

Annex 3

Supplements and Amendments to the Mainland's Specific Commitments on Liberalization of Trade in Services for Hong Kong¹

Sectors or sub-sectors	1. Business services
	A. Professional services
	a. Legal services (CPC861)
Specific commitments	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.

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

Sectors or sub-sectors	1. Business services
	A. Professional services
	b. Accounting, auditing and bookkeeping services (CPC862)
Specific commitments	<p>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.</p> <p>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.</p>

Sectors or sub-sectors	1. Business services
	A. Professional services
	h. Medical and dental services (CPC9312)
Specific commitments	<p>1. 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 examination for the purpose of short term practice in the Mainland.</p> <p>2. To allow Hong Kong permanent residents who are legally eligible to practise western medicine and dentistry in Hong Kong to sit the Mainland's qualification examination (excluding Chinese medicine practitioners). A "medical practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.</p> <p>3. To allow Hong Kong permanent residents who are legally eligible to practise in Hong Kong and have practised in Hong Kong for at least 5 years to open clinics in the Mainland on the condition that they have obtained the "medical practitioner's qualification certificate" of the Mainland. Matters relating to the application for opening and registration of clinics in the Mainland should be handled in accordance with Mainland regulations.</p>

	<p>4. To allow Hong Kong permanent residents who have acquired a Chinese medicine degree from the University of Hong Kong and are legally eligible to practise in Hong Kong to sit the Mainland's qualification examination on the condition that they have completed 1 year's internship in a level III traditional Chinese medicine hospital in the Mainland and have passed the performance test, or that they have been licensed to practise in Hong Kong for more than 1 year. A "medical (Chinese medicine) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.</p>
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Sectors or sub-sectors	1. Business services
	B. Computer and related services
	Information technology services
Specific commitments	To allow Hong Kong service suppliers to apply for qualification certification of computer information system integration in accordance with the provisions of the relevant regulations and rules of the Mainland.

Sectors or sub-sectors	1. Business services
	F. Other business services
	k. Placement and supply services of personnel (CPC872)
Specific commitments	<p>Job referral agency</p> <p>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>
	<p>Job intermediary</p> <p>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>

Sectors or sub-sectors	<p>2. Communications services</p> <hr/> <p>D. Audiovisual services</p> <hr/> <p>Videos distribution services (CPC83202), 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>
Specific commitments	<p>Cinema theatre services</p> <p>To allow Hong Kong service suppliers to construct or renovate cinema theatres for the operation of film screening business on a wholly-owned basis.</p> <hr/> <p>Chinese language motion pictures and motion pictures jointly produced</p> <ol style="list-style-type: none"> 1. To allow motion pictures co-produced by Hong Kong and the Mainland to be processed outside the Mainland after obtaining the approval of the relevant authorities in the Mainland. 2. To allow Hong Kong service suppliers to establish wholly owned companies in the Mainland on a pilot basis to engage in the distribution of Mainland produced motion pictures after obtaining the approval of the

	<p>relevant authorities in the Mainland.</p>
	<p>Technical service of cable television</p> <p>To allow Hong Kong companies engaging in the operation of cable television network to provide professional technical services for cable television networks of Guangdong Province on a pilot basis after obtaining the approval of the relevant Mainland authorities.</p> <p>Jointly produced Television dramas</p> <p>Television dramas co-produced by the Mainland and Hong Kong are permitted to be broadcast and distributed in the same way as Mainland produced television dramas after being examined by the relevant Mainland authorities.</p>

Sectors or sub-sectors	3. Construction and related engineering services CPC511, 512, 513 ¹ , 514, 515, 516, 517, 518 ²
Specific commitments	<p>1. For construction enterprises set up in the Mainland by Hong Kong service suppliers, the construction contract performance of the enterprises both in the Mainland and outside the Mainland is taken into account in assessing the qualification of the construction enterprises in the Mainland. However, the number of managerial and technical staff in the construction enterprises in the Mainland will be the actual number of staff working there.</p> <p>2. 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.</p>

¹ Including dredging services relating to infrastructure construction.

