

[Courtesy English Translation]

**MAINLAND/HONG KONG  
CLOSER ECONOMIC PARTNERSHIP ARRANGEMENT  
("CEPA")**

***Preamble***

To promote the joint economic prosperity and development of the Mainland<sup>1</sup> and the Hong Kong Special Administrative Region (hereinafter "the two sides"), to facilitate the further development of economic links between the two sides and other countries and regions, the two sides decided to sign the Mainland/Hong Kong Closer Economic Partnership Arrangement (hereinafter called "CEPA").

**CHAPTER 1  
GENERAL PRINCIPLES**

***Article 1***  
***Objectives***

To strengthen trade and investment cooperation between the Mainland and the Hong Kong Special Administrative Region (hereinafter called "Hong Kong") and promote joint development of the two sides, through the implementation of the following measures :

1. progressively reduce or eliminate tariffs and non-tariff barrier on substantially all the trade in goods between the two sides;
2. progressively achieve liberalization of trade in

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<sup>1</sup> In "CEPA", the "Mainland" refers to the entire customs territory of China.

- services through reduction or elimination of substantially all discriminatory measures;
3. promote trade and investment facilitation.

## **Article 2**

### *Principles*

The conclusion, implementation and amendment of "CEPA" will adhere to the following principles :

1. to abide by the "one country, two system" principle;
2. to be consistent with the rules of the World Trade Organisation (hereinafter called the "WTO");
3. to accord with the needs of both sides to adjust and upgrade their economic regime;
4. to achieve mutual benefits, complementarity and joint prosperity;
5. to take progressive action, dealing with the easier issues first.

## **Article 3**

### *Inception and Development*

1. From 1 January 2004, the two sides will implement the specific commitments in liberalization of trade in goods and services under "CEPA".
2. The two sides will broaden and enrich the content of "CEPA" through continuous and further liberalization between them.

#### **Article 4**

#### *Non-application of Specific Provisions in China's WTO Accession Documents*

The two sides recognise that through over 20 years of reform and liberalisation, the market economy system of the Mainland has been continuously improving, and the mode of production and operation of Mainland enterprises is in line with the requirements of a market economy. The two sides agree that Articles 15 and 16 of the "Protocol on the Accession of the People's Republic of China to the WTO" and paragraph 242 of the "Report of the Working Party on the Accession of China" will not be applicable to trade between the Mainland and Hong Kong.

### **CHAPTER 2 TRADE IN GOODS**

#### **Article 5**

#### *Tariffs*

1. Hong Kong will continue to apply zero tariff to all imported goods of Mainland origin.
2. From 1 January 2004, the Mainland will apply zero tariff to the import of those goods of Hong Kong origin as set out in Schedule 1 of Annex 1.
3. Not later than 1 January 2006, the Mainland will apply zero tariff to the import of goods of Hong Kong origin that are outside Schedule 1 of Annex 1. Detailed implementation procedures are set out in Annex 1.
4. Any new goods benefiting from elimination of import tariffs in accordance with paragraph 3 of this Article shall be

inserted into Annex 1.

**Article 6**

*Tariff Rate Quota and Non-tariff Measures*

1. One side will not apply any non-tariff measure that is inconsistent with WTO rules to goods imported and originated from the other side.
2. The Mainland will not apply tariff rate quota against goods of Hong Kong origin.

**Article 7**

*Anti-dumping Measures*

The two sides undertake that one side will not apply anti-dumping measures to goods imported and originated from the other side.

**Article 8**

*Subsidies and Countervailing Measures*

The two sides reiterate that they will abide by the WTO "Agreement on Subsidies and Countervailing Measures" and Article XVI of "the General Agreement on Trade and Tariffs 1994", and undertake not to apply countervailing measures to goods imported and originated from each other.

**Article 9**

*Safeguards*

If because of the implementation of "CEPA", the import of products in Annex 1 from one side to the other increases in such

2. The Mainland supports Mainland banks in developing network and business activities in Hong Kong through acquisition.

3 The Mainland supports the full utilization of financial intermediaries in Hong Kong during the process of reform, restructuring and development of the financial sector in the Mainland.

4. The two sides will strengthen cooperation and information sharing between their financial regulators.

5. The Mainland will, following the principles of observing market discipline and enhancing regulatory efficiency, support eligible Mainland insurance companies and other companies, including private enterprises, in listing in Hong Kong.

#### ***Article 14***

##### *Cooperation on Tourism*

1. In order to further promote the development of the tourism industry of Hong Kong, the Mainland will allow residents in Guangdong Province to visit Hong Kong individually. This measure will be implemented on a trial basis first in Dongguan, Zhongshan and Jiangmen and it will be extended to the entire Guangdong Province not later than 1 July 2004.

2. The two sides will strengthen cooperation on tourism promotion, including promotion of tourism between each other and development of external promotion programmes centered around the Pearl River Delta.

3. The two sides will cooperate to raise the service standards of their tourism industries and protect the lawful rights of

tourists.

**Article 15**

*Mutual Recognition of Professional Qualifications*

1. The two sides will encourage mutual recognition of professional qualifications and promote the exchange of professional talents between each other.
2. Competent authorities and professional bodies of both sides will in consultation with each other consider and design specific methodologies for mutual recognition of professional qualifications.

**CHAPTER 5**

**TRADE AND INVESTMENT FACILITATION**

**Article 16**

*Measures*

The two sides will pursue trade and investment facilitation through greater transparency, standards conformance and enhanced information exchange.

