

Advertising Services (6)

1. What are the specific commitments in respect of the advertising sector under CEPA?

Please refer to the “Information Database on CEPA Service Sectors” of website of Trade and Industry Department:

http://www.tid.gov.hk/english/cepa/tradeservices/adv_liberalization.html

2. Can a Hong Kong advertising company set up a joint-venture advertising company with majority ownership in the Mainland?

Through CEPA, Hong Kong advertising companies can set up wholly-owned advertising firms in the Mainland. They can also choose to set up joint-venture advertising firms with majority ownership in the Mainland.

3. What does “advertising services” cover?

The definition of “advertising services” under CEPA is the same as that adopted in Annex 9 of China’s Schedule of Commitments for the WTO. This includes sales or leasing of advertising space or time; planning, creating and placement of advertising; and other advertising services (including outdoor advertising services).

4. Can an individual set up a wholly-owned advertising company in the Mainland or operate there as a private operator?

Under CEPA, Hong Kong service suppliers in the advertising services sector must be an enterprise juridical person (including company, partnership, sole proprietorship, etc).

5. Advertising is one of the businesses of my company. Can my company set up a wholly-owned advertising company in the Mainland?

Under CEPA, a Hong Kong company which engages in advertising services (not necessarily as its principal business) and upon fulfilment of the CEPA provisions can set up wholly-owned firms to provide advertising services in the Mainland.

6. What kind of advertising business operations can Hong Kong service suppliers engage in the Mainland?

According to Article 5 of the *Administrative Provisions on Foreign-Invested Advertising Enterprises*, foreign-invested advertising enterprises upon fulfillment of the stipulated criteria and subject to the approval of the relevant Mainland authorities, can engage in the design, production and issuance of advertisements, or in advertising agency business operations.