### Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

#### **Frequently Asked Questions**

#### Audiovisual Services

#### **Television**

## 1. How can the programme production professionals in the broadcasting industry benefit from CEPA?

Before Supplement to CEPA took effect, only imported television productions and co-productions approved by the National Radio and Television Administration (NRTA) could be broadcast by the Mainland television stations during prime time (i.e. between 7 pm and 10 pm). Also, the number of episodes of a television co-production was capped at 40. Furthermore, an application for approval of a proposal for a television drama co-produced by the Mainland and Hong Kong had to include a synopsis of not less than 5,000 words in Chinese for each episode.

CEPA Supplement, Supplement II and Amendment to the Agreement on Trade in Services (including Amendment Agreement and Amendment Agreement II) relaxed some restrictions on scrutiny and broadcasting for television dramas co-produced by the Mainland and Hong Kong. Under CEPA Supplement II, there is no longer any difference in the maximum number of episodes between television dramas co-produced by the Mainland and Hong Kong and Mainland produced television dramas. At present, there is no cap on the maximum number of episodes for Mainland produced television dramas. Separately, under Amendment Agreement II, television dramas co-produced by the Mainland and Hong Kong are permitted to be broadcast and distributed in the same way as Mainland produced television dramas after being examined by the provincial radio and television administration, and are subject to fewer broadcasting restrictions than before. This measure has relaxed the restrictions on scrutiny and broadcasting for co-produced television dramas, which facilitates entry of Hong Kong television programme production professionals to the Mainland market.

According to CEPA Supplement III, NRTA has delegated to the provincial radio and television administration the authority of examining the finished tapes of Mainland produced television dramas which are produced by the production organisations under the provinces, autonomous regions or municipalities and participated by artistes or production crew from Hong Kong. This measure has simplified the administrative procedures for Mainland production organisations, and provided more opportunities for Hong Kong artistes and production crew to participate in the production of Mainland produced television dramas.

According to the relaxation measures under Amendment Agreement II, the minimum numbers of words in Chinese contained in the synopsis of each episode for any proposal of television drama to be co-produced by the Mainland and Hong Kong programme production organisations is revised to 800. This measure allows production companies to save administrative cost and time, which facilitates flexibility in the production process.

Moreover, the liberalisation measures of the Amendment Agreement relax the restrictions on the percentage of principal creative personnel<sup>1</sup>, Mainland-related content, investment proportion, etc. for television dramas co-produced by the Mainland and Hong Kong, and shorten the time limit for approval of synopses for any proposal of television drama to be co-produced by the Mainland and Hong Kong. Television programmes other than television dramas co-produced by the Mainland and Hong Kong may be broadcast and distributed in the same way as those produced by the Mainland after obtaining approval from the relevant Mainland authorities (i.e. NRTA). In addition, the restriction on the number of Hong Kong-produced television dramas imported to the Mainland is removed, and the restriction on the number and time of broadcast of Hong Kongproduced television dramas is relaxed. The restrictions on the number of Hong Kong people participating in the production of Mainland television programmes and television dramas as well as Mainland online audiovisual programmes are also removed. New relaxation measures were added to Amendment Agreement II in 2024 which include allowing imported dramas produced in Hong Kong to be broadcast during prime time in television stations in the Mainland after obtaining approval from NRTA, permitting terrestrial and satellite television channels in Hong Kong to obtain the landing right to broadcast within specific areas such as hotels,

<sup>&</sup>lt;sup>1</sup> It means screenwriters, producers, directors and leading actors and actresses.

guesthouses, etc. in the Mainland after obtaining approval from NRTA and removing the quantitative restriction on Hong Kong people participating as principal creative personnel in online television dramas. Overall speaking, the above relaxation measures provide more exchange and cooperation opportunities for both the Mainland and Hong Kong industries, thereby furthering the development of the film and television industries in the two places.

### Are approved television dramas co-produced by the Mainland and Hong Kong subject to any restrictions in terms of the quantity and the time of broadcast in the Mainland?

