

For information
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**LEGISLATIVE COUNCIL
PANEL ON COMMERCE AND INDUSTRY**

Trade Relations between the Mainland and Hong Kong -

**Amendments to the Agreement on Trade in Services of the
Mainland and Hong Kong Closer Economic Partnership
Arrangement (CEPA)**

INTRODUCTION

This note informs Members of the Agreement signed on 21 November 2019 between the Hong Kong Special Administrative Region Government (HKSARG) and the Ministry of Commerce under the framework of CEPA to amend the CEPA Agreement on Trade in Services (the Services Agreement) in order to further open up the services market, thereby giving Hong Kong enterprises and professional sectors more preferential treatment to tap into business opportunities in the Mainland market.

DETAILS

Background

2. The Services Agreement was signed in November 2015 and implemented since June 2016. It covers the Mainland's liberalisation commitments for Hong Kong services industry provided under CEPA, and adds new liberalisation measures, thus basically achieving liberalisation of trade in services between the Mainland and Hong Kong. Under the Services

Agreement, the Mainland has fully or partially opened up 153 sectors to Hong Kong services industry, accounting for 96% of all the 160 services sectors.

3. Since the implementation of the Services Agreement, the HKSARG has from time to time followed up with the trade regarding the implementation of the liberalisation measures, and their proposals for further services liberalisation. Since early this year, the HKSARG has started a new round of discussion on services liberalisation under the framework of CEPA with the Ministry of Commerce and other relevant ministries.

Mainland's New Liberalisation Measures

4. The Mainland has positively responded to proposals of the trade in Hong Kong for lowering market access thresholds or expanding the scope of business operation in various sectors in the Mainland. The amendment to the Services Agreement (the Amendment Agreement) introduces new liberalisation measures in a number of important services sectors including removing or relaxing restrictions on equity shareholding, capital requirement and business scope in the establishment of enterprises, relaxing qualification requirement, etc., thus making it easier for Hong Kong service suppliers and professionals to set up enterprises and develop business in the Mainland.

5. Liberalisation measures applicable to the Guangdong-Hong Kong-Macao Greater Bay Area (the Greater Bay Area) were announced after the meeting of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area held on 6 November 2019. Liberalisation measures relating to the film industry were announced earlier on 16 April 2019. Since these measures provide Hong Kong service suppliers with more preferential market access treatment than other external investors, they are included under CEPA so as to comply with the requirement of the World Trade Organisation (the WTO). Details of the new liberalisation measures under the Amendment Agreement are set out in the Annex, and specific examples are as follows:

Testing and Certification Services

- (a) To expand the scope of testing of products under the China Compulsory Certification (CCC) System that can be undertaken by qualified testing organisations in Hong Kong in cooperation with designated Mainland organisations from products processed or manufactured in the Mainland or processed in Hong Kong to CCC products processed or manufactured in any place. The measure will assist testing organisations in Hong Kong to provide quality testing service for the huge Mainland consumer goods market (including products imported from other places).

- (b) To expand the geographical scope of CCC factory inspection that can be undertaken by qualified certification bodies in Hong Kong in cooperation with designated Mainland organisations from the CCC product manufacturers located in the China (Guangdong) Pilot Free Trade Zone to the CCC product manufacturers in the whole Mainland; and to add new task that can be undertaken by qualified certification bodies in Hong Kong, i.e. the selection of post-certification test samples at factories manufacturing CCC products in the whole Mainland. The measures will expand the service scope of certification bodies in Hong Kong and bring more business opportunities to the trade.

Television Services

- (c) To remove the restriction on the quantity of Hong Kong produced television dramas and animation television programmes imported by television stations, audiovisual websites and cable television networks in the Mainland. Restrictions such as those on the quantity and time of the broadcast of imported dramas and animation television programmes produced by Hong Kong will also be relaxed. The measures will facilitate the entry of Hong Kong-produced television

dramas and animation television programmes into the Mainland market.

- (d) To relax restrictions such as those on the percentage of principal creative personnel, Mainland-related content and investment proportion of television dramas co-produced by the Mainland and Hong Kong, and to shorten the time required for approval of synopses for any proposal of television dramas to be co-produced by the Mainland and Hong Kong. The measures will help increase the flexibility in co-production of television dramas, promoting cooperation between the television industries of the two places.

Film Services

- (e) For motion pictures co-produced by Hong Kong and the Mainland, there will be no restriction on the percentage of Hong Kong principal creative personnel and artistes as well as the Mainland-related content. The restriction on the number of Hong Kong people participating in Mainland film productions will also be removed. The measures will help enhance the flexibility of producing co-productions, and promote the cooperation between film industries in the two places.
- (f) To waive the fees for establishing the Mainland and Hong Kong co-production motion pictures projects. The measure will help reduce relevant production costs, encourage Hong Kong film industry to proactively participate in the production and promotion of co-productions, and further the development of film industries in the two places.

Printing Services

- (g) To raise the ceiling of shareholding proportion of Hong Kong service suppliers in an equity joint venture enterprise in the Mainland engaging in the printing of publications and other printed matters

except packaging materials¹ to 70%. The measure will be applicable to the whole Mainland and Hong Kong investors, as controlling shareholders, can achieve the targets set for business management and development more effectively.

