

**[Cursory Translation]**

**SUPPLEMENT VII 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<sup>①</sup> 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 Supplement IV to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement IV to the CEPA”) signed on 29 June 2007;
- the Supplement V to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement V to the CEPA”) signed on 29 July 2008;

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

- the Supplement VI to the Mainland and Hong Kong Closer Economic Partnership Arrangement (hereinafter referred to as “Supplement VI to the CEPA”) signed on 9 May 2009;

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

## **I. Trade in Services**

1. From 1 January 2011, the Mainland shall further relax the market access conditions in 14 areas, namely, construction, medical services, technical testing and analysis services and product testing services, specialty design services, audiovisual, distribution, banking, securities, social services, tourism, cultural services, air transport, qualification examinations for professionals and technicians 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”, “Supplement III to the CEPA”, “Supplement IV to the CEPA”, “Supplement V to the CEPA” and “Supplement VI to the CEPA”. The specific contents are detailed in the Annex of this Supplement VII.

2. The Annex of this Supplement VII 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”, 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”, Annex of “Supplement IV to the CEPA” - “Supplements and Amendments IV to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong”, Annex of “Supplement V to the CEPA” - “Supplements and Amendments V to the Mainland’s Specific Commitments on Liberalization of Trade in Services for Hong Kong” and Annex of “Supplement VI to the CEPA” - “Supplements and Amendments VI 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 seven instruments, the provisions of the Annex of this Supplement VII shall prevail.

3. “Service suppliers” as referred to in the Annex of this Supplement VII shall meet the relevant requirements in Annex 5 of “CEPA” – “Definition of “Service Supplier” and Related Requirements”.

## **II. Financial Cooperation**

To support subsidiaries set up in Hong Kong by qualified Mainland futures companies in developing business in Hong Kong in accordance with the laws.

## **III. Trade and Investment Facilitation**

1. To further strengthen cooperation in the area of trade and investment facilitation, the two sides agreed to add cooperation in industries and cooperation on education in the area of trade and investment facilitation under “CEPA”, and to place cooperation in Chinese traditional medicine and medical products industry in the area of cooperation in industries. Accordingly:

(1) Paragraph 1 of Article 17 of “CEPA” is amended as follows:

“1. The two sides will promote cooperation in the following areas:

1. trade and investment promotion;
2. customs clearance facilitation;
3. commodity inspection and quarantine, food safety, quality and standardization;
4. electronic business;
5. transparency in laws and regulations;
6. cooperation of small and medium enterprises;
7. cooperation in industries;

8. protection of intellectual property;
9. cooperation on branding;
10. cooperation on education.”

(2) Article 2 of Annex 6 of “CEPA” is amended as follows:

“2. The two sides agree to cooperate in trade and investment facilitation in ten areas, namely, trade and investment promotion; customs clearance facilitation; commodity inspection and quarantine, food safety, quality and standardization; electronic business; transparency in laws and regulations; cooperation of small and medium enterprises; cooperation in industries; protection of intellectual property; cooperation on branding; and cooperation on education. Cooperation in these areas will follow the guidance and coordination of the Joint Steering Committee set up in accordance with Article 19 of ‘CEPA’.”

(3) Article 9 of Annex 6 of “CEPA” is amended as follows:

#### “9. Cooperation in Industries

The two sides recognize that to complement each other’s competitive advantages, strengthening cooperation and exchanges will be beneficial to the development of industries and the overall social economic development in the two places.

#### 9.1 Cooperation in Traditional Chinese Medicine and Medical Products Industry.

Traditional Chinese medicine and medical products, being a fine component of the Chinese culture, bear tremendous market application potential and economic benefits. Both sides have their own competitive advantages in areas such as promoting the industrialization of traditional Chinese medicine and medical products and advancing its modernization and internationalization. Cooperation in this area plays an important role in the economic and social development of both sides. The two sides agree to strengthen cooperation in the development of the traditional Chinese medicine and medical products industry.

#### 9.1.1 Cooperation Mechanism

The two sides will strengthen and improve the mechanism of liaison and cooperation between their respective government departments so as to promote the development of cooperation in the traditional Chinese medicine and medical products industry between the two places.

