ANNEX II

SCHEDULE OF HONG KONG, CHINA[1]
(Reservations for Trade in Services)

EXPLANATORY NOTES

1. This Schedule sets out, pursuant to Article 8.7.2 (Non-Conforming Measures) of Chapter 8 (Trade in Services), the specific sectors, sub-sectors or activities for which Hong Kong, China may maintain existing, or adopt new or more restrictive, measures that do not conform with the following obligations:

(a) Article 8.3 (National Treatment) of Chapter 8 (Trade in Services);

(b) Article 8.4 (Most-Favoured-Nation Treatment) of Chapter 8 (Trade in Services);

(c) Article 8.5 (Market Access) of Chapter 8 (Trade in Services); or

(d) Article 8.6 (Local Presence) of Chapter 8 (Trade in Services).

2. Each Schedule entry sets out the following elements:

(a) **Sector** refers to the sector for which the entry is made;

(b) **Industry Classification**, where referenced, refers to the activity covered by the entry, according to:

(i) the provisional CPC codes as used in the Provisional Central Product Classification (Statistical Papers Series M No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991);

(ii) the Services Sectoral Classification List published by the WTO (WTO document MTN.GNS/W/120 of July 10, 1991); or

(iii) the Maritime Model Schedule appended as Appendix 2 to the WTO document JOB/SERV/137 of March 7, 2013,

where appropriate;

(c) **Obligations Concerned** specifies the obligations referred to in paragraph 1

[1] In case of discrepancy or divergence between the authentic texts, the English text of this Schedule shall prevail.

that, pursuant to Article 8.7.2 (Non-Conforming Measures) of Chapter 8 (Trade in Services), do not apply to the sectors, sub-sectors or activities covered by the entry; and

(d) **Description** sets out the scope or nature of the sectors, sub-sectors or activities covered by the entry to which the reservation applies.

3. For the purposes of this Annex:

(a) "Mode 1" means the supply of a service from the Area of a Party into the Area of the other Party;

(b) "Mode 2" means the supply of a service in the Area of a Party to a person of the other Party;

(c) "Mode 3" means the supply of a service by a service supplier of a Party, through commercial presence in the Area of the other Party;

(d) "Mode 4" means the supply of a service by a natural person of a Party in the Area of the other Party; and

(e) "Trade in Services" means the supply of a service as defined in subparagraph (a), subparagraph (b), subparagraph (c) and subparagraph (d).

4. In accordance with Article 8.7.2 (Non-Conforming Measures) of Chapter 8 (Trade in Services), the obligations of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to sectors, sub-sectors or activities set out in the **Description** element of that entry.

5. Where an inconsistency arises in relation to the interpretation of an entry, the **Description** element of the entry shall prevail to the extent of the inconsistency.

II-HKC-1
(Services)

Sector	All Sectors
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to: (a) public law enforcement, ambulance services, correctional services, fire-fighting and rescue services; and (b) the following, to the extent that they are social services established for a public purpose: (i) health; (ii) education; (iii) housing; (iv) training; (v) transport; (vi) public utilities; (vii) social security; and (viii) social welfare.

II-HKC-2
(Services)

Sector	All Sectors
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure affecting the presence of natural persons and supply of service through such presence, except as specified in its Schedule to Annex 10-A (Specific Commitments on Temporary Entry for Business Persons) of Chapter 10 (Temporary Entry for Business Persons).

II-HKC-3
(Services)

Sector	All Sectors
Industry Classification	
Obligations Concerned	Most-Favoured-Nation Treatment (Article 8.4)
Description	Hong Kong, China reserves the right to adopt or maintain any measure that accords differential treatment to non-parties under any bilateral or multilateral agreement or arrangement in force or signed prior to the date of entry into force of this Agreement. For greater certainty, the above paragraph includes measures under any bilateral or multilateral agreement or arrangement that strengthens, expands or modifies an agreement or arrangement referred to in the above paragraph. Hong Kong, China reserves the right to adopt or maintain any measure that accords differential treatment to non-parties under any bilateral or multilateral agreement or arrangement in force or signed after the date of entry into force of this Agreement involving: (a) aviation; (b) fisheries; or (c) maritime matters including salvage.

II-HKC-4
(Services)

Sector	BUSINESS SERVICES Professional Services
Industry Classification	CPC 861 Legal Services[2]
Obligations Concerned	National Treatment (Article 8.3) Most-Favoured-Nation Treatment (Article 8.4) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Legal Services.

[2] For Hong Kong, China, arbitration, mediation and conciliation services are classified under services related to management consulting (CPC 866).

II-HKC-5
(Services)

Sector	BUSINESS SERVICES Professional Services	
Industry Classification	CPC 9312	Medical and dental services
	CPC 93191	Services provided by midwives, nurses, physiotherapists and para-medical personnel
		Other Professional Services[3]
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)	
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to the services as set out above, except for Mode 2 for: (a) Medical and dental services (CPC 9312); and (b) Services provided by midwives, nurses, physiotherapists and para-medical personnel (CPC 93191).	

