong Kong bank establishes a joint venture bank or joint venture finance company in the Mainland, or before a Hong Kong finance company establishes a joint venture finance company in the Mainland.</p>

3. For Mainland branches of Hong Kong banks to apply to conduct RMB business:

- (1) they should have been operating in the Mainland for more than 2 years;
- (2) in conducting profitability assessment, the relevant authorities will base their assessment on the overall profitability position of all branches of the bank in the Mainland instead of the profitability position of its individual branches.

Sectors sub-sectors	or 7. Financial services
	B. Banking and other financial services
	Securities
Specific commitments	<p>1. To allow the Hong Kong Exchanges and Clearing Limited to set up a representative office in Beijing.</p> <p>2. To simplify the relevant procedures for Hong Kong professionals¹ applying in the Mainland for securities and futures industry qualifications. Hong Kong professionals applying to obtain securities and futures industry qualifications of the Mainland need only to undertake training and pass examination on Mainland laws and regulations; and examination on professional knowledge is not required.</p>

¹ In this sector, professionals refer to Hong Kong permanent residents who have been licensed by the Securities and Futures Commission of Hong Kong.

Sectors sub-sectors	<p>or 9. Tourism and travel related services</p> <p>A. Hotels (including apartment buildings) and restaurants (CPC641-643)</p> <p>B. Travel agency and tour operator (CPC7471)</p> <p>Others</p>
Specific commitments	<p>1. To allow Hong Kong service suppliers to construct, renovate and operate, on a wholly-owned basis, hotels, apartment buildings and restaurant establishments in the Mainland.</p> <p>2. There will be no geographic restriction on Hong Kong travel agencies forming joint venture travel agencies in the Mainland where the Mainland agencies have majority shareholding.</p> <p>3. To allow residents of Beijing, Shanghai, and Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Jiangmen, Foshan and Huizhou of the Guangdong Province to visit Hong Kong individually for tourism, and to allow the same in respect of the whole of Guangdong Province not later than 1 July 2004.</p>

Sectors or sub-sectors	11. Transport services
	<p>A. Maritime transport services</p> <p>H. Auxiliary services</p>
	<p>International transport (freight and passengers) (CPC7211, 7212, less cabotage transport services)</p> <p>Container station and depot services</p> <p>Others</p>
Specific commitments	<p>1. To allow Hong Kong service suppliers¹ to set up wholly-owned enterprises in the Mainland to operate international ship management services, storage and warehousing for international maritime freight, container station and depot services, and non-vessel operating common carrying services.</p> <p>2. To allow Hong Kong service suppliers to set up wholly-owned shipping companies in the Mainland to provide regular business services for vessels that they own or operate, such as shipping undertaking, issuance of bills of lading, settlement of freight rates, signing of service contracts, etc.</p>

¹ In this sector, the Hong Kong service suppliers must be enterprise juridical persons.

	<p>3. To allow Hong Kong service suppliers to use liner vessels serving main routes to move, without any restrictions, empty containers that they own or rent, as long as customs procedures are observed.</p>
--	--

Sectors or sub-sectors	11. Transport services
	F. Road transport services
	Freight transportation by road in trucks or cars (CPC7123) Road passenger transportation (CPC7121, 7122)
Specific commitments	<p>1. To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide road freight transport services.</p> <p>2. To allow Hong Kong service suppliers to provide direct non-stop road freight transport services between Hong Kong and individual provinces, cities and autonomous regions in the Mainland.¹</p> <p>3. To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Western Region of the Mainland to provide road passenger transport services</p>

¹ Non-stop services mean direct road transport services between Hong Kong and the Mainland. In this sector, Hong Kong service suppliers supplying non-stop services must be enterprise juridical persons.