**Article 17**

*Areas of Cooperation*

1. The two sides will promote cooperation in the following areas :
  1. trade and investment promotion;
  2. customs clearance;
  3. quarantine and inspection of commodities, food safety and quality assurance;

4. electronic commerce;
  5. transparency in law and regulations;
  6. small and medium-sized enterprises; and
  7. Chinese medicine and medical products.
2. Details on the cooperation in the areas listed in paragraph 1 of this Article are set out in Annex 6.
3. At the request of one side, the two sides may expand the scope and content of trade and investment facilitation through consultation.
4. Any new scope or content concluded under paragraph 3 of this Article shall be inserted into Annex 6.

## **CHAPTER 6 OTHER PROVISIONS**

### ***Article 18*** *Exceptions*

"CEPA" and the provisions in its Annexes will not affect the Mainland or Hong Kong's ability to maintain or adopt exception measures consistent with the rules of the WTO.

### ***Article 19*** *Institutional Arrangements*

1. The two sides will set up a Joint Steering Committee (hereinafter called "Steering Committee"). The Steering Committee will comprise senior representatives or officials designated by the two sides.
2. Liaison Offices will be set up under the Steering

Committee. Working groups may be set up as the need arises. Liaison offices will be set up in the Ministry of Commerce of the Central People's Government and the Commerce, Industry and Technology Bureau of the Hong Kong Special Administrative Region Government.

3. The functions of the Steering Committee include :
- (1) supervising the implementation of "CEPA";
  - (2) interpreting the provisions of the "CEPA";
  - (3) resolving disputes that may arise during the implementation of "CEPA";
  - (4) drafting additions and amendments to the content of "CEPA";
  - (5) providing steer on the work of the working groups;
  - (6) dealing with any other business relating to the implementation of "CEPA".

4. The Steering Committee will meet at least once a year , and may convene special meetings within 30 days upon request by either side.

5. The two sides will consult to resolve any problems arising from the interpretation or implementation of "CEPA" in the spirit of friendship and cooperation. The Steering Committee shall make its decisions by consensus.

#### **Article 20**

##### *Miscellaneous*

1. Except as otherwise provided in "CEPA", any action taken under it will not affect or nullify the rights and obligations of one side under other existing agreements to which it is a party.



2. The two sides will endeavour to refrain from increasing restrictive measures that would affect the implementation of "CEPA".

**Article 21**

*Annexes*

The Annexes to "CEPA" form an integral part of "CEPA".

**Article 22**

*Amendments*

The provisions of "CEPA" or its Annexes may be amended in writing when the need arises. Any amendment will come into force after it has been signed by the duly authorised representatives of the two sides.

**Article 23**

*Coming Into Effect*

CEPA will come into force on the day of signature by the representatives of the two sides.

Signed in duplicate at Hong Kong, this \_\_\_\_ day of \_\_\_\_\_, 2003  
in the Chinese language.

Vice Minister of Commerce  
People's Republic of China

Financial Secretary  
Hong Kong Special  
Administrative Region of the  
People's Republic of China

quantities as to cause or threaten to cause serious injury to like or directly competitive products to the domestic industry to the other side, the affected side may after written notification temporarily suspend concessions in respect of these goods to the other side, and will, at the request of the other side, promptly commence consultations under Article 19 of "CEPA" so that an agreement may be reached.

### **CHAPTER 3 ORIGIN**

#### ***Article 10*** *Rules of Origin*

1. The rules of origin applicable under "CEPA" relating to preferential measures of trade in goods are set out in Annex 2.
2. To ensure the implementation of the preferential measures in respect of trade in goods, the two sides decide to strengthen and extend the content and scope of mutual assistance in administration, including the establishment and strict implementation of the procedures for issuing certificates of origin, the establishment of auditing and regulatory systems, the development of a computer link and electronic data interchange between the issuing and regulatory authorities of both sides. Details are set out in Annex 3.

### **CHAPTER 4 TRADE IN SERVICES**

#### ***Article 11*** *Market Access*

1. One side shall progressively reduce or eliminate

existing restrictive measures against services and service suppliers of the other side in accordance with the content and timetable set out in Annex 4.

2. At the request of one side, the two sides may through consultation pursue further liberalization of trade in services.

3. Any new measures on liberalization of trade in services implemented pursuant to paragraph 2 of this Article shall be inserted into Annex 4.

### ***Article 12***

#### ***Service Suppliers***

1. The definition and related provisions on "service suppliers" under "CEPA" are set out in Annex 5.

2. A service supplier of another WTO Member that is a juridical person constituted under the laws of one side will be entitled to treatment granted under "CEPA", provided that it engages in substantive business operations in the area of that side.

### ***Article 13***

#### ***Financial Services Cooperation***

The two sides shall adopt the following measures to further strengthen cooperation in the areas of banking, securities and insurance :

1. The Mainland supports state-owned commercial banks and certain shareholding commercial banks in re-locating their international treasury and foreign exchange trading centres to Hong Kong.

(signature)

(signature)

29 June 2003

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[Courtesy English Translation]

**Record of the Consultations on the Elimination of Tariff for Goods of  
Hong Kong Origin Imported to the Mainland  
(namely Annex 1 of “CEPA”)**

The consultations on the Mainland and Hong Kong Closer Economic Partnership Arrangement between the Mainland and the Hong Kong Special Administrative Region Government (hereinafter called “CEPA”) was launched in Beijing on 25 January 2002.

) Following many rounds of discussions, the two sides reached consensus on the main contents of Annex 1 of “CEPA”, and agreed to record the contents as follows:

1. The Mainland will apply zero tariff to imported goods of Hong Kong origin as set out in Schedule 1 of Annex 1 from 1 January 2004.
2. The Mainland will apply zero tariff to imported goods of Hong Kong origin other than those set out in Schedule 1 of Annex 1 not later than 1 January 2006. The detailed implementation procedures are as follows:
  - i) From 1 January 2004, Hong Kong manufacturers may submit applications to the responsible department of the Hong Kong Special Administrative Region Government for preferential tariff treatment. In their applications, the manufacturers should provide information on the description of their products, their production capacity, export capacity, etc. The designated agencies of the Hong Kong Special Administrative Region Government will assess, verify and consolidate the data provided by the manufacturers.
  - ii) The responsible department of the Hong Kong SAR Government will submit a consolidated product list to the responsible authorities of the Mainland not later than 1 June each year from 2005 onwards. Both sides will examine and confirm the product list, and enter into consultations on the origin rules for these products.
  - iii) Before 1 October each year, both sides will complete the ratification and consultations on the origin rules and tariff reduction programme for the products that are intended to benefit from tariff elimination in the following year; and announce the consensus reached in the consultations.