Tourism Services

- (h) To optimise the “144-hour visa-exemption transit” policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong through increasing the number of inbound control points and expanding the area allowed to stay. The measure will facilitate Hong Kong’s tourism trade to develop more multi-destination products targeting foreign visitors, which can attract more overseas travellers to visit Hong Kong and the Mainland via Hong Kong. This can further support Hong Kong’s development into an international tourism hub and a multi-destination tourism platform, benefiting the tourism sectors of Hong Kong and the Greater Bay Area.

Financial Services

- (i) To reaffirm a number of policy directions to support the development of Hong Kong banking industry and financial institutions in the Mainland, and introduce a number of amendments, in line with the direction and pace of the central government to further open up the financial industry.
- (j) To support Mainland insurance companies issuing catastrophe bonds in the Hong Kong market and relax relevant requirements. The measure will be applicable to the whole Mainland, and can promote the development of the insurance and bond markets in Hong Kong.

¹ Hong Kong service suppliers have already been allowed to set up wholly-owned enterprises to provide printing services for packaging materials.

Legal Services

- (k) To remove the restriction on the minimum capital input ratio² of the Hong Kong law firms for partnership associations set up by Hong Kong and Mainland law firms. The measure will be applicable to the whole Mainland and beneficial to small and medium-sized law firms to enter the Mainland legal services market by way of partnership associations.

- (l) To allow Hong Kong legal practitioners³ to be employed as legal consultants by not more than 3 Mainland law firms in the whole Mainland simultaneously, and to replace the relevant approval requirements with filing procedures. Annual registration will not be required. Hong Kong legal practitioners will be allowed to obtain practice qualification in the Greater Bay Area by passing the special examination and to engage in matters on specific areas of Mainland law. The measures will enhance the opportunities for Hong Kong legal professionals to participate in the Mainland market, and simplify the relevant requirements.

Construction and Related Engineering Services

- (m) To renew the expired agreements for mutual recognition of professional qualifications, including agreements of structural engineers, planners, building surveyors and architects. The locations in the Mainland where Hong Kong professionals of the construction and related engineering services sectors who have obtained Mainland's related qualifications either through mutual recognition or examination are allowed to register and practise, will be extended from Guangdong,

² Currently 30%.

³ Means Hong Kong barristers and solicitors.

Guangxi and Fujian to the whole Mainland, providing Hong Kong professionals with more room for development.

- (n) To allow professionals who have obtained the qualification of General Practice Surveyors in Hong Kong to directly register for practice in Qianhai of Shenzhen, Hengqin of Zhuhai and Nansha of Guangzhou and enable them to provide property valuation services.

6. The above-mentioned measures will allow Hong Kong enterprises and professionals to enjoy more preferential treatment than other external investors when providing services to the Mainland market. At the same time, since the implementation of the Services Agreement, the Mainland has introduced a number of new liberalisation measures which are applicable to all external investors (including investors from Hong Kong) under the ongoing policy of opening up to external investment. The Mainland agrees to take this opportunity to include the measures in the Amendment Agreement, in order to maintain CEPA as the most liberal free trade agreement of the Mainland and provide Hong Kong service suppliers with clearer legal certainty when entering the Mainland market.

7. In addition, the Amendment Agreement includes descriptions of policy support in respect of some key services sectors so as to affirm Mainland's objective and direction of further liberalisation, thereby laying the foundation for cooperation in trade in services between the two sides in future. For instance, in the securities services sector, the Mainland undertakes to actively study the feasibility of enhancing the Mainland-Hong Kong mutual recognition of funds arrangement to promote the development of the fund markets in both places; enhance the variety of products under the Mainland-Hong Kong Stock Connect and allow companies with weighted voting rights structure as listed in Hong Kong to be included as eligible securities under Stock Connect upon fulfilment of certain criteria; and consider extending the scope of eligible products under the mutual market access programme by including ETFs (i.e. exchange-traded funds).

Hong Kong's Liberalisation Measures

8. Following the past practice, Hong Kong will not impose any new discriminatory measures on Mainland's services and service suppliers in the areas of services covered in the Amendment Agreement.

CONCLUSION

9. The Mainland has been Hong Kong's top services trading partner for many years. With the implementation of CEPA from 2004 to 2017, the total services trade between Hong Kong and the Mainland recorded an annual average growth rate of about 5%. In 2017, the total services trade with the Mainland amounted to HKD538.3 billion (39% of Hong Kong's total services trade). The continuous economic development of the Mainland leads to an increase in the demand for quality services. The liberalisation measures under CEPA have facilitated our trade to explore the huge potential of the services market of the Mainland and further deepened the economic and trade cooperation between the two places. As at end October 2019, 1,897 enterprises were approved to be Hong Kong service suppliers under CEPA, with 3,289 certificates of Hong Kong service suppliers issued. The most popular sectors in terms of certificates issued are transport and logistics, distribution, air transport, placement and supply services of personnel, and advertising services.

10. The Amendment Agreement creates more favourable conditions and opens up more channels for Hong Kong service suppliers to thrive in the Mainland market against the uncertain prospects of the global economy and rising trade protectionism. The Amendment Agreement lowers the market access thresholds, helping sustain the first-mover advantage of our trade in establishing foothold in the Mainland market. It also ensures that Hong Kong service suppliers and their services will continue to enjoy the most preferential treatment and most favourable conditions for development in the Mainland, thus enabling them to reach broader and deeper into the Mainland market at

a lower cost for participation in the development of the Mainland, and to contribute to the development of the Greater Bay Area.