Approved television dramas co-produced by the Mainland and Hong Kong may now be broadcast and distributed in the same way as Mainland produced television dramas, and they are not subject to any restrictions in terms of the quantity and the time of broadcast in the Mainland. Individual Mainland television stations have the discretion as to the broadcast of these co-produced television dramas based on the market demand and conditions.

# 3. To qualify as television dramas co-produced by the Mainland and Hong Kong, is there any restriction on the percentage of principal creative personnel?

For co-produced television dramas, one-third of the principal creative personnel (i.e. screenwriters, producers, directors and leading actors and actresses) should come from the Mainland. According to the liberalisation measures under Amendment Agreement of 2019, the restriction on the percentage of principal creative personnel for co-produced television dramas could be relaxed<sup>2</sup>.

As for online television dramas, the restriction on the number of Hong Kong people participating as principal creative personnel in online television dramas is removed, according to the liberalisation measures under the Amendment Agreement II of 2024.

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<sup>&</sup>lt;sup>2</sup> The extent of relaxation depends on the case of individual applications.

### 4. What are the relaxation measures for co-produced television dramas?

In addition to the five original measures<sup>3</sup>, new relaxation measures included in the Amendment Agreement II of 2024 are as follows -

Television dramas co-produced by the Mainland and Hong Kong are permitted to be broadcast and distributed in the same way as Mainland produced dramas after being examined by provincial radio and television administration; the minimum number of words in Chinese contained in the synopsis of each episode for any proposal of television drama to be co-produced by the Mainland and Hong Kong is revised to 800, and the restriction on the number of Hong Kong people participating as principal creative personnel of online television dramas is removed.

### 5. Which authority is responsible for approving television dramas coproduced by the Mainland and Hong Kong?

The approving authority is NRTA.

However, according to the relaxation measures newly added in 2024 under the Amendment Agreement II, co-produced television dramas are permitted to be broadcast and distributed in the same way as Mainland produced television dramas after being examined by the relevant Mainland provincial radio and television administration.

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The five measures include (1) Television dramas co-produced by the Mainland and Hong Kong may be broadcast and distributed in the same way as Mainland produced television dramas after obtaining the approval of the relevant Mainland authorities; (2) Television dramas co-produced by the Mainland and Hong Kong should be subject to the same standard on the number of episodes as that applicable to Mainland produced television dramas; (3) To relax the restrictions on the percentage of principal creative personnel (i.e. screenwriters, producers, directors and leading actors and actresses. According to the present requirement, at least one-third of the personnel should come from the Mainland), Mainland-related content, investment proportion, etc. for television dramas co-produced by the Mainland and Hong Kong; and to shorten the time limit for approval of synopses for any proposal of television drama to be co-produced by the Mainland and Hong Kong (the present time limit is 50 days); (4) The NRTA has delegated to the provincial radio and television administration the authority of examining the finished tapes of Mainland produced television dramas which are produced by the production organisations under the provinces, autonomous regions or municipalities and participated by artistes or production crew from Hong Kong; and (5) For any proposal of television drama to be co-produced by the Mainland and Hong Kong programme production organisations, the minimum number of words in Chinese contained in the synopsis of each episode is revised to 1,500.

### 6. Are there any restrictions on other television programmes produced by Hong Kong in the Mainland?

There is no restriction on the number of Hong Kong produced television dramas and animation television programmes imported by Mainland television stations, audiovisual websites and cable television networks. The restrictions on the number and time of broadcast of these programmes in the Mainland are also relaxed. With the approval of the relevant Mainland authorities, television programmes (other than dramas) and animation television programmes co-produced by the Mainland and Hong Kong can be broadcast and distributed in the same way as those produced by the Mainland.

## 7. Are there any restrictions on Hong Kong people participating in the production of Mainland programmes?

There is no restriction on the number of Hong Kong people participating in the production of Mainland television programmes and television dramas as well as online audiovisual programmes.

### 8. How can cable television operators in Hong Kong benefit from CEPA?

Under CEPA Supplement IX, approved Hong Kong cable operators may now provide professional technical services related to the operation of cable television networks in the Mainland.

## 9. What are the procedures for applying for production of a television drama co-produced by the Mainland and Hong Kong?