- iv) From 1 January each year, the Mainland will apply zero tariff to the products ratified in the preceding year, in accordance with the consensus reached in the consultations.
  - v) The product list submitted by the responsible department of the Hong Kong Special Administrative Region Government to the responsible authorities of the Mainland after 1 June each year will be included in the tariff reduction programme in the year after the following year.
3. In the event that the implementation of Annex 1 causes substantial impact on the trade and relevant sectors of either side, the two sides will conduct consultations on the relevant provisions in Annex 1 at the request of one side.
  4. The two sides will sign Annex 1 of "CEPA" before 1 January 2004.

Vice Minister of Commerce  
People's Republic of China

Financial Secretary  
Hong Kong Special  
Administrative Region of the  
People's Republic of China

(signature)

(signature)

29 June 2003

**[Courtesy English Translation]**

**Record of the Consultations on Rules of Origin  
(namely Annex 2 of "CEPA")**

The consultations on the Mainland and Hong Kong Closer Economic Partnership Arrangement between the Mainland and the Hong Kong Special Administrative Region Government (hereinafter called "CEPA") was launched in Beijing on 25 January 2002.

1. Both sides acknowledge the importance of formulating the rules of origin under "CEPA" to the smooth implementation of tariff preference for trade in goods.
2. Both sides have exchanged views and entered into consultations on formulating the rules of origin under "CEPA".
3. Both sides will continue consultations on the rules of origin under "CEPA", and seek to reach a consensus as early as possible with a view to signing Annex 2 of "CEPA" before 1 January 2004.

Vice Minister of Commerce  
People's Republic of China

Financial Secretary  
Hong Kong Special  
Administrative Region of the  
People's Republic of China

(signature)

(signature)

29 June 2003

[Courtesy English Translation]

**Record of Consultations on Certificates of Origin and  
Customs Co-operation  
(namely Annex 3 of "CEPA")**

The consultations on the Mainland and Hong Kong Closer Economic Partnership Arrangement between the Mainland and the Hong Kong Special Administrative Region Government (hereinafter called "CEPA") were launched in Beijing on 25 January 2002.

1. Both sides acknowledge the importance of formulating procedures for the issue of certificates of origin under "CEPA" and of strengthening co-operation between the two Customs authorities to the smooth implementation of tariff preference for trade in goods under "CEPA".
2. Both sides have exchanged views and conducted consultations on the procedures for issuing certificates of origin under "CEPA" and on co-operation between the two Customs authorities.
3. Both sides shall continue consultations on the procedures for issuing certificates of origin under "CEPA" and on co-operation between the two Customs authorities. Both parties will seek to reach a consensus as early as possible with a view to signing Annex 3 of "CEPA" before 1 January 2004.

Vice Minister of Commerce  
People's Republic of China

Financial Secretary  
Hong Kong Special  
Administrative Region of the  
People's Republic of China

(signature)

(signature)

29 June 2003



**<Courtesy English Translation>**

**Record of the Consultations on  
Trade in Services  
(namely Annex 4 of "CEPA")**

The consultations on the Mainland/Hong Kong Closer Economic Partnership Arrangement (hereafter called "CEPA") were launched in Beijing on 25 January 2002.

The two sides reached consensus on the main contents of Annex 4 of "CEPA" after many rounds of consultations, and agreed to record the contents as follows :

1. Starting from 1 January 2004, Hong Kong undertakes not to impose any new discriminatory measures on Mainland's services and services providers for those services sectors covered in this Record.
2. The two sides will, through consultations, explore the extent for Hong Kong to further liberalize trade in services for the Mainland.
3. Starting from 1 January 2004, the Mainland shall accord to Hong Kong services and services providers the following specific commitments :

(I) Management Consulting

Hong Kong companies are permitted to establish in the Mainland wholly-owned enterprises to provide management consulting services other than those relating to legal, accounting, auditing and certification, etc. The detailed requirements on the registered capital are set out in the provisions in the Mainland's "Company Law".

(II) Convention Services

Hong Kong companies are permitted to supply convention services in the Mainland on a wholly-owned basis.

(III) Advertising

Hong Kong companies are permitted to establish wholly-owned advertising firms in the Mainland.

(IV) Accounting Services

1. Hong Kong accountants who have already qualified as Chinese Certified Public Accountants (CPAs) and practised in the Mainland (including partnership) are treated on par with Chinese CPAs for the purpose of the requirement for annual working hours in the Mainland.
2. The validity of the "Temporary Auditing Business Permit" for Hong Kong accounting firms to conduct auditing services in the Mainland is lengthened from 6 months to 1 year.

(V) Real Estate and Construction

1. Real Estate

- (1) Hong Kong companies are permitted to engage, in the form of wholly-owned operations, in activities relating to self-owned or leased properties for high standard real estate projects in the Mainland.
- (2) Hong Kong companies are permitted to provide, in the form of wholly-owned operations, real estate services on a fee or contract basis in the Mainland.

2. Construction Professional Services

Hong Kong consultancy firms are permitted to set up wholly-owned enterprises in the Mainland.

