

The Mainland and Hong Kong Closer Economic Partnership Arrangement

Specific Contents on Further Liberalization of Trade in Services for Hong Kong (*)

(*) Unless otherwise specified, the new commitments will take effect as from 1 January 2005.

<u>Service Sector</u>	<u>Specific Contents</u>
Legal services	<ol style="list-style-type: none"> 1. Hong Kong lawyers providing professional assistance at the request of Mainland law firms on the basis of individual cases will not be required to apply for a Hong Kong legal consultant permit.
Accounting, auditing and bookkeeping services	<ol style="list-style-type: none"> 1. To allow consultancy companies in the Mainland established by Hong Kong accountants that have satisfied the requirements of the Mainland's "Provisional Measures for the Administration of the Provision of Bookkeeping Services" to provide bookkeeping services. Hong Kong accountants providing bookkeeping services should have obtained the Mainland's accounting qualification certificate. In addition, the person in charge of the bookkeeping services should hold the relevant Mainland's professional qualification (professional title) of accountant or above. 2. When Hong Kong accountants apply for a practising licence in the Mainland, the length of auditing experience that they have acquired in Hong Kong is equivalent to the length of auditing experience acquired in the Mainland.
Medical and dental services	<ol style="list-style-type: none"> 1. To allow Hong Kong permanent residents who are legally eligible to practise in Hong Kong and have practised for 5 completed years to open clinics in the Mainland on the condition that they have obtained the practicing certificate of the Mainland's qualification examinations. Matters relating to the application for and registration of opening clinics should be handled in accordance with Mainland regulations. 2. To allow Hong Kong permanent residents who are legally eligible to practise western medicine and dentistry to sit the Mainland's qualification examinations (excluding Chinese medicine practitioners). 3. To allow Hong Kong permanent residents who have acquired a Chinese medicine full-time degree from the University of Hong Kong, 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 examinations on the condition that they have completed 1 year's continuous internship under the instruction of qualified practitioners in a third-level traditional 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. 4. Hong Kong permanent residents who are legally eligible to practise western medicine, dentistry and Chinese medicine in the Hong Kong Special Administrative Region are not required to sit the Mainland's qualification examinations for the purpose of short term practice in the Mainland.
Information technology services	<ol style="list-style-type: none"> 1. To allow Hong Kong service suppliers to apply for computer information system integration qualification certification in accordance with the provisions of the relevant laws, regulations and rules of the Mainland.
Audiovisual services	<ol style="list-style-type: none"> 1. Hong Kong service suppliers are permitted to construct or renovate cinema theatres for the operation of film screening business on a wholly-owned basis.

