

Courtesy Translation

Annex 4

Specific Commitments on Liberalization of Trade in Services

1. Pursuant to the Mainland and Macao Closer Economic Partnership Arrangement (hereinafter referred to as the “CEPA”), the Mainland and Macao Special Administrative Region have concluded this Annex on the specific commitments on liberalization of trade in services.
2. As from 1 January 2004, the Mainland will apply to services and service suppliers of Macao the specific commitments set out in Table 1 of this Annex. Table 1 forms an integral part of this Annex. The commitments on value-added telecommunications services will apply as from the next day after the date of signature of CEPA.
3. In respect of the service sectors, sub-sectors or relevant measures not covered by this Annex, the Mainland will apply Annex 9 of the “Schedule of Specific Commitments on Services List of Article II MFN Exemptions” of the “Protocol on the Accession of the People’s Republic of China”.
4. In respect of the implementation of the specific commitments set out in Table 1 of this Annex, apart from applying the provisions of this Annex, the relevant laws and regulations, and administrative regulations of the Mainland shall also be applicable.
5. As from 1 January 2004, Macao will not impose any new discriminatory measure on Mainland’s services and service suppliers in the areas of services covered in this Annex.
6. The two sides will, through consultations, formulate and implement further liberalization of Macao’s service sectors for the Mainland. The relevant specific commitments will be listed in Table 2. Table 2 forms an integral part of this Annex.
7. The two sides will, through consultations, formulate and implement specific commitments of Macao in relation to Mainland people obtaining professional qualifications of Macao.

8. In the event that the implementation of this Annex causes substantial impact on the trade and relevant sectors of either side, the two sides will conduct consultations on the relevant provisions of this Annex at the request of either side.

9. This Annex will come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate in Macao, this 17th day of October 2003 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

(Signature)

(Signature)

Courtesy Translation

Table 1

The Mainland's Specific Commitments on Liberalization of Trade in Services for Macao¹

Sectors or sub-sectors	1. Business services
	A. Professional services
	a. Legal services (CPC861)
Specific commitments	<p>1. To allow Macao law firms that have set up representative offices in the Mainland to operate in association with Mainland law firms, except in the form of partnership. Macao lawyers participating in such association may not handle matters of Mainland law.</p> <p>2. To allow Mainland law firms to employ Macao practicing lawyers. Such practicing lawyers who are employed by Mainland law firms must not handle matters of Mainland law.</p> <p>3. To allow Macao lawyers with Chinese citizenship who have already acquired Mainland lawyer qualifications to intern and practise on non-litigation legal work in the Mainland.</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.

	<p>4. To allow Macao permanent residents with Chinese citizenship to sit the legal qualifying examination in the Mainland and acquire Mainland legal professional qualification in accordance with the “State Judicial Examination Implementation Measures”.</p> <p>5. To allow those who have acquired Mainland legal professional qualification under item 4 above to engage in non-litigation legal work in Mainland law firms in accordance with the “Law of the People's Republic of China on Lawyers”.</p> <p>6. The minimum residency requirement is waived for all Macao representatives stationed in the Mainland representative offices of Macao law firms located in Shenzhen and Guangzhou. For the Macao representatives stationed in the Mainland representative offices of Macao law firms located in places other than Shenzhen and Guangzhou, their minimum residency requirement is 2 months each year.</p> <p>7. To confer those Macao lawyers, qualified after training, with Mainland recognized notary qualification.</p> <p>8. To allow Macao lawyers that are Macao permanent residents to engage in legal matters of Macao as well as other countries and regions that the lawyers are allowed to practise in the Mainland pursuant to the Mainland laws, regulations and administrative regulations.</p>
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Sectors or sub-sectors	1. Business services
	A. Professional services
	b. Accounting, auditing and bookkeeping services (CPC862)
Specific commitments	<p>1. Macao auditors and accountants who have already qualified as Chinese Certified Public Accountants (CPAs) and practised in the Mainland (including partnership) are treated on par with Chinese CPAs in respect of the requirement for annual residency in the Mainland.</p> <p>2. The validity period of the “Temporary Auditing Business Permit” applied by Macao auditing firms and auditors to conduct temporary auditing services in the Mainland is 1 year.</p>

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 and landscape architectural services (except general urban planning) (CPC8674)
Specific commitments	To allow Macao service suppliers to provide, in the form of wholly-owned operations, architectural services, engineering services, integrated engineering services, urban planning and landscape architectural services in the Mainland.

