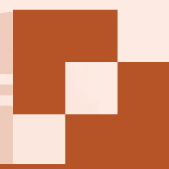


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CEPA Newsletter

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closer Economic Partnership Arrangement

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Editor's Note:

The Agreement on Trade in Services under the framework of the Mainland and Macao Closer Economic Partnership Arrangement (CEPA) (hereinafter referred to as the “Agreement”) was signed in Macao on 28 November 2015. In accordance with the Agreement, the Mainland will open up 153 services trade sub-sectors to the Macao services industry starting from 1 June 2016, accounting for 95.6 per cent of the 160 sub-sectors under WTO Services Classification System, thereby achieving the target to basically achieve liberalization of trade in services in the Mainland for Macao by the end of the National 12th Five-Year Plan period. On 10 December, Macao Economic Services and Department of Commerce of Guangdong Province signed “Memorandum on Strengthening Cooperation of Cross-border E-Commerce Trade”, in order to support the SAR Government to promote the development of e-commerce and other new business trend, as well as, to provide a basis for exchange and cooperation of e-commerce development between Guangdong and Macao. The State Council recently promulgated “The Opinions of the State Council on Implementing the Negative List System for Market Access”, which clarifies the general requirements, core mission and supporting measures of implementing the negative list system for market access. In addition, 58 municipal level administrative authorities were delegated to the Nansha Area of the China (Guangdong) Pilot Free Trade Zone. In light of the establishment of the Nansha Free Trade Area, it was the first time for Guangzhou to delegate municipal level administrative authorities to the Nansha Area.

1. The Agreement on Trade in Services under the framework of the Mainland and Macao Closer Economic Partnership Arrangement (CEPA) was signed in Macao

The Agreement on Trade in Services under the framework of the Mainland and Macao Closer Economic Partnership Arrangement (CEPA) (hereinafter referred to as the “Agreement”) was signed in Macao on 28 November 2015. In accordance with the Agreement, the Mainland will open up 153 services trade sub-sectors to the Macao services industry starting from 1 June 2016. Among all, the positive lists have newly added 20 liberalization measures, including 5 newly added liberalized sectors for individually owned stores, making the total number of liberalized sectors for individually owned stores to reach 135. The Agreement is the first free trade agreement which liberalizes trade in services to the whole Mainland with market access provisions for national treatment and the management approach of negative listings. It also re-states the existing liberalization content under CEPA and its Supplements, signifying the basic liberalization of trade in services between the whole Mainland and Macao.



The signing ceremony of the Agreement on Trade in Services under the framework of the Mainland and Macao Closer Economic Partnership Arrangement (Courtesy photo from GCS)

The Secretary for Economy and Finance, Mr. Leong Vai Tac, and the Vice Minister of Commerce, Mr. Wang Shouwen, on behalf of the respective governments, signed the Agreement. The signing ceremony was witnessed by the Deputy Director of the Liaison Office of the Central People’s Government in the Macao SAR, Mr. Yao Jian; the Deputy Commissioner of the Office of the Commissioner of the Ministry of Foreign Affairs of the People’s Republic of China in the Macao SAR, Mr. Pan Yundong; the Director-General of the Department of Taiwan, Hong Kong and Macao Affairs of the Ministry of Commerce, Mr. Sun Tong; the Head of Department of the Hong Kong and Macao Affairs Office of the State Council, Mr. Xiang Bin; the Chief of Office of the Secretary for Economy and Finance,

Ms. Lok Kit Sim; and the Deputy Director-General of the Macao Customs Service, Mr. Sin Wun Kao and among other guests.

Under the Agreement, national treatment will be applied to Macao in 62 services sub-sectors, in which 4 new liberalized sectors are added, namely veterinary services, passenger transportation services, supporting services for road transport services and sporting services. Macao Service Suppliers can enter the Mainland market through the mode of “commercial presence”, and can enjoy national treatment in terms of market access conditions, thereby benefiting the market expansion of the Macao’s services industry, and promoting the development of economic diversification in Macao.

