

[Cursory Translation]

**SUPPLEMENT IV TO THE MAINLAND AND HONG KONG
CLOSER ECONOMIC PARTNERSHIP ARRANGEMENT**

To further enhance the level of economic and trade exchanges and cooperation between the Mainland(and the Hong Kong Special Administrative Region (hereinafter referred to as “Hong Kong”), and pursuant to:

- the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “CEPA”) signed on 29 June 2003 and its Annexes signed on 29 September 2003;
- the Supplement to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement to the CEPA”) signed on 27 October 2004;
- the Supplement II to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement II to the CEPA”) signed on 18 October 2005;
- the Supplement III to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement III to the CEPA”) signed on 27 June 2006;

the two sides agreed to sign this Supplement IV on further liberalization of trade in services in the Mainland for Hong Kong and strengthening cooperation in the area of finance, promoting trade and investment facilitation and mutual recognition of professional qualifications.

^① In “CEPA”, the “Mainland” refers to the entire customs territory of China.

I. Trade in Services

- (1) From 1 January 2008, the Mainland shall further relax the market access conditions in 28 areas, namely, legal, medical, computer and related services, real estate, market research, services related to management consulting, public utility, job intermediary, building-cleaning, photographic, printing, translation and interpretation, convention and exhibition, telecommunications, audiovisual, distribution, environmental, insurance, banking, securities, social services, tourism, cultural, sporting, maritime transport, air transport, road transport and individually owned stores on the basis of the commitments on liberalization of trade in services under “CEPA”, “Supplement to the CEPA”, “Supplement II to the CEPA” and “Supplement III to the CEPA”. The specific contents are detailed in the Annex of this Supplement IV.
- (2) The Annex of this Supplement IV is a supplement and amendment to Table 1 of Annex 4 of “CEPA” – “The Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”, Annex 3 of “Supplement to the CEPA”- “Supplements and Amendments to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”, Annex 2 of “Supplement II to the CEPA”- “Supplements and Amendments II to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong” and Annex of “Supplement III to the CEPA” - “Supplements and Amendments III to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”. In the event of conflict with the provisions of the other four instruments, the provisions of the Annex of this Supplement IV shall prevail.

(3) “Service suppliers” as referred to in the Annex of this Supplement IV shall meet the relevant requirements of Annex 5 of “CEPA” – “Definition of “Service Supplier” and Related Requirements”. In this regard :

- (i) The number of years of having engaged in substantive business operations required of a Hong Kong bank or finance company is relaxed. Under Article 3.1.2 (2) of Annex 5 of “CEPA”- “Definition of “Service Supplier” and Related Requirements”, the part concerning a Hong Kong bank or finance company is amended as follows: a Hong Kong service supplier providing banking and other financial services (excluding insurance and securities), i.e. a Hong Kong bank or finance company should have engaged in substantive business operations for 5 years or more; or should have operated as a branch for 2 years and also engaged in substantive business operations as a locally incorporated entity for 3 years or more, after it has been granted a relevant licence by the Monetary Authority pursuant to the Banking Ordinance,.
- (ii) The following is added to Article 3.1.2(2) of Annex 5 of “CEPA” – “Definition of “Service Supplier” and Related Requirements” : A Hong Kong service supplier providing third party international shipping agency services should have been incorporated or established in Hong Kong and have engaged in substantive business operations for 5 years or more.

II. Financial Cooperation

The two sides will adopt the following measures to further strengthen cooperation in the area of finance:

- (i) actively supporting Mainland banks to set up subsidiaries for business operations in Hong Kong.
- (ii) establishing a fast track (“green lane”) for applications from Hong Kong banks for setting up branches in the central western, north eastern areas and Guangdong Province of the Mainland.
- (iii) encouraging Hong Kong banks to set up rural banks in rural areas of the Mainland.

III. Trade and Investment Facilitation

The two sides will adopt the following measures to further strengthen cooperation in the convention and exhibition industry:

the Mainland will offer support and cooperation to Hong Kong for organizing large-scale international conventions and exhibitions.

IV. Mutual Recognition of Professional Qualifications

The two sides will adopt the following measures to further promote mutual recognition of professional qualifications :

- (i) competent authorities or professional bodies of both sides will commence exchanges on the mutual recognition of qualifications of registered electrical exploration & design engineers and registered public facility exploration & design engineers and will start technical exchanges on registered geotechnical exploration & design engineers and land surveying.
- (ii) both sides will establish a working group to study and take forward matters in connection with registration and practice for construction sector professionals after they have acquired professional qualifications through mutual recognition.

V. Annex

The Annex to this Supplement IV forms an integral part of this Supplement IV.

VI. Coming into Effect

This Supplement IV shall come into effect on the day of signature by the representatives of the two sides.

Signed in duplicate in Hong Kong, this 29th day of June, 2007 in the Chinese language.

Vice Minister of Commerce

Financial Secretary

People's Republic of China

Hong Kong Special
Administrative Region of the
People's Republic of China