	<ol style="list-style-type: none"> 2. Motion pictures co-produced by Hong Kong and the Mainland are permitted to be processed outside the Mainland after obtaining the approval of the State Administration of Radio, Film and Television. 3. Hong Kong service suppliers are permitted to establish wholly owned companies in pilot areas in the Mainland to engage in the distribution of Mainland produced motion pictures after obtaining the approval of the State Administration of Radio, Film and Television. 4. Television programmes co-produced by Hong Kong and the Mainland are permitted to be broadcast and distributed in the same way as Mainland produced television programmes after being examined by the relevant Mainland authorities. 5. Hong Kong companies engaging in the operation of cable television network are permitted to provide professional technical services related to cable television networks in Guangdong as a pilot area after obtaining the approval of the relevant Mainland authorities.
<p>Construction and related engineering services</p>	<ol style="list-style-type: none"> 1. Hong Kong service suppliers who have already obtained the certificate of approval for establishment of enterprises with investment of Taiwan, Hong Kong and Macao in the Mainland but have not yet obtained the construction enterprise qualification certificate may apply, before 1 December 2004, for a certificate for undertaking single construction project based on their signed construction contract and "Construction Qualification Certificate for Taiwan, Hong Kong and Macao Enterprise". Subject to the preliminary vetting and agreement of construction administration department at provincial level, the application will be processed by the Ministry of Construction. 2. Construction enterprises in the Mainland set up by Hong Kong service suppliers may submit the performance of the enterprises for construction contracts outside the Mainland when applying for construction enterprise qualification certificate. 3. The residency requirement is waived for Hong Kong permanent residents employed as engineering technical staff and financial managerial staff in construction enterprises in the Mainland set up by Hong Kong service suppliers. 4. There will be no restriction on the proportion of Hong Kong permanent residents being project managers approved by the qualification administration authorities for construction enterprises in the Mainland set up by Hong Kong service suppliers. 5. The commitments in relation to construction and related engineering services stated above will come into effect from the day after the signing of the Record of Consultations.
<p>Distribution services</p>	<ol style="list-style-type: none"> 1. Retailing services: to allow Hong Kong service suppliers to set up, in the form of wholly-owned operations, retail commercial enterprises in the Mainland in respect of books, newspapers, magazines, pharmaceutical products, pesticides, mulching films and processed oil with effect from the day after the signing of the Record of Consultations. 2. Wholesale trade services and commission agents' services: to allow Hong Kong service suppliers to set up, in the form of wholly-owned operations, wholesale and commission agents' commercial enterprises in the Mainland in respect of books, newspapers, magazines, pharmaceutical products, pesticides and mulching films with effect from the day after the signing of the Record of Consultations. 3. Retailing of motor vehicles: to allow Hong Kong service suppliers to set up, in the form of wholly-owned operations, retail enterprises in the Mainland for motor vehicles in accordance with the relevant motor vehicle distribution rules in the Mainland. Threshold requirements for setting up the above enterprises are waived for Hong Kong service suppliers. Those requirements are that "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 a motor vehicle retail enterprise in the Mainland is RMB 10 million. For setting up a motor vehicle retail enterprise in the

	Central and Western Region, the minimum registered capital is RMB 6 million."
Banking services	1. To allow Mainland branches of Hong Kong banks to conduct insurance agents business after obtaining approval.
Securities and futures services	1. To allow intermediary agencies, which are registered with the Securities and Futures Commission of Hong Kong and which satisfy the requirements of the China Securities Regulatory Commission, to set up joint venture futures brokerage companies in the Mainland. The proportion of Hong Kong shareholding should not exceed 49% (including shareholding of related parties). The scope of business and capital requirements of joint venture futures brokerage companies are the same as those for Mainland enterprises.
Transport services	<ol style="list-style-type: none"> 1. To allow passenger transport companies operating franchised bus services in Hong Kong to set up wholly-owned or joint venture enterprises in Mainland cities at the municipal level to provide passenger public transport and hire car services at those cities. 2. To allow passenger transport companies operating franchised bus services and companies operating non-franchised bus services (Guangdong-Hong Kong cross-boundary coach services) in Hong Kong to set up joint venture enterprises in Guangdong, Guangxi, Hunan, Hainan, Fujian, Jiangxi, Yunnan, Guizhou and Sichuan to provide direct inter-city passenger bus services. 3. To allow Hong Kong service suppliers to set up wholly-owned companies in the Mainland to provide supplies services other than fuel and water (e.g. components and parts or food, etc) to vessels owned or managed by their parent companies. 4. To allow Hong Kong service suppliers to set up wholly-owned shipping companies in the Mainland to provide shipping agency services for vessels owned or operated by their parent companies, including customs declaration and inspection, and use of common commercial bills of lading or multimodal transport documents for conducting multimodal transport services. 5. To allow Hong Kong service suppliers to set up wholly-owned companies in the Mainland to provide port cargo loading and unloading services . 6. To allow Hong Kong service suppliers to set up wholly-owned shipping companies in the Mainland to provide regular business services for feeders that they operate between Hong Kong and ports that are opened to foreign vessels in the Mainland, such as shipping undertaking, issuance of bills of lading, settlement of freight rates, signing of service contracts, etc.
Freight forwarding agency services	1. To allow freight forwarding agency enterprises in the Mainland established by Hong Kong services suppliers to set up branch offices upon full payment of registered capital.
Airport services	<ol style="list-style-type: none"> 1. Airport management services: to allow Hong Kong service suppliers to provide, in the form of cross-border supply, joint venture or wholly-owned operations, contract management services for small and medium airports. The period of validity of the contract should not exceed 20 years. To allow Hong Kong service suppliers to provide, in the form of cross-border supply, consumption abroad, joint venture or wholly-owned operations, airport management training and consultation services . 2. Ground services: to allow Hong Kong service suppliers to provide, in the form of wholly-owned operations, the following seven types of air transport ground services in the Mainland: <ol style="list-style-type: none"> (1) agency services; (2) loading and unloading control, communication, and departure control system; (3) unit load devices management; (4) passenger and baggage services ;

