

For information  
On 29 June 2007

**LEGISLATIVE COUNCIL**  
**PANEL ON COMMERCE AND INDUSTRY**  
  
**MAINLAND AND HONG KONG**  
**CLOSER ECONOMIC PARTNERSHIP ARRANGEMENT**  
**(CEPA)**  
**FURTHER LIBERALIZATION MEASURES in 2007**

**INTRODUCTION**

This note informs Members of the outcome of our discussions with the Central People's Government (CPG) this year on further liberalization under CEPA.

**BACKGROUND**

2. The Mainland and Hong Kong signed the main text of CEPA on 29 June 2003 and its six annexes on 29 September 2003. Pursuant to Article 3 of CEPA, which provides that the two sides will broaden and enrich the content of the Arrangement through continuous and further reciprocal liberalization, the two sides signed three Supplements to the CEPA on 27 October 2004, 18 October 2005 and 27 June 2006 respectively. Further consultations with the CPG on liberalization under CEPA were launched in February 2007. After several rounds of intensive exchanges, the two sides signed the Supplement IV to the CEPA (the Supplement) (cursory translation at Annex) on 29 June 2007 in Hong Kong. Key measures agreed are highlighted in paragraphs 3 to 6 below.

**DETAILS**

**(A) Services Liberalization Measures**

3. Under the current round of consultations, we have agreed with the CPG a total of 40 liberalization measures covering 28 services areas, including 17 existing CEPA services areas and 11 new services areas. As a result, the total number of services areas covered by CEPA will expand from 27 to 38. Both sides have also agreed to enhance cooperation in financial services, convention and exhibition, and in mutual recognition of

professional qualifications. The more noteworthy measures are highlighted below -

### **Existing Services Areas**

- (a) Convention and Exhibition** – (i) Hong Kong service suppliers (HKSS) will be allowed to organize exhibitions in Guangdong Province and Shanghai Municipality on a pilot basis through cross-border supply; and (ii) exhibition enterprises set up by HKSS in Guangdong Province and Shanghai Municipality will be allowed to organize overseas exhibitions for enterprises incorporated in the province/municipality on a pilot basis.

In addition, both sides will enhance cooperation in convention and exhibition services under the Trade and Investment Facilitation pillar of CEPA, with the Mainland offering support to Hong Kong for organizing large-scale international conventions and exhibitions;

- (b) Banking** – (i) the minimum asset requirement for a Hong Kong bank to acquire shareholding in a Mainland bank will be reduced from US\$10 billion to US\$6 billion; and (ii) the “substantial business operation” requirement for HKSS will be relaxed. Currently, the requirement is for a bank to have operated as an incorporated entity for 5 years or more in Hong Kong. In future, a bank will also have satisfied the “substantial business operation” requirement if it has operated as a branch for two years and as an incorporated entity for three years or more in Hong Kong.

In addition, both sides will enhance financial cooperation. The Mainland side will support Mainland banks to set up subsidiary operations in Hong Kong. Green lanes will be set up for processing applications of Hong Kong banks to open branches in the central western, north eastern areas and the Guangdong Province of the Mainland. Hong Kong banks will also be encouraged to set up rural banks in the Mainland rural areas;

- (c) Securities** – (i) Mainland fund management companies approved by the China Securities Regulatory Commission will be allowed to establish subsidiaries in Hong Kong to operate relevant business; and (ii) the timeline for Mainland securities companies to complete their registration procedures in setting up subsidiaries in Hong Kong will be extended from 6 months to 1 year;

