Courtesy Translation

Supplement VII 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[®] 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,
- the Supplement III to "CEPA" signed on 26 June 2006,
- the Supplement IV to "CEPA" signed on 2 July 2007,
- the Supplement V to "CEPA" signed on 30 July 2008, and
- the Supplement VI to "CEPA" signed on 11 May 2009,

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

I. Trade in Services

1. From 1 January 2011, 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 IV to

[®] In "CEPA", the "Mainland" refers to the entire customs territory of the People's Republic of China.

"CEPA", the Supplement V to "CEPA", and the Supplement VI to "CEPA", further relax the market access conditions in thirteen sectors, namely, construction, medical, technical testing, analysis and product testing, specialty design, audiovisual, distribution, banking, social services, tourism, cultural and recreational, air transport, professional qualification examinations and individually owned stores. The details are set out in the Annex of this Supplement VII.

- The Annex of this Supplement VII 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", 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", Annex "Supplements and Amendments V to the Mainland's Specific Commitments on Liberalization of Trade in Services for Macao" of the Supplement V to "CEPA", and Annex "Supplements and Amendments VI to the Mainland's Specific Commitments on Liberalization of Trade in Services for Macao" of the Supplement VI to "CEPA". In case of conflict with the provisions of the above seven instruments, the provisions of the Annex of this Supplement VII shall prevail.
- 3. "Service suppliers" as referred to in the Annex of this Supplement VII shall conform to the requirements set out in Annex 5 "Definition of "Service Supplier" and Related Requirements" of "CEPA".

II. Trade and Investment Facilitation

(1) To support and align with moderate diversification of Macao's industrial structure, the two sides agree to add cooperation in cultural industry, environmental industry as well as innovation and technology industry as supplementary components of Industrial Cooperation in the area of Trade and Investment Facilitation under "CEPA", to further improve cooperation in the convention and exhibition industry, and add in Article 9 of Annex 6 of

"CEPA" the following content:

"1. Cooperation in Cultural Industry

The cultural industry of the two places has strong driving forces, high development potential and a strong complementary effect. Strengthening cooperation in the cultural industry between the two places plays an important role in promoting the development of cultural industry of both places. The two sides agree to promote cooperation in the cultural industry with a view to creating jointly a situation which both sides benefit.

1.1 Cooperation mechanism

Utilizing existing cooperation channels of relevant authorities, the two sides will enhance communication through exchanges and consultations with a view to supporting the joint development of cultural industry in both places.

1.2 Content of Cooperation

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

- 1.2.1 Support and strengthen exchanges and communication with regard to the cultural industry of both places.
- 1.2.2 Exchange information relating to the formulation and enforcement of laws and regulations in respect of the cultural industry.
- 1.2.3 Promptly investigate and tackle problems arising from the exchanges between both sides on the cultural industry.
- 1.2.4 Enhance cooperation in the organization of visits, exchanges and exhibitions, etc...
- 1.2.5 Jointly explore the expansion of market and other cooperation proposals.

1.3 Participation of other entities

The two sides agree to support relevant semi-official organizations, non-official organizations and the trade to play a role in promoting cooperation in the cultural industry between the two places.

2. Cooperation in Environmental Industry

Cooperation in the environmental industry plays an important role in promoting economic development in both places as well as in facilitating the economic and trade exchanges between both places. The two sides agree to strengthen cooperation in the environmental industry with the view to supporting the joint development of the industry in both places.

2.1 Cooperation mechanism

Under the guidance and coordination of the Joint Steering Committee, the two sides will set up a relevant working group with a view to strengthen cooperation in the area of environmental industry.

2.2 Content of Cooperation

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

- 2.2.1 Support and strengthen exchanges and communication with regard to the environmental industry of both places.
- 2.2.2 Exchange information relating to the formulation and enforcement of laws and regulations in respect of the environmental industry.
- 2.2.3 Enhance cooperation in the area of training, organizing visits, etc..
- 2.2.4 Strengthen cooperation between the two places in the environmental industry by various means including organizing trade exhibitions, seminars, etc..
- 2.2.5 Explore cooperation proposals to further facilitate business operations in order to support the development of the environmental industry of both places.