	<p>(5) cargo and mail services; (6) ramp services; (7) aircraft services.</p> <p>The qualifying criteria for "Hong Kong service suppliers" in this paragraph, as far as the "nature and scope of business" and the "years of operation required" are concerned, means Hong Kong service suppliers who have obtained the relevant licences in Hong Kong and are dedicated to the provision of the relevant air transport ground services and have engaged in substantive business operations for five years or more.</p>
Individually owned stores	<p>1. To allow Hong Kong permanent residents with Chinese citizenship to set up individually owned stores in all provinces, autonomous regions, municipalities directly under the Central Government in the Mainland to provide retailing services, food and beverage services, hair dressing services, beauty treatment services, bathing services and repair services of goods for daily uses.</p>
Cultural entertainment services	<p>1. To allow Hong Kong service suppliers to set up performing venues in the Mainland on an equity joint venture, wholly-owned or contractual joint venture basis.</p> <p>2. To allow Hong Kong performing arts agencies to set up branches in the Mainland.</p> <p>3. To allow Hong Kong service suppliers to set up performance agencies in the Mainland on an equity joint venture or contractual joint venture basis.</p> <p>4. To allow Hong Kong service suppliers to set up internet culture business units and internet online service business premises in the Mainland with the Mainland party holding majority shareholding.</p> <p>5. To allow Hong Kong service suppliers to set up art galleries, art shops and art work exhibition units in the Mainland on an equity joint venture, wholly-owned or contractual joint venture basis.</p>
Trade mark agency services	<p>1. To allow Hong Kong service suppliers to conduct, after registering with the Administration for Industry and Commerce at the provincial level and acquiring the statutory operating body qualification, trade mark agency business in the Mainland.</p>
Job referral agency services	<p>1. To allow Hong Kong service suppliers to set up wholly-owned job referral agencies in the Mainland. The minimum registered capital is US\$125,000.</p>
Job intermediary services	<p>1. To allow Hong Kong service suppliers to set up joint-venture job intermediaries in the Mainland. The minimum registered capital is US\$125,000. The proportion of Hong Kong service suppliers' shareholding should not exceed 70% and the Mainland partner intermediary must have been established for over 1 year.</p>
Patent agency services	<p>1. To allow eligible Hong Kong permanent residents with Chinese citizenship to take the National Qualification Examination for Patent Agents in the Mainland.</p> <p>2. Hong Kong permanent residents with Chinese citizenship who have obtained the Patent Agent Qualification Certificates may practise in patent agencies that have been permitted to be established in the Mainland. Those who meet the prescribed requirements may become partners or shareholders of patent agencies that have been permitted to be established in the Mainland.</p>
Qualification examinations for professionals and technicians	<p>To allow eligible Hong Kong residents to take the 30 qualification examinations for professionals and technicians in the Mainland, including the qualification examinations for registered architect, registered structural engineer, registered civil engineer (geotechnical), construction supervising engineer, cost engineer, registered town planner, estate agent, registered safety engineer, registered nuclear safety engineer, builder, registered facility engineer, registered chemical engineer, registered civil engineer (harbour and waterway), registered facility supervising engineer, environmental impact assessment engineer, real estate appraiser, registered electrical engineer, accounting technician, assistant accountant, accountant professional qualification (professional title),</p>

	certified tax accountant, certified asset appraiser, prosthetist and orthotist, mining rights assessor, registered consulting engineer, international business personnel, land registration agent, gemstone quality examiner, translator and computing technology and software.
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