The Mainland counterpart of the joint production shall apply to NRTA for approval of the proposed production of the drama concerned. If the proposal is approved, it will be published in the website of NRTA. The application should include information on the co-production including synopsis of each episode, a list of major production personnel and the number of episodes, etc.

### 10. What are the relaxation measures for imported television dramas produced by Hong Kong?

At present, all foreign television dramas imported to the Mainland are subject to examination with restrictions imposed on the total number of imported television dramas<sup>4</sup>, topics, time of broadcast<sup>5</sup>, etc. According to the liberalisation measures under the Amendment Agreement of 2019, the restriction on the number of Hong Kong produced television dramas imported by Mainland television stations, audiovisual websites and cable television networks is removed, while the restriction on the number and time of broadcast of imported television dramas produced by Hong Kong is relaxed <sup>6</sup>. The new relaxation measures introduced under the Amendment Agreement II in 2024 allow imported dramas produced in Hong Kong to be broadcast during prime time in television stations in the Mainland after obtaining approval from NRTA.

#### 11. What are the relaxation measures for other television programmes?

According to the liberalisation measures under the Amendment Agreement of 2019, television programmes other than television dramas co-produced by the Mainland and Hong Kong may be broadcast and distributed in the same way as those produced by the Mainland after obtaining the approval from the relevant Mainland authorities. In addition, the restrictions on the number of Hong Kong people participating in the production of Mainland television programmes and television dramas as well as Mainland online audiovisual programmes are removed. The new relaxation measures introduced under the Amendment Agreement II in 2024 allow terrestrial and satellite television channels in Hong Kong to obtain the landing right to broadcast within specific areas such as hotels, guesthouses, etc. in the Mainland after obtaining approval from NRTA.

<sup>&</sup>lt;sup>4</sup> The number of imported television dramas should not exceed 25% of the total number of television dramas broadcast on each television channel.

<sup>&</sup>lt;sup>5</sup> Imported television dramas should not be broadcast during prime time.

<sup>&</sup>lt;sup>6</sup> The extent of relaxation depends on the case of individual applications.

# 12. Are liberalisation commitments of the Mainland under the CEPA Agreement on Trade in Services applicable to micro online dramas on new media short video platforms?

Item Nos. 5 and 6 of the reserved restrictive measures under commercial presence for audiovisual services in Table 1 of Annex 1 to the CEPA Agreement on Trade in Services, as well as Item Nos. 13 to 23 of the liberalisation measures under cross-border services for audiovisual services in Table 2 of Annex 1 are applicable to micro online dramas.

#### Film

#### 13. How does CEPA benefit Hong Kong cinema operators?

Under CEPA Supplement II, a Hong Kong company is permitted to establish a wholly-owned company to construct or renovate more than one cinema theatre for film screening business at more than one location. No minimum capital is required.

#### 14. Can a Hong Kong company produce Mainland motion pictures?

Under the Amendment Agreement II, with effect from 1 March 2025, a Hong Kong Service Supplier is permitted to invest in / establish enterprises engaging in film production in the Mainland, which allows direct participation in the production of Mainland motion pictures.

## 15. Can a Hong Kong company establish a wholly-owned / joint-venture company in the Mainland to distribute films?

Hong Kong Service Suppliers, upon approval of relevant Mainland authorities (i.e. the China Film Administration and the Ministry of Commerce), are permitted to establish a wholly-owned company in the Mainland to distribute Mainland motion pictures (including Hong Kong-Mainland co-produced films) and imported buy-out Hong Kong films. They can also choose to set up joint-venture companies, with majority ownership, in the Mainland to distribute films.

# 16. Does the exemption from quota restriction for Hong Kong films means that Hong Kong film companies will be able to enter the Mainland market on a "profit-sharing" basis?

The import of Hong Kong films into the Mainland will be exempted from quota restriction. Whether or not Hong Kong films can be distributed on a profit sharing basis is a commercial agreement between the Hong Kong film company and the Mainland distributor.

17. Under CEPA, Chinese language motion pictures produced in Hong Kong may be imported for distribution in the Mainland on a quotafree basis, after vetting and approval by the relevant Mainland authority. In relation to the "Chinese language motion pictures produced in Hong Kong", how is the definition of "principal personnel" derived? What is the aim?