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

	<p>3. 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 July 2005, 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.</p> <p>4. The residency requirement is waived for Hong Kong permanent residents employed as engineering technical staff and economic managerial staff in construction enterprises in the Mainland set up by Hong Kong service suppliers.</p> <p>5. The commitments in relation to construction and related engineering services stated above have been implemented from 28 August 2004.</p>
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Sectors or sub-sectors	4. Distribution services A. Commission agents' services (excluding salt and tobacco) B. Wholesale trade services (excluding salt and tobacco)
Specific commitments	To allow commission agents' services and wholesale trade enterprises, established by Hong Kong service suppliers in the Mainland on a wholly-owned basis, to operate services in respect of books, newspapers, magazines, pharmaceutical products, pesticides and mulching films with effect from 28 August 2004 ¹ .

¹ Wholesale trade services and commission agents' services provided by Hong Kong service suppliers in the Mainland in respect of chemical fertilizers, processed oil and crude oil remain subject to Mainland's commitments to members of the World Trade Organization.

Sectors or sub-sectors	4. Distribution services
	C. Retailing services (excluding tobacco)
Specific commitments	1. To allow retail trade enterprises, established by Hong Kong service suppliers in the Mainland on a wholly-owned basis, to operate services in respect of books, newspapers, magazines, pharmaceutical products, pesticides mulching films and processed oil with effect from 28 August 2004 ¹ .
	2. To allow Hong Kong service suppliers to set up wholly-owned retail enterprises in the Mainland for retailing of motor vehicles in accordance with the relevant motor vehicle distribution rules in the Mainland ² . To waive the qualification requirement for application for the setting up of the above enterprises for Hong Kong service suppliers ³ .

¹ Chain stores with more than 30 outlets remain subject to Mainland's commitments to members of the World Trade Organization. The retailing services provided by Hong Kong service suppliers in the Mainland in respect of chemical fertilizers, staple food, vegetable oil, edible sugar and cotton remain subject to Mainland's commitments to members of the World Trade Organization.

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

³ Original qualification requirements are "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 commercial enterprise in the Mainland is RMB 10 million. For setting up a motor vehicle retail commercial enterprise in the Central and Western Region, the minimum registered capital is RMB 6 million."

Sectors or sub-sectors	<p>7. Financial services</p> <p>B. Banking and other financial services (excluding insurance and securities)</p> <ul style="list-style-type: none"> a. Acceptance of deposits and other repayable funds from the public; b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction; c. Financial leasing; d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (including import and export settlement); e. Guarantees and commitments; f. Trading for own account or for account of customers: foreign exchange.
Specific commitments	To allow Mainland branches of Hong Kong banks to conduct insurance agents business after obtaining approval with effect from 1 November 2004.

Sectors or sub-sectors	7. Financial services
	B. Banking and other financial services
	Securities Futures
Specific commitments	To allow intermediaries which are licensed 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 percentage of shareholding owned by Hong Kong licensed intermediaries should not exceed 49% (including shareholding of related parties). Requirements in respect of the scope of business and amount of capital etc. of the joint venture futures brokerage companies shall be the same as those for Mainland enterprises.

Sectors or sub-sectors	10. Recreational, cultural and sporting services A. Cultural services (excluding audiovisual services)
Specific commitments	<p>1. To allow Hong Kong service suppliers to set up performing venues in the Mainland on an equity joint venture, contractual joint venture or wholly-owned 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, contractual joint venture or wholly-owned basis.</p>

Sectors or sub-sectors	11. Transport services
	<p>A. Maritime transport services</p> <p>H. Auxiliary services</p>
	<p>International transport (freight and passengers) (CPC7211, 7212, less cabotage transport services)</p> <p>Container station and depot services</p> <p>Others</p>
Specific commitments	<p>1 To allow Hong Kong service suppliers to set up wholly-owned shipping companies in the Mainland to provide shipping agency services for vessels owned or operated by the Hong Kong service suppliers themselves, including customs declaration and inspection, and use of common commercial bills of lading or multimodal transport documents for conducting multimodal transport services.</p> <p>2. To allow Hong Kong service suppliers to set up wholly-owned shipping companies in the Mainland to provide regular business services for 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.¹</p>

¹ The requirement that “50% or more of the ships owned by it, calculated in terms of tonnage, should be registered in Hong Kong” as set out in Annex 5 of “CEPA” is not applicable to Hong Kong service suppliers which provide feeder transport services.

