<u>Annex</u>

Examples of Specific Liberalisation Measures in the Agreement on Trade in Services

Services Sectors	Liberalisation Measures
Legal	➤ Hong Kong law firms may second Hong Kong lawyers to Mainland law firms to act as consultants on Hong Kong law or cross-border laws.
	Mainland law firms may second Mainland lawyers to representative offices of Hong Kong law firms in the Mainland to act as consultants on Mainland law.
	Hong Kong law firms may operate in association in the form of partnership with Mainland law firms in Guangzhou, Shenzhen and Zhuhai.
Accounting	Hong Kong permanent residents who have obtained the Chinese Certified Public Accountants (CPAs) qualification can be partners of partnership accounting firms in the Mainland, while the Mainland residents shall have the right of control over such accounting firms. When Hong Kong permanent residents who have obtained the Chinese CPAs qualification apply to become partners of accounting firms in the Mainland, the length of auditing experience that they have acquired in Hong Kong is considered equivalent to the length of auditing experience acquired in the Mainland. Hong Kong permanent residents who are partners of these accounting firms are required to maintain a place of residence in the Mainland and reside in the Mainland for not less than six months every year.
Construction, Design	> To expand the pilot scheme of allowing Hong Kong
and Urban Planning	professionals who have obtained Mainland's various construction-related qualifications, including Urban

Services Sectors	Liberalisation Measures
	Planner, Supervision Engineer, etc. to register and practise, from Guangdong to Guangxi and Fujian.
Insurance	➤ To encourage Mainland insurance companies to cede their business to Hong Kong insurance or reinsurance companies with RMB as the settlement currency.
	To allow Hong Kong insurance brokerage companies to set up wholly-owned insurance agency companies in the Mainland, by fulfilling the same criteria as setting up wholly-owned insurance agency companies in Guangdong (including Shenzhen) at present.
Securities	➤ The "participation in one and holding of one" principle is applicable to the number of Mainland-Hong Kong joint venture securities / securities investment advisory / futures companies that are allowed to be invested in through shareholding acquisition by Hong Kong-funded financial institutions.
	To explore ways to promote qualified Hong Kong companies to issue RMB bonds in the Mainland stock exchanges.
Banking	To remove the requirement of minimum years of operation for foreign-funded bank operating institutions established by Hong Kong banks in the Mainland to conduct RMB business.
	➤ To harmonise in principle the scope of business that can be conducted by foreign-funded locally-incorporated banks established by Hong Kong banks in the Mainland with that of Mainland commercial banks.

Services Sectors	Liberalisation Measures
Transport	To allow Hong Kong airlines to sell tickets and hotel packages in their offices in the Mainland or through their official websites, without engaging Mainland sales agents.
	To allow the provision of ground services for air transport in the form of wholly-owned operations, excluding security-related projects.
Telecommunications	To allow Hong Kong service suppliers to set up equity joint venture or wholly-owned enterprise in the Mainland to provide the online data processing and transaction processing services (confined to e-commerce business websites only), multi-party communications services in 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). There is no restriction on the proportion of Hong Kong capital in the shareholding.
Culture and Entertainment	 For the same Hong Kong service supplier which opens more than 30 stores accumulatively in the Mainland, if the commodities for sale include books, newspapers and magazines, and the above commodities are of different brands and come from different suppliers, the Hong Kong service supplier is allowed to operate on a wholly-owned or equity joint venture basis. To allow setting up of wholly-owned entertainment premises in Guangdong.
	 To allow Hong Kong service suppliers to engage in the sales services of amusement game equipment in

Services Sectors	Liberalisation Measures
	the Mainland.
Audiovisual	Chinese language motion pictures produced in Hong Kong and solely imported through the China Film Group Corporation may be distributed in the Mainland by distributors possessing "Operation Licence for Film Distribution" on a quota-free basis, after vetting and approval by the relevant Mainland authority.
	➤ To allow the dialect version of motion pictures produced by Hong Kong and solely imported by the China Film Group Corporation to be distributed in the Mainland by distributors possessing "Operation Licence for Film Distribution", after being examined by and obtaining the approval of the relevant authorities in the Mainland, on the condition that standard Chinese subtitles are provided on screen.
Individually Owned Stores	➤ For individually owned stores set up in the Mainland by Hong Kong permanent residents with Chinese citizenship, the scope of business has included five additional items: wholesale of food and beverage; general guesthouses; other accommodation services; real estate intermediary services; and operation of activities with individually owned real estates.