Sectors sub-sectors	or	11. Transport services
		H. Services auxiliary to all modes of transport
		Storage and warehouse services (CPC742)
Specific commitments		<p>1. To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, storage and warehousing services in the Mainland.</p> <p>2. The minimum registered capital requirement for storage and warehousing enterprises in the Mainland set up and invested by Hong Kong service suppliers will be the same as that for Mainland enterprises.</p>

Sectors or sub-sectors	11. Transport services
	H. Services auxiliary to all modes of transport
	Freight forwarding agency services (CPC748, 749, excluding freight inspection)
Specific commitments	<p>1. To allow Hong Kong service suppliers¹ to provide, in the form of wholly-owned operations, freight forwarding agency services in the Mainland.</p> <p>2. The minimum registered capital requirement for international freight forwarding agency enterprises in the Mainland set up and invested by Hong Kong service suppliers will be the same as that for Mainland enterprises.</p>

¹ In this sector, Hong Kong service suppliers must be enterprise juridical persons.

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Logistics services
Specific commitments	To allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, logistics services in the Mainland, which include road transport, storage and warehousing, loading and unloading, value adding processing, packaging, delivery and related information and consultancy services for ordinary road freight; freight transport agency services within the Mainland; and the management and operation of logistics services through computing network.

Table 2

Hong Kong's Specific Commitments on Liberalization of
Trade in Services for the Mainland¹

¹ The two sides will, through consultations, formulate and implement further liberalization of Hong Kong's service sectors for the Mainland. The relevant specific commitments will be listed in this table.

Annex 5

Definition of “Service Supplier” and Related Requirements

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter called “CEPA”), the Mainland and Hong Kong Special Administrative Region have concluded this Annex on the definition of “service supplier” and related requirements.

2. Unless otherwise stipulated in CEPA and its Annexes, “service supplier” as used in CEPA and its Annexes refers to any person that supplies a service. In this context:

2.1. “person” means either a natural person or a juridical person;

2.2. “natural person”:

2.2.1. in the case of the Mainland, means a citizen of the People’s Republic of China;

2.2.2. in the case of Hong Kong, means a permanent resident of the Hong Kong Special Administrative Region of the People’s Republic of China;

2.3. “juridical person” means any legal entity duly constituted or otherwise organized under the applicable laws of the Mainland or the Hong Kong Special Administrative Region, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association (business association).

3. The specific criteria for Hong Kong service suppliers who provide services in the form of juridical persons:

3.1. with the exception of the legal services sector, a Hong Kong service supplier, when applying to provide the relevant services under Annex 4 in the Mainland, should:

3.1.1. be incorporated or established pursuant to the Companies Ordinance or other relevant laws of the Hong Kong Special Administrative Region,¹ and have obtained a valid Business Registration Certificate. If required by law, it should also have obtained the licence or permit for providing such services; and

3.1.2. engage in substantive business operations in Hong Kong. The criteria for determination are:

(1)The nature and scope of business

The nature and scope of the services provided by a Hong Kong service supplier in Hong Kong should encompass the nature and scope of the services it intends to provide in the Mainland.

(2)Years of operation required

A Hong Kong service supplier should be incorporated or established in Hong Kong, and have engaged in substantive business operations for 3 years or more.²

A Hong Kong service supplier providing construction and related engineering services should be

¹ Registered overseas companies in Hong Kong, their offices, liaison offices, "mail box companies" and companies specifically established for providing certain services to their parent companies are not Hong Kong service suppliers under this Annex.

² For the Hong Kong service supplier that has been acquired by or merged with service suppliers other than those of the two sides on or after the day CEPA comes into effect, and as a result of the acquisition or merger, the latter service suppliers have acquired more than 50% of its equity interest, that Hong Kong service supplier will be regarded as a Hong Kong service supplier after one year of the acquisition or merger.

incorporated or established in Hong Kong, and have engaged in substantive business operations for 5 years or more; there is no limitation on the years of substantive business operations in Hong Kong for Hong Kong service suppliers providing real estate services;

A Hong Kong service supplier providing banking and other financial services (excluding insurance and securities), i.e. a Hong Kong bank or finance company should have engaged in substantive business operations for 5 years or more after it has been granted a relevant licence by the Monetary Authority pursuant to the Banking Ordinance;

A Hong Kong service supplier providing insurance and related services, i.e. a Hong Kong insurance company should be incorporated or established in Hong Kong and have engaged in substantive business operations for 5 years or more.