### 3. Construction and Related Engineering Services

- (1) For construction enterprises set up in the Mainland by Hong Kong companies, both the performance of the enterprises in Hong Kong and in the Mainland are taken into account in assessing the qualification of the construction enterprises in the Mainland. However, the number of managerial and technical staff in the construction enterprises in the Mainland shall be the actual number working there.
- (2) Hong Kong invested construction enterprises in the Mainland are exempted from the foreign investment restrictions when undertaking Chinese-foreign joint construction projects. In accordance with the current requirements, Hong Kong invested construction enterprises may partner with Mainland construction enterprises to jointly bid for those Mainland construction projects which are technically difficult for Mainland construction enterprises to undertake on their own.
- (3) Hong Kong invested enterprises in the Mainland shall follow the relevant rules and laws in the Mainland for application of construction quality certificates and licences to commence construction works. Hong Kong invested enterprises in the Mainland that have acquired the construction quality certification are permitted to bid for construction projects in all parts of the Mainland.
- (4) Hong Kong companies are permitted to wholly acquire construction enterprises in the Mainland.

### (VI) Medical and Dental

1. The majority of medical personnel employed by Hong

Kong-Mainland joint venture hospitals or clinics can be Hong Kong permanent residents.

2. The maximum duration of the licence to provide short-term medical services in Mainland is extended from 1 year to 3 years for doctors who are eligible to practise in the Hong Kong Special Administrative Region. The detailed registration procedures are similar to those applicable to foreign doctors for practising in the Mainland for a short period of time.
3. Hong Kong permanent residents who can provide proof that they have acquired a medical degree from Hong Kong University or Chinese University of Hong Kong and are eligible to practise in Hong Kong (having completed 1 year internship in Hong Kong) are permitted to sit the Mainland's qualification examination. A "medical practitioner's qualification certificate" will be issued to those that pass the examination.
4. Hong Kong permanent residents who have acquired a Chinese medicine degree from Chinese University of Hong Kong or Hong Kong Baptist University and are eligible to practise in Hong Kong are permitted to sit the Mainland's qualification examination on the condition that they have completed 1 year's internship in a third-level Chinese medicine hospital in the Mainland and have passed the performance test; or that they have been practising in Hong Kong for more than 1 year. A "doctor's qualification certificate" will be issued to those that pass the examination.

(VII) Distribution Services

1. Commission Agents' Services and Wholesale Trade Services (excluding salt and tobacco)
  - (1) Hong Kong enterprises are permitted to supply commission agents' services and wholesale trade services in the Mainland on a wholly-owned basis, and to set up wholly-owned external trading

companies in the Mainland.

(2) The entry requirements for Hong Kong services suppliers are lowered as follows:

(a) For setting up a wholesale commercial enterprise: the minimum average annual sales value in the previous 3 years is lowered from the current requirement of US\$2.5 billion to US\$30 million. The minimum asset in the previous year is lowered from the current requirement of not lower than US\$300 million to US\$10 million; the minimum registered capital for setting up a wholesale company is lowered from RMB 80 million to RMB 50 million. Their respective requirements for setting up a wholesale commercial enterprise in the Central and Western Region are lowered from US\$2.5 billion to US\$20 million and from RMB 60 million to RMB 30 million.

(b) For setting up a wholesale commercial enterprise: the minimum average annual sales value in the previous 3 years is lowered from the current requirement of US\$2.5 billion to US\$30 million. The minimum asset in the previous year is lowered from the current requirement of not lower than US\$300 million to US\$10 million; the minimum registered capital for setting up a wholesale company is lowered from RMB 80 million to RMB 50 million. Their respective requirements for setting up a wholesale commercial enterprise in the Central and Western Region are lowered from US\$2.5 billion to US\$20 million and from RMB 60 million to RMB 30 million.

(3) No geographic restrictions for Hong Kong wholly-owned company (enterprise) providing commission agents' services or wholesale trade services in the Mainland.

(4) The commission agents' services and wholesale trade services provided by Hong Kong enterprises in the Mainland in respect of books, newspapers, magazines, pharmaceuticals, pesticides, mulching film, chemical fertilizers, processed oil and crude oil remain subject to China's commitments under the World Trade Organization.

2. Retail Trade Services (excluding tobacco)

(1) Hong Kong investors are permitted to establish wholly-owned retail commercial enterprises in the Mainland.

(2) The entry requirements for Hong Kong investors to set up a retail commercial enterprise are lowered as follows: the minimum average annual sales value of the enterprise in the previous 3 years is lowered from the current requirement of US\$2 billion to US\$100 million; the minimum asset in 1 year prior to application is lowered from US\$200 million to US\$10 million; the minimum registered capital for setting up a retail commercial enterprise is lowered from the current requirement of RMB 50 million to RMB 10 million. The minimum registered capital for setting up a retail commercial enterprise in the Central and Western Region is lowered from RMB 30 million to RMB 6 million.

(3) Hong Kong enterprises are permitted to set up retailing enterprises in all cities at the prefectural level in the Mainland, and cities at the county level in Guangdong Province.

(4) Hong Kong companies are permitted to set up wholly-owned retail enterprises for sale of motor vehicles (up to 30 chain outlets). Chain stores with more than 30 outlets remain subject to China's commitments under the World Trade Organization.

(5) The retailing services provided by Hong Kong

enterprises in the Mainland in respect of books, newspapers, magazines, pharmaceuticals, pesticides, mulching film, chemical fertilizers, staple food, vegetable oil, edible sugar, cotton and processed oil remain subject to China's commitments under the World Trade Organization.

- (6) Hong Kong permanent residents with Chinese citizenship are permitted to set up, in accordance with the relevant laws and administrative rulings, individually owned retail stores in Guangdong to provide retailing services excluding franchising operation without the prior approval applicable to foreign investments. The sales area of such stores shall not exceed 300 square metres.