Sectors or sub-sectors	1. Business services
	A. Professional services
	h. Medical and dental services (CPC9312)
Specific commitments	<p>1. The majority of medical personnel employed by Macao-Mainland joint venture hospitals or clinics can be Macao permanent residents.</p> <p>2. The maximum duration of the licence to provide short-term medical, dental and Chinese medicine services in Mainland is 3 years for practitioners who are legally eligible to practise in the Macao Special Administrative Region. On expiry, the licence for short term practice is renewable.</p> <p>3. To allow Macao permanent residents in possession of a medical (traditional Chinese medicine and dental) higher degree from a full-time tertiary institution approved by the Education Administration Department of the Mainland State Council to sit the Mainland’s medical qualification examination after they have become legally eligible to practise in Macao for over 1 year. They may also sit the Mainland’s medical qualification examination after they have completed 1 year of internship in the Mainland and passed an assessment in accordance with the relevant requirements. A “medical (traditional Chinese medicine) practitioner’s qualification certificate” of the Mainland will be issued to those who pass the examination.</p>

	<p>4. To allow Macao permanent residents who have acquired a Chinese medicine degree from the Macao University of Science and Technology and are legally eligible to practise in Macao to sit the Mainland's qualification examination on the condition that they have completed 1 year's internship in a third-level traditional Chinese medicine hospital in the Mainland and have passed the performance test; or that they have been practising in Macao for more than 1 year. A "medical (traditional Chinese medicine) practitioner's qualification certificate" of the Mainland will be issued to those who pass the examination.</p> <p>5. The categories of medical qualifications that Macao permanent residents may apply to sit are clinical medicine, traditional Chinese medicine and dental medicine.</p>
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Sectors or sub-sectors	1. Business services
	D. Real estate services
	<ul style="list-style-type: none"> a. Real estate services involving own or leased property (CPC821) b. Real estate services on a fee or contract basis (CPC822)
Specific commitments	<ul style="list-style-type: none"> 1. To allow Macao service suppliers to provide, in the form of wholly-owned operations, high standard real estate project services in the Mainland.¹ 2. To allow Macao service suppliers to provide, in the form of wholly-owned operations, real estate services on a fee or contract basis in the Mainland. 3. To allow Macao service suppliers to provide, in the form of wholly-owned operations, real estate agency services in the Mainland.

¹ High standard real estate projects refer to the real estate projects with construction costs per unit two times over the average construction costs per unit in the same city.

Sectors or sub-sectors	1. Business services
	F. Other business services
	a. Advertising services (CPC871)
Specific commitments	To allow Macao service suppliers ¹ to set up wholly-owned advertising firms in the Mainland.

¹ In this sector, a Macao service supplier must be a juridical person engaging in advertising services (but not necessarily as its principal business).

Sectors or sub-sectors	1. Business services
	F. Other business services
	c. Management Consulting services (CPC86501, 86502, 86503, 86504, 86505, 86506, 86509)
Specific commitments	<p>1. To allow Macao service suppliers to provide, in the form of wholly-owned operations, management consulting services, including general management consulting services, financial management consulting services (except industrial tax), marketing management consulting services, human resource management consulting services, production management consulting services, public relations services and other management consulting services in the Mainland.</p> <p>2. The minimum registered capital requirement for Macao service suppliers providing management consulting services in the Mainland follows the requirements in the “Company Law of the People’s Republic of China”.</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 provide, in the form of wholly-owned operations, convention services and exhibition services in the Mainland. ¹

¹ Excluding exhibitions outside the Mainland.

Sectors or sub-sectors	2. Communications services
	C. Telecommunications services
	Valued-added services
Specific commitments	<p>1. As from the day following that of the signing of CEPA, to allow Macao service suppliers to set up joint venture enterprises in the Mainland to provide the following five types of value-added telecommunications services¹:</p> <ul style="list-style-type: none"> (1) internet data centre services; (2) store and forward services; (3) call centre services; (4) internet access services; (5) content services. <p>2. Macao service suppliers' shareholding in the joint venture enterprises engaging in the value-added telecommunications services mentioned in item 1 above should not exceed 50%.</p> <p>3. There will be no geographic restriction for the joint venture enterprises formed by Macao service suppliers and the Mainland to provide value-added telecommunications services mentioned in item 1 above.</p>

¹ To implement in accordance with the Mainland's "Telecommunication business classification".