2.3 Participation of other entities

The two sides agree to support and assist semi-official organizations, non-official organizations and the trade to play a role in promoting cooperation in the environmental industry between the two places.

3. Cooperation in Innovation and Technology Industry

Cooperation in innovation and technology plays an important role in promoting the economic and social development of the two places. The two

sides agree to strengthen cooperation in innovation and technology and support the joint development of the innovation and technology industry of both places.

3.1 Cooperation mechanism

Through the cooperation mechanism between relevant government departments of both sides, the cooperation in the area of innovation and technology of the two sides will be strengthened.

3.2 Content of Cooperation

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

- 3.2.1 Strengthen exchanges and sharing of information between the two places in the area of innovation and technology.
- 3.2.2 Progressively incorporate Macao research institutes and enterprises in the national innovation system and encourage Macao research personnel and organizations to participate in national science and technology projects.
- 3.2.3 Strengthen exchanges and cooperation between the two places in the area of high technology research, development and application, fundamental scientific research, etc. with a view to exploring market expansion.

3.3 Participation of other entities

The two sides agree to support and assist semi-official organizations, non-official organizations and the trade to play a role in promoting cooperation in the innovation and technology industry between the two places.

4. Cooperation in Convention and Exhibition Industry

The convention and exhibition industry has strong driving forces and high development potential. Strengthening cooperation in the convention and exhibition industry between both places plays an important role in promoting economic development in both places as well as in facilitating economic and trade exchanges between both places. The two sides agree to strengthen cooperation in the convention and exhibition industry with a view to supporting the joint development of the industry in both places.

4.1 Cooperation mechanism

Utilizing the existing cooperation channels of relevant authorities, the two sides will enhance exchanges and information flow.

4.2 Content of Cooperation

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

- 4.2.1 The Mainland will provide support and cooperation to Macao for organizing large-scale international conventions and exhibitions.
- 4.2.2 To promote the development of Macao's convention and exhibition industry, upon request of the MSAR Government and subject to the agreement of relevant authorities of the Central People's Government, the relevant Mainland departments will facilitate the processing of applications made by Mainland enterprises and individuals for travel documents and endorsements required for visiting Macao to participate in conventions and exhibitions held there.

4.3 Participation of other entities

Both sides agree to support relevant semi-official organizations, non-official organizations and the trade to play a role in promoting cooperation in the convention and exhibition industry between the two places."

- (2) The two sides agree to add cooperation in education as a supplementary component in the area of Trade and Investment Facilitation under "CEPA". Accordingly:
 - 1. Paragraph 1 of Article 17 of "CEPA" will 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. Commodity 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;
- 10. Cooperation on education."

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 ten 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; cooperation on brand promotion; and cooperation on education. 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 to Annex 6 of "CEPA" as Article 12 and the subsequent articles are renumbered accordingly. The content of Article 12 is as follows:

"12. Cooperation on Education

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

- 12.1 Strengthen exchanges and communication in the area of education cooperation between the two places.
- 12.2 Strengthen exchange of information in respect of education.
- 12.3 Strengthen cooperation in training, organization of visits, etc.
- 12.4 Strengthen education cooperation of both places through various means such as professional collaboration and organizing seminars.
- 12.5 To support Mainland's education institutions and Macao's higher education institutions to jointly provide education programmes, to establish joint research facilities and to nurture talents at undergraduate or above level in the Mainland."

(3) The two sides agree to further strengthen their cooperation in the area of commodity inspection, inspection and quarantine of animals and plants, food safety, sanitary quarantine, certification, accreditation and standardization management. Accordingly, the following subparagraph (6) is added to Article 5 of Annex 6 to "CEPA":

"5.2.6. Relevant authorities of both sides will further strengthen their cooperation, establish a mechanism of regular reciprocal visits, and commence cooperation in the area of consumer product safety."

III. Annex

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

IV. Coming Into Effect

This Supplement VII shall come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate in Macao, this 28th day of May 2010 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