### 3. Franchising

Hong Kong enterprises are permitted to engage in franchising on a wholly-owned basis in the Mainland. Relevant regulations for franchising will be separately announced.

### (VIII) Logistics

Hong Kong companies are permitted to set up wholly-owned enterprises in the Mainland to provide logistics services, which include road transport, storage and warehousing, loading and unloading, value adding processing, packaging, delivery and related information and consultancy services for ordinary road freight; freight transport agency services within the Mainland; and the management and operation of logistics services through electronic means.

### (IX) Freight Forwarding Agency Services

1. Hong Kong companies are permitted to supply freight transport agency services in the Mainland on a wholly-owned basis.
2. The minimum registered capital requirement for

International freight forwarding agency companies set up in the Mainland by Hong Kong companies will be the same as that for Mainland enterprises.

(X) Storage and Warehousing Services

1. Hong Kong companies are permitted to set up wholly-owned enterprises in the Mainland to supply storage and warehousing services.
2. The minimum registered capital requirement for storage and warehousing companies set up in the Mainland by Hong Kong companies will be the same as that for Mainland enterprises.

(XI) Transport Services

1. Road Transport Services

- (1) Hong Kong companies are permitted to set up wholly-owned enterprises in the Mainland to provide road freight transport services.
- (2) Hong Kong companies are permitted to provide direct non-stop road freight transport services between Hong Kong and each province in the Mainland.
- (3) Hong Kong companies are permitted to set up wholly-owned passenger transport enterprises in the Western Region of the Mainland to provide road passenger transport services.

2. Maritime Transport Services

- (1) Hong Kong companies are permitted to set up wholly-owned enterprises in the Mainland to operate international ship management services, storage and warehousing for international maritime freight, container station and depot services, and non-vessel operating common carrying services.



- (2) Hong Kong shipping companies are permitted to set up wholly-owned shipping companies in the Mainland to provide regular business services for vessels that they own or operate, such as shipping undertaking, issuance of bills of lading, settlement of freight rates, signing of service contracts, etc.
- (3) Hong Kong shipping companies are permitted to use liner vessels serving main routes to move, without any restrictions, empty containers that they own or rent, as long as customs procedures are observed.

## (XII) Tourism Services

### 1. Hotels and Restaurants

Hong Kong companies are permitted to construct, renovate and operate hotels, apartment buildings and restaurant establishments in the Mainland on a wholly-owned basis.

### 2. Travel Agency

There will be no geographical restriction for joint venture travel agencies formed by Hong Kong travel agencies in the Mainland.

## (XIII) Audiovisual Services

### 1. Video and Sound Recording Products Distribution Services

Hong Kong companies are permitted to establish in the Mainland joint ventures with majority ownership (not exceeding 70%) to engage in the distribution of audiovisual products (including products on motion pictures).

### 2. Motion Pictures

- (1) Chinese language motion pictures produced by

Hong Kong companies are permitted to be imported for distribution in the Mainland on a quota-free basis upon vetting and approval by the relevant Mainland authority.

- (2) Motion pictures produced jointly by Hong Kong and the Mainland are to be treated as Mainland movies for distribution in the Mainland.
- (3) For motion pictures produced jointly by Hong Kong and the Mainland:
  - (a) the ceiling on the percentage of Hong Kong personnel shall be lifted, but at least one-third of the leading artistes must be from the Mainland;
  - (b) the restriction that the story of the motion picture must take place in the Mainland is removed, but the plot or leading characters must be related to the Mainland.

### 3. Cinema Theatre Services

Hong Kong companies are permitted to construct and/or renovate cinema theatres on a joint venture or co-operation basis; majority ownership by Hong Kong companies is allowed.

### (XIV) Legal Services

1. The minimum residency requirement for all Hong Kong representatives in the Mainland representative offices of Hong Kong law firms is shortened from 6 months to 2 months each year.
2. The minimum residency requirement is waived for all Hong Kong representatives stationed in the Mainland representative offices of Hong Kong law firms located in Shenzhen and Guangzhou.

3. Hong Kong practitioners are permitted to work for Mainland law firms.
4. The 15 Hong Kong lawyers who have acquired Mainland legal professional qualifications are permitted to intern and practise on non-litigation legal work.
5. Hong Kong permanent residents with Chinese citizenship are permitted to sit the legal qualifying examination in the Mainland and acquire Mainland legal professional qualification. The conditions for the application and the procedures for examination and qualification are set out in the "State Judiciary Examination Implementation Arrangement" jointly issued by the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Justice.
6. Those that have fulfilled the conditions in item 5 above are permitted to engage in non-litigation legal work in Mainland law firms. The internship arrangement in Mainland law firm, the application and approval for obtaining a qualification licence, the conditions to form partnership with Mainland law firms, and the supervisory and legal responsibility when practicing in the Mainland, etc. are subject to the provisions set out in "Solicitor Law of the People's Republic of China".
7. Hong Kong law firms which have representative offices in the Mainland are permitted to run business jointly with Mainland law firms, except in the form of partnership. Hong Kong lawyers therein cannot engage in Chinese law practice. The Ministry of Justice will lay down the administration for this type of cooperation.

#### (XV) Banking

1. The asset requirement for both Hong Kong banks and Hong Kong finance companies wishing to enter the Mainland market is reduced to US\$ 6 billion. This is also the reduced minimum asset requirement for setting up branches and body corporates. Banks can

choose to set up branches or body corporates, while finance companies can only set up body corporates.

2. The existing requirement for a Hong Kong bank to set up a representative office before establishing a joint venture bank or joint venture finance company, or for a Hong Kong finance company to set up a representative office before establishing a joint venture finance company, is removed.
3. The requirement for conducting RMB business by Mainland branches of Hong Kong banks is lowered as follows:
  - (1) The minimum requirement of prior business operation in the Mainland is reduced from 3 years to 2 years;
  - (2) Profitability assessment is made on basis of the overall profitability position of all branches instead of the profitability position of individual branch.