Sectors or sub-sectors	2. Communications services
	D. Audiovisual services
	Video distribution services (CPC83202), Sound recording products distribution services Cinema theatre services Chinese language motion pictures and motion pictures jointly produced
Specific commitments	Videos, sound recording products distribution services 1. To allow Macao service suppliers to provide, in the form of joint venture, videos and sound recording products (including motion picture products) distribution services in the Mainland. ¹ 2. To allow majority shareholding, not exceeding 70%, for Macao service suppliers.
	Cinema theatre services 1. To allow Macao service suppliers to construct/renovate and operate cinema theatres on an equity joint venture or contractual joint venture basis. 2. To allow majority shareholding, not exceeding 75%, for Macao service suppliers.

¹ In undertaking distribution services in the Mainland in respect of videos and sound recording products, Macao service suppliers should comply with the relevant laws, regulations and requirements of the review system in the Mainland.

	<p>Chinese language motion pictures and motion pictures jointly produced.</p> <ol style="list-style-type: none"> 1. Chinese language motion pictures produced in Macao may be imported for distribution in the Mainland on a quota-free basis, after vetting and approval by the relevant Mainland authority. 2. Chinese language motion pictures produced in Macao refer to those motion pictures made by production companies which are set up or established in accordance with the relevant laws of the Macao Special Administrative Region, and which own more than 75% of the copyright of the motion pictures concerned. Macao residents should comprise more than 50% of the total principal personnel¹ in the motion pictures concerned. 3. Motion pictures jointly produced by Macao and the Mainland are treated as Mainland motion pictures for the purpose of distribution in the Mainland. Translated versions of the motion pictures in languages of other Chinese ethnic groups and Chinese dialects, which are based on the Putonghua version, are allowed to be distributed in the Mainland. 4. For motion pictures jointly produced by Macao and the Mainland, there is no restriction on the percentage of principal creative personnel² from Macao, but at least one-third of the leading artists must be from the Mainland; there is no restriction on where the story takes place, but the plots or the leading characters must be related to the Mainland.
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¹ Principal personnel includes personnel performing the roles of director, screenwriter, leading actor, leading actress, supporting actor, supporting actress, producer, cinematographer, editor, art director, costume designer, action choreographer, and composer of the original film score.

² Major creative personnel refers to personnel performing the roles of director, screenwriter, cinematographer and leading artists. Leading artists refer to leading actor, leading actress, leading supporting actor and leading supporting actress.

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 Macao service suppliers, the performance of both the enterprises in Macao and in 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. To allow Macao service suppliers to wholly acquire construction enterprises in the Mainland.</p> <p>3. Construction enterprises in the Mainland set up with investment by Macao service suppliers are exempted from foreign investment restrictions when undertaking Chinese-foreign joint construction projects.</p> <p>4. Construction enterprises in the Mainland with investment by Macao service suppliers will follow the relevant laws and regulations in the Mainland for application of construction qualification certificates. Those which have acquired such certification are permitted in accordance with laws to bid for construction projects in all parts of the Mainland.</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.

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>
Specific commitments	<p>1. To allow Macao service suppliers to provide, in the form of wholly-owned operations, commission agents' services and wholesale trade services and to set up wholly-owned foreign trading companies in the Mainland.¹</p> <p>2. To apply for the setting up of wholesale commercial enterprises in the Mainland on a wholly-owned, equity joint venture, or contractual joint venture basis, Macao service suppliers must fulfill the following conditions:</p>

¹ The wholesale trade services and commission agents' services provided by Macao service suppliers in the Mainland in respect of books, newspapers, magazines, pharmaceutical products, pesticides, mulching film, chemical fertilizers, processed oil and crude oil remain subject to Mainland's commitments to members of the World Trade Organization.

