

# China-Macao Closer Economic Partnership Arrangement Supplement VII

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## 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<sup>①</sup> 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 III to “CEPA”, the Supplement IV to

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<sup>①</sup> 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.

2. 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

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## Courtesy Translation

### Annex

#### Supplements and Amendments VII to the Mainland's Specific Commitments on Liberalization of Trade in Services for Macao<sup>①</sup>

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	<p>1. To allow Macao professionals who have obtained Mainland's class 1 registered architect qualification or Mainland's class 1 registered structural engineer qualification to act as partners to set up construction and engineering design offices in the Mainland in accordance with the relevant qualification requirements.</p> <p>2. For the above enterprises, there is no restriction on the ratio of the number of the Macao partners to the number of the Mainland partners, the ratio of the total capital contributed by the Macao partners to that by the Mainland partners, and the residential period in the Mainland for the Macao partners.</p>

<sup>①</sup> 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
	h. Medical and dental services (CPC9312) j. Services provided by midwives, nurses, physiotherapists and para-medical personnel (CPC93191) Pharmaceutical services
	8. Health related and social services
	A. Hospital services B. Other human health services
	Hospital services (CPC9311) Convalescent hospital services
Specific commitments	<p>1. To allow Macao service suppliers to establish wholly-owned hospitals in Shanghai Municipality, Chongqing Municipality, Guangdong Province, Fujian Province and Hainan Province.<sup>1</sup></p> <p>2. No requirement is imposed on the total investment in setting up hospitals by Macao service suppliers on an equity joint-venture or contractual joint-venture basis in Guangdong Province.</p> <p>3. No restriction is imposed on the ratio of capital investment between Macao service suppliers and Mainland partners in setting up hospitals in the form of equity joint venture or contractual joint venture in Shanghai Municipality, Chongqing Municipality, Guangdong Province, Fujian Province and Hainan Province.</p> <p>4. To allow Macao statutory medical professionals<sup>2</sup> to provide short-term services in the Mainland. The maximum duration</p>

<sup>1</sup> Subject to the Mainland's requirements on setting up of wholly-owned hospitals by foreign investment.

<sup>2</sup> Macao statutory medical professionals include 12 types of staff, namely, Doctors, Doctors of Chinese Medicine, Chinese Herbalists, Dentists, Odontologists, Pharmacists, Pharmacy Technical Assistants, Nurses, Therapists, Masseurs, Acupuncturists, Diagnostic and Therapeutic Technicians, etc.

	<p>of the license for short-term practice is 3 years. On expiry, the license for short-term practice is renewable upon a new application.</p> <p>5. The health administrative department at the provincial level of Guangdong Province is responsible for the project establishment and approval procedures for setting up medical institutions by Macao service suppliers on an equity joint venture or contractual joint venture basis in Guangdong Province.</p> <p>6. To allow Macao service suppliers to set up convalescent hospitals on wholly-owned, equity joint-venture or contractual joint-venture basis to provide medical services in Guangdong Province.<sup>1</sup></p>
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<sup>1</sup> Subject to the Mainland's requirements as stipulated in the "Regulations on the Administration of Medical Institutions" and the "Rules of Implementation for the Regulations on the Administration of Medical Institutions".

Sectors or sub-sectors	1. Business services
	F. Other business services
	e. Technical testing and analysis services (CPC8676) Product testing services (CPC7490)
Specific commitments	To allow testing organizations in Macao to cooperate with designated Mainland organizations to undertake testing of products for the China Compulsory Certification (CCC) System on a pilot basis, for selected products listed in the CCC Catalogue and processed in Macao (i.e. the processing facilities are located in Macao). These testing organizations have to be accredited by the accreditation body of the Government of Macao Special Administrative Region to be capable of performing testing for the relevant products under the CCC System. Cooperation arrangements should comply with relevant requirements in the “Regulations of the People’s Republic of China on Certification and Accreditation”.

Sectors or sub-sectors	1. Business services
	F. Other business services
	Specialty design services (CPC87907)
Specific commitments	To allow Macao service suppliers to set up wholly-owned enterprises in the Mainland to provide specialty design services.

Sectors or sub-sectors	2. Communications services
	<p data-bbox="579 344 887 376">D. Audiovisual services</p> <p data-bbox="624 456 1153 488">Videos distribution services (CPC83202)</p> <p data-bbox="624 519 1225 551">Sound recording products distribution services</p> <p data-bbox="624 582 1410 663">Motion picture and video tape production and distribution services (CPC9611)</p> <p data-bbox="624 694 932 725">Cinema theatre services</p> <p data-bbox="624 757 1410 837">Chinese language motion pictures and motion pictures jointly produced</p> <p data-bbox="624 869 1106 900">Technical services of cable television</p> <p data-bbox="624 931 1074 963">Jointly produced television dramas</p> <p data-bbox="624 994 711 1025">Others</p>
Specific commitments	<ol style="list-style-type: none"> <li data-bbox="533 1057 1437 1182">1. To allow Macao service suppliers to set up enterprises on a wholly-owned, equity joint-venture or contractual joint-venture basis in the Mainland to produce video and sound recording products.</li> <li data-bbox="533 1214 1437 1339">2. To allow Macao permanent residents with Chinese citizenship to apply for “License for Operating Audio and Video Products” for the setting up of individually owned stores in the Mainland.</li> </ol>

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>To allow distribution enterprises set up by Macao service suppliers in the Mainland to distribute books published in Macao. The Macao books to be distributed must be imported by the State authorized publication import agents.</p>