(3) Profits tax

During the period of substantive business operations in Hong Kong, a Hong Kong service supplier should have paid profits tax in accordance with the law.

(4) Business premises

A Hong Kong service supplier should own or rent premises in Hong Kong to engage in substantive business operations. The scale of its business premises should be commensurate with the scope and the scale of its business.

For a Hong Kong service supplier providing maritime transport services, 50% or more of the ships owned by it, calculated in terms of tonnage, should be registered

in Hong Kong.

(5)Employment of staff

Among the staff employed by the Hong Kong service supplier in Hong Kong, more than 50% should be residents staying in Hong Kong without limit of stay, and people from the Mainland staying in Hong Kong on One Way Permit.

3.2. A Hong Kong law firm (office) of the legal services sector, when applying to provide the relevant services under Annex 4 in the Mainland, should:

3.2.1. pursuant to the relevant legislation of the Hong Kong Special Administrative Region be registered and established as a Hong Kong law firm (office) and have obtained a valid Business Registration Certificate.

3.2.2. the sole proprietor and all the partners of the relevant law firm (office) should be registered practising lawyers,

3.2.3. The principal scope of business of the relevant law firm (office) should be to provide Hong Kong legal services in Hong Kong.

3.2.4. The relevant law firm (office) or its sole proprietor or partners should pay profits tax in accordance with the law.

3.2.5. The relevant law firm (office) should have engaged in substantive business operations in Hong Kong for 3 years or more.

3.2.6. The relevant law firm (office) should own or rent premises in Hong Kong to engage in substantive business operations.

4. Unless otherwise stipulated in CEPA and its Annexes, Hong Kong service suppliers providing services in the form of natural persons should be permanent residents of the Hong Kong Special Administrative Region of the People's Republic of China.

5. Service suppliers of the Mainland should fulfil the definition of Article 2 of this Annex. Specific criteria will be determined by the two sides through consultation.

6. To obtain the treatment under CEPA, a Hong Kong service supplier should provide:

6.1. In the event that the Hong Kong service supplier is a juridical person, the Hong Kong service supplier should submit the following documents and information, and statutory declaration, which have been verified by relevant institutions (persons) of Hong Kong, as well as the certificate issued by the Government of the Hong Kong Special Administrative Region:

6.1.1. Documents and information (if applicable)

(1) Copy of the Certificate of Incorporation issued by the Companies Registry of the Hong Kong Special Administrative Region;

(2) Copy of Hong Kong Special Administrative Region's Business Registration Certificate and an Extract of Information on the Register of Businesses;

(3) Annual reports or audited financial statements of the Hong Kong service supplier for the past 3 years (or 5 years);

(4) Original or copy of document(s) substantiating the owning or renting of business premises in Hong Kong by the Hong Kong service supplier;³

³ A Hong Kong service supplier applying to provide maritime transport services in the

(5) Copy of the Profits Tax Returns, Notice of Assessment and Demand for Tax in respect of the Hong Kong service supplier for the past 3 years (or 5 years); in the event of loss, the Hong Kong service supplier should provide supporting document(s) from the relevant department of the Hong Kong Special Administrative Region regarding the loss;

(6) Copy of the Employer's Return of Remuneration and Pensions of the Hong Kong service supplier in respect of the remuneration and pension of its employees in Hong Kong, and the original or a copy of other relevant document(s) substantiating that the company fulfils the requirement of Article 3.1.2.(5) of this Annex on the percentage threshold;

(7) Original or copy of other relevant document(s) that can substantiate the nature and scope of the business in Hong Kong of the Hong Kong service supplier.