#### (XVI) Securities

1. Hong Kong Exchanges and Clearing Limited is permitted to set up a representative office in Beijing, in accordance with procedures followed by foreign securities exchanges.
2. Hong Kong professionals are permitted to apply to practise in the Mainland according to relevant procedures.

#### (XVII) Insurance

1. After obtaining the Mainland's professional qualifications in actuarial science, Hong Kong residents with Chinese citizenship are permitted to practise in the Mainland without prior approval.
2. Groups formed by Hong Kong insurance companies through strategic mergers are permitted to enter the

Mainland insurance market subject to established market access conditions (global assets of over US\$ 5 billion; more than 30 years of establishment experience in a World Trade Organization member by one of the Hong Kong insurance companies in the group; and a representative office established in the Mainland by one of the Hong Kong insurance companies in the group for 2 consecutive years).

3. Hong Kong residents are permitted to practise in the Mainland after obtaining the Mainland's insurance qualifications.
4. The maximum limit of capital participation in a Mainland insurance company is raised from 10% to 15% for a Hong Kong insurance company.
4. In the event that the implementation of Annex 4 causes substantial impact on the trade and relevant sectors of either side, the two sides will conduct consultations on the relevant provisions in Annex 4 at the request of one side.
5. The two sides shall sign Annex 4 of the "CEPA" before 1 January 2004.

Vice Minister of Commerce  
People's Republic of China

Financial Secretary  
Hong Kong Special  
Administrative Region of the  
People's Republic of China

(signature)

(signature)

29 June 2003

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**<Courtesy English Translation>**

**Record of the Consultations on the Definition of “Service Suppliers” and Related Requirements  
(namely Annex 5 of “CEPA”)**

The consultations on the Mainland and Hong Kong Closer Economic Partnership Arrangement between the Mainland and the Hong Kong Special Administrative Region (hereinafter called “CEPA”) were launched in Beijing on 25 January 2002.

After several rounds of discussions the two sides reached consensus on the main contents of Annex 5 of “CEPA”, and agreed to record the contents as follows:

1. Definition of “service suppliers”

The two sides will continue to consult on the definition of “service suppliers” under “CEPA” with reference to the rules of the General Agreement on Trade in Services of the World Trade Organisation, and will seek to reach consensus as soon as possible.

2. Qualifying criteria for “Hong Kong company”

(I) With respect to convention services, management consulting services, advertising services, transport services, distribution services, freight forwarding agency services, storage and warehousing services, logistics services, tourism services, audio visual services, real estate services, and construction and related engineering services, the qualifying criteria for “Hong Kong company” are:

To enjoy the treatment of "CEPA" in providing the above mentioned services, the relevant Hong Kong enterprise must meet the following conditions:

1. The enterprise must be registered and established pursuant to the Companies Ordinance or other relevant ordinances of the Hong Kong Special Administrative Region. The two parties will consult to determine what the other relevant ordinances are. Registered overseas companies and their offices in Hong Kong are not included.

2. The enterprise must engage in substantive business operations in Hong Kong. The criteria for determination are:

(1) The nature and scope of business of the enterprise in Hong Kong

The business in the Mainland that the enterprise intends to engage in must be of the same nature as that the enterprise engages in Hong Kong, and must be within the scope of actual operation of the enterprise in Hong Kong. The enterprise must provide relevant supporting materials, for example business registration



certificate, company annual report or business operation invoices, etc. as evidence.

(2) The enterprise must pay profits tax of Hong Kong

During the period of substantive operation, the enterprise must be liable to pay Hong Kong profits tax. And it must provide relevant supporting materials, for example, profits tax returns or tax payment receipts, etc. (if as a result of losses, the enterprise does not need to pay profits tax, it will still meet the relevant qualification if it can prove that it has engaged in substantive business operation in the Special Administrative Region).

(3) The years of substantive operations of the enterprise in Hong Kong

The enterprise that applies for the provision of the above mentioned services in the Mainland must be registered and established in Hong Kong, and have operated substantively for 3 years or more. With respect to construction and related engineering services, the enterprise must be registered and established in Hong Kong and have operated substantively for 5 years or more. For Hong Kong

enterprises that provide real estate services, there is no limitation on the years of substantive operations in Hong Kong.

- )
- (4) The enterprise must own or rent business premises in Hong Kong to engage in substantive operations. The scale of its business premises must be commensurate with the scope and the scale of the business of the enterprise. The ordinary liaison offices, "mail box companies" or enterprises specifically established for providing certain services to their parent companies cannot enjoy preferences under "CEPA".

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With respect to maritime transport services under transport services, 50% or more of the ships owned by the enterprise, calculated in terms of tonnage, must be registered in Hong Kong.

- (5) Employment of staff by the enterprise in the Special Administrative Region

The enterprise must employ in Hong Kong 50 % or more of its total staff.

The two sides will further consult on the specific methodology with respect to the implementation of the above mentioned qualifying criteria for “Hong Kong company”.

(II) Qualifying criteria for “Hong Kong company” applicable to the banking sector:

To enjoy the treatment of “CEPA” for the banking sector, the relevant enterprise of Hong Kong must meet the following conditions:

1. The enterprise must be a bank or a finance company registered and established pursuant to the Companies Ordinance of the Hong Kong Special Administrative Region and authorized under the Banking Ordinance of the Hong Kong Special Administrative Region.
2. The enterprise must engage in substantive business operations in Hong Kong. The criteria for determination are:

- (1) The nature and scope of business of the enterprise in Hong Kong

The enterprise must be authorized by the Chief Executive of the Hong Kong Monetary Authority to engage in banking business in Hong Kong. The business in the Mainland that the enterprise intends to engage in must be of the same nature as that the enterprise engages in Hong Kong, and must be within the scope of operation of the enterprise in Hong Kong. The enterprise must provide relevant supporting materials, for example, business registration certificate, company annual report or business invoices, etc. as evidence.