The negative list of the Agreement eliminates 12 less restrictive measures, reserving 120 restrictive measures. Among them, 28 measures are under further relaxed market access condition, including legal services, accounting services, professional architectural services, veterinary services, distribution services, education services, insurance services, banking services, social services and freight forwarding services, which can be summarized as below: (1) expansion of the geographical coverage for market access, (2) newly opened scope of business, and (3) simplification of the procedures for approval and relaxation of the requirement on percentage of shareholding.

For details, please refer to the website of Macao Economic Services:

<http://www.economia.gov.mo>

or designated website of CEPA: <http://www.cepa.gov.mo>.

2. Macao Economic Services and Department of Commerce of Guangdong Province signed “Memorandum on Strengthening Cooperation of Cross-border E-Commerce Trade” and Delegation participated in “2015 Guangdong (International) E-Commerce Summit”



Macao Economic Services and Department of Commerce of Guangdong Province signed “Memorandum on Strengthening Cooperation of Cross-border E-Commerce Trade”

Macao Economic Services organized a delegation of 60 representatives from local e-commerce and related sectors to Guangzhou on 10 December, so as to promote the development of e-commerce in Macao, to expedite cross-border e-commerce, on-line and off-line marketing and the integration of traditional industries and e-commerce, to enhance the capability of internet sales for the local enterprises, in particular the SMEs, as well as, to embrace the development opportunities and change of consumption behaviour arose from “Internet +” era in the Mainland. The delegation participated in “Cross-border E-commerce: Building an Unlimited Innovative New

Industry Chain Forum”, organized by the Department of Commerce of Guangdong Province during “2015 Guangdong (International) E-Commerce Summit” held in Guangzhou. This exchange event, with the delegation headed by Mr. Sou Tim Peng, Director of Macao Economic Services, was one of the e-commerce cooperation activities between Macao Economic Services and Department of Commerce of Guangdong Province, under the 2015 Guangdong-Macao Services Cooperation. It was also the key task of the SAR Government to implement the promotion of e-commerce, in particular the development of cross-border e-commerce.

During the meeting, Macao Economic Services and the Department of Commerce of Guangdong Province signed the “Memorandum on Strengthening Cooperation of Cross-border E-Commerce Trade”. To implement the 2016 SAR Government Policy in pursuing the development of e-commerce and other new business trend, as well as, to provide a basis for exchange and cooperation of e-commerce development between Guangdong and Macao, this memorandum was a key task, among a series of works carried out by Macao Economic Services, in promoting the development of e-commerce in Macao.

In addition, the forum invited representatives from the management of well-known corporations in cross-border e-commerce purchasing platform, payment clearance, logistics and large data services, to share their experiences. During the exchange sessions, specific areas were set up for consultations on cross-border e-commerce policies; cross-border finance and payment services; cross-border logistics and supply chain services; innovative entrepreneurship and cross-border services park, and so forth. Representatives from Macao industries, Guangdong Customs, Nansha Free Trade Zone and other government authorities, as well as representatives from related industries in the Mainland could conduct business consultation and discussions directly. Exchanges were made enthusiastically during the event. The expected result of the activity was therefore achieved, through establishing a good foundation for strengthening the cooperation and exchanges on cross-border e-commerce between Guangdong and Macao.

3. The Governments of Macao and Shenzhen signed a Memorandum of Guangdong-Hong Kong-Macao Dawan Area Development



Shenzhen-Macao Cooperation Conference 2015 was held in Shenzhen (Courtesy photo from GCS)

Shenzhen-Macao Cooperation Conference 2015 was held in Shenzhen on 2 December. The annual Conference for officials from the two cities was led by the Chief Executive, Mr. Chui Sai On, and the Mayor of Shenzhen, Mr. Xu Qin.

During the Conference, Mr. Chui Sai On and Mr. Xu Qin delivered their statements respectively. Meanwhile, the Vice Mayor of Shenzhen, Mr. Ai Xuefeng, and the Secretary for Economy and Finance, Mr. Leong Vai Tac reported, respectively, on the key work progress of Macao-Shenzhen Cooperation in 2015.