6.1.2. Statutory declaration

For any Hong Kong service supplier applying to obtain treatment under CEPA, its authorized representative should make a statutory declaration pursuant to the procedures and requirements of the Oaths and Declarations Ordinance of the Hong Kong Special Administrative Region.⁴ The form of the declaration will be decided by the relevant authorities of the Mainland and the Hong Kong Special Administrative Region through consultation.

6.1.3. Certificate

A Hong Kong service supplier should submit the

Mainland should separately submit document(s) or its copy (attested) to verify that 50% or more of the ships owned by it, calculated in terms of tonnage, is registered in Hong Kong.

⁴ A person is subject to criminal liability of Hong Kong if he knowingly makes a false or untrue declaration pursuant to the Oaths and Declarations Ordinance.

documents and information, and the statutory declaration as required under Article 6.1.1 and 6.1.2 of this Annex to the Trade and Industry Department of the Hong Kong Special Administrative Region (hereinafter called “TID”) for examination. TID may, in the circumstances it considers necessary, entrust other government departments of the Hong Kong Special Administrative Region, statutory bodies, or independent professional personnel (institutions) to conduct verification.⁵ TID will issue a certificate to the applicants that it considers to have fulfilled the criteria of Hong Kong service suppliers as required under this Annex. The contents and form of the certificate will be decided by the relevant authorities of the Mainland and the Hong Kong Special Administrative Region through consultation.

6.2. In the event that a Hong Kong service supplier is a natural person, the Hong Kong service supplier should provide identification of his or her Hong Kong permanent resident status, and for Chinese citizens among such service suppliers, they should also provide their Home Visit Permit for Hong Kong and Macau Residents or Hong Kong Special Administrative Region passport.

6.3. Copies of the statutory declarations and the identification documents of natural persons, as well as the documents and information that in TID’s view should be attested by a lawyer, as required under Article 6.1.1 and 6.1.2, and 6.2 of this Annex, should be attested by attesting officers recognized by the Mainland.

7. When applying to the Mainland’s examining authorities to obtain treatment under CEPA, Hong Kong service suppliers should follow the following procedures:

⁵ In the telecommunications sector, TID will entrust the authority of the Government of the Hong Kong Special Administrative Region that regulates telecommunications to conduct verification with a view to substantiating the nature and scope of business of the Hong Kong service suppliers providing internet data centre services, call centre services, and content services.

7.1. When a Hong Kong service supplier applies to provide the services under Annex 4 in the Mainland, it should submit to the Mainland's examining authorities the documents and information, statutory declaration and certificate as required under Article 6 of this Annex.

7.2. Pursuant to the powers conferred under Mainland laws and regulations, the Mainland examining authorities, in examining the application for supplying Hong Kong services, should at the same time verify the qualifications of the Hong Kong service supplier.

7.3. When the Mainland examining authority holds a different view in respect of the qualification of the Hong Kong service supplier, it should inform the Hong Kong service supplier within a stipulated period, and notify the Ministry of Commerce. The Ministry of Commerce will in turn inform TID, giving the reasons for divergent views. The Hong Kong service supplier may, through TID and with written justification, request the Ministry of Commerce to reconsider. The Ministry of Commerce should give a written reply to TID within a stipulated period.

8. Hong Kong service suppliers who are already providing services in the Mainland should apply to obtain treatment under CEPA in accordance with the requirements of Articles 6 and 7 of this Annex.

9. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this 29th day of September 2003 in the Chinese Language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(signature)

(signature)

Annex 6

Trade and Investment Facilitation

1. Pursuant to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter called "CEPA"), the Mainland and the Hong Kong Special Administrative Region have concluded this Annex on cooperation in trade and investment facilitation.

