Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)

Frequently Asked Questions

Telecommunications Services

1. What is the scope of the value-added telecommunications services (TVA)?

Hong Kong Service Suppliers (HKSS) are allowed to set up joint ventures or wholly-owned enterprises, whichever is applicable, within the Mainland to provide the following types of TVA under CEPA:

- (i) Internet data centre services
- (ii) Store and forward services
- (iii) Call centre services¹
- (iv) Internet access services
- (v) Content services
- (vi) Mainland IP based Virtual Private Network services
- (vii) Online data processing and transaction processing services
- (viii) Multi-party communications services within the Mainland
- (ix) Content delivery network services
- (x) Code and protocol conversion services

The classification of TVA is stipulated in the "Telecommunications Services Classification Catalogue" (Catalogue) of the Mainland. A softcopy of the Catalogue (2015 Version) can be found at https://www.miit.gov.cn/jgsj/xgj/gzdt/art/2020/art_e6824c9e756c4 https://www.miit.gov.cn/jgsj/xgj/gzdt/art/2020/art_e6824c9e756c4 https://www.miit.gov.cn/jgsj/xgj/gzdt/art/2020/ https://www.miit.gov.cn/jgsj/xgj/grdt/art/2020/ https://www.miit.gov.cn/jgsj/xgj/grdt/art/2020/ https://www.miit.gov.cn/jgsj/xgj/grdt/art/2020/ https://www.miit.gov.cn/jgsj/xgj/grdt/art/2020/ https://www.miit.gov.cn/jgsj/gzdt/art/2020/ https://www.miit.gov

¹ Call centre services include offshore call centre services. An offshore call centre is a type of international offshore outsourcing services under which a call centre platform is set up in the Mainland to provide hotline telephone enquiry services to customers outside the Mainland.

² The Ministry of Industry and Information Technology announced in June 2019 an amendment to the Catalogue (2015 Version) adding a new sub-category namely "A12-4 the 5th generation digital cellular mobile communications services". The announcement is available at <u>https://www.miit.gov.cn/zwgk/zcwj/wjfb/tg/art/2020/art_b6a54a60f9c6471cb3a996106fc09cd5.html</u> (in Chinese Only).

2. What is the qualification to apply for HKSS with respect to TVA?

The basic qualification for application of HKSS with respect to TVA is that the applicant should have substantive business operational experience in providing one or more of the permitted types of TVA in Hong Kong.

Application should be made with the Trade and Industry Department (TID) and applicants should provide documents for the latest year (or the latest financial year as the case may be) to substantiate that they have engaged in substantive business operations in Hong Kong. For details, please refer to

https://www.tid.gov.hk/en/our_work/cepa/trade_in_services/applicati on_hk_supplier_cert.html.

3. What information do I need to supply to TID when applying for a Certificate of HKSS?

You need to provide two types of document: (a) one relates to the company's corporate details in general; and (b) the other relates to telecommunications-specific information on the nature and scope of telecommunications services provided in Hong Kong. For offshore call centre services, only (a) will suffice.

For submission of information relating to the applicant's corporate details in general, please refer to Appendix 5 of the updated version of "Notice to Service Suppliers" posted on the website of TID (https://www.tid.gov.hk/en/tradecircular/2025/ntss012025.html?cate goryId=7) for details of the documents to be provided.

For the submission of information relevant to the provision of telecommunications service, the applicant is required to provide:

- (i) A copy of the relevant telecommunications licence issued by the Communications Authority (CA) if the service is licensed in Hong Kong; and
- (ii) Documentary evidence such as supply contracts, leasing agreements, service agreements, invoices or statements etc. to demonstrate that you have actually been providing the permitted

types of services in Hong Kong, as applicable.

4. Once I am qualified as HKSS, do I need to apply for separate licences from the Mainland's authorities for providing the permitted TVA within the Mainland?

The Certificate of HKSS issued by the TID only certifies that you meet the qualification criteria for HKSS which entitles the holder to benefit from CEPA. You are still required to apply to the Mainland's authorities at any time for the necessary licence or permit for provision of the permitted TVA within the Mainland.

5. What are the main steps, procedures and relevant regulations in relation to the provision of telecommunications services within the Mainland under CEPA?