[3] This refers to the services covered by item k. of sub-sector "A. Professional Services" under the Sector "BUSINESS SERVICES" of MTN.GNS/W/120.

II-HKC-6
(Services)

Sector	BUSINESS SERVICES Real Estate Services	
Industry Classification	CPC 821	Real Estate Services Involving own or leased property
	CPC 822	Real Estate Services On a fee or contract basis
Obligations Concerned	National Treatment (Article 8.3) Most-Favoured-Nation Treatment (Article 8.4) Market Access (Article 8.5) Local Presence (Article 8.6)	
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Real Estate Services, except for: Real estate services which are limited to the provision, on a fee or contract basis, of management services for residential or commercial buildings which, in turn, consist of cleaning, maintenance and guarding of such buildings (part of CPC 822) for: (a) Mode 3; and (b) Market Access (Article 8.5) obligation for Mode 2.	

II-HKC-7
(Services)

Sector	BUSINESS SERVICES Rental/Leasing Services without Operators	
Industry Classification	CPC 83104	Rental/Leasing Services without Operators Relating to aircraft
	CPC 83101, 83102 and 83105	Rental/Leasing Services without Operators Relating to other transport equipment
	CPC 832	Other Rental/Leasing Services without Operators
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)	

Description

Hong Kong, China reserves the right to adopt or maintain any measure with respect to:

(a) Rental/Leasing Services without Operators Relating to aircraft (CPC 83104) and other land transport equipment (CPC 83105);

(b) Other Rental/Leasing Services without Operators (CPC 832); and

(c) Rental/Leasing Services without Operators relating to air transport.

II-HKC-8
(Services)

Sector	BUSINESS SERVICES Other Business Services Services incidental to energy distribution Manufacturing DISTRIBUTION SERVICES Storage and warehouse services
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to electricity market.

II-HKC-9
(Services)

Sector	COMMUNICATION SERVICES Postal services
Industry Classification	CPC 7511 Postal services
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Postal services.

II-HKC-10
(Services)

Sector	COMMUNICATION SERVICES Courier services
Industry Classification	CPC 7512 Courier services
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Courier services, except for Mode 3 and Market Access (Article 8.5) obligation for Mode 2 (limited to the provision of services on a fee or contract basis for the delivery of documents and parcels, but excluding services reserved to the Post Office under the *Post Office Ordinance (Cap. 98)*).

II-HKC-11
(Services)

Sector	COMMUNICATION SERVICES Telecommunication services
Industry Classification	
Obligations Concerned	Market Access (Article 8.5)
Description	With respect to Telecommunication services, commitments made by Hong Kong, China shall not prevent it from adopting or maintaining non-discriminatory measures, which restrict or require specific types of legal entity through which a service supplier may supply a service, to achieve a legitimate policy objective.

II-HKC-12
(Services)

Sector	COMMUNICATION SERVICES Audiovisual services	
Industry Classification	CPC 9613	Radio and television services
	CPC 7524	Radio and television transmission services
		Other Audiovisual services[4]
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)	

Description

Hong Kong, China reserves the right to adopt or maintain any measure with respect to the services as set out above, except for:

(a) Radio and television services which are limited to Modes 2 and 3 of:

(i) production services of programme content for sale to operators of radio services, provided that such production services are not subject to licensing under the relevant legislation of Hong Kong, China; and

(ii) production services of programme content for sale to operators of television services, provided that such production services are not subject to licensing under the relevant legislation of Hong Kong, China;

(b) Market Access for Other Audiovisual services.

[4] This refers to the services covered by item f. of sub-sector "D. Audiovisual services" under the sector "COMMUNICATION SERVICES" of MTN.GNS/W/120.

II-HKC-13
(Services)

Sector	CONSTRUCTION AND RELATED ENGINEERING SERVICES[5, 6]
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to CONSTRUCTION AND RELATED ENGINEERING SERVICES, except for: (a) General construction work for civil engineering (CPC 513); (b) Installation and assembly work (CPC 514 and 516) (other than Mode 1); (c) Building completion and finishing work (CPC 517) (other than Mode 1); and (d) Other – project management services (other than Mode 1): limited to the supervision and coordination of construction projects but do not cover engineering or architectural services.

[5] For railway construction and project implementation services, refer to II-HKC-21 in this Schedule.
[6] Also refer to I-HKC-12 in Annex I Schedule of Hong Kong, China (Existing Non-Conforming Measures for Trade in Services).

II-HKC-14
(Services)

Sector	EDUCATIONAL SERVICES	
Industry Classification	CPC 923	Higher education services
	CPC 924	Adult education
	CPC 929	Other education services
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)	
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Mode 3 of the services set out above.	

II-HKC-15
(Services)

Sector	HEALTH RELATED AND SOCIAL SERVICES
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to HEALTH RELATED AND SOCIAL SERVICES, except for Mode 2 for: (a) Hospital services (CPC 93110); and (b) Other human health services not elsewhere classified (CPC 93199).