IMPLEMENTATION OF THE AMENDMENT AGREEMENT

11. The Amendment Agreement will be implemented on 1 June 2020.

IMPLEMENTATION OF CEPA

12. The HKSARG attaches great importance to the effective implementation of CEPA. We have been working closely with the Mainland authorities at central, provincial and municipal levels, and have made use of the established mechanisms with the Ministry of Commerce to actively address and follow up problems encountered by our trade in using the liberalisation measures under CEPA in the Mainland. The Mainland authorities have responded to issues reflected by our trade in recent years, with examples as follows:

- (a) confirming that Hong Kong airlines may sell air tickets and hotel packages in their offices in the Mainland or through their official websites without the need to apply for a change in their scope of business, facilitating the trade's business expansion;
- (b) allowing Hong Kong fishery industry to invest in offshore fishing in the Mainland, bringing about increased opportunities to the trade; and
- (c) relaxing the scope of projects that may be undertaken by Hong Kong construction enterprises in the Mainland pilot free trade zones, allowing them to participate in engineering projects invested by the Mainland. This is a positive response to Hong Kong trade's request to participate in more Mainland construction and related engineering projects.

PUBLICITY

13. Following the signing of the Amendment Agreement, a briefing was held immediately to introduce the new liberalisation measures to major trade associations and organisations. Information papers introducing the content of the Amendment Agreement were also issued to various trade-related advisory bodies and trade associations. The Trade and Industry Department (TID) maintains a dedicated website to provide the public with the latest information on the Amendment Agreement.

BACKGROUND

14. The Mainland and Hong Kong signed CEPA in 2003. Thereafter, pursuant to Article 3 of CEPA, the two sides have progressively broadened and enriched the content of CEPA to meet the aspirations of Hong Kong service providers in exploring the Mainland market and to deepen the economic and trade cooperation with the Mainland. CEPA has now become a comprehensive and modern free trade agreement underpinned by four agreements, namely the Agreement on Trade in Goods, the Services Agreement, the Investment Agreement, and the Agreement on Economic and Technical Cooperation⁴, covering all facets of our economic and trade relationship with the Mainland and promoting further liberalisation and facilitation of trade and investment between the two places.

15. The Mainland's commitments on liberalisation of trade in services for Hong Kong under the Amendment Agreement are set out in the forms of "negative list" and "positive list". The liberalisation commitments are classified according to the four modes of supply for trade in services adopted by the WTO, including:

⁴ For details, please refer to this committee's information papers Year 2015-16 No. CB(1)213/15-16(01), Year 2016-17 No. CB(1)1234/16-17(01), and Year 2018-19 No. CB(1)311/18-19(03) respectively.

- (a) Cross-border supply: service supplier in Hong Kong supplies services to consumers located in the Mainland, such as supplying consultancy services through electronic means;
- (b) Consumption abroad: service supplier in Hong Kong supplies services to Mainland consumers located in Hong Kong, such as hotel services;
- (c) Commercial presence: Hong Kong service supplier supplies services through establishment of enterprises in the Mainland, such as establishment of printing enterprises; and
- (d) Movement of natural persons: Hong Kong service supplier supplies services by himself or his employees in the Mainland, such as architect.

16. Commercial presence is the most popular mode of services adopted by Hong Kong service suppliers. Under the Amendment Agreement, the “negative list” sets out the restrictive measures (such as setting the maximum limit of equity shareholding ratio, and prohibiting the operation of certain businesses) for specific sectors by the Mainland in respect of this mode of services. Except for the specified restrictive measures, there are no additional restrictions in respective sectors, i.e. “permitted if not forbidden”.

17. Cross-border supply, consumption abroad and movement of natural persons are collectively known as “cross-border services”. The “positive list” sets out the liberalisation measures (such as the permitted scope of services) for specific sectors by the Mainland for Hong Kong service suppliers in respect of the modes of “cross-border services”.

18. The legal text of the Amendment Agreement is available at TID's website at:

http://www.tid.gov.hk/english/cepa/legaltext/cepa_legaltext.html

Commerce and Economic Development Bureau
Trade and Industry Department

**The Mainland's New Liberalisation Measures on Trade in Services
under the Amendment Agreement**

Services Sectors	New Liberalisation Measures	Nature	Benefits
Legal services	<p><u>Partnership associations set up by Hong Kong and Mainland law firms</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction on the minimum capital input ratio of the Hong Kong law firms (currently 30%) ➤ Partnership associations set up in the Guangdong Province: <ol style="list-style-type: none"> 1) the Mainland lawyers can handle and undertake legal matters on administrative litigation related to the application of Mainland law. 	<p>Removing the restriction on the minimum capital input ratio</p> <p>Relaxing the restriction on business scope</p>	<p>Beneficial to small and medium-sized law firms to enter the Mainland legal services market by way of partnership associations.</p> <p>Enlarging the scope of legal matters which partnership associations can handle and undertake.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p>2) Mainland and Hong Kong lawyers can be employed direct in partnership associations' own name.</p> <p>3) the requirement on the number of seconded lawyers can be suitably reduced.</p> <p><u>Legal Consultants</u></p> <p>➤ To allow Hong Kong legal practitioners⁵ to be employed as legal consultants by not more than 3 Mainland law firms simultaneously.</p>	<p>Relaxing the employment restriction</p> <p>Relaxing the secondment requirement</p> <p>Relaxing the employment restriction</p>	<p>Enhancing the flexibility of partnership associations in the employment of personnel and strengthen the sense of belonging to the partnership associations of the lawyers employed.</p> <p>Enhancing the flexibility of partnership associations in the arrangement on secondment of lawyers.</p> <p>Beneficial to Hong Kong legal practitioners to provide more legal consultant services in the Mainland.</p>

