

Environmental Services (3)

1. What CEPA liberalization measures are available for the environmental service sector?

The liberalization measure for the environmental services sector was first introduced in 2007 under the CEPA Supplement IV. It allows Hong Kong service suppliers (HKSS) to set up wholly-owned enterprises in the Mainland to provide environmental services, including Sewage Services (CPC 9401), Refuse Disposal Services (CPC 9402), Cleaning Services of Exhaust Gases (CPC 9404), Noise Abatement Services (CPC 9405), Nature and Landscape Protection Services (CPC 9406), Other Environmental Protection Services (CPC 9409) and Sanitation Services (CPC 9403); but excluding environmental quality monitoring and pollution source investigation.

The liberalization measure signed in 2008 under the CEPA Supplement V permits the Guangdong Province to approve the qualification of HKSS for setting up enterprises to operate environmental pollution control facilities in Guangdong.

The Ministry of Housing and Urban-Rural Development has also clarified that the existing liberalization measures under CEPA supplements for the Architectural Services, and Construction and Related Engineering Services are applicable to environmental engineering design and contracting services. The relevant liberalization measures included, *inter alia*, the performance of the enterprises both in Hong Kong and in the Mainland would be taken into account in assessing their applications for company qualifications in the Mainland, etc.

2. What is meant by “operate environmental pollution control facilities”? What does “operate environmental pollution control facilities” cover?

According to Article 2 of the *Management Methods for Approval of Qualification for Operation of Environmental Pollution Control Facilities* (《環境污染治理設施運營資質許可管理辦法》), operation of environmental pollution control facilities refers to social paid services for treatment and disposal of pollutants, or profit-earning activities to undertake operation and management of environmental pollution control facilities for other persons in accordance with contracts signed by both sides.

According to the Article 5 of the *Management Methods for Approval of Qualification for Operation of Environmental Pollution Control Facilities* (《環境污染治理設施運營資質許可管理辦法》), qualification for operation of environmental pollution control facilities is categorised into domestic sewage, industrial effluent, dust precipitation, desulphurisation, industrial emission, industrial solid wastes (except hazardous wastes), domestic wastes, automatic continuous monitoring, etc.

Remark:

The above is an English translation of the relevant parts of 《環境污染治理設施運營資質許可管理辦法》. Exact interpretation should refer to the original text of the document in Chinese:

http://www.mep.gov.cn/gkml/zj/jl/200910/t20091022_171827.htm

3. What are the rules and regulations governing the acquisition of company qualifications for provision of environmental services in the Mainland?

(a) On Mainland rules and regulations governing company qualification to operate environmental pollution control facilities in Guangdong, please refer to the following web page of the Trade and Industry Department:

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

(b) On Mainland rules and regulations governing company qualification for environmental engineering design, please refer to the following web page of the Trade and Industry Department concerning Architectural Services (*see Remarks*):

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

Remarks:

(1) *The liberalization measures under the CEPA Supplements on Architectural Services are also applicable to company qualifications for environmental engineering design, amongst other categories for engineering design.*

(2) *《環境工程設計專項資質標準》 can be found from 《[工程設計專項資質標準](#)》 in Annex 6 of 《[工程設計資質標準](#)》 (translated as “Classification Standard of the Qualification of the Environmental Engineering Design Category” (in Chinese only)) on the above web page.*

(c) On Mainland rules and regulations governing company qualification for environmental contracting services, please

refer to the following web page of the Trade and Industry Department concerning “Construction and Related Engineering Services” (see Remark below):

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

Remark:

- (1) *The liberalization measures under the CEPA Supplements on Construction and Related Engineering Services are also applicable to company qualifications for environmental contracting services.*
- (2) *《環保工程專業承包企業資質等級標準》 can be found from 《專業承包企業資質等級標準》 (Item 21) under 《[建築業企業資質等級標準](#)》 (translated as “The Qualification Classification Standard of Construction Enterprises” (in Chinese only)) on the above web page.*