(2) The enterprise must pay profits tax of Hong Kong

During the period of substantive operations, the enterprise must pay Hong Kong profits tax. And it must provide relevant supporting materials, for example, profits tax returns or tax payment receipts, etc. (if as a result of losses, the enterprise does not need to pay profits tax, it will still meet the relevant qualification if it can prove that it has conducted substantive business in Hong Kong).

(3) The years of substantive operations of the enterprise in Hong Kong

The enterprise must have engaged in substantive operations for 5 years or more in Hong Kong since the Hong Kong Monetary Authority granted it a banking licence.

- (4) The enterprise must own or rent business premises in Hong Kong to engage in substantive operations. The scale of its business premises must be commensurate with the scope and the scale of the business of the enterprise. The ordinary liaison offices, "mail box companies" or enterprises specifically established for providing certain services to their parent companies cannot enjoy preferences under "CEPA".

- (5) Employment of staff by the enterprise in the Special Administrative Region

The enterprise must employ in Hong Kong 50 % or more of its total staff.

(III) Qualifying criteria for "Hong Kong company" applicable to the insurance sector:

To enjoy the treatment of "CEPA" for the insurance sector, the relevant enterprise of Hong Kong must meet the following conditions:

1. The enterprise must be registered and established pursuant to the Companies Ordinance of the Hong Kong Special Administrative Region. Registered overseas companies and their offices in Hong Kong are not included.
  
2. The enterprise must engage in substantive business operations in Hong Kong. The criteria for determination are:

- (1) The nature and scope of business of the enterprise in Hong Kong

The enterprise must be authorized under the Insurance Companies Ordinance of the Hong Kong Special Administrative Region to engage in substantive insurance or insurance brokerage business in Hong Kong. The business in the Mainland that the enterprise intends to engage in must be of the same nature as that the enterprise engages in Hong Kong, and must be within the scope of operation of the enterprise in Hong Kong. The enterprise must provide relevant supporting materials, for example business registration certificate, company annual report or business invoices, etc. as evidence.

(2) The enterprise must pay profits tax of Hong Kong

During the period of substantive operations, the enterprise must pay Hong Kong profits tax. And it must provide relevant supporting materials, for example, profits tax returns or tax payment receipts, etc. (if as a result of losses, the enterprise does not need to pay profits tax, it will still meet the relevant qualification if it can prove that it has undergone substantive business in Hong Kong).

(3) The years of substantive operations of the enterprise in Hong Kong

The enterprise must have engaged in substantive insurance or insurance brokerage business in Hong Kong for 5 years or more.

(4) The enterprise must own or rent business premises in Hong Kong to engage in substantive operations. The scale of its business premises shall be commensurate with the scope and the scale of the business of the enterprise. The ordinary liaison offices, "mail box companies" or enterprises specifically established for

providing certain services to their parent companies cannot enjoy preferences under "CEPA".

(5) Employment of staff by the enterprise in Hong Kong

The enterprise must employ in Hong Kong 50 % or more of its total staff.

3. Qualifying criteria for "Hong Kong law firm"

(1) The law firm concerned must be a registered Hong Kong law firm in accordance with the Legal Practitioners Ordinance of the Hong Kong Special Administrative Region;

(2) The sole proprietor and all the partners of the law firm concerned must be registered practising lawyers in Hong Kong;

(3) The main scope of business of the law firm concerned must be to provide domestic legal services in Hong Kong; and

(4) The law firm concerned or its partners must pay Hong Kong profits tax.

4. The two parties will sign Annex 5 of "CEPA" on or before 1 January 2004.



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)

29 June 2003

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**<Courtesy English Translation>**

**Record of the Consultations on  
Trade and Investment Facilitation Measures  
(namely Annex 6 of "CEPA")**

The consultations on the Mainland/Hong Kong Closer Economic Partnership Arrangement (hereinafter called "CEPA") were launched in Beijing on 25 January 2002.

With a view to further strengthening economic and trade cooperation between the Mainland and Hong Kong, the two sides conducted consultations on various measures relating to trade promotion and investment facilitation, and agreed the contents of cooperation in the following seven areas:

1. Trade and Investment Promotion

The two sides will strengthen mutual trade and investment promotion and cooperate in the joint development of international markets for products and engineering works.

2. Customs Clearance Facilitation

The two sides will establish a customs information exchange system, and explore the feasibility of data networking and the development of electronic customs clearance at control points. The two sides will strengthen their customs clearance risk management ability and enhance efficiency in customs clearance through technical cooperation.

3. Quarantine and Inspection of Commodities, Food Safety and Quality Assurance

The two sides will strengthen cooperation in the inspection and monitoring of electrical and mechanical products and other consumer products, sanitary and phytosanitary

measures, food safety, health and quarantine supervision, product certification and accreditation, and standardisation management, etc.

#### 4. Electronic Commerce

The two sides will strengthen the cooperation in the research and formulation of rules, standards and regulations of electronic commerce; in the corporate use, promotion and training, etc. of electronic commerce; and in electronic government.

#### 5. Transparency in Laws and Regulations

The Mainland notes that Hong Kong has built up a good foundation in respect transparency of laws and regulations, and the Mainland is also actively fulfilling its WTO commitments. The two sides will strengthen cooperation and strive to provide information to their commercial and industrial enterprises with a view to promoting bilateral economic and trade flow.

#### 6. Cooperation of Small and Medium-Sized Enterprises

The two sides will strengthen information exchange between small and medium-sized enterprises of the two sides, organize exchanges and visits between the enterprises of the two sides, and explore jointly the strategy and support policy for the development of small and medium-sized enterprises.