⁵ Means Hong Kong barristers and solicitors.

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<ul style="list-style-type: none"> ➤ The current approval requirement for the employment of Hong Kong legal practitioners as legal consultants will be changed to filing procedures. Annual registration is not required. <p><u>Practice</u></p> <ul style="list-style-type: none"> ➤ To allow Hong Kong legal practitioners to obtain practice qualification in the nine Pearl River Delta municipalities of the Guangdong-Hong Kong-Macao Greater Bay Area by passing the special examination and to engage in matters on specific areas of Mainland law. 	<p>Facilitation measure</p> <p>Relaxing the practice restriction</p>	<p>Simplifying the employment procedures of Hong Kong legal practitioners as legal consultants by Mainland law firms is beneficial to the long-term co-operation of both sides.</p> <p>Enhancing the opportunities for Hong Kong legal professionals to participate in the Mainland market.</p>
Accounting services	<p><u>Partnership Accounting Firms</u></p> <ul style="list-style-type: none"> ➤ To remove the requirement that the right of control over accounting firms should be held by Mainland residents. 	<p>Removing the restriction on equity shareholding</p>	<p>Facilitating Hong Kong accountants to develop business in the Mainland.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Construction and related engineering services</p>	<p><u>Locations in the Mainland where Hong Kong professionals of the construction and related engineering services sectors are allowed to register and practise</u></p> <p>➤ To extend the locations in the Mainland where Hong Kong professionals of the construction and related engineering services sectors who have obtained Mainland's related qualifications either through mutual recognition or examination are allowed to register and practice, from Guangdong, Guangxi and Fujian to the whole Mainland.</p> <p><u>Qualifications</u></p> <p>➤ For architects and structural engineers registered in Hong Kong who were employed by Mainland construction and related engineering enterprises, the assessment of their qualification requirement for being the key professionals is relaxed to take into consideration their academic qualifications, years of practice in construction design, the Hong Kong registration qualification, the performance and reputation in the construction design sector etc., but not their titles.</p>	<p>Relaxing the restriction on practicing location</p> <p>Relaxing the qualification requirement</p>	<p>Helping Hong Kong professionals and enterprises of the construction and related engineering services sector to develop their business in other areas in the Mainland.</p> <p>Helping more architects and structural engineers registered in Hong Kong to fulfil the qualification requirement of being a key professional, so as to increase the opportunities for professionals to enter the Mainland market and develop their business.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Mutual recognition of qualifications</u></p> <ul style="list-style-type: none"> ➤ Hong Kong service suppliers are allowed to complete all the mandatory courses of continuing education for mutual recognition of professional qualifications in Hong Kong. ➤ To renew the expired agreements for mutual recognition of professional qualifications, including agreements of structural engineers, planners, building surveyors and architects. ➤ To arrange for mutual recognition of qualifications between architects, structural engineers who possess the membership of professional institutions in Hong Kong and those possessing the relevant membership of corresponding institutions in the Mainland. 	<p>Facilitation measure</p> <p>Mutual recognition of qualifications</p> <p>Mutual recognition of qualifications</p>	<p>Facilitating and encouraging related professionals to participate in the continuing education programme actively.</p> <p>Helping related professionals to enter the Mainland market and develop their business.</p> <p>Helping related professionals to enter the Mainland market and develop their business.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Directly registering and practising in the Mainland</u></p> <p>➤ To allow professionals who have obtained the qualification of General Practice Surveyors in Hong Kong to directly register for practice in Qianhai of Shenzhen, Hengqin of Zhuhai and Nansha of Guangzhou and enable them to provide property valuation services.</p> <p><u>Construction and engineering works of integrated water networks</u></p> <p>➤ To remove the restriction that the Mainland party shall be the controlling shareholder for the construction, operation and overall architectural works of integrated water networks.</p>	<p>Relaxing the restriction on practising</p> <p>Removing the restriction on equity shareholding</p>	<p>Helping related professionals to enter the Mainland market and develop their business.</p> <p>Wholly-owned businesses can have more flexibility in operations.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Testing and certification services</p>	<p><u>Scope of testing of products under the China Compulsory Certification (CCC) System that can be undertaken by testing organisations in Hong Kong</u></p> <p>➤ To expand the scope of CCC products from those processed or manufactured in the Mainland or processed in Hong Kong to CCC products processed or manufactured in any place.</p> <p><u>Activities under the CCC System that can be undertaken by certification bodies in Hong Kong</u></p> <p>➤ To expand the geographical scope of CCC factory inspection from CCC product manufacturers located in China (Guangdong) Pilot Free Trade Zone to CCC product manufacturers in the whole Mainland; and to add the selection of post-certification test samples at factories manufacturing CCC products in the whole Mainland as a new service scope.</p>	<p>Expanding business scope</p> <p>Expanding business scope</p>	<p>Assisting testing organisations in Hong Kong to better serve the Mainland consumer goods market.</p> <p>Assisting certification bodies in Hong Kong to better serve the Mainland consumer goods market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Services incidental to agriculture, hunting and forestry</p>	<p><u>Crops</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction that the Mainland party shall be the controlling shareholder for the selection of new species and seed production of crops except wheat and corn. <p><u>Wild animal and plant resources</u></p> <ul style="list-style-type: none"> ➤ To permit engaging in the development of nationally protected wild animal and plant resources of Mainland origin. 	<p>Removing the restriction on equity shareholding</p> <p>Relaxing the restriction on business scope</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p> <p>The measure can open up new business development opportunities for the trade.</p>