	<p>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 to vessels owned or managed by the Hong Kong service suppliers themselves.</p> <p>4. To allow Hong Kong service suppliers to set up wholly-owned companies in the Mainland to provide port cargo loading and unloading services.</p>
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Sectors or sub-sectors	11. Transport services
	C. Airport services
	<p>Airport operation services (excl. cargo handling) (CPC74610)</p> <p>Other supporting services for air transport (CPC74690)</p>
Specific commitments	<p>1. To allow Hong Kong service suppliers to provide, in the form of cross-border supply, contractual joint venture, equity 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.</p> <p>2. To allow Hong Kong service suppliers to provide, in the form of cross-border supply, consumption abroad, contractual joint venture, equity joint venture or wholly-owned operations, airport management training and consultation services.</p> <p>3. To allow Hong Kong service suppliers to provide, in the form of equity joint venture or wholly-owned operations, the following seven types of air transport ground services in the Mainland: agency services; loading and unloading control, communication, and departure control system; unit load devices management; passenger and baggage services; cargo and mail services; ramp services; and aircraft services.</p>

Sectors or sub-sectors	11. Transport services
	F. Road transport services
	Freight transportation by road in trucks or cars (CPC7123) Road passenger transportation (CPC7121, 7122)
Specific commitments	<p>1. To allow 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 passenger bus services” between Hong Kong and the above nine provinces¹.</p> <p>2. To allow passenger transport companies operating franchised bus services in Hong Kong to set up wholly-owned enterprises in Mainland cities at the municipal level to provide passenger public transport and hire car services at those cities.</p>

¹ “Direct passenger bus services” means direct road transport services between Hong Kong and the Mainland. In this sector, Hong Kong service suppliers supplying “direct passenger bus services” must be enterprise juridical person.

Sectors or sub-sectors	11. Transport services
	H. Services auxiliary to all modes of transport
	Freight forwarding agency services (CPC748, 749, excluding freight inspection)
Specific commitments	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.

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
Specific commitments	<p style="text-align: center;">Qualification examinations for professionals and technicians</p> <p>To allow eligible Hong Kong residents to take the following qualification examinations for professionals and technicians in the Mainland: registered architect, registered structural engineer, registered civil engineer (geotechnical), construction supervising engineer, cost engineer, registered town planner, estate agent, certified safety engineer, registered nuclear safety engineer, constructor, registered public facility engineer, registered chemical engineer, registered civil engineer (harbour and waterway), registered facility supervising engineer, cost evaluator, enterprise legal consultant, cotton quality examiner, auctioneer, pharmacist, environmental impact assessment engineer, real estate appraiser, registered electrical engineer, certified tax accountant, certified public valuer, prosthetist and orthotist, mining rights assessor, registered consulting engineer (investment), international business personnel, land registration agent, gemstone quality examiner; quality, translation, computing technology and software, auditing, health, economic, statistics, accountant professional qualification. Certificates of the relevant professional qualifications will be issued to those who pass the examination.</p>

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Trade mark agency
Specific commitments	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.

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Patent agency
Specific commitments	<p>1. To allow eligible Hong Kong permanent residents with Chinese citizenship to take the National Qualification Examination for Patent Agents in the Mainland. A Patent Agent Qualification Certificate will be issued to those who pass the examination.</p> <p>2. Hong Kong permanent residents with Chinese citizenship who have obtained the Patent Agent Qualification Certificates may practise in patent agencies established with permission in the Mainland. Those who meet the prescribed requirements may become partners or shareholders of patent agencies established with permission in the Mainland.</p>

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Individually owned stores
Specific commitments	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, municipalities directly under the Central Government in the Mainland without being subject to the approval procedures applicable to foreign investments, to provide retailing services; food and beverage services; hair dressing, beauty treatment and health care services, bathing services and repair services of home electrical appliances and other goods for daily uses under residents services and other services; excluding franchising operation. No more than 8 persons should be engaged in the operation of the individually owned stores, and the business area of such stores should not exceed 300 square meters.