

China-Macao Closer Economic Partnership Arrangement Supplement V

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Supplement V to the Mainland and Macao Closer Economic Partnership Arrangement

To further enhance the economic and trade exchanges, as well as the cooperation level between the Mainland^① and the Macao Special Administrative Region (hereinafter referred to as “Macao”), and in accordance with the provisions of:

- the Mainland and Macao Closer Economic Partnership Arrangement (hereinafter referred to as “CEPA”) signed on 17 October 2003,
- the Supplement to “CEPA” signed on 29 October 2004,
- the Supplement II to “CEPA” signed on 21 October 2005, and
- the Supplement III to “CEPA” signed on 26 June 2006,
- the Supplement IV to “CEPA” signed on 2 July 2007,

the two sides decided to sign this Supplement for the Mainland’s further liberalization of trade in services for Macao and for enhancing trade and investment facilitation.

I. Trade in Services

1. From 1 January 2009, the Mainland shall, on the basis of the commitments on liberalization of trade in services under “CEPA”, the Supplement to “CEPA”, the Supplement II to “CEPA”, the Supplement III to “CEPA”, and the Supplement IV to “CEPA”, further relax the market access conditions in eighteen sectors, namely, accounting, construction, medical, computer and related services, services incidental to mining, placement and supply services of personnel, related scientific and technical consulting services, printing services, convention and exhibition, distribution, environment, banking, social services, tourism, maritime transport, air transport, road

^① In “CEPA”, the “Mainland” refers to the entire customs territory of the People’s Republic of China.

transport and individually owned stores. The details are set out in the Annex of this Supplement V.

2. The Annex of this Supplement V is a supplement and amendment to Table 1 of Annex 4 “The Mainland’s Specific Commitments on Liberalization of Trade in Services for Macao” of “CEPA”, Annex 3 “Supplements and Amendments to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Macao” of the Supplement to “CEPA”, Annex 2 “Supplements and Amendments II to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Macao” of the Supplement II to “CEPA”, Annex “Supplements and Amendments III to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Macao” of the Supplement III to “CEPA”, and Annex “Supplements and Amendments IV to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Macao” of the Supplement IV to “CEPA”. In case of conflict with the provisions of the above five instruments, the provisions of the Annex of this Supplement V shall prevail.

3. “Service suppliers” as referred to in the Annex of this Supplement V shall conform to the requirements set out in Annex 5 “Definition of “Service Supplier” and Related Requirements” of “CEPA”.

II. Trade and Investment Facilitation

To advance cooperation in the area of brand promotion between the two places, both sides agree to incorporate cooperation on brand promotion into Trade and Investment Facilitation of “CEPA”. In this regard,

(1) Paragraph 1 of Article 17 of “CEPA” shall be amended as follows:

“1. The two sides will promote cooperation in the following areas:

1. Trade and investment promotion;
2. Customs clearance facilitation;
3. Commodities inspection, inspection and quarantine of animals and plants, food safety, sanitary quarantine, certification, accreditation and standardization management;
4. Electronic business;
5. Transparency in laws and regulations;
6. Cooperation of small and medium sized enterprises;

7. Industrial cooperation;
8. Protection of intellectual property rights;
9. Cooperation on brand promotion.”

(2) Article 2 of Annex 6 of “CEPA” will be amended as follows:

“2. The two sides agree to cooperate in trade and investment facilitation in nine areas, namely, trade and investment promotion; customs clearance facilitation; commodity inspection, inspection and quarantine of animals and plants, food safety, sanitary quarantine, certification, accreditation and standardization management; electronic business; transparency in laws and regulations; cooperation of small and medium sized enterprises; industrial cooperation; protection of intellectual property rights; and cooperation on brand promotion. Cooperation in these areas will follow the guidance and coordination of the Joint Steering Committee set up in accordance with Article 19 of “CEPA”.”

(3) An article will be added as Article 11 to Annex 6 of “CEPA”, and the subsequent articles will be renumbered accordingly. The content of Article 11 is as follows:

“11. Cooperation on Brand Promotion

The two sides recognize that cooperation on brand promotion will have notable significance in advancing the economic development and facilitating the economic and trade exchanges between the two places. Both sides agree to strengthen cooperation in the area of brand promotion.

11.1 Cooperation Mechanism

Under the guidance and coordination of the Joint Steering Committee, relevant working group will be established to enhance cooperation on brand promotion between the two sides.

11.2 Content of Cooperation

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

1. Strengthen exchange and communication in cooperation on brand promotion between the two places.
2. Exchange information on the formulation and enforcement of laws and regulations in respect of protection of brands.
3. Strengthen cooperation in the aspects of training, visits and publication, etc.

4. Enhance brand promotion in both places through a variety of means such as website publicity, exhibitions and seminars, etc.”

III. Annex

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

IV. Coming Into Effect

This Supplement V will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate in Macao, this 30th day of July 2008 in the Chinese language.

