

## *Air Transport – 2008 Liberalization Measures*

- 1. In order to be qualified for the establishment of air transport sales agencies in the Mainland, Article 20(4) of the “Measures on Qualification Recognition of China Civil Aviation Transport Sales Agency” requires the provision of proof on economic guarantee as one of the supporting documents to be supplied by the applicants. What kinds of economic guarantee are accepted by the China Air Transport Association (CATA)?**

By virtue of Supplement IV and V to CEPA, Hong Kong Service Suppliers (HKSS), in their applications for the establishment of air transport sales agencies in the forms of wholly-owned enterprises, equity joint ventures or co-operative joint ventures in the Mainland, are allowed to serve the economic guarantee provided by Mainland-incorporated banks (including domestic and foreign banks) or guarantee companies recommended by CATA. HKSS can approach CATA for information about companies eligible for providing economic guarantee.

In addition, HKSS can also serve the economic guarantee provided by China-capital enterprises in the Mainland, providing that the registered capital of the China-capital enterprise is not lower than that of the Hong Kong enterprise being guaranteed.

- 2. What rules and regulations are relevant when HKSS apply for the operation of air transport sales agencies in the Mainland?**

The relevant rules and regulations currently include :

- Provisions on Foreign Investment in Civil Aviation (Decree of the General Administration of Civil Aviation of China, the Ministry of Foreign Trade and Economic Cooperation of the People’s Republic of China and the National Development and Reform Commission of the People’s Republic of China, 2002 No. 110)
- Supplementary Provision II to the Provisions on Foreign Investment in Civil Aviation (Decree of the General Administration of Civil Aviation of China, the Ministry of Foreign Trade and Economic Cooperation of the People’s

Republic of China and the National Development and Reform Commission of the People's Republic of China, 2007 No. 174)

- Announcement on Transfer of the Qualification Recognition Work for Air Transport Sales Agency (General Administration of Civil Aviation of China, 2006 No. 141)
- Measures on Qualification Recognition of China Civil Aviation Transport Sales Agency (China Air Transport Association, 31 March 2006)
- Supplementary Provision II to the Measures on Qualification Recognition of China Civil Aviation Transport Sales Agency (Circular of CATA, 2007 No. 70)