

<Courtesy English Translation>

Supplement III 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^① 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 two sides agreed to sign this Supplement III on further liberalization of trade in services in the Mainland for Hong Kong and strengthening cooperation in area of trade and investment facilitation of both sides.

1. Trade in Services

(1) From 1 January 2007, the Mainland shall further relax the market access conditions in the areas of legal, construction, information technology, convention and exhibition, audiovisual, distribution, tourism, transport and individually owned stores on the basis of the commitments on liberalization of trade in services under “CEPA”, “Supplement to the CEPA” and “Supplement II to the

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

CEPA". The specific contents are detailed in the Annex of this Supplement III.

(2) The Annex of this Supplement III 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" and 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". In the event of conflict with the provisions of the other three instruments, the provisions of the Annex of this Supplement III shall prevail.

(3) "Service suppliers" as referred to in the Annex of this Supplement III shall meet the relevant requirements of Annex 5 of "CEPA" – "Definition of 'Service Supplier' and Related Requirements".

2. Trade and Investment Facilitation

To promote cooperation in the area of protection of intellectual property between the two places, the two sides agree to add protection of intellectual property into the area of trade and investment facilitation under "CEPA". 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 and quality and standardization;
4. electronic business;

5. transparency in laws and regulations;
6. cooperation of small and medium enterprises;
7. cooperation in Chinese traditional medicine and medical products sector;
8. protection of intellectual property.”

(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 eight 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 Chinese traditional medicine and medical products sector; and protection of intellectual property. Cooperation in these areas will follow the guidance and coordination of the Joint Steering Committee set up in accordance with Article 19 of the ‘CEPA’.”

(3) An article is added to Annex 6 of “CEPA” as Article 10 and the subsequent articles are renumbered accordingly. Article 10 reads as follows:

“10. Protection of Intellectual Property

The two sides recognize that strengthening intellectual property protection plays an important role in advancing economic development and promoting economic and trade exchanges and cooperation between the two places. The two sides agree to strengthen cooperation in the area of intellectual property protection.

10.1. Cooperation Mechanism

The two sides will enhance cooperation in the area of intellectual property protection through the cooperation mechanism between relevant government departments of the two places.

10.2. Content of Cooperation

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

10.2.1. Exchange and communicate information relating to intellectual property protection of the two places through the Intellectual Property Protection Coordination Centre to be set up in Hong Kong.

10.2.2. Exchange information relating to the formulation and implementation of laws and regulations in respect of intellectual property protection.

10.2.3. Share materials and information relating to intellectual property protection through visits, seminars, relevant publications and other means.

10.2.4. Discuss issues arising from intellectual property protection.”

3. Annex

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

4. Coming into Effect

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

Signed in duplicate in Hong Kong, this 27th day of June, 2006 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

(signature)

(signature)