- (d) Tourism** – (i) the minimum annual business turnover required for Hong Kong travel enterprises to establish joint venture travel agents will be lowered from US\$12 million to US\$8 million, while that required for setting up wholly-owned travel agents will be reduced from US\$25 million to US\$15 million; and (ii) Hong Kong travel agents established in Guangxi, Hunan, Hainan, Fujian, Jiangxi, Yunnan, Guizhou and Sichuan will be allowed to apply for the operation of group tours to Hong Kong and Macao on a pilot basis for the permanent residents in these provinces;
- (e) Cultural** – (i) HKSS will be allowed to set up wholly-owned performing arts agencies in the Mainland; and (ii) subject to prior approval of the relevant Mainland authorities, Hong Kong performing arts agencies and performing arts groups will be allowed to organize commercial performances in Guangdong Province and Shanghai Municipality on a pilot basis through cross-border supply; and
- (f) Medical and Dental** – (i) the minimum investment amount for HKSS to set up medical institutions on equity or contractual joint venture basis in the Mainland will be reduced from no less than 20 million RMB to no less than 10 million RMB; and (ii) HKSS who have obtained a “medical practitioner’s qualification certificate” are allowed to follow the same conditions that are applicable to Mainland practitioners when setting up solo practice clinics.

#### **New Services Areas**

- (g) Public Utility** – HKSS will be allowed to set up wholly-owned operations to construct and operate networks of gas, heating, water supply and water drainage for medium-sized cities in the Mainland;
- (h) Social Service for the Elderly** – HKSS will be allowed to operate elderly service agencies in the form of wholly-owned private non-government enterprises to provide elderly services in Guangdong Province on a pilot basis; and
- (i) Liberalization Measures in the ASEAN-China Free Trade Agreement (ACFTA)** – HKSS will be allowed preferential market access in eleven services areas offered by the Mainland to the ASEAN countries under the ACFTA but yet to be covered by CEPA. These eleven areas include computer and related services, market research, services related to management consulting, building-cleaning services, photographic services,

printing services, translation and interpretation services, environmental services, sporting services, air transport services, and road transport services. For services related to management consulting and photographic services, HKSS will be allowed to establish wholly-owned operations, while under ACFTA, ASEAN service suppliers are allowed to form joint ventures.

4. All the services liberalization measures will take effect from 1 January 2008. HKSS will be eligible for the preferences in accordance with the qualifying criteria in Annex 5 of CEPA. The Mainland will work out and promulgate the necessary implementation rules and regulations as appropriate.

5. In accordance with Article 5 of Annex 4 of CEPA, Hong Kong will not impose any new discriminatory measures on the Mainland's services and service suppliers in the areas covered by CEPA. This commitment will apply to the liberalization package.

6. Under Article 15 of CEPA, the Mainland and Hong Kong have committed to encourage mutual recognition of professional qualifications as part of the services trade under CEPA. In this connection, both sides have agreed that their competent authorities or professional bodies will commence discussions on the mutual recognition of registered electrical exploration and design engineers as well as registered public facility exploration and design engineers. Both sides will also start technical exchanges for registered geotechnical exploration and design engineers as well as land surveying work. Further, both sides will set up a working group to take forward the work on registration and practice of construction sector professionals who have acquired professional qualifications through mutual recognition.

#### **(B) Related Liberalization Measures**

7. On top of the Supplement IV to the CEPA, both sides have also attained progress in the implementation of the liberalization measures for trade in goods.

8. Starting from 1 January 2006, the Mainland has granted all products of Hong Kong origin tariff free treatment upon applications by local manufacturers and subject to satisfying the agreed CEPA rules of origin (ROOs). For products without agreed ROO, Hong Kong manufacturers may apply to include these products into the subsequent rounds of ROO discussion which are held twice a year.

9. The first round of ROO discussion in 2007 was completed in June 2007 with ROOs on 17 products worked out. They include dried plants, food and seasonings, plastic and rubber products, and mechanical and electrical products. These products will be eligible for zero tariff as from 1 July 2007 if their corresponding origin criteria are fulfilled.

### **(C) Further Liberalization**

10. The new liberalization package represents an active response to a number of recommendations on further liberalization under CEPA in the Final Report of the Economic Summit on “China’s 11<sup>th</sup> Five-Year Plan and the Development of Hong Kong” (the Economic Summit). These measures will support Hong Kong in the development of our services industries such as financial services, logistics, tourism and information services, and the maintenance of our status as an international centre of financial services, trade and shipping. We will continue to make use of the open and developing platform provided by CEPA to engage the Mainland authorities in good time on further liberalization, taking into account the interests and the concerns of the trade.

