

## *Transportation and Logistics Services –2007 Liberalization Measures*

- 1. Under Supplement IV to CEPA, Hong Kong Service Supplier (HKSS) are allowed to set up equity joint-ventures in the Mainland to provide third party international shipping agency services. What is the scope of business for “third party international shipping agency services”?**

The scope of business for “third party international shipping agency services” is the same as those shipping agency services as defined in Article 29 of the “Regulations of the People’s Republic of China on International Maritime Transportation”<sup>Note</sup>. According to Article 29 of the “Regulations of the People’s Republic of China on International Maritime Transportation”, an international shipping agent may, upon the commission of any shipowner, charterer or ship operator, be engaged in those shipping agency services.

Note: According to the Article 29 of the “Regulations of the People’s Republic of China on International Maritime Transportation”, the scope of business for the “shipping agency services” is defined as follows:

- (1) undergoing formalities for ship’s entry into or departure from ports, arranging pilotage, berthing and loading and unloading of vessels;
- (2) signing bills of lading or carriage contracts and accepting cargo space booking on behalf of the carrier;
- (3) undergoing customs formalities for vessels, containers and shipments;
- (4) canvassing cargoes, arranging shipments and attending to procedures for shipments and transshipment of cargoes and containers;
- (5) collecting freight and settling payment on behalf of the principal;
- (6) arranging passenger transport and attending to procedures for transport of passengers by sea; and
- (7) other pertinent business.

- 2. Are all the shipping agencies in Hong Kong eligible to apply to the relevant Mainland authorities for operating third party international shipping agency services?**

By virtue of Supplement IV to CEPA signed in 2007, for HKSS to operate third party international shipping agency services in the Mainland, they must demonstrate that they have engaged in substantive business operation of such services in Hong Kong over the past five consecutive years in their application for HKSS certificates. The supporting documents required for applying HKSS certificates are listed in the Notice to Service Suppliers under CEPA on the website of the Trade and Industry Department.

**3. Are HKSS allowed to set up wholly-owned enterprises in the Mainland to provide third party international shipping agency services?**

By virtue of Supplement IV to CEPA signed in 2007, HKSS are allowed to set up enterprises in the form of equity joint ventures in the Mainland to provide third party international shipping agency services, of which the shareholding of HKSS should not exceed 51%. This liberalisation measure will take effect as from 1 January 2008.