

ASEAN – HONG KONG, CHINA FREE TRADE AGREEMENT

Specific Commitments¹ of ASEAN Member States (AMS) on Research and Development (R&D) Services

Modes of supply²: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Brunei Darussalam	No commitment	Not applicable	Not applicable

¹ As extracted from the Schedules of Specific Commitments of ASEAN Member States. The full schedules can be found in Trade and Industry Department's website at http://www.tid.gov.hk/english/ita/fta/hkasean/text_agreement.html.

² See explanatory note at Annex.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Cambodia	No commitment	Not applicable	Not applicable

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Indonesia	No commitment	Not applicable	Not applicable

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Lao PDR	a. R&D services on natural sciences		
	(a) R&D services on natural sciences (CPC 851)	1) None. 2) None. 3) Foreign equity participation limited to 51%. 4) Unbound, except as indicated in the horizontal section.	1) None. 2) None. 3) None. 4) Unbound, except as indicated in the horizontal section.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Malaysia	No commitment	Not applicable	Not applicable

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Myanmar	No commitment	Not applicable	Not applicable

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
The Philippines	No commitment	Not applicable	Not applicable

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Singapore	a. R&D services on natural sciences		
	Biotechnology Services (CPC 851**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal Section	1) None 2) None 3) None 4) Unbound
	Industrial Research (CPC 851**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal Section	1) None 2) None 3) None 4) Unbound
	b. R&D services on social sciences and humanities		
	Economic and behavioural research (CPC 852**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal Section	1) None 2) None 3) None 4) Unbound
	c. Interdisciplinary R&D services		
	Interdisciplinary R&D services for projects undertaken by education institutions (CPC 853**)	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal Section	1) None 2) None 3) None 4) Unbound

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Thailand	b. R&D services on social sciences and humanities		
	Research and experimental development services in linguistics and languages (CPC Version 1.1:81240)	1) None 2) None 3) As indicated in 3.2 of the horizontal section 4) As indicated in the horizontal section	1) Unbound 2) None 3) As indicated in the horizontal section 4) As indicated in the horizontal section

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

AMS	Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment
Viet Nam	a. R&D services on natural sciences		
	R&D services on natural sciences (CPC 851)	1) None. 2) None. 3) None. 4) Unbound, except as indicated in the horizontal section.	1) None. 2) None. 3) None. 4) Unbound, except as indicated in the horizontal section.

- End -

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Annex

EXPLANATIONS OF THE FOUR MODES OF SUPPLY FOR TRADE IN SERVICES

Cross Border Supply (Mode 1)

The cross border mode of supply refers to the supply of service from the area of an FTA party into the area of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 1, a service supplier of the other Party of the FTA (i.e. Party B) can supply the service within the area of Party B to service consumers in the area of Party A, without being physically present in the area of Party A. An example is the supply of consultancy service through telecommunications, fax or mail etc.

Consumption Abroad (Mode 2)

The consumption abroad mode of supply refers to the supply of service in the area of an FTA party to the service consumer of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 2, a service supplier of Party B can, within the area of Party B, provide the service to consumers of Party A who are present in the area of Party B. An example is the supply of hotel services.

Commercial Presence (Mode 3)

The commercial presence mode of supply refers to the supply of service by a service supplier of an FTA party, through commercial presence in the area of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 3, a service supplier of Party B can provide the service within the area of Party A through commercial presence in the area of Party A. This covers the presence of juridical persons (e.g. corporations, joint ventures, partnership, sole proprietorship, trust, association) as well as representative offices, branches etc.

Movement of Natural Person (Mode 4)

The movement of natural person mode of supply refers to the supply of service by a service supplier of an FTA party, through the presence of their natural persons in the area of the other FTA party. If Party A of an FTA makes commitment in respect of Mode 4, a service supplier of Party B can provide the service within the area of Party A through the presence of natural persons of Party B. This covers natural persons who are themselves service suppliers, as well as natural persons who are employees of service suppliers (e.g. accountants of accounting firms).