### **IMPLICATIONS OF IMPLEMENTATION**

11. The current CEPA package will offer new business opportunities on the Mainland for Hong Kong businesses and service suppliers, enhancing the attractiveness of Hong Kong to overseas investors. The latest economic impact assessment on CEPA by the Administration indicates that CEPA has brought about positive effects on both Hong Kong’s and the Mainland’s economies. The new package should be able to reinforce such mutual benefits, and should strengthen the comparative advantages of our businesses in better tapping the potential of the Mainland market.

12. The Trade and Industry Department and the Customs and Excise Department will continue to be the major government agencies responsible for implementing the liberalization measures under CEPA including those on goods, services, and trade and investment facilitation. Relevant policy bureaux and departments will also be involved in respect of implementing the services measures under their purview. The additional work involved will be met from within their existing resources.

### **PUBLIC CONSULTATION**

13. We have been in touch with the business and professional communities in formulating the requests and the strategy for the current

consultations under CEPA. In line with a recommendation of the Focus Group on Trade and Business of the Economic Summit, we organised a CEPA Consultative Forum on 30 March 2007 to solicit views of major trade and professional bodies on CEPA implementation and liberalization. Where appropriate, their views and requests have been taken into account in drawing up Hong Kong's wish list and in our consultations with the Mainland. We will continue to stay in close and constant dialogue with the stakeholders in the implementation of the new liberalization measures, and in future discussions with the Mainland on further liberalization.

## **PUBLICITY**

14. A signing ceremony for the Supplement was held on 29 June 2007. The Chief Executive and the Minister of the Commerce Mr. Bo Xilai witnessed the signing. A press briefing was organized immediately afterwards to explain the details of the new liberalization measures. We will also issue information papers to various trade-related advisory bodies. The C&I Panel will be further briefed at its meeting on 17 July 2007. As part of the celebration programme for the 10<sup>th</sup> anniversary of the establishment of the HKSAR, a Forum on CEPA will be organised on 19 September 2007 to further publicise the business opportunities arising from CEPA.

Commerce, Industry and Technology Bureau  
29 June 2007

**[Cursory Translation]**

**SUPPLEMENT IV TO THE MAINLAND AND HONG KONG CLOSER ECONOMIC PARTNERSHIP ARRANGEMENT**

To further enhance the level of economic and trade exchanges and cooperation between the Mainland( and the Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”), and pursuant to:

- the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “CEPA”) signed on 29 June 2003 and its Annexes signed on 29 September 2003;
- the Supplement to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement to the CEPA”) signed on 27 October 2004;
- the Supplement II to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement II to the CEPA”) signed on 18 October 2005;
- the Supplement III to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement III to the CEPA”) signed on 27 June 2006;

the two sides agreed to sign this Supplement IV on further liberalization of trade in services in the Mainland for Hong Kong and strengthening cooperation in the area of finance, promoting trade and investment facilitation and mutual recognition of professional qualifications.

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<sup>①</sup> In “CEPA”, the “Mainland” refers to the entire customs territory of China.

## **I. Trade in Services**

- (1) From 1 January 2008, the Mainland shall further relax the market access conditions in 28 areas, namely, legal, medical, computer and related services, real estate, market research, services related to management consulting, public utility, job intermediary, building-cleaning, photographic, printing, translation and interpretation, convention and exhibition, telecommunications, audiovisual, distribution, environmental, insurance, banking, securities, social services, tourism, cultural, sporting, maritime transport, air transport, road transport and individually owned stores on the basis of the commitments on liberalization of trade in services under “CEPA”, “Supplement to the CEPA”, “Supplement II to the CEPA” and “Supplement III to the CEPA”. The specific contents are detailed in the Annex of this Supplement IV.
- (2) The Annex of this Supplement IV is a supplement and amendment to Table 1 of Annex 4 of “CEPA” – “The Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”, Annex 3 of “Supplement to the CEPA”- “Supplements and Amendments to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”, Annex 2 of “Supplement II to the CEPA”- “Supplements and Amendments II to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong” and Annex of “Supplement III to the CEPA” - “Supplements and Amendments III to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”. In the event of conflict with the provisions of the other four instruments, the provisions of the Annex of this Supplement IV shall prevail.
- (3) “Service suppliers” as referred to in the Annex of this Supplement IV shall meet the relevant requirements of Annex 5 of “CEPA” – “Definition of “Service Supplier” and Related Requirements”. In this regard :
  - (i) The number of years of having engaged in substantive business operations required of a Hong Kong bank or finance