II-HKC-16
(Services)

Sector	TOURISM AND TRAVEL RELATED SERVICES
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to TOURISM AND TRAVEL RELATED SERVICES, except for: (a) Hotel lodging services (CPC 6411); (b) Motel lodging services (CPC 6412); (c) Other lodging services (limited to CPC 64191, 64192, 64194 and 64195 only) (other than Mode 1); (d) Restaurant and catering services (CPC 642 and 643) (other than Mode 1); and (e) Travel agencies and tour operators services (limited to the business of obtaining for clients carriage or accommodation outside Hong Kong, China and the provision of related services such as the furnishing of travel information, advice and planning (part of CPC 7471)).

II-HKC-17
(Services)

Sector	RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Gambling and betting services (part of CPC 964). Hong Kong, China reserves the right to adopt or maintain any measure with respect to RECREATIONAL, CULTURAL AND SPORTING SERVICES, except for: (a) Entertainment services (CPC 9619) (other than Circus, amusement park and similar attraction services (CPC 96194) and Other entertainment services n.e.c. (CPC 96199)); and (b) Library and archives services (CPC 9631) (other than Mode 1); and (c) Sporting and other recreational services.

II-HKC-18
(Services)

Sector	TRANSPORT SERVICES Maritime Transport Services
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to: (a) cabotage[7] transport; and (b) provision of certain port services (pilotage; anchorage, berth and berthing services; towing and tug assistance; provisioning, fuelling and watering; garbage collecting and ballast waste disposal; port captain's services; navigation aids; shore-based operational services essential to ship operation, including communications, water and electrical supplies; and emergency repair facilities). However, no measures shall be applied which deny international maritime transport service suppliers reasonable and non-discriminatory access to the above port services.

[7] "Cabotage" covers transportation of passengers or goods between a point in Hong Kong, China and another point in Hong Kong, China, as well as traffic originating and terminating in the same point in Hong Kong, China, provided that this traffic remains within the waters of Hong Kong, China.

II-HKC-19
(Services)

Sector	TRANSPORT SERVICES Internal Waterways Transport Space Transport Other Transport Services[8]
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to the services as set out above.

[8] This refers to the services covered by sub-sector "I. Other Transport Services" under the sector "TRANSPORT SERVICES" of MTN.GNS/W/120.

II-HKC-20
(Services)

Sector	TRANSPORT SERVICES Air Transport Services or related services in support of air services
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Most-Favoured-Nation Treatment (Article 8.4) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Air Transport Services or related services in support of air services, except for: (a) selling and marketing of air transport services; and (b) computer reservation system services.

II-HKC-21
(Services)

Sector	TRANSPORT SERVICES Rail Transport Services Railway construction and project implementation
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to the services as set out above, except for: (a) Pushing and towing services (CPC 7113); (b) Maintenance and repair of rail transport equipment (part of CPC 8868); and (c) Supporting services for rail transport services (CPC 743). Paragraph (a), paragraph (b) and paragraph (c) do not include those services relating to cross boundary train services (including Intercity Passenger Services and Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link). Note: For transparency, the MTR Corporation Limited (Corporation) has been granted a franchise to operate railway (including maintenance of railway assets, construction of any extension and any other railway which the Secretary for Transport and Housing has authorised the Corporation to construct, and management of railway premises and related transport interchanges) in Hong Kong for a period of 50 years from 2 December 2007. The Corporation may apply for extension of the franchise.

II-HKC-22
(Services)

Sector	TRANSPORT SERVICES Road Transport Services
Industry Classification	
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to Road Transport Services, except for: (a) Freight transportation (CPC 7123); (b) Rental services of commercial freight vehicles with operator (CPC 71240); and (c) Maintenance and repair of road transport equipment (CPC 6112 and 8867).

II-HKC-23
(Services)

Sector	TRANSPORT SERVICES Services auxiliary to all modes of transport	
Industry Classification	CPC 741	Cargo-handling services
	CPC 742	Storage and warehouse services, including distribution centre services and materials handling and equipment services such as container station and depot services
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)	
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to: (a) Cargo-handling services in respect of air and rail; and (b) Storage and warehouse services, including distribution centre services and materials handling and equipment services such as container station and depot services, in respect of air and rail.	

II-HKC-24
(Services)

Sector	OTHER SERVICES NOT INCLUDED ELSEWHERE	
Industry Classification	CPC 95	Services of membership organisations
	CPC 97	Other services
	CPC 98	Private households with employed persons
	CPC 99	Services provided by extraterritorial organisations and bodies
Obligations Concerned	National Treatment (Article 8.3) Market Access (Article 8.5) Local Presence (Article 8.6)	
Description	Hong Kong, China reserves the right to adopt or maintain any measure with respect to the services as set out above, except for Modes 2 and 3 for Spa services (part of CPC 9702).	