2. The two sides agree to cooperate in trade and investment facilitation in seven areas, namely, trade and investment promotion; customs clearance facilitation; commodity inspection and quarantine, food safety, quality and standardization; electronic business; transparency in laws and regulations; cooperation of small and medium enterprises, and cooperation in Chinese medicine industry. Cooperation in these areas will follow the guidance and coordination of the Joint Steering Committee set up in accordance with Article 19 of CEPA.

3. Trade and Investment Promotion

The two sides recognize the importance of mutual trade and investment to their economic and social development. Taking into account the actual development of trade and investment as well as the need for growth, the two sides agree to strengthen cooperation in trade and investment promotion.

3.1. Cooperation Mechanism

Relevant working groups under the Joint Steering Committee will be made full use of in guiding and coordinating cooperation in trade and investment promotion between the two sides.

3.2. Content of Cooperation

Based on past cooperation experience, as well as the development of economic and trade exchanges and cooperation of both sides, the two sides will strengthen cooperation in the following areas:

3.2.1. Notify and publicize their respective policies and regulations on external trade and foreign investment promotion, with a view to achieving information sharing.

3.2.2. Exchange views and conduct consultations to solve common problems relating to trade and investment of both sides.

3.2.3. Strengthen communication and cooperation in mutual investment and joint promotion of foreign investment.

3.2.4. Strengthen cooperation in organizing exhibitions and arranging delegations to participate in overseas exhibitions.

3.2.5. Conduct exchanges on other issues of mutual concern relating to trade and investment promotion.

3.3. Participation of Other Entities

The two sides note that the participation of semi-official and non-official organizations in the area of trade and investment promotion has positive effect and significance. The two sides agree to support and assist these organizations in various ways to launch trade and investment promotion activities.

4. Customs Clearance Facilitation

Recognizing the importance of close and long-term cooperation between the two Customs Administrations and of the implementation of customs clearance facilitation to their economic and social development, the two sides agree to strengthen cooperation in customs clearance facilitation.

4.1. Cooperation Mechanism

The two sides will steer and coordinate cooperation in customs clearance facilitation through the Annual Review Meeting between the senior leaders of the Customs General Administration and the Customs and Excise Department of Hong Kong, and will promote the launch of cooperation in customs clearance facilitation through expert groups of the Customs Administrations and relevant departments of the two sides.

4.2. Content of Cooperation

Taking into account the need for different customs clearance systems and monitoring modes as well as experience in cooperation, the two sides agree to strengthen cooperation in the following areas:

4.2.1. Establish a reciprocal notification system to report their respective policies and regulations on customs clearance and management of clearance facilitation.

4.2.2. Conduct studies and exchanges on the differences between their respective customs clearance systems and on existing problems, with a view to enriching the specific content of cooperation in customs clearance facilitation.

4.2.3. Explore the expansion of the scope for further cooperation in strengthening control and enhancing efficiency in respect of customs clearance in areas such as sea and land transportation, intermodal operation and logistics.

4.2.4. Strengthen cooperation in establishing a crisis management mechanism at control points and adopt effective measures to maintain as far as possible smooth clearance on the two sides.

4.2.5. Establish a regular liaison mechanism, to make full use of the Guangdong and Hong Kong Customs Working Group on Operational Efficiency of Control Points

set up under the Guangdong Branch of the Customs General Administration and the Customs and Excise Department of Hong Kong.

4.2.6. Strengthen the work of the Expert Group on Cargo Data Sharing and Road Cargo Clearance set up under the two Customs Administrations, study the feasibility of data interchange and development of electronic customs clearance system at control points, strengthen the risk management of customs clearance with technical solutions, and enhance efficiency in customs clearance.

5. Commodity Inspection and Quarantine, Food Safety and Quality and Standardization

Recognizing the importance of protecting the health and safety of Mainland and Hong Kong people in the course of trade in goods and movement of persons, the two sides agree to strengthen cooperation in the areas of commodity inspection and quarantine, food safety, health and quarantine of people, and certification, accreditation and standardization.