<p>Services incidental to fishing</p>	<p><u>Capture operations</u></p> <ul style="list-style-type: none"> ➤ To permit engaging in Mainland capture operations in Guangdong, Guangxi and Hainan. <p><u>Ocean fisheries</u></p> <ul style="list-style-type: none"> ➤ To permit engaging in Mainland ocean fisheries. 	<p>Relaxing the restriction on business location</p> <p>Relaxing the restriction on business scope</p>	<p>The trade can engage in Mainland capture operations in Guangdong, Guangxi and Hainan, thereby increasing their choices of operating modes.</p> <p>The measure can open up new business development opportunities for the trade.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Services incidental to energy distribution</p>	<p><u>Electricity transmission grid</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction that the Mainland party shall be the controlling shareholder for engagement in the construction and operation of electricity transmission grid. <p><u>Networks of gas and heating</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction that the Mainland party shall be the controlling shareholder for engagement in the construction and operation of networks of gas and heating. 	<p>Removing the restriction on equity shareholding</p> <p>Removing the restriction on equity shareholding</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p> <p>Wholly-owned businesses can have more flexibility in operations.</p>
<p>Related scientific and technical consulting services</p>	<p><u>Metals and minerals</u></p> <ul style="list-style-type: none"> ➤ To permit engaging in surveying of tin, antimony, molybdenum and fluorite. ➤ To permit engaging on a wholly-owned basis in surveying of special and scarce coals, precious metals (gold family), graphite, and beneficiation of lithium ore. 	<p>Removing the restriction on business scope</p> <p>Removing the restriction on equity shareholding</p>	<p>The measure can open up new business development opportunities for the trade.</p> <p>Wholly-owned businesses can have more flexibility in operations.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Surveying and mapping companies</u></p> <p>➤ To remove the restrictions on setting up surveying and mapping companies</p>	<p>Removing the restriction on equity shareholding</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p>
<p>Maintenance and repair of equipment</p>	<p><u>Marine engineering equipment</u></p> <p>➤ To remove the restriction that the Mainland party shall be the controlling shareholder for engaging in the repair of marine engineering equipment.</p>	<p>Removing the restriction on equity shareholding</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p>
<p>Printing and publishing services</p>	<p><u>Engaging in printing of publications and other printed matters</u></p> <p>➤ To raise the ceiling of shareholding proportion of Hong Kong service suppliers engaging in the printing of publications and other printed matters (except packaging materials) from 49% to 70%.</p>	<p>Relaxing the restriction on equity shareholding</p>	<p>As controlling shareholders, Hong Kong investors can achieve the targets set for business management and development more effectively.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Convention and exhibition services</p>	<p><u>Locations in the Mainland where Hong Kong service suppliers can organise exhibitions</u></p> <ul style="list-style-type: none"> ➤ To remove the geographical restriction on organising exhibitions through cross-border supply and extend the measure from pilot provinces and cities to the whole Mainland. 	<p>Relaxing the restriction on business location</p>	<p>Helping explore the Mainland market.</p>
<p>Telecommunications services</p>	<p><u>Telephone Service Cards</u></p> <ul style="list-style-type: none"> ➤ To remove the geographical restriction on distributing only in the Guangdong Province fixed/mobile telephone service cards for exclusive use in Hong Kong. <p><u>Professional and Technical Personnel Qualification Examinations</u></p> <ul style="list-style-type: none"> ➤ To allow Hong Kong residents to take professional qualification examinations in communications technologies in the Mainland. 	<p>Relaxing the restriction on geographical location of operation</p> <p>Professional and technical personnel qualification examinations</p>	<p>Bringing new development opportunities for the industry.</p> <p>Facilitating access of Hong Kong professionals to the Mainland market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
Audiovisual services (Television)	<p><u>Jointly produced television dramas</u></p> <ul style="list-style-type: none"> ➤ To relax the restrictions on the percentage of principal creative personnel, Mainland-related content and investment proportion, etc. of television dramas co-produced by the Mainland and Hong Kong, and to shorten the time limit for approval of synopses for any proposal of television dramas to be co-produced by the Mainland and Hong Kong. <p><u>Imported dramas</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction on the quantity of Hong Kong produced television dramas imported by television stations, audiovisual websites and cable television networks in the Mainland. Restrictions on the quantity and time of the broadcast, etc. of imported dramas produced by Hong Kong are also relaxed. 	