company is relaxed. Under Article 3.1.2 (2) of Annex 5 of “CEPA”- “Definition of “Service Supplier” and Related Requirements”, the part concerning a Hong Kong bank or finance company is amended as follows: 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; or should have operated as a branch for 2 years and also engaged in substantive business operations as a locally incorporated entity for 3 years or more, after it has been granted a relevant licence by the Monetary Authority pursuant to the Banking Ordinance,.

- (ii) The following is added to Article 3.1.2(2) of Annex 5 of “CEPA” – “Definition of “Service Supplier” and Related Requirements” : A Hong Kong service supplier providing third party international shipping agency services should have been incorporated or established in Hong Kong and have engaged in substantive business operations for 5 years or more.

## **II. Financial Cooperation**

The two sides will adopt the following measures to further strengthen cooperation in the area of finance:

- (i) actively supporting Mainland banks to set up subsidiaries for business operations in Hong Kong.
- (ii) establishing a fast track (“green lane”) for applications from Hong Kong banks for setting up branches in the central western, north eastern areas and Guangdong Province of the Mainland.
- (iii) encouraging Hong Kong banks to set up rural banks in rural areas of the Mainland.

### **III. Trade and Investment Facilitation**

The two sides will adopt the following measures to further strengthen cooperation in the convention and exhibition industry:

the Mainland will offer support and cooperation to Hong Kong for organizing large-scale international conventions and exhibitions.

### **IV. Mutual Recognition of Professional Qualifications**

The two sides will adopt the following measures to further promote mutual recognition of professional qualifications :

- (i) competent authorities or professional bodies of both sides will commence exchanges on the mutual recognition of qualifications of registered electrical exploration & design engineers and registered public facility exploration & design engineers and will start technical exchanges on registered geotechnical exploration & design engineers and land surveying.
- (ii) both sides will establish a working group to study and take forward matters in connection with registration and practice for construction sector professionals after they have acquired professional qualifications through mutual recognition.

### **V. Annex**

The Annex to this Supplement IV forms an integral part of this Supplement IV.

### **VI. Coming into Effect**

This Supplement IV shall come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate in Hong Kong, this 29<sup>th</sup> day of June, 2007 in the Chinese language.

Vice Minister of Commerce

Financial Secretary

People's Republic of China

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

## Annex

Supplements and Amendments IV to the Mainland's Specific Commitments on Liberalization of Trade in Services for Hong Kong<sup>①</sup>.

Sectors or sub-sectors	1. Business services
	A. Professional services
	a. Legal services (CPC861)
Specific Commitments	To allow a Hong Kong law firm (office) that has set up a representative office in the Mainland to operate in association with one Mainland law firm. There is no geographic restriction on the Mainland law firm in association.

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<sup>①</sup> 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.

Sectors or Sub-sectors	1. Business services
	A. Professional services
	h. Medical and dental services ( CPC9312 )
Specific commitments	<p>1. The investment requirement for Hong Kong service suppliers to set up medical institutions in the form of equity joint venture or contractual joint venture in the Mainland is lowered from not less than 20 million RMB to not less than 10 million RMB.</p> <p>2. To allow Hong Kong service suppliers who have obtained a “medical practitioner’s qualification certificate” of the Mainland to follow the same conditions as are applicable to Mainland practitioners when opening solo clinics.<sup>①</sup></p>

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① Subject to the approval of the health administrative department at provincial level.

Sectors or Sub-sectors	1. Business services
	B. Computer and related services
	b. Software implementation services (CPC842) c. Data processing services (CPC843)
Specific commitments	<p>1. To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide software implementation services.</p> <p>2. To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide data processing services.</p>

Sectors or sub-sectors	1. Business services
	D. Real estate services
	Residential or non-residential property management services on a fee or contract basis (CPC 82201, 82202)
Specific commitments	The property management portfolios (expressed in gross floor area) of the Hong Kong service suppliers in both Hong Kong and the Mainland are taken into account in assessing their application for property management company qualification in the Mainland.