#### 9.1.2 Content of Cooperation

Based on the situation and development trend of cooperation in the traditional Chinese medicine and medical products industry between the two places, the two sides agree to strengthen cooperation in the following areas:

9.1.2.1 Communicate on the formulation of their respective regulations on and management of traditional Chinese medicine and medical products with a view to achieving information sharing.

9.1.2.2 Enhance cooperation in research on traditional Chinese medicine and medical products, exchange and share information on areas such as industry development strategy and development orientation of traditional Chinese medicine and medical products.

9.1.2.3 Strengthen communication and coordination in registration management of traditional Chinese medical products, implement standardization in the management of traditional Chinese medical products, and facilitate mutual trade in traditional Chinese medical products.

9.1.2.4 Cooperate in such areas as facility management and regulations and requirements for clinical trials, with a view to achieving mutual recognition of clinical data.

9.1.2.5 Conduct exchanges and cooperate in quality standardization for traditional Chinese medical products, and jointly promote the enhancement of quality standards for traditional Chinese medical products.

9.1.2.6 Support cooperation between the traditional Chinese medicine and medical products enterprises of the two places and jointly strive for international market expansion.

9.1.2.7 Strengthen trade and investment promotion and cooperation in the traditional Chinese medicine and medical products industry.

9.1.2.8 Conduct exchanges and consultations on ways to solve problems arising from cooperation in the traditional Chinese medicine and medical products industry.

### 9.1.3 Participation of Other Entities

The two sides will support and assist the participation of semi-official and non-official organizations in the cooperation in the traditional Chinese medicine and medical products industry, including the cooperation already established between the National Center for Traditional Chinese Medicine and the Hong Kong Jockey Club Institute of Chinese Medicine Ltd.

## 9.2 Cooperation in Convention and Exhibition Industry

The convention and exhibition industry has strong driving forces and high development potential. Strengthening cooperation in the convention and exhibition industry between both places plays an important role in promoting economic development in both places as well as in facilitating economic and trade exchanges between both places. The two sides agree to strengthen cooperation in the convention and exhibition industry with a view to supporting the joint development of the industry in both places.

### 9.2.1 Cooperation Mechanism

Utilizing the existing cooperation channels of relevant authorities, the two sides will enhance information flow through exchanges and discussions.

### 9.2.2 Content of Cooperation

Both sides agree to strengthen cooperation in the following areas:

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

9.2.2.2 To promote the development of Hong Kong's convention and exhibition industry, upon request of the HKSAR Government and

subject to the agreement of relevant authorities of the Central People's Government, the relevant Mainland departments will facilitate the processing of applications made by Mainland enterprises and individuals for travel documents and endorsements required for visiting Hong Kong to participate in conventions and exhibitions held there.

### 9.2.3 Participation of Other Entities

Both sides agree to support relevant semi-official organizations, non-official organizations and the trade to play a part in promoting cooperation in the convention and exhibition industry between the two places.

## 9.3 Cooperation in Cultural Industry

The cultural industry of the two places has strong driving forces, high development potential and a strong complementary effect. Strengthening cooperation in the cultural industry between the two places plays an important role in promoting the development of the cultural industry of both places. The two sides agree to promote cooperation in the cultural industry with a view to creating jointly a situation where both sides benefit.

### 9.3.1 Cooperation Mechanism

Utilizing existing cooperation channels of relevant authorities, the two sides will strengthen communication through exchanges and discussions with a view to supporting the joint development of the cultural industry in both places.

### 9.3.2 Content of Cooperation

Both sides agree to strengthen cooperation in the following areas:

9.3.2.1 Support and strengthen exchanges and communication with regard to the cultural industry of both places.

9.3.2.2 Exchange information relating to the formulation and enforcement of laws and regulations in respect of the cultural industry.

9.3.2.3 Promptly investigate and tackle problems arising from the exchanges between both sides on the cultural industry.

9.3.2.4 Enhance cooperation in the organization of visits, exchanges, exhibitions, etc.

9.3.2.5 Jointly explore the expansion of market and other cooperation proposals.

### 9.3.3 Participation of Other Entities

The two sides agree to support relevant semi-official organizations, non-official organizations and the trade to play a part in promoting cooperation in the cultural industry between the two places.