	<p>The average annual sales value of a Macao service supplier in the preceding 3 years is not less than US\$30 million; the assets in the preceding year is not less than US\$10 million; the minimum registered capital for setting up an enterprise in the Mainland is RMB 50 million. For setting up a wholesale commercial enterprise in the Central and Western Region², the average annual sales value of a Macao service supplier in the preceding 3 years is not less than US\$20 million; the minimum registered capital is RMB 30 million.</p> <p>3. To apply for the setting up of foreign trading companies in the Mainland on a wholly-owned, equity joint venture or contractual joint venture basis, the Macao service suppliers must fulfil the following conditions:</p> <p>The average annual trade value with the Mainland of a Macao service supplier in the preceding 3 years is not less than US\$10 million; for setting up an foreign trading company in the Central and Western Region, the average annual trade value with the Mainland of a Macao service supplier in the preceding 3 years is not less than US\$5 million; the minimum registered capital for setting up a company in the Mainland is RMB 20 million; for setting up an foreign trading company in the Central and Western Region, the minimum registered capital is RMB 10 million.</p> <p>4. There are no geographic restrictions for Macao service suppliers to provide, in the form of wholly-owned operations, commission agents' services and wholesale trade services in the Mainland.</p>
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² In this Annex, the Central and Western Region include Central Region and Western Region. Western Region refers to 12 provinces/autonomous regions/municipalities including Chongqing, Sichuan, Guizhou, Yunnan, Tibet, Shanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Guangxi; and Xianxi Tugia-Miao Autonomous Prefecture of Hunan Province, Enshi Tugia-Miao Autonomous Prefecture of Hubei Province and Yanbian Korean Autonomous Prefecture of Jilin Province. Central Region refers to 8 provinces including Heilongjiang, Jilin, Shanxi, Henan, Hubei, Hunan, Anhui and Jiangxi.

Sectors or sub-sectors	4. Distribution services C. Retailing services (excluding tobacco)
Specific commitments	<p>1. To allow Macao service suppliers to set up wholly-owned retail commercial enterprises in the Mainland.¹</p> <p>2. To apply for the setting up of retail commercial enterprises in the Mainland on a wholly-owned, equity joint venture or contractual joint venture basis, Macao service suppliers must fulfil the following conditions:</p> <p style="padding-left: 40px;">The average annual sales value of a Macao service supplier in the preceding 3 years will not be less than US\$100 million; the minimum assets in the previous year will be US\$10 million; the minimum registered capital for setting up an enterprise in the Mainland will be RMB 10 million. For setting up a retail commercial enterprise in the Central and Western Region, the minimum registered capital will be RMB 6 million.</p> <p>3. To allow Macao service suppliers to set up retailing enterprises in all cities at the prefectural level in the Mainland, and cities at the county level in Guangdong Province.</p> <p>4. To allow Macao service suppliers to set up wholly owned retailing enterprises in the Mainland for sale of motor vehicles.²</p> <p>5. To allow Macao permanent residents with Chinese citizenship to set up, in accordance with the relevant laws, regulations and administrative regulations, individually owned stores in Guangdong to provide retailing services</p>

¹ The retailing services provided by Macao service suppliers in the Mainland in respect of books, newspapers, magazines, pharmaceuticals, pesticides, mulching film, chemical fertilizers, staple food, vegetable oil, edible sugar, cotton and processed oil 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.

Sectors or sub-sectors	4. Distribution services
	D. Franchising
Specific commitments	To allow Macao service suppliers to engage, in the form of wholly-owned operations, in franchising in the Mainland. ¹

¹ The respective regulation will be promulgated separately.

Sectors or sub-sectors	7. Financial services
	A. All insurance and insurance-related services
	<ul style="list-style-type: none"> a. Life, health and pension/ annuities insurance b. Non-life insurance c. Reinsurance d. Services auxiliary to insurance
Specific commitments	<ol style="list-style-type: none"> 1. To allow groups formed by Macao insurance companies through re-grouping and strategic mergers to enter the Mainland insurance market subject to established market access conditions (total assets held by the group of over US\$ 5 thousand million; more than 30 years of establishment experience attributable to one of the Macao insurance companies in the group; and a representative office established in the Mainland for over 2 years by one of the Macao insurance companies in the group). 2. The maximum limit of capital participation by a Macao insurance company in a Mainland insurance company is 24.9%. 3. To allow Macao residents with Chinese citizenship, after obtaining the Mainland's professional qualifications in actuarial science, to practise in the Mainland without prior approval. 4. To allow Macao residents, after obtaining the Mainland's insurance qualifications and being employed or appointed by a Mainland insurance institution, to engage in the relevant insurance business.