Sectors or sub-sectors	1. Business services
	F. Other business services
	b. Market research services (CPC86401)
Specific commitments	To allow Hong Kong service suppliers to set up joint venture enterprises in the Mainland to provide market research services.



Sectors or sub-sectors	1. Business services
	F. Other business services
	d. Services related to management consulting (CPC 8660) Project management services other than for construction (CPC86601)
Specific commitments	<p>1. To allow Hong Kong service suppliers to provide, in the form of cross-border supply, project management services other than for construction in services related to management consulting.</p> <p>2. To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide project management services other than for construction in services related to management consulting.</p>

Sectors or sub-sectors	1. Business services
	F. Other business services
	Public utility services
Specific commitments	To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland for the construction and operation of networks of gas, heating, water supply and drainage in medium-sized city in the Mainland.

Sectors or sub-sectors	1. Business services
	F. Other business services
	k. Placement and supply services of personnel (CPC872)
Specific commitments	To allow Hong Kong service suppliers to set up wholly-owned job intermediaries in the Mainland.

Sectors or sub-sectors	1. Business services
	F. Other business services
	o. Building-cleaning services (CPC 874)
Specific commitments	To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide building-cleaning services.

Sectors or sub-sectors	1. Business services
	F. Other business services
	p. Photographic services (CPC875)
Specific commitments	To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide photographic services.

Sectors or sub-sectors	1. Business services
	F. Other business services
	r. Printing and publishing services
Specific commitments	<p>1. To allow Hong Kong service suppliers to set up joint venture enterprises in the Mainland to engage in the printing of publications and other printed matters. The proportion of Hong Kong service suppliers' shareholding should not exceed 49%.</p> <p>2. To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide printing and binding services for packaging materials.</p>

Sectors or sub-sectors	1. Business services
	F. Other business services
	Translation and interpretation services (CPC 87905)
Specific commitments	To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide translation and interpretation services.

Sectors or sub-sectors	1. Business services
	F. Other business services
	Convention services and exhibition services (CPC 87909)
Specific commitments	<p>1. To allow Hong Kong service suppliers to organize exhibitions<sup>①</sup>, in the form of cross-border supply, in the Guangdong Province and Shanghai Municipality on a pilot basis.</p> <p>2. To allow enterprises set up by Hong Kong service suppliers on a wholly-owned, equity joint venture or contractual joint venture basis in Guangdong Province and Shanghai Municipality to organize overseas exhibitions on a pilot basis<sup>②</sup>. Participating enterprises should be registered enterprises in that province or municipality.</p>

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① Subject to the approval of the Ministry of Commerce according to relevant laws and regulations in the Mainland.

② Subject to the approval of the China Council for the Promotion of International Trade according to relevant laws and regulations in the Mainland.



Sectors or sub-sectors	2. Communications services
	C. Telecommunications services
	Valued-added services
Specific commitments	<p>To allow Hong Kong service suppliers to set up joint venture enterprises in the Mainland to provide Mainland IP based Virtual Private Network Services as defined in the “Telecommunications business classification”. No geographic restriction will be imposed. Hong Kong service suppliers’ shareholding should not exceed 50%.</p>

Sectors or sub-sectors	2. Communications services
	D. Audiovisual services
	<p>Videos distribution services (CPC 83202), Sound recording products distribution services</p> <p>Cinema theatre services</p> <p>Chinese language motion pictures and motion pictures jointly produced</p> <p>Technical services of cable television</p> <p>Jointly produced television dramas</p> <p>Others</p>
Specific commitments	<p>For any proposal of television drama to be co-produced by the Mainland and Hong Kong programme production organizations, the minimum number of words in Chinese contained in the synopsis of each episode is revised to 1500.</p>

Sectors or sub-sectors	<p>4. Distribution services</p> <p>A. Commission agents' services (excluding salt and tobacco)</p> <p>B. Wholesale trade services (excluding salt and tobacco)</p> <p>C. Retailing services (excluding tobacco)</p> <p>D. Franchising</p>
Specific commitments	<p>For the same Hong Kong service supplier which opens more than 50 stores accumulatively in the Mainland, if the commodities for sale include pharmaceutical products, pesticides, mulching films, chemical fertilizers, vegetable oil, edible sugar and cotton, and the above commodities are of different brands and come from different suppliers, the Hong Kong service supplier is allowed to become the controlling shareholder, with the proportion of capital contribution not exceeding 65%.<sup>①</sup></p>

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① If the commodity for sale is processed oil, the Mainland's commitments to members of the World Trade Organization are still applicable.