After the Conference, Shenzhen and Macao signed a memorandum on promoting the development of Dawan area – a logistic hub in coastal areas covering Guangdong, Hong Kong and Macao, and the signing of a bilateral memorandum on tourism. The memorandum on Dawan area was signed by the Secretary for Economy and Finance, Mr. Leong Vai Tac and the Vice Mayor of Shenzhen, Mr. Ai Xuefeng. It stated that Shenzhen and Macao agreed to establish a closer collaboration in areas such as trade and commerce, finance, cultural, innovative entrepreneurship; to jointly carry out thematic study on Dawan area; to actively foster the cooperation with the Portuguese-speaking countries; to fully make use of Macao’s unique advantages and the preferential policies in the Qianhai-Shekou Area of China (Guangdong) Pilot Free Trade Zone, in boosting key cooperation area; to bolster cultural cooperation; and to optimise platforms and mechanisms for the cooperation on MICE, education, and inspection and quarantine procedures.

4. “Young Entrepreneur Incubation Series – In Search of Your Business Angels” was successfully inaugurated

To provide Macao young entrepreneurs with the latest business environment information inside and outside the Mainland as well as assisting them in exploring business resources of neighbouring regions, the Young Entrepreneurs Incubation Centre organized the “Young Entrepreneur Incubation Series – In Search of Your Business Angels” on 25 October 2015. The event invited the founder of ZhenFund, the top business angel investment fund in the Mainland, Mr. Bob Xu Xiaoping; the co-founder, Mr. Victor Wang Qiang; and the Vice President of Portfolio Management, Mr. Liu Yuan together with the core team of the Fund to Macao to share their experiences with the local young entrepreneurs on business start-ups, providing a valuable lecture of entrepreneurship for them.



Group photo of the keynote speakers and leaders of the organizer

The event started with a morning exchange session among ZhenFund, 15 local young entrepreneur teams and 15 representatives from local Youth Association. Mr. Victor Wang, in his opening address, indicated that it was the first time for the Fund to travel with their full team, showing their high regards on the market of Macao. He stated that Macao is a unique place in a way that the young people can bring their talents into full play by inheriting the spirit of adventure and exploration of the Portuguese demonstrated during the Age of Discovery. Then, Mr. Lei Jianwei, partner of ZhenFund shared the strategic development of “Internet +” in the Mainland. He pointed out that “Internet +” is the latest economic development trend as it lowers the threshold of starting a business. After his remarks, Mr. Lei answered the questions raised by the audience about starting a business.

Following the introductory session, core team members of ZhenFund, both the partners and senior management, worked in groups to comment on individual project from the 15 local young entrepreneur teams. The projects entailed a wide spectrum of businesses, ranging from Internet +, e-commerce platform, multimedia production to medical services.

The afternoon session was held in the form of a seminar and attracted over 400 participants. At the outset, the co-founder of ZhenFund, Mr. Victor Wang delivered a speech on “Who are apt to be entrepreneur – the essential quality and ability of entrepreneurship”, in which he shared his view on quality of entrepreneurs with the participants. The three speakers also attended the Q&A session to respond to participants’ questions on starting a business. Many participants grasped the opportunity to raise questions on prospects of certain sectors, career planning, development strategies, and so forth. The speakers responded incisively to all questions from the floor.

5. Macao Economic Services invited experts explaining Mainland rules and regulations on imported food labels



Macao Economic Services held a seminar on “Mainland rules and regulations on imported food labels”

Macao Economic Services and the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China (AQSIQ) jointly held a seminar on “Mainland rules and regulations on imported food labels” on October 28 at the conference room of Macao Economic Services. Chaired by Ms. Huanping, Deputy Director of Zhuhai Entry-Exit Inspection and Quarantine Bureau and member of the Import Food Labels

Arbitration Team and the Export Group on Food Safety of AQSIQ, the Seminar attracted local operators from food processing, and food re-export (including food re-export in Portuguese-speaking countries) industries, as well as those planning to expand businesses in the Mainland. During the Seminar, speakers gave specific introduction on the administration requirements of the Mainland import and export inspection and quarantine departments and the label standard system in the Mainland, based on the latest development. The speakers also answered questions encountered by local operators when expanding businesses in the food pre-packaging market in the Mainland. The Seminar was aimed at helping local industries to understand the administration and implementation of the requirements on imported food labels of relevant governmental departments in the Mainland, so as to facilitate the export of local processed foods into the Mainland. Furthermore, it is hoped that through Macao, foods from Portuguese-speaking countries can expand its foothold in the Mainland market, and the role of Macao as the Service Platform for Trade and Economic Cooperation between China and Portuguese-speaking Countries can be enhanced.