Sectors or sub-sectors	7. Financial services
	<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 in foreign exchange for own account or for account of customers.
Specific commitments	<p>1. For Macao banks to set up branches or body corporates in the Mainland, the total asset requirement at the end of the year preceding application is not less than US\$ 6 thousand million; for Macao finance companies to set up body corporates, the total asset requirement at the end of the year preceding application is not less than US\$ 6 thousand million.</p> <p>2. There will be no requirement for setting up a representative office in the Mainland before a Macao bank establishes a joint venture bank or joint venture finance company in the Mainland, or before a Macao finance company establishes a joint venture finance company in the Mainland.</p> <p>3. For Mainland branches of Macao banks to apply to conduct RMB business:</p> <ul style="list-style-type: none"> (1) they should have been operating in the Mainland for more than 2 years; (2) in conducting profitability assessment, the relevant authorities will base their assessment on the overall profitability position of all branches of the bank in the Mainland instead of the profitability position of its individual branches.

Sectors or sub-sectors	7. Financial services
	B. Banking and other financial services
	Securities
Specific commitments	To allow those Macao securities and futures professionals who are Macao permanent residents to apply for practicing qualification in the Mainland in accordance to relevant procedures.

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 (CPC7471)</p> <p>Others</p>
Specific commitments	<p>1. To allow Macao service suppliers to construct, renovate and operate, on a wholly-owned basis, hotels, apartment buildings and restaurant establishments in the Mainland.</p> <p>2. There will be no geographic restriction on Macao travel agencies forming joint venture travel agencies in the Mainland where the Mainland agencies have majority shareholding.</p> <p>3. To allow residents of Beijing, Shanghai, and Guangzhou, Shenzhen, Zhuhai, Dongguan, Zhongshan, Jiangmen, Foshan and Huizhou of the Guangdong Province to visit Macao individually for tourism, and to allow the same in respect of the whole of Guangdong Province not later than 1 July 2004.</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 Macao service suppliers¹ to set up wholly-owned enterprises in the Mainland to operate international ship management services, storage and warehousing for international maritime freight, container station and depot services, and non-vessel operating common carrying services.</p> <p>2. To allow Macao service suppliers to set up wholly-owned shipping companies in the Mainland to provide regular business services for vessels that they own or operate, such as shipping undertaking, issuance of bills of lading, settlement of freight rates, signing of service contracts, etc.</p> <p>3. To allow Macao service suppliers to use liner vessels serving main routes to move, without any restrictions, empty containers that they own or rent, as long as customs procedures are observed.</p>

¹ In this sector, the Macao service suppliers must be enterprise juridical persons.

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 Macao service suppliers to set up wholly-owned enterprises in the Mainland to provide road freight transport services.</p> <p>2. To allow Macao service suppliers to provide direct non-stop road freight transport services between Macao and individual provinces, cities and autonomous regions in the Mainland.¹</p> <p>3. To allow Macao service suppliers to set up wholly-owned enterprises in the Western Region of the Mainland to provide road passenger transport services</p>

¹ Non-stop services mean direct road transport services between Macao and the Mainland. In this sector, Macao service suppliers supplying non-stop services must be enterprise juridical persons.

Sectors or sub-sectors	11. Transport services
	H. Services auxiliary to all modes of transport
	Storage and warehouse services (CPC742)
Specific commitments	<p>1. To allow Macao service suppliers to provide, in the form of wholly-owned operations, storage and warehousing services in the Mainland.</p> <p>2. The minimum registered capital requirement for storage and warehousing enterprises in the Mainland set up and invested by Macao service suppliers will be the same as that for Mainland enterprises.</p>

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	<p>1. To allow Macao service suppliers to provide, in the form of wholly-owned operations, freight forwarding agency services in the Mainland¹.</p> <p>2. The minimum registered capital requirement for freight forwarding agency enterprise (international freight forwarding) in the Mainland set up and invested by Macao service suppliers will be the same as that for Mainland enterprises.</p>

¹ In this sector, the Macao service suppliers must be enterprise juridical persons.

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Logistics services
Specific commitments	To allow Macao service suppliers to provide, in the form of wholly-owned operations, logistics services in the Mainland, which include road transport, storage and warehousing, loading and unloading, value adding processing, packaging, delivery and related information and consultancy services for ordinary road freight; freight transport agency services within the Mainland; and the management and operation of logistics services through computer network.

Table 2

**Macao's Specific Commitments on Liberalization of Trade in Services
for the Mainland¹**

¹ The two sides will, through consultations, formulate and implement further liberalization of Macao's service sectors for the Mainland. The relevant specific commitments will be listed in this table.