<p>Relaxing restrictions on personnel, investment proportion, etc. and shortening examination time</p> <p>Removing the restriction on the quantity of imported television dramas and relaxing the restrictions on their broadcast</p>	<p>Increasing the flexibility in co-production of television dramas, promoting cooperation between the television industries of the two places.</p> <p>Facilitating the entry of Hong Kong-produced television dramas to the Mainland market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Other television programmes</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction on the number of Hong Kong people participating in the production of Mainland television programmes and dramas. ➤ To remove the restriction on the number of Hong Kong people participating in the production of online audiovisual programmes. ➤ To allow television programmes other than television dramas co-produced by the Mainland and Hong Kong to be broadcast and distributed in the same way as those produced by the Mainland, after obtaining the approval of the relevant Mainland authorities. 	<p>Removing the restriction on the number of Hong Kong personnel participating in the production</p> <p>Removing the restriction on the number of Hong Kong personnel participating in the production</p> <p>Facilitating the broadcast and distribution of co-produced non-drama television programmes</p>	<p>Providing more development opportunities for Hong Kong personnel in the Mainland.</p> <p>Providing more development opportunities for Hong Kong personnel in the Mainland.</p> <p>Enabling other co-produced television programmes to have better reach to Mainland viewers and providing more room for development in the Mainland market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Animation television programmes</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction on the quantity of Hong Kong produced animation television programmes imported by Mainland television stations, audiovisual websites and cable television networks. Restriction on the quantity and time, etc. of the broadcast of Hong Kong produced animation television programmes are also relaxed. ➤ To allow animation television programmes co-produced by the Mainland and Hong Kong to be broadcast and distributed in the same way as Mainland produced programmes after obtaining the approval of relevant authorities 	<p>Removing the restriction on the quantity of imported animation television programmes and relaxing the restrictions on their broadcast</p> <p>Facilitating the broadcast and distribution of co-produced animation television programmes</p>	<p>Enhancing the entry of Hong Kong-produced animation television programmes to the Mainland market.</p> <p>Facilitating the entry of co-produced animation television programmes to and enhancing their development in the Mainland market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Audiovisual services (Film)</p>	<p><u>Chinese language motion pictures and motion pictures jointly produced</u></p> <ul style="list-style-type: none"> ➤ For motion pictures co-produced by Hong Kong and the Mainland, there is no restriction on the percentage of Hong Kong principal creative personnel and artistes as well as the Mainland-related content. ➤ To remove the restriction on the number of Hong Kong people participating in Mainland film productions. ➤ To waive the fees for establishing the Mainland and Hong Kong co-production motion pictures projects. 	<p>Removing the restrictions on the percentage of Hong Kong personnel and the Mainland-related content in co-productions</p> <p>Removing the restriction on the number of Hong Kong personnel in Mainland productions</p> <p>Waiving fees for establishing co-production projects</p>	<p>Enhancing the flexibility of producing co-productions, thereby furthering the development of film industries in the two places.</p> <p>Furthering the cooperation of film industries in the two places</p> <p>Reducing relevant production costs and encouraging Hong Kong film industry to proactively participate in the production and promotion of co-productions.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
Wholesale trade services	<p><u>Agricultural products</u></p> <ul style="list-style-type: none"> ➤ To permit engaging in purchase of staple food and wholesale services of staple food, cotton, vegetable oil, edible sugar and crop seeds. ➤ To remove the restriction that the Mainland party shall be the controlling shareholder for engaging in the construction and operation of large-scale wholesale markets of agricultural products. 	<p>Removing the restriction on business scope</p> <p>Removing the restriction on equity shareholding</p>	<p>The measure can bring more business opportunities to the trade.</p> <p>Wholly-owned businesses can have more flexibility in operations.</p>
Retailing services	<p><u>Gasoline stations</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction that the Mainland party shall be the controlling shareholder for gasoline stations chain set up by the same Hong Kong service supplier having more than 30 branch stores selling different types and brands of processed oil coming from multiple suppliers. 	<p>Removing the restriction on equity shareholding</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Education services</p>	<p><u>Overseas studies intermediary service institutions</u></p> <ul style="list-style-type: none"> ➤ To remove the geographical restriction that limits investment in the establishment of intermediary service institutions for self-financed overseas studies to the Guangdong and Tianjin Free Trade Zones only. <p><u>Higher education services</u></p> <ul style="list-style-type: none"> ➤ To allow Hong Kong institutions fulfilling the conditions required for admitting students from the Mainland to increase the admission quota for Mainland students and to actively increase the admission quota for Mainland students from the Guangdong-Hong Kong-Macao Greater Bay Area. 	<p>Removing the geographical restriction on operation</p> <p>Increasing the quota for service users</p>	<p>Widening the scope for Hong Kong-invested overseas studies intermediary service institutions to develop in the Mainland market.</p> <p>Further promoting the education cooperation and exchanges between Hong Kong and the Mainland, particularly the Guangdong-Hong Kong-Macao Greater Bay Area.</p>