6. Two additional made-in-Macao goods eligible for CEPA zero-tariff treatment from 1 January 2016

According to the agreement of CEPA, Macao Economic Services and related departments of the Mainland have completed consultations on the rules of origin for the products newly petitioned for zero-tariff treatment for the second half of 2015. Starting from 1 January 2016, the rule of origin for two products was added, namely cod marinated with salt (Tariff Code: 0305.6200) and wine of fresh grapes, in containers holding 2L or less (Tariff Code: 2204.2100). The rule of origin of the added products and respective tariff codes are available for reference, on the website of Macao Economic Services:

http://www.economia.gov.mo/en_US/web/public/pg_cep_a_tig?_refresh=true

7. Macao Economic Services and Ministry of Commerce of the PRC Department of Foreign Trade jointly organized “Processed Products Trade Policies Forum”

To strengthen the promotion of processed product trade policies and measures in the Mainland, Macao Economics Services and Ministry of Commerce of the PRC Department of Foreign Trade co-organized the “Processed Products Trade Policies Forum” on 15 October 2015. Mr. Zhou Hui, Commercial Counselor of Department of Foreign Trade, Ministry of Commerce, led the Mainland delegation to Macao, to introduce the latest processed products trade policies in the Mainland, and exchanged views with participants.



Processed Products Trade Policies Forum was held at Macao Economic Services

Processed product trading plays an important role in Macao’s industrial development. Benefited from the complementary resources of the Mainland, the local industries can consolidate their production plan in Macao to sustain the development of the local manufacturing industries. While building a quality brand image for Macao products, it also provides a basis for the development of the local industry. The forum introduced the recent development of processed products industry in Macao. Representatives from the local enterprises also provided feedback to Ministry of Commerce about the situation of processed products trade in the Mainland.

The forum has deepened the understanding of the local enterprises about the processed products trade policies in the Mainland. It also allowed the local enterprises to provide direct feedback to the Ministry of Commerce, and at the same time, provided a platform for the participants to exchange views on the recent situation and future development of the local industry.

8. Macao Economic Services and Intellectual Property Department of Hong Kong SAR jointly organized the “Pan-Pearl River Delta Public Staff Exchange Program on Intellectual Property Protection”



Representatives visited Macao Economic Services and participated in the exchange

On 28-30 October 2015, Macao Economics Services and Intellectual Property Department of Hong Kong SAR Government jointly organized the “Pan-Pearl River Delta Public Staff Exchange Program on Intellectual Property Protection”, with an aim to enhance the mutual understanding of the work on intellectual property, thereby promoting the exchanges and cooperation of intellectual property protection in the region.

During 28-29 October, representatives from the Macao Economics Services participated in the exchange activities in Hong Kong. On 30 October, all participants visited Macao Economic Services, in order to understand the administrative management and enforcement of intellectual property protection in Macao SAR, and to exchange views on related topics. After the meeting, participants visited “Macau Design Centre”, to learn about the development of local product and brand design. Through seminars and visits, participants were able to gain a comprehensive understanding on the works of intellectual property protection in Hong Kong and Macao, as well as, the Pan-Pearl River Delta Region.

9. Macao “Business Incubation Centre for Youth” organized visit to Shenzhen for young entrepreneurs

The Macao “Business Incubation Centre for Youth” organized a delegation of more than 30 Macao young entrepreneurs to participate the “Visit of Macao Young Entrepreneurs to Shenzhen”. On 16-17 November, the delegation participated in the China Hi-Tech Fair held in Shenzhen, with an aim of allowing Macao young entrepreneurs to understand the latest trend and development in hi-technology of various fields, and to come into close contact with hi-tech products and research results. In addition, through visiting the Shenzhen Software Industrial Park, Shenzhen Startup Center, and Shenzhen WeYoung International Start-up Center (WeYoung), Macao entrepreneurs had a deeper understanding of the local start-up business environment and relevant facilities, and exchanged with local start-up businesses.