Vice Minister of Commerce
People’s Republic of China

Secretary for Economy and Finance
Macao Special Administrative Region of
the People’s Republic of China

Courtesy Translation

Annex

Supplements and Amendments V to the Mainland's Specific Commitments on Liberalization of Trade in Services for Macao^①

Sectors or sub-sectors	1. Business services
	A. Professional services
	b. Accounting, auditing and bookkeeping services (CPC862)
Specific commitments	<p>1. The validity period of the "Temporary Performing Auditing Business Permit", applied by Macao auditing firms and auditors for the purpose of conducting auditing business on a temporary basis in the Mainland, is extended from two years to five years.</p> <p>2. To agree setting up an examination centre in Macao for the Mainland Certified Public Accountants Examination.</p>

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

Sectors or sub-sectors	1. Business services
	A. Professional services
	d. Architectural services (CPC8671) e. Engineering services (CPC8672) f. Integrated engineering services (CPC8673) g. Urban planning services and landscape architectural services (except general urban planning) (CPC8674)
Specific commitments	To allow Macao service suppliers, in the form of equity joint venture or contractual joint venture, to set up construction and engineering design enterprises in the Mainland, without any restrictions on the proportion of total investment contributed by the Mainland partners to the registered capital.

Sectors or sub-sectors	1. Business services
	A. Professional services
	h. Medical and dental services (CPC9312)
Specific commitments	<p>1. To allow Macao service suppliers to set up wholly-owned outpatient clinics in the Guangdong Province. ^①</p> <p>2. There is no restriction on the ratio of capital investment between the Mainland and Macao partners for the equity joint venture or contractual joint venture outpatient clinics set up by Macao service suppliers in the Guangdong Province.</p> <p>3. There is no requirement on the total amount of capital investment for Macao service suppliers who set up wholly-owned, equity joint venture or contractual joint venture outpatient clinics in the Guangdong Province.</p> <p>4. The provincial health administrative department of the Guangdong Province is responsible for the proposal establishment and approval procedures for setting up wholly-owned, equity joint venture or contractual joint venture outpatient clinics by Macao service suppliers in the Guangdong Province.</p> <p>5. To allow qualified Macao permanent residents with Chinese citizenship to apply for and obtain “Medical Practitioner’s Qualification Certificates” of the Mainland through accreditation. ^②</p>

^① Should be complied with the requirements on setting up outpatient clinics in the Mainland.

^② Details of implementation measures to be promulgated by the Ministry of Health.

Sectors or sub-sectors	1. Business services
	B. Computer and related services
	Information technology services
Specific commitments	<p>Effective on the day of signature, when applying for qualification certification of computer information system integration in the Mainland, Macao service suppliers are assessed according to the following criteria:</p> <ul style="list-style-type: none"> (1) no assessment on professional job title, but assessed by the relevant academic qualifications and working experiences; (2) projects undertaken in both Mainland and Macao are taken into account in counting the business turnover in system integration qualification; (3) for enterprises applying for Level 3 qualification certification, personnel involved in software development and system integration should not be less than 25, in which the proportion of personnel obtained qualification of above undergraduate, should be no less than 80%. <p>Other assessment criteria will be implemented in accordance with the provisions of the relevant regulations of the Mainland.</p>

Sectors or sub-sectors	1. Business services
	F. Other business services
	h. Services incidental to mining (CPC 883, only including oil and natural gas)
Specific commitments	To allow Macao service suppliers, on a contractual joint venture basis, to provide services of exploitation of oil and natural gas in the Mainland.

Sectors or sub-sectors	1. Business services
	F. Other business services
	k. Placement and supply services of personnel (CPC872)
Specific commitments	<p>1. The minimum registered capital requirement for the wholly-owned job referral agencies set up by Macao service suppliers in the Guangdong Province will follow the requirements applicable to the Mainland enterprises in the Guangdong Province.</p> <p>2. The minimum registered capital requirement for the wholly-owned job intermediaries set up by Macao service suppliers in the Guangdong Province will follow the requirements applicable to the Mainland enterprises in the Guangdong Province.</p>

Sectors or sub-sectors	1. Business services
	F. Other business services
	<p>m. Related scientific and technical consulting services</p> <p>Prospecting services for iron, manganese and copper mines</p> <ul style="list-style-type: none"> – Geological, geophysical and other scientific prospecting services (part of CPC86751) – Subsurface surveying services (part of CPC86752)
Specific commitments	To allow Macao service suppliers on a wholly-owned, equity joint venture or contractual joint venture basis to carry out prospecting and surveying services of iron, manganese and copper in the Mainland.

Sectors or sub-sectors	1. Business services
	F. Other business services
	r. Printing and publishing services
Specific commitments	<p>The minimum registered capital requirement for Macao service suppliers who set up printing enterprises in the Mainland to provide packaging and ornament services for printed materials will follow the requirements applicable to the Mainland enterprises.</p>

Sectors or sub-sectors	1. Business services
	F. Other business services
	Convention services and exhibition services (CPC87909)
Specific commitments	To allow Macao service suppliers to set up wholly-owned, equity joint venture or contractual joint venture enterprises in Beijing Municipality, Tianjin Municipality, Chongqing Municipality and the Zhejiang Province, to provide services of organizing overseas exhibitions on a pilot basis ^① . Participating exhibitors should be enterprises registered in that province or municipality correspondingly.