The "principal personnel" includes the major positions of film personnel involved in the production of a film. The list of positions was arrived at after consulting the Hong Kong film industry. We believe this provision would benefit the Hong Kong industry in general and Hong Kong film workers in particular.

18. What is the rationale for introducing the provision on the ownership of the copyright of a film in the definition of "Chinese language motion pictures produced in Hong Kong"?

By introducing the provision on the ownership of the copyright of a film in the definition of "Chinese language motion pictures produced in Hong Kong", CEPA ensures that Hong Kong film companies will benefit and foreign investment will be attracted in the production of Hong Kong films.

CEPA Supplement II reduces the percentage of ownership by the Hong Kong film company concerned from more than 75% to more than 50%.

19. In relation to the Chinese language motion pictures produced in Hong Kong, it is required under Supplement II that the production company in Hong Kong shall own more than 50% of the copyright of the motion pictures concerned. Please explain in what way the requirement can be fulfilled.

"More than 50% of the copyright of the motion pictures concerned" means that the production company in Hong Kong, as the leading producer, must contribute more than 50% of the budget invested in the film concerned.

20. What is the benefit of the provision that allows the distribution of Hong Kong-Mainland co-produced films and Hong Kong produced films in the Mainland which are dubbed in dialects?

China is a large country. In addition to Putonghua, people in different parts of the Mainland use languages of other Chinese ethnicities or dialects in their daily business. If jointly produced films are permitted to be dubbed in such languages and dialects for distribution in the Mainland, this would allow a greater penetration of these films in the Mainland market.

21. CEPA allows the Cantonese version of Hong Kong films and Hong Kong-Mainland co-produced films to be distributed and screened in the Mainland. What are the benefits for the Hong Kong film industry?

Supplement X allows the dialect version of motion pictures produced by Hong Kong and solely imported by the Film Import and Export Corporation of the China Film Group Corporation to be distributed and screened in the Mainland, after being examined by and obtaining the approval of the relevant authorities in the Mainland, on the condition that standard Chinese subtitles are provided on screen; and allows the dialect version of motion pictures co-produced by Hong Kong and the Mainland to be distributed and screened in the Mainland, after obtaining the approval of the relevant authorities in the Mainland, on the condition that standard Chinese subtitles are provided on screen. This saves filmmakers costs and time. The screening of films of Cantonese version also preserves the original flavour of such films and offers the audience one more choice.

# 22. Do I need to apply for a Certificate of Hong Kong Service Supplier (HKSS) for each individual Chinese language motion picture produced in Hong Kong?

Yes, each application covers one Chinese language motion picture only. In preparing the application form for a Certificate of HKSS, the applicant should fill in both its name and the title(s) of the Chinese language motion picture of which it intends to apply for preferential treatment under CEPA. If the applicant is granted the Certificate of HKSS, both its name and the title(s) of the Chinese language motion picture will be printed in full on the Certificate.

If the applicant has already obtained from the Trade and Industry Department (TID) a valid Certificate of HKSS covering a Chinese language motion picture, its application for the subsequent Chinese language motion pictures can be streamlined by being exempted from certain general supporting documents. For details, please visit TID's website and refer to the updated version of Notice to Service Supplier issued by the TID or contact the Hong Kong Service Supplier Certification Section of the TID.

# 23. A motion picture may have different titles for different markets. How should I fill in the application form for a Certificate of HKSS?

To enjoy the preferential treatment under CEPA, the title of the motion picture appears on the application form for a Certificate of HKSS should be identical to the title to be used by the applicant for distribution in the Mainland. The relevant supporting documents (i.e. copies of the Certificate of Royalty/Certificate of Copyright Ownership and the contract showing the budget share) should also show the same title.

If the motion picture concerned has more than one title and the applicant intends to display these multiple titles in its Certificate of HKSS, the applicant may provide all titles in its application form, including the one to be used for distribution in the Mainland, in the format "(title A)", also known as "(title B)", "(title C)...". The applicant should ensure that all titles submitted in the application form are covered in the relevant supporting documents.