Sectors or sub-sectors	7. Financial services
	<p data-bbox="600 349 1444 427">B. Banking and other financial services (excluding insurance and securities)</p> <ul style="list-style-type: none"> <li data-bbox="620 495 1444 573">a. Acceptance of deposits and other repayable funds from the public</li> <li data-bbox="620 607 1444 685">b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions</li> <li data-bbox="620 719 895 752">c. Financial leasing</li> <li data-bbox="620 786 1444 909">d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (including import and export settlement)</li> <li data-bbox="620 943 1043 976">e. Guarantees and commitments</li> <li data-bbox="620 1010 1444 1088">f. Trading in foreign exchange for own account or for account of customers</li> </ul>
Specific commitments	<ol style="list-style-type: none"> <li data-bbox="544 1137 1444 1413">1. For a Macao bank to set up a wholly foreign-funded bank or a foreign bank branch in the Mainland with reference to the relevant requirements in the “Regulations of the People’s Republic of China for the Administration of Foreign-funded Banks”, it should have maintained a representative office in the Mainland for more than one year prior to the application.</li> <li data-bbox="544 1447 1444 1626">2. For a Macao bank’s operating institution in the Mainland to apply to conduct RMB business, it should have been operating in the Mainland for more than 2 years and profitable for one year prior to the application.</li> <li data-bbox="544 1659 1444 1839">3. Any foreign banking institution established in the Mainland by a Macao bank can establish specialized institutions for providing financial services to small enterprises in accordance with the relevant requirements in the Mainland.</li> </ol>

**Supplements and Amendments VII to the Mainland's Specific Commitments on  
Liberalization of Trade in Services for Macao**

**(Additional Content)**

Sectors or sub-sectors	7. Financial services
	B. Banking and other financial services (excluding insurance and securities)
	<ul style="list-style-type: none"> <li>a. Acceptance of deposits and other repayable funds from the public</li> <li>b. Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions</li> <li>c. Financial leasing</li> <li>d. All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (including import and export settlement)</li> <li>e. Guarantees and commitments</li> <li>f. Trading in foreign exchange for own account or for account of customers</li> </ul>
Specific commitments	<p>For a Macao bank's operating institution in the Mainland to apply to conduct RMB business for serving Macao enterprises operating in the mainland, it should have been operating in the Mainland for more than one year and profitable for one year prior to the application.<sup>1</sup></p>

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<sup>1</sup> The timing for implementation will be agreed by the relevant industry authorities of both sides.

Sectors or sub-sectors	8. Health related services and social services
	C. Social services
	<p>Welfare services delivered through residential institutions to old persons and the handicapped (CPC93311)</p> <p>Day-care services for the handicapped (CPC93321)</p> <p>Welfare services not delivered through residential institutions (CPC93323)</p> <p>Rehabilitation services for handicapped</p>
Specific commitments	<ol style="list-style-type: none"> <li>1. To allow Macao service suppliers to operate elderly service agencies in the form of wholly-owned private non-enterprises to provide elderly services.</li> <li>2. To allow Macao service suppliers to operate welfare agencies for persons with disabilities in the form of wholly-owned private non-enterprises.</li> </ol>

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>To allow Macao travel agents established on a wholly-owned or joint venture basis in the Beijing and Shanghai Municipalities to apply for the operation on a pilot basis of group tours to Macao and Hong Kong for residents of the Beijing and Shanghai Municipalities (residents registered with permanent residence of the Beijing and Shanghai Municipalities).</p>

Sectors or sub-sectors	10. Recreational, cultural and sporting services
	A. Cultural services (excluding audiovisual services)
Specific commitments	To allow Macao service suppliers to set up internet culture business units and internet online service premises in the Mainland in the form of contractual joint ventures with the Mainland party holding dominant interests.

Sectors or sub-sectors	11. Transport services
	C. Air transport services
	<p>d. Aircraft repair and maintenance services (CPC 8868)</p> <p>Airport operation services (excluding cargo handling) (CPC 74610)</p> <p>Other supporting services for air transport (CPC 74690)</p> <p>Computer reservation system (CRS) services</p> <p>Sales and marketing services for air transport</p>
Specific commitments	<p>1. To allow air transport sales agencies set up by Macao service suppliers in the Mainland in the form of wholly-owned enterprises, equity joint venture or contractual joint venture to operate air transport sales agency services in the domestic routes in the Mainland.</p> <p>2. To allow Macao service suppliers to operate aircraft repair and maintenance services in the Mainland in the form of wholly-owned enterprises or with majority shareholding in the enterprises.</p>

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Professional and technical personnel qualification examination
Specific commitments	<p>To allow Macao permanent residents to take the qualification examination for real estate valuer in the Mainland. “Certificate of professional qualification of real estate valuer” will be issued to those who pass the examination.</p>

Sectors or sub-sectors	Service sectors (sectors not set out in GNS/W/120)
	Individually owned stores

Specific commitments	<p>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, excluding franchising operation, and no more than 8 persons should be engaged in the operation of the individually owned stores. The scope of business includes: marriage services under residents services (excluding matchmaking services), renting and leasing services of comic books and electronic animation game products, renting and leasing services of animation audio-video products<sup>1</sup>, as well as veterinary services: pet clinics (to be operated in cities only)<sup>2</sup>.</p>
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<sup>1</sup> Applicant must hold a “License for Operating Audio and Video Products” for applying business registration.

<sup>2</sup> Applicant must hold a “License for Diagnosis and Treatment of Animals” for applying business registration.