## 9.4 Cooperation in Environmental Industry

Cooperation in the environmental industry plays an important role in promoting economic development in both places as well as in facilitating economic and trade exchanges between both places. The two sides agree to strengthen cooperation in the environmental industry with a view to supporting the joint development of the industry in both places.

### 9.4.1 Cooperation Mechanism

Under the guidance and coordination of the Joint Steering Committee, the two sides will set up a working group with a view to strengthening cooperation in the area of environmental industry.

### 9.4.2 Content of Cooperation

The two sides agree to strengthen cooperation in the following areas:

9.4.2.1 Strengthen exchanges and communication in the area of cooperation in the environmental industry.

9.4.2.2 Exchange information relating to the formulation and enforcement of laws and regulations in respect of the environmental industry.

9.4.2.3 Enhance cooperation on training, organizing visits, etc.

9.4.2.4 Strengthen cooperation between the two places in the environmental industry by various means including organising trade exhibitions, seminars, etc.

9.4.2.5 Explore cooperation proposals to further facilitate business operations in order to support the development of the environmental industry of both places.

#### 9.4.3 Participation of Other Entities

The two sides agree to support and assist semi-official organizations, non-official organizations and the trade to play a part in promoting cooperation in the environmental industry between the two places.

### 9.5 Cooperation in Innovation and Technology Industry

Cooperation in innovation and technology plays an important role in promoting the economic and social development of the two places. The two sides agree to strengthen cooperation in innovation and technology and support the joint development of the innovation and technology industry of both places.

#### 9.5.1 Cooperation Mechanism

Strengthen the cooperation in the area of innovation and technology through the cooperation mechanism between relevant government departments of both sides.

#### 9.5.2 Content of Cooperation

The two sides agree to strengthen cooperation in the following areas:

9.5.2.1 Strengthen exchanges and sharing of information between the two places in the area of innovation and technology.

9.5.2.2 Involve Hong Kong research institutes and enterprises progressively in the national innovation system and encourage Hong Kong research personnel and organizations to participate in national science and technology projects.

9.5.2.3 Strengthen exchanges and cooperation between the two places in high technology research, development and application, fundamental scientific research, etc., with a view to exploring market expansion.

### 9.5.3 Participation of Other Entities

The two sides agree to support and assist semi-official organizations, non-official organizations and the trade to play a part in promoting cooperation in the innovation and technology industry between the two places.

(4) An article is added to Annex 6 of “CEPA” as Article 12 and the subsequent articles are renumbered accordingly. Article 12 reads as follows:

#### “12. Cooperation on Education

The two sides agree to strengthen cooperation in the following areas:

12.1 Strengthen exchanges and communication in the area of education cooperation between the two places.

12.2 Strengthen exchange of information in respect of education.

12.3 Strengthen cooperation in training, organization of visits, etc.

12.4 Strengthen education cooperation of both places through various means such as professional collaboration and organizing seminars.

12.5 To support Mainland’s education institutions and Hong Kong’s higher education institutions to jointly provide education programmes, to establish joint research facilities and to nurture talents at undergraduate or above level in the Mainland.”

2. Both sides agree to further strengthen their cooperation in the area of commodity inspection and quarantine, food safety, quality and

standardisation. Accordingly, the following subparagraphs 5.2.5 and 5.2.6 are added to Article 5.2 of Annex 6 to “CEPA”:

“5.2.5 Relevant authorities of both sides will further strengthen their cooperation, establish a mechanism of regular reciprocal visits, and commence cooperation in the area of consumer product safety.

5.2.6 To actively promote cooperation between Hong Kong’s testing laboratories and Mainland’s certification bodies which are members of international multilateral systems on mutual recognition of testing and certification that are open to national member bodies (such as the IECEE/CB system), so that Hong Kong’s testing laboratories can be recognized under these multilateral systems.”

#### **IV. Annex**

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

#### **V. Coming into Effect**

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

Signed in duplicate in Hong Kong, this 27<sup>th</sup> day of May, 2010 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