

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

Frequently Asked Questions

Management Consulting Services

- 1. Is the coverage of management consulting services under CEPA narrower than the United Nation (UN) Provisional Central Product Classification (CPC) 865 which China committed to under the World Trade Organization?**

The classifications of management consulting services set out in CEPA have in fact covered all of the services classified under CPC865, i.e.

- General management consulting services;
- Financial management consulting services;
- Marketing management consulting services;
- Human resources management consulting services;
- Product management consulting services;
- Public relations services; and
- Other management consulting services.

(Note: the UN Provisional CPC classification does not contain CPC86507 and CPC86508.)

- 2. I have been providing management consulting services in my personal capacity in Hong Kong. Can I set up an individually owned store to conduct management consulting services in the Mainland?**

Under CEPA, Hong Kong Service Suppliers in the management consultancy services sector must be an enterprise juridical person (including company, partnership, sole proprietorship, etc). Yet, 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 provinces, autonomous regions, municipalities in the Mainland to provide among others, economic and trade consulting services and company management consulting services.

3. Are certification and head-hunting services regarded as management consulting services?

Certification and head-hunting services are not covered by management consulting services under the UN Provisional CPC classification.

4. Does CEPA provide for any tax exemption or reduction?

CEPA provides concessions on market access and registered capital requirement for management consulting service suppliers from Hong Kong. It does not cover concessions on tax exemption or reduction.

5. Many management consultants are self-employed, and they use their residential address as their registered business address. Will they be excluded from CEPA simply because they do not have “business premises”?

The specific criteria for Hong Kong Service Suppliers who provide services in the form of juridical person include consideration on business premises, which should be commensurate with the scope and scale of its business. We shall adopt a pragmatic approach in considering each case.