<p>Insurance services</p>	<p><u>Reinsurance</u></p> <ul style="list-style-type: none"> ➤ To apply more relaxed requirements of credit risk for Mainland insurance companies ceding reinsurance businesses to qualified Hong Kong insurers and continue to consider taking forward other preferential policies under equivalence. 	<p>Policy support</p>	<p>Providing more reinsurance business opportunities to Hong Kong insurers.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p>➤ To remove the restriction for Hong Kong insurance companies carrying out inward or outward reinsurance businesses with their related enterprises.</p> <p><u>Mainland insurance companies participating in the Hong Kong market</u></p> <p>➤ To support Mainland insurance companies issuing catastrophe bonds in the Hong Kong market and relax relevant requirements.</p> <p><u>Assets and experience requirements</u></p> <p>➤ To remove the requirements of more than 30 years of establishment experience and over 2 years of establishment of representative office in the Mainland for Hong Kong insurance companies entering the Mainland insurance market.</p>	<p>Removing the restriction on business scope</p> <p>Policy support</p> <p>Lowering entry requirements</p>	<p>Increasing flexibility and reducing costs of Hong Kong insurance companies.</p> <p>Promoting the development of the insurance and bond markets in Hong Kong.</p> <p>Lowering the requirements for Hong Kong insurance companies entering the Mainland market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<ul style="list-style-type: none"> ➤ To relax the requirements for Hong Kong insurance agency companies setting up wholly-owned insurance agency companies in the Mainland by reducing the insurance agency business operating experience from over 10 years to over 3 years and removing requirements including those on the average annual business revenue and year-end total assets. ➤ To remove the requirements of over 30 years of operating experience, over US\$200 million total assets and over 2 years of establishment of representative office in the Mainland for Hong Kong insurance brokerage companies setting up wholly-owned insurance brokerage companies in the Mainland. <p><u>Setting up of insurance establishments</u></p> <ul style="list-style-type: none"> ➤ To relax the restriction on shareholding percentage in a jointly-owned insurance company for Hong Kong insurance companies carrying on life business in the Mainland. 	<p>Relaxing assets and experience requirements</p> <p>Removing assets and experience requirements</p> <p>Relaxing the restriction on equity shareholding</p>	<p>Lowering the requirements for Hong Kong insurance agency companies entering the Mainland market.</p> <p>Lowering the requirements for Hong Kong insurance brokerage companies entering the Mainland market.</p> <p>Hong Kong investors can achieve the targets set for business management and development more effectively</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<ul style="list-style-type: none"> ➤ To remove the restriction on shareholding percentage in a Mainland insurance company for Hong Kong insurance companies. ➤ To remove the restriction on shareholding percentage in an insurance asset management company for Hong Kong insurance companies. ➤ To remove the restriction for Hong Kong service suppliers setting up insurance loss adjusting companies in the Mainland. 	<p>Removing the restriction on equity shareholding</p> <p>Removing the restriction on equity shareholding</p> <p>Removing the restriction on business scope</p>	<p>Increasing the flexibility of Hong Kong insurance companies in business operations.</p> <p>Increasing the flexibility of Hong Kong insurance companies in business operations.</p> <p>Providing opportunities of the Mainland market to Hong Kong service suppliers.</p>
<p>Banking services</p>	<p><u>Expanding business scope</u></p> <ul style="list-style-type: none"> ➤ To allow Hong Kong-funded banks to take capital guarantee deposits for Mainland insurance companies. 	<p>Removing the restriction on business scope</p>	<p>Expanding the Mainland business scope of Hong Kong banks.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<ul style="list-style-type: none"> <li data-bbox="495 331 1256 655">➤ To allow foreign bank branches established by Hong Kong service suppliers to conduct foreign currency or Renminbi (“RMB”) businesses, including acting as an agent for issuance, payment and underwriting of government bonds; acting as a receiving and paying agent; as well as accepting time deposits of no less than RMB500,000. <li data-bbox="495 692 1256 938">➤ To allow Hong Kong service suppliers to invest, upon approval, in trust companies, financial asset management companies, corporate group finance companies, financial leasing companies, automotive finance companies, money brokerage companies and consumer finance companies. 	<p data-bbox="1317 331 1570 448">Removing the restriction on business scope</p> <p data-bbox="1317 692 1570 809">Removing the restriction on business scope</p>	<p data-bbox="1601 331 2047 619">Enabling Hong Kong-funded banks to provide more well-rounded and enhanced one-stop services for Mainland customers, and also expand the Mainland business scope of Hong Kong banks.</p> <p data-bbox="1601 692 2047 809">Creating more business opportunities for Hong Kong-funded institutions.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Policy support</u></p> <ul style="list-style-type: none"> ➤ To launch cross-boundary financial management pilot programmes that support Mainland residents in the Guangdong-Hong Kong-Macao Greater Bay Area in purchasing wealth management products sold by Hong Kong banks, through Hong Kong banks, and Hong Kong residents in purchasing wealth management products sold by Mainland banks, through Mainland banks in the Guangdong-Hong Kong-Macao Greater Bay Area. ➤ To study the launch of Southbound Trading under Bond Connect. ➤ To support Hong Kong-funded non-bank payment institutions to conduct electronic payment business in the Mainland. 	<p>Policy support</p> <p>Policy support</p> <p>Policy support</p>	<p>Promoting cross-boundary investment services, bringing more business opportunities to the industry in both Mainland and Hong Kong, as well as increasing the investment options for residents in both places.