Sector or Sub-sector	<p>6. Environmental services (excluding environmental quality monitoring and pollution source investigation )</p> <p>A. Sewage services ( CPC 9401 )</p> <p>B. Refuse disposal services ( CPC 9402 )</p> <p>C. Cleaning services of exhaust gases ( CPC 9404 )</p> <p>D. Noise abatement services ( CPC 9405 )</p> <p>E. Nature and landscape protection services ( CPC 9406 )</p> <p>F. Other environmental protection services ( CPC 9409 )</p> <p>G. Sanitation services ( CPC 9403 )</p>
Specific Commitments	<p>To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide environmental protection services.</p>

Sectors or sub-sectors	7. Financial services
	A. All insurance and insurance-related services
	<ul style="list-style-type: none"> <li>a. Life, health and pension/ annuities insurance</li> <li>b. Non-life insurance</li> <li>c. Reinsurance</li> <li>d. Services auxiliary to insurance</li> </ul>
Specific commitments	<ol style="list-style-type: none"> <li>1. To permit the setting up of an examination centre in Hong Kong for the Mainland qualifying examinations for insurance intermediaries.</li>   <li>2. To allow Hong Kong insurance agency companies to set up wholly-owned enterprises in the Mainland to provide insurance agency services to the Mainland insurance companies.</li> </ol>

Sectors or Sub-sectors	7. Financial services
	<p data-bbox="507 439 1182 524">B. Banking and other financial services (excluding insurance and securities)</p> <ul style="list-style-type: none"> <li data-bbox="571 562 1361 647">a. Acceptance of deposits and other repayable funds from the public;</li> <li data-bbox="571 667 1361 797">b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions;</li> <li data-bbox="571 817 911 857">c. Financial leasing;</li> <li data-bbox="571 878 1361 1093">d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (including import and export settlement)</li> <li data-bbox="571 1113 1145 1153">e. Guarantees and commitments;</li> <li data-bbox="571 1173 1361 1258">f. Trading for own account or for account of customers: foreign exchange.</li> </ul>
Specific commitments	<p data-bbox="448 1294 1361 1509">For a Hong Kong bank to acquire shareholdings in a Mainland bank, the total asset requirement at the end of the year preceding the application is lowered from not less than US\$10 billion to not less than US\$6 billion.</p>

Sectors or Sub-sectors	7. Financial Services
	B. Banking and other financial services
	Securities
Specific commitments	<p>1. To allow Mainland fund management companies approved by the China Securities Regulatory Commission to establish subsidiaries in Hong Kong to operate relevant businesses.</p> <p>2. The timeframe for Mainland securities companies wishing to establish subsidiaries in Hong Kong to complete registration in Hong Kong is extended from six months to one year.</p>

Sectors or sub-sectors	8. Health related services and social services
	C. Social services
	Welfare services delivered through residential institutions to old persons and the handicapped (CPC93311)  Welfare services not delivered through residential institutions (CPC93323)
Specific commitments	To allow Hong Kong service suppliers to operate elderly service agencies in the form of wholly-owned private non-enterprises to provide elderly services in Guangdong Province on a pilot basis.