^① Should be submitted to the China Council for the Promotion of International Trade for approval in accordance with the relevant laws and regulations in the Mainland.

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 Macao service supplier which opens more than 30 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 Macao service supplier is allowed to run business on a wholly-owned basis. ^①</p>

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

Sectors or sub-sectors	<p>6. Environmental services (excluding environmental quality monitoring and pollution source inspection)</p> <p>A. Sewage services (CPC9401)</p> <p>B. Refuse disposal services (CPC9402)</p> <p>C. Cleaning services of exhaust gases (CPC9404)</p> <p>D. Noise abatement services (CPC9405)</p> <p>E. Nature and landscape protection services (CPC9406)</p> <p>F. Other environmental protection services (CPC9409)</p> <p>G. Sanitation services (CPC9403)</p>
Specific commitments	<p>To agree the Guangdong Province to approve the qualification of Macao service suppliers who set up enterprises engaging in environmental pollution control facilities in Guangdong.</p>

Sectors or sub-sectors	7. Financial services
	B. Banking and other financial services (excluding insurance and securities)
	<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 transactions 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 in foreign exchange for own account or for account of customers.
Specific commitments	<p>To allow Mainland-incorporated banking institutions established by Macao banks to set up data centres in Macao when they meet the following criteria: ^①</p> <ul style="list-style-type: none"> (1) incorporated in the Mainland on or before 30 June 2008; (2) the data centres have been set up in Macao by the parent banks at the time of its incorporation; (3) the data centres which should have core systems such as customer, account and product information should operate independently; (4) their board of directors and senior management are entitled to the ultimate management authority of the data centres;

^① Should be complied with the provisions stipulated in the supervisory cooperation agreement, signed by the relevant Mainland and Macao regulatory authorities, relating to data centres of Mainland-incorporated banking institutions established by Macao banks that are located in Macao.

	<p>(5) the data centres should meet the requirements of the relevant regulators and be subject to the approval of the relevant authorities of the Mainland when setting up the centres.</p>
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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 Macao service suppliers to establish welfare agencies for persons with disabilities in the form of wholly-owned private non-enterprises in the Guangdong Province on a pilot basis.

Sectors or sub-sectors	<p>9. Tourism and travel related services</p> <p>A. Hotels (including apartment buildings) and restaurants (CPC641-643)</p> <p>B. Travel agency and tour operator services (CPC7471)</p> <p>C. Tourist guide services (CPC7472)</p> <p>Others</p>
Specific commitments	<p>1. To delegate to the Guangdong Province the authority of approving Macao service suppliers who set up travel agencies on a wholly-owned, equity joint venture or contractual joint venture basis in Guangdong.</p> <p>2. To allow Macao permanent residents with Chinese citizenship to sit for the Mainland qualification examination for tourist guides. Tourist guide qualification certificates will be awarded to those who have passed the examination in accordance with the relevant regulations.</p>

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 Macao service suppliers to set up wholly-owned enterprises and their branches in the Guangdong Province, on a pilot basis, to provide shipping agency services to vessel operators who engage in shipping routes between the Guangdong Province and Hong Kong or Macao.

Sectors or sub-sectors	11. Transport services
	C. Air transport services
	<p>Airport operation services (excluding cargo handling) (CPC74610)</p> <p>Other supporting services for air transport (CPC74690)</p> <p>Computer Reservation System (CRS) services</p> <p>Sales and marketing services for air transport</p>
Specific commitments	<p>To allow Macao service suppliers to submit the economic guarantee provided by the Mainland incorporated banks or guarantee companies recommended by the China Air Transport Association, when applying for setting up in the form of wholly-owned, equity joint venture or contractual joint venture air transport sales agencies in the Mainland.</p>

Sectors or sub-sectors	11. Transport services
	F. Road transport services
	<p>Freight transportation by road in trucks or cars (CPC7123)</p> <p>Road passenger transportation (CPC7121, 7122)</p> <p>Interurban regular passenger transportation services (CPC71213)</p> <p>Road freight transport station (depot)</p> <p>Bus station services (CPC7441)</p> <p>Repair of motor vehicles</p> <p>Driver training</p>
Specific commitments	<p>1. To delegate to the Guangdong Province the authority of approving Macao-invested production enterprises to provide road freight transport services in Guangdong.</p> <p>2. To delegate to the Guangdong Province the authority of approving Macao service suppliers who set up repair and driver training enterprises, and passenger and freight transport stations (depots) in Guangdong.</p>

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Individually owned stores
Specific commitments	<p>1. To allow Macao 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. The number of employees for each store shall not exceed 8 persons. The scope of business for individually owned stores, excluding franchising, includes: building-cleaning services; advertising production services.</p> <p>2. To allow Macao permanent residents with Chinese citizenship to set up, in accordance with the relevant Mainland laws, regulations and administrative regulations, individually owned stores in the Guangdong Province, without being subject to the approval procedures applicable to foreign investments. The number of employees for each store shall not exceed 8 persons. The scope of business for individually owned stores, excluding franchising, includes: trade brokerage and agency services (excluding auction); renting and leasing services (excluding renting and leasing of housing services).</p>