

***Individually Owned Stores (個體工商戶) (2) - General FAQs and FAQs in relation to CEPA and its Supplements (up to 2006 Liberalization Measures)***

**1. Hong Kong residents are allowed to set up individually owned stores in the Mainland under CEPA. What are the details and the preferential treatments up to Year 2007?**

Under CEPA, Hong Kong permanent residents with Chinese citizenship are allowed to set up, in accordance with the relevant Mainland laws, regulations and administrative regulations, individually owned stores in all regions of the Mainland, without being subject to the approval procedures applicable to foreign investments. Up to Year 2007, the business scope of individually owned stores set up by Hong Kong residents covers retailing services; food and beverage services; hairdressing, beauty treatment and health care services; bathing services; repair services of home electrical appliances and other goods for daily uses; import and export of goods and technologies; photography and photographic processing services; washing, cleaning and dyeing services; repair and maintenance of motor vehicles and motorcycles; crop cultivation; animal husbandry; aquaculture; repair services of computer; and technology exchange and promotion services, excluding franchising operation. No more than 8 persons should be engaged in the operation of individually owned stores set up by Hong Kong residents, and the business area should not exceed 300 square meters (this business area restriction does not apply to crop cultivation, animal husbandry and aquaculture).

**2. What are the relevant regulations and procedures for Hong Kong residents to set up individually owned stores in the Mainland under the CEPA?**

The public are welcome to browse the Department's Information Database on CEPA Service Sectors webpage ([http://www.tid.gov.hk/english/cepa/tradeservices/trade\\_services\\_requirement.html#Distribution\\_individual](http://www.tid.gov.hk/english/cepa/tradeservices/trade_services_requirement.html#Distribution_individual)) which provides an Easy Guide to Investment with reference information on the relevant major laws and regulations, approved scopes of business, restrictions on operations, procedures of registration, etc. applicable to individually owned stores set up by Hong Kong

residents in the Mainland.