Sectors or sub-sectors	<p>9. Tourism and travel related services</p> <p>A. Hotel (including apartment buildings) and restaurants (CPC 641-643)</p> <p>B. Travel agency and tour operator (CPC 7471)</p> <p>Others</p>
Specific commitments	<p>1. The annual business turnover of Hong Kong travel agents should not be less than US\$8 million for setting up joint venture travel agents in the Mainland;</p> <p>2. The annual business turnover of Hong Kong travel agents should not be less than US\$15 million for setting up wholly-owned travel agents in the Mainland.</p> <p>3. To allow Hong Kong travel agents established on a wholly-owned or joint venture basis in Guangxi, Hunan, Hainan, Fujian, Jiangxi, Yunnan, Guizhou and Sichuan Provinces or Autonomous Region to apply for the operation on a pilot basis of group tours to Hong Kong and Macao for residents registered with permanent residence in these provinces or autonomous region.</p>

Sectors or sub-sectors	10. Recreational, cultural and sports services
	A. Cultural services (excluding audiovisual services)
Specific Commitments	<p>1. To allow Hong Kong service suppliers to set up wholly-owned performing arts agencies in the Mainland.</p> <p>2. To allow performing arts agencies or performing arts groups to organize commercial performances in the form of cross-border supply in the Guangdong Province and the Shanghai Municipality on a pilot basis upon approval of the relevant authorities of that Province or Municipality. Performing arts agencies and performing arts groups organizing performances in the Mainland should seek prior approval of the Ministry of Culture.</p>

Sectors or sub-sectors	10. Recreational, cultural and sports services
	D. Sporting and other recreational services (CPC 964)
	Sporting services (CPC 96411, 96412, 96413)
Specific Commitments	To allow Hong Kong service suppliers to set up wholly-owned enterprises in the Mainland to provide sports event promotion services, sports event organization services and sports facility operation services (excluding the construction of golf courses).

Sectors or sub-sectors	11. Transport services
	A. Maritime transport services H. Auxiliary services
	International transport (freight and passengers) (CPC7211, 7212, less cabotage transport services) Container station and depot services Others
Specific commitments	To allow Hong Kong service suppliers to set up joint venture enterprises in the Mainland to provide third party international shipping agency services, of which the Hong Kong service suppliers' shareholding should not exceed 51%.

Sector or sub-sectors	11. Transport services
	C. Air transport services
	d. Aircraft repair and maintenance services (CPC 8868) Other supporting services for air transport (CPC 74690 ) Computer reservation system (CRS) services Sales and marketing services for air transport
Specific commitments	<ol style="list-style-type: none"> <li>1. To allow Hong Kong service suppliers to submit the economic guarantee provided by China-capital banks in the Mainland or guarantee companies recommended by the China Air Transport Association in their applications for the setting up of air transport sales agencies in the form of wholly-owned enterprises, equity joint ventures or contractual joint ventures in the Mainland.</li> <li>2. In applying for the setting up of air transport sales agencies in the form of wholly-owned enterprises, equity joint ventures or contractual joint ventures in the Mainland, Hong Kong service suppliers are not required to go through the substantive initial vetting by local representative offices of the China Air Transport Association. They can submit the application materials directly to the China Air Transport Association for examination.</li> <li>3. To allow Hong Kong service suppliers to set up joint venture enterprises with Mainland Computer Reservation System service suppliers in the Mainland. The Mainland side shall have the majority shareholding in the enterprise. Licences for the setting up of joint venture enterprises are subject to economic needs test.</li> </ol>

Sectors or Sub-sectors	11. Transport service
	F. Road transport service
	Interurban regular passenger transportation (CPC 71213)
Specific Commitments	To allow Hong Kong service suppliers to set up joint venture enterprises in the Mainland to provide interurban regular passenger transportation services.

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Individually owned stores
Specific commitments	<p>To allow Hong Kong permanent residents with Chinese citizenship to set up, in accordance with the relevant Mainland laws, regulations and administrative regulations, individually owned stores in all provinces, autonomous regions and municipalities directly under the Central Government in the Mainland without being subject to the approval procedures applicable to foreign investments, to provide the following services (excluding franchising operation): computer services, software services; goods handling and loading/unloading services related to road transport, other transport services<sup>①</sup>; storage and warehousing<sup>②</sup>; and translation and interpretation<sup>③</sup> services. No more than 8 persons should be engaged in the operation of the individually owned stores.</p>

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① Excluding international freight forwarding agency and courier services.

② The business area for individually owned stores providing storage and warehousing services should not exceed 300 square meters.

③ Confined to business activities only.