The “Business Incubation Centre for Youth” organized Macao young entrepreneurs to participate in the China Hi-Tech Fair held in Shenzhen

The Macao delegation received warm welcome from the WeYoung management, which led the delegation on a site visit to the facilities of the Shenzhen Software Industrial Park, Shenzhen Startup Center, and WeYoung. During the visit, Macao entrepreneurs exchanged with local start-up businesses and shared their experiences in the interaction session on anecdotes of starting up new businesses, factors needed to be considered in the course of starting up businesses, criteria for entering into the Start-up Center, and commercial value of the WeChat platform. Macao delegates affirmed the visit in enabling them to have better understanding of the environment of starting up businesses in Shenzhen.

Since its establishment, the Macao “Business Incubation Centre for Youth” provides information, through an array of activities, on national development strategies, regional development cooperation, as well as popular market issues to young entrepreneurs in order to assist them in taking advantage of regional cooperation to explore business opportunities.

10. The State Council promulgated “The Opinions of the State Council on Implementing the Negative List System for Market Access”

The State Council recently promulgated “The Opinions of the State Council on Implementing the Negative List System for Market Access” (hereinafter referred to as “Opinions”), which clarifies the general requirements, core mission and supporting measures of implementing the negative list system for market access.

The negative list system for market access refers to a series of institutional arrangements where the State Council clarifies a list of sectors, industries and businesses prohibited or restricted from the market within the territory of the People’s Republic of China. All kinds of market players may enter sectors, industries and businesses not on the negative list on an equal basis, in accordance to the law. The Opinions relaxes market access, simplifies administrative review and approval, strengthens market regulation, and expedites the establishment of an open, fair, and orderly market where enterprises enjoy independent decision-making, fair competition, with clear government responsibilities and delegation of power, and strong supervision on market access management.

The Opinions pointed out that according to the principle of trial implementation before gradual popularization, the negative list system for market access will be put into trial in some regions from 1 December, 2015 to 31 December, 2017; the national unified negative list system for market access will be officially implemented from the year 2018 onwards.

For relevant contents, please refer to:

http://english.gov.cn/policies/latest_releases/2015/10/19/content_281475215255225.htm

11. 58 Municipal Level Administrative Authorities are delegated to the Nansha Area of the China (Guangdong) Pilot Free Trade Zone

The Guangzhou Municipal Government Executive Meeting adopted "Decision of the People's Government of Guangzhou Municipality to Delegate the First Batch of the Municipal Level Administrative Authority to the Nansha Area of the China (Guangdong) Pilot Free Trade Zone" on 16 November 2015, to delegate 58 municipal level administrative authorities in the areas of economic management to the Nansha Area. In light of the establishment of the Nansha Free Trade Area, it was the first time that Guangzhou decentralized the municipal level administrative authorities to the Nansha Area.

A total of 14 departments of Guangzhou Municipality were involved in this delegation of administrative authorities, including Guangzhou Municipal Government, Municipal Development Reform Commission, Bureau of Public Security, Bureau of Civil Affairs, Land Resources and Urban Planning Committee, Bureau of Environmental Protection, Housing and Urban-Rural Construction Committee, Communications Commission, Water Affairs Bureau, Bureau of Forestry and Landscaping, Commission of Commerce, City Administration Committee, Administration of Industry and Commerce, Food and Drug Administration and Financial Affairs Office. Among the delegated authorities, 3 were from Municipal Government, 15 were from Land Resources and Urban Planning Committee, 7 were from Housing and Urban-Rural Construction Committee and 4 were from Development Reform Commission. Related authorities which had already been decentralized to the government and other departments of the Nansha Area will not be delegated again.

Details please refer to:

<https://www.gz.gov.cn/2015cwhy/s21076/201511/8fe2b5e8c8b146ccb1806b671759da2f.shtml>