Eligible HKSS who intend to provide the permitted TVA within the Mainland may refer to the following laws and regulations of the Mainland for the steps, procedures, timeframe for processing applications and relevant regulations:

- (i) "Administrative Provisions on Foreign-invested Telecommunications Enterprises" (in Chinese only)³ <u>http://policy.mofcom.gov.cn/claw/clawContent.shtml?id=94681</u>
- (ii) "Administrative Measures on Telecommunications Service Operation Licences" (in Chinese only) <u>http://www.gov.cn/gongbao/content/2017/content_5240090.htm</u>
- (iii) "Regulations of the People's Republic of China on Telecommunications" (in Chinese only) <u>https://www.gov.cn/gongbao/content/2016/content_5139478.h</u> <u>tm</u>

³ The State Council announced the "Decision of the State Council to Amend and Repeal Certain Administrative Regulations" in April 2022 and made amendments to certain articles of the "Administrative Provisions on Foreign-invested Telecommunications Enterprises". The announcement is available at http://www.gov.cn/zhengce/content/2022-04/07/content_5683886.htm (in Chinese only).

(iv) "Telecommunications Services Classification Catalogue" (in Chinese only)

> Catalogue (2015 version): https://www.miit.gov.cn/jgsj/xgj/gzdt/art/2020/art_e6824c9e75 6c4 3f7be263a3fe78c36f0.html

> Amendment to Catalogue (2015 version): https://www.miit.gov.cn/zwgk/zcwj/wjfb/tg/art/2020/art_b6a54 a6_0f9c6471cb3a996106fc09cd5.html

 (v) "Notice to Launch Pilot Program to Expand Opening-up in Value-added Telecom Services" (in Chinese only) <u>https://www.miit.gov.cn/zwgk/zcwj/wjfb/tg/art/2024/art_2326</u> 271e1b424e09b6e5924ad2948863.html

In addition to the above, for those HKSS who wish to provide Internet Access Services, Content Services and Internet Data Centre Services, they should also make reference to the following regulations:

- (vi) "Administrative Measures on Internet Content Services" (in Chinese only) <u>http://www.gov.cn/gongbao/content/2011/content_1860864.htm</u>
- (vii) "Notice on Further Specifying the Market Access for Internet Data Centre Services and Internet Access Services" (in Chinese only) <u>https://www.miit.gov.cn/jgsj/xgj/wjfb/art/2022/art_731e6c6e</u> <u>6c674ea4b8c55f4f68a9420e.html</u>

For a comprehensive set of laws and regulations on the operation and provision of telecommunications services within the Mainland, please visit the website of the Ministry of Industry and Information Technology of the People's Republic of China (in Chinese only): <u>http://www.miit.gov.cn</u>

6. HKSS are required to provide the permitted TVA within the Mainland in the form of joint venture. Does it mean that HKSS must set up new joint ventures with their Mainland partners?

HKSS can set up wholly-owned enterprise to provide some permitted TVA⁴. For HKSS's pilot participation in providing services in Internet data centre, content delivery network, Internet access services, online data processing and transaction processing, as well as information dissemination platforms and information delivery services in content services (except for Internet news information, online publishing, online audiovisual, Internet culture business), content protection and processing services in areas such as Beijing, Shanghai, Hainan and Shenzhen, etc., there is no restriction on the shareholding proportion of Hong Kong capital starting from 1 March 2025.

For those permitted TVA to be provided in the form of joint venture only, in addition to setting up "new" joint ventures, HKSS may also choose to form joint ventures through merging or acquiring the shares of existing Mainland telecommunications service providers. The licenceregistration held by the Mainland telecommunications service providers may require amendment in the circumstances to reflect the change. The shareholding of the HKSS' capital should not exceed 50%.

7. Are there any other segments of telecommunications service being liberalised apart from those as mentioned in Q.1?

(i) HKSS, holding a valid Carrier Licence or Services-based Operator Licence of Class 3 Services for Mobile Virtual Network Operator Services issued by the CA, are permitted to distribute in the Mainland telephone service cards which can be used globally but cannot be activated in the Mainland (TTC) since 1 March 2025.

⁴ HKSS can set up wholly-owned enterprise within the Mainland to provide online data processing and transaction processing services (confined to operating e-commerce business only); multi-party communications services within the Mainland; store and forward services; call centre services; Internet access services (confined to provide Internet access services to users); and content services (confined to application stores only).

- (ii) Starting from 1 January 2014, contractual service providers employed by HKSS are allowed, in the mode of movement of natural persons, to provide online data processing and transaction processing (confined to e-commerce business websites only), call centre services and Internet access services in the Mainland.
- 8. Eligible Hong Kong residents are allowed to enroll professional qualification examinations in communications technologies in the Mainland. Certificates of the relevant professional qualifications will be issued to those who pass the examination. How can I access the relevant information?

Information relating to professional qualification examinations in communications technologies can be found from the website of professional qualification examinations in communications technologies in the Mainland (in Chinese only): http://www.txks.org.cn/.

You may refer to the following online registration platform and application guidelines:

- (i) Online registration platform (in Chinese only): <u>https://bm.txks.org.cn/sign/welcome</u>
- (ii) Application Guidelines (in Chinese only): https://www.txks.org.cn/guide/main.html