</p> <p>Facilitating the Mainland to invest in offshore bond markets and promoting the bond market development in Hong Kong.</p> <p>Creating more business opportunities for Hong Kong-funded payment institutions.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p><u>Assets requirement and equity shareholding restrictions</u></p> <ul style="list-style-type: none"> ➤ To remove the requirement of no less than US\$6 billion total assets preceding application for the sole or majority shareholder of a wholly foreign-funded bank or a Chinese-foreign joint venture bank, and a foreign bank applying to establish a foreign bank branch. ➤ To remove the requirement of no less than US\$1 billion total assets for the foreign equity investor of a trust company. 	<p>Removing assets requirements</p> <p>Removing assets requirements</p>	<p>Lowering the requirements for Hong Kong banking industry entering the Mainland market, which aligns with the further financial liberalisation measures of the Central Government.</p> <p>Lowering the requirements for Hong Kong banking industry entering the Mainland market, which aligns with the further financial liberalisation measures of the Central Government.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<ul style="list-style-type: none"> ➤ To remove the restriction on shareholding percentage in a Chinese commercial bank, rural commercial bank, rural cooperative bank, rural credit union and financial asset management company. 	<p>Removing the restriction on equity shareholding</p>	<p>Helping Hong Kong investors to achieve the targets set for business management and development more effectively, which aligns with the further financial liberalisation measures of the Central Government.</p>
<p>Securities services</p>	<p><u>Policy support</u></p> <ul style="list-style-type: none"> ➤ To actively study the feasibility of enhancing the Mainland-Hong Kong mutual recognition of funds arrangement. ➤ To enhance the variety of products under the Mainland-Hong Kong Stock Connect and allow companies with weighted voting rights structure as listed in Hong Kong to be included as eligible securities under Stock Connect upon fulfilment of certain criteria. ➤ To consider extending the scope of eligible products under the mutual market access programme by including ETFs (i.e. exchange-traded funds). 	<p>Policy support</p> <p>Policy support</p> <p>Policy support</p>	<p>Promoting the development of the fund markets in both places.</p> <p>Promoting the development of the securities markets in both places.</p> <p>Promoting the development of the securities markets in both places.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
<p>Tourism and travel related services</p>	<p><u>Visa-exemption transit policy</u></p> <ul style="list-style-type: none"> ➤ To optimise the “144-hour visa-exemption transit” policy for foreign group tours entering the Pearl River Delta Area and Shantou from Hong Kong through increasing the number of inbound control points and expanding the area allowed to stay. 	<p>Policy support</p>	<p>The measure can facilitate Hong Kong’s tourism trade to develop more multi-destination products targeting foreign visitors, which can attract more overseas travellers to visit Hong Kong and the Mainland via Hong Kong. This can further support Hong Kong in developing into an international tourism hub and a core demonstration zone for multi-destination tourism, benefiting the tourism sectors of Hong Kong and the Greater Bay Area.</p>
<p>Transport Services</p>	<p><u>Air Transport Services</u></p> <ul style="list-style-type: none"> ➤ To remove the restriction that the Mainland party shall be the controlling shareholder for investment in aviation oil supply projects. 	<p>Removing the restriction on equity shareholding</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<p>➤ To remove the restriction that an equity joint venture shall be set up with the Mainland service suppliers of computerised reservation system and the Mainland party shall be the controlling shareholder for investment in computerised reservation system projects.</p> <p><u>Rail transport services</u></p> <p>➤ To remove restriction that the Mainland party shall be the controlling shareholder for setting up and operation of rail passenger transport company.</p> <p>➤ To remove the restriction that the Mainland party shall be the controlling shareholder for engaging in the construction and operation of major rail lines.</p> <p><u>Maritime transportation</u></p> <p>➤ To allow Hong Kong maritime enterprises and ships to operate maritime transportation between Hong Kong and Mainland's ports that are open to foreign vessels.</p>	<p>Removing the restriction on equity shareholding</p> <p>Removing the restriction on equity shareholding</p> <p>Removing the restriction on equity shareholding</p> <p>Relaxing the restriction on business scope.</p>	<p>Wholly-owned businesses can have more flexibility in operations.</p> <p>Wholly-owned businesses can have more flexibility in operations.</p> <p>Wholly-owned businesses can have more flexibility in operations.</p> <p>Hong Kong enterprises and ships can have more room for development in the Mainland market.</p>

Services Sectors	New Liberalisation Measures	Nature	Benefits
	<ul style="list-style-type: none"> <li data-bbox="488 328 1263 453">➤ To remove the restrictions on business scope and equity shareholding for freight transport agency services. <li data-bbox="488 647 1263 772">➤ To remove the restriction on provision of tally services to foreign vessels to equity joint venture or contractual joint venture. 	<p data-bbox="1285 328 1576 488">Removing the restrictions on business scope and equity shareholding</p> <p data-bbox="1285 647 1576 772">Removing the restriction on equity shareholding</p>	<p data-bbox="1599 328 2042 616">Hong Kong investors can achieve the targets set for business management and development more effectively, and have more room for development in the Mainland market.</p> <p data-bbox="1599 647 2042 772">Wholly-owned businesses can have more flexibility in operations.</p>