5.1. Cooperation Mechanism

The two sides will make use of the existing cooperation channels of relevant departments to promote the launch of cooperation in the relevant areas through visits, discussions and other modes of communication.

5.2. Content of Cooperation

The two sides agree to strengthen cooperation in the following areas:

5.2.1. Inspection and monitoring of electrical and mechanical products

To ensure the safety of consumers of both sides, the two sides will enhance information flow and exchange through established communication channels, in particular the exchange of information and intelligence on the safety of electrical and mechanical products, so as to jointly prevent

safety problems associated with these products. The two sides will also promote cooperation in the training of inspection and supervisory officers.

The two sides are committed to implementing the “Cooperation Arrangement on Electrical and Mechanical Products Safety” signed between the State General Administration for Quality Supervision and Inspection and Quarantine, and the Electrical and Mechanical Services Department of Hong Kong on 12 February 2003.

5.2.2. Inspection and quarantine of animals and plants, and food safety

The two sides will make use of the existing coordination mechanism to step up cooperation in inspection and quarantine of animals and plants as well as in food safety, so as to enable both sides to enforce their respective regulations more effectively.

5.2.3. Monitoring of health and quarantine issues

The two sides will make use of the existing channels to regularly notify each other information on epidemic outbreaks and to step up academic exchange and joint research on health and quarantine issues; discuss health monitoring issues in respect of small vessels plying between the control points of Guangdong and Shenzhen; enhance cooperation in areas such as investigation and prevention of tropical infectious diseases and live vectors, surveillance and control of special articles and radioactive articles, transmission of biological disease factors and the related inspection, treatment and control measures.

5.2.4. Certification, accreditation and standardization management

The two sides will urge their respective organizations to strengthen cooperation with a view to promoting conformity assessment (including testing, certification and inspection), accreditation and standardization management.

6. Electronic Business

The two sides recognize that the application and promotion of electronic business will create more trade and investment opportunities for both sides. They agree to step up exchange and cooperation in the area of electronic business.

6.1. Cooperation Mechanism

Under the guidance and coordination of the Joint Steering Committee, the two sides will set up a working group to act as a communication channel as well as a consultation and coordination mechanism for cooperation in electronic business, with a view to promoting cooperation and joint development in the area of electronic business.

6.2. Content of Cooperation

The two sides agree to cooperate in the following areas:

6.2.1. Cooperate in specialized projects in respect of the study and formulation of rules, standards and regulations of electronic business, with a view to creating a favourable environment for promoting and ensuring the healthy development of electronic business.

6.2.2. Strengthen exchange and cooperation in areas such as corporate application, promotion and training. Make full use of the relevant government departments of the two sides in promotion and coordination, step up promotion for electronic business, foster interchanges between the enterprises of the two sides, and facilitate the launching of electronic business among the enterprises through demonstration projects.

6.2.3. Strengthen cooperation in implementing e-government, intensify exchange and cooperation in the development of e-government at various levels.

6.2.4. Cooperate in economic and trade information exchange, and expand the scope and extent of cooperation.

7. Transparency in Laws and Regulations

The two sides recognize that enhanced transparency in laws and regulations is an important foundation for promoting economic and trade flow of both sides. In the spirit of serving the commercial and industrial enterprises in the two places, the two sides agree to strengthen cooperation in the area of enhanced transparency of laws and regulations.

7.1. Cooperation Mechanism

The two sides will cooperate through relevant working groups under the Joint Steering Committee as well as their respective representative agencies.

7.2. Content of Cooperation

The two sides agree to strengthen cooperation in the following areas:

7.2.1. Exchange information on the enactment and amendment of laws, regulations and rules in respect of investment, trade and other economic areas.

7.2.2. Disseminate in a timely manner information on policies and regulations through various media including newspapers, journals and websites.

7.2.3. Organize and support the organization of various briefings and seminars on economic and trade policies and regulations.

7.2.4. Provide advisory services to commercial and industrial enterprises through channels such as WTO enquiry points and websites of “Invest in China” and “China Business Guide” of the Mainland.

8. Cooperation of Small and Medium Enterprises

The two sides recognize that the development of small and medium enterprises plays an important role in increasing

employment, promoting economic development and maintaining social stability. The two sides agree to promote exchanges and cooperation between small and medium enterprises of the two places.

8.1. Cooperation Mechanism

Establish an operational mechanism between relevant government departments of both sides for promoting cooperation between small and medium enterprises of the two sides, and to foster their cooperation and mutual development.

8.2. Content of Cooperation

The two sides agree to support and promote cooperation in the following areas:

8.2.1. Explore jointly the strategy and support policy for the development of small and medium enterprises through visits and exchanges.

8.2.2. Organize visits and exchanges on the organizational and operational modes of the intermediaries providing services to small and medium enterprises in the two places, and promote cooperation of the intermediaries.

8.2.3. Establish channels for providing information services to small and medium enterprises in the two places, exchange regularly relevant publications, set up dedicated websites, implement progressively information interchange and the interconnection of information website databases of the two sides.

8.2.4. Organize through different modes direct exchanges and communication between small and medium enterprises of the two places to promote their cooperation.

8.3. Participation of Other Entities

The two sides support and assist semi-official and non-official organizations to play a part in promoting cooperation between small and medium enterprises of the two places.

9. Cooperation in Chinese Medicine Industry

The two sides recognize that Chinese medicine, being a component of the excellent Chinese culture, bears tremendous market application potential and economic benefits of. Both sides have their own competitive edge in areas such as promoting the industrialization of Chinese medicine and advancing its modernization and internationalization. Cooperation in this area will have notable significance in the economic and social development of both sides. The two sides agree to strengthen cooperation in the development of the Chinese medicine industry.

9.1. Cooperation Mechanism

The two sides will strengthen and improve the mechanism of liaison and cooperation between their respective government departments so as to promote the development of cooperation in Chinese medicine industry of the two places.

9.2. Content of Cooperation

Based on the situation and development trend of cooperation in Chinese medicine in the two places, the two sides agree to strengthen cooperation in the following areas :

9.2.1. Communicate on the formulation of their respective regulations on and management of Chinese medicine with a view to achieving information sharing.

9.2.2. Enhance cooperation in research on Chinese medicine, exchange and share information on areas such as development strategy and development trend of the Chinese medicine industry.

9.2.3. Strengthen communication and coordination in registration management of Chinese medicine, implement

standardization in the management of Chinese medicine, and facilitate mutual trade in Chinese medicine.

9.2.4. Cooperate in such areas as facility management and regulations and requirements for clinical trials, with a view to achieving mutual recognition of clinical data.

9.2.5. Conduct exchanges and cooperate in quality standardization for Chinese medicine, and jointly promote the enhancement of quality standards for Chinese medicine.

9.2.6. Support cooperation between the Chinese medicine enterprises of the two places and jointly strive for international market expansion.

9.2.7. Strengthen trade and investment promotion and cooperation in the Chinese medicine industry.

9.2.8. Conduct exchanges and consultations on ways to solve problems arising from cooperation in Chinese medicine industry.

9.3. Participation of Other Entities

The two sides will support and assist the participation of semi-official and non-official organizations in cooperation in Chinese medicine industry, including the cooperation already established between the National Center for Traditional Chinese Medicine and the Hong Kong Jockey Club Institute of Chinese Medicine Ltd.

10. According to paragraphs 3 and 4 of Article 17 of CEPA, any new scope or content of trade and investment facilitation agreed by the two sides will be incorporated into this Annex.

11. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this 29th day of September, 2003 in the Chinese language.

Vice Minister of Commerce
People's Republic of China

Financial Secretary
Hong Kong Special
Administrative Region of the
People's Republic of China

(signature)

(signature)