#### 7. Cooperation in Chinese Medicine and Medical Products

The two sides will strengthen information sharing in regulation formulation, development strategy and direction of development, etc. for Chinese medicine and medical products; enhance the competitive edge of each side; jointly promote the commercialisation of Chinese medicine and medical products; and conduct promotions in the international

market.

In order to implement the above trade and investment facilitation measures, the two sides agree to build on and strengthen the existing liaison mechanism.

The two sides will sign Annex 6 of "CEPA" before 1 January 2004, and bring it into force thereafter.

Vice Minister of Commerce  
People's Republic of China

Financial Secretary  
Hong Kong Special  
Administrative Region of the  
People's Republic of China

(signature)

(signature)

29 June 2003

Table 1

## List of Hong Kong Origin Products for Implementation of Zero Import Tariff by the Mainland

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
1	21050000	Ice cream and other edible ice, whether or not containing cocoa	24.2	0
2	27100054	Lubricating oils	6.0	0
3	28433000	Gold compounds	5.5	0
4	30041011	Ampicillin	6.0	0
5	30041012	Amoxycillin	6.0	0
6	30041013	Penicillin V	6.0	0
7	30041019	Other medicaments containing penicillins	6.0	0
8	30041090	Other medicaments put up in measured doses, with penicillin or streptomycins	6.0	0
9	30049054	Essential balm	3.0	0
10	30049059	Other medicaments of Chinese type	3.0	0
11	30049090	Other medicaments put up in measured doses	4.0	0
12	32041600	Reactive dyes and preparations based thereon	9.6	0
13	32041700	Pigments and preparations based thereon	6.5	0
14	32064900	Other inorganic colouring matter and other preparations	6.5	0
15	32081000	Paints and varnishes etc., based on polyesters, and dissolved in a non-aqueous medium	10.0	0
16	32089090	Other paints and varnish solutions, dissolved in a nonaqueous medium	10.0	0
17	32100000	Other paints and varnishes; prepared water pigments of a kind used for finishing	10.0	0
18	32151900	Other printing ink	8.2	0
19	33029000	Other mixtures of odoriferous substances and mixtures with a basis of one or more of these substances, of a kind used as raw materials in industry	21.7	0
20	33030000	Perfumes and toilet waters	18.3	0
21	33041000	Lip make-up preparations	18.3	0
22	33042000	Eye make-up preparations	18.3	0
23	33043000	Manicure or pedicure preparations	21.7	0
24	33049900	Other beauty or make-up preparations	22.3	0
25	35069900	Other prepared glues and other prepared adhesives, not specified elsewhere	15.0	0
26	38099100	Other products and preparations, not specified elsewhere, of a kind used in the textile industry	6.5	0
27	38249090	Other chemical products, not elsewhere specified	6.5	0
28	39031900	Other polystyrene in primary forms	11.8	0
29	39042200	Plasticized polyvinyl chloride, in primary forms	11.8	0
30	39151000	Waste, parings and scrap, of polymers of ethylene	11.8	0
31	39152000	Waste, parings and scrap, of polymers of styrene	11.8	0
32	39153000	Waste, parings and scrap, of polymers of vinyl chloride	11.8	0
33	39159000	Waste, parings and scrap, of other plastics	11.8	0
34	39204100	Plates, sheets, film, foil and strip, of rigid polymers of vinyl chloride	10.4	0
35	39204200	Plates, sheets, film, foil and strip, of flexible polymers of vinyl chloride	10.4	0
36	39209990	Other non-cellular plates and sheets, of other plastics	8.4	0
37	39211210	Cellular polymers of vinyl chloride, combined with textile fabrics	12.7	0
38	39231000	Boxes, cases and similar articles, of plastics	12.0	0
39	39232900	Sacks and bags, of other plastics	12.0	0
40	39239000	Other articles for the conveyance or packing of goods, of plastics	12.0	0
41	39269010	Parts of machines or instruments, of plastics	10.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
42	39269090	Other articles of plastics	12.0	0
43	41041000	Whole bovine skin leather, of a unit surface area not exceeding 2.6 square meter	6.4	0
44	41043990	Other leather of bovine or equine animals	7.2	0
45	48051000	Semi-chemical fluting paper (corrugating medium)	10.4	0
46	48056000	Other thin uncoated paper and paperboard	6.3	0
47	48058000	Other thick uncoated paper and paperboard	10.4	0
48	48101200	Thick writing and printing paper and paperboard, coated with inorganic substance	7.0	0
49	48102900	Other writing and printing paper and paperboard, coated with inorganic substance	7.0	0
50	48109100	Multi-ply paper and paperboard, coated with inorganic substance	7.0	0
51	48119000	Other coated, impregnated or covered paper and paperboard	7.5	0
52	48191000	Cartons, boxes and cases, of corrugated paper or paperboard	11.7	0
53	48192000	Folding cartons, boxes and cases, of non-corrugated paper or paperboard	11.7	0
54	48211000	Printed paper or paperboard labels of all kinds	10.0	0
55	48239090	Other paper and articles of paper	13.3	0
56	49111090	Other trade advertising material and the like	7.5	0
57	49119900	Other printed matters	7.5	0
58	50072019	Other fabrics of bombyx mori silk	13.4	0
59	51071000	Yarn of combed wool, not put up for retail sale	8.0	0
60	51121900	Fabrics of combed wool, of a weight exceeding 200g/square meter	16.7	0
61	52051100	Cotton single yarn, measuring high decitex, carded, not put up for retail sale	5.0	0
62	52051200	Cotton single yarn, measuring medium decitex, carded, not put up for retail sale	5.0	0
63	52052200	Cotton single yarn, measuring medium decitex, combed, not put up for retail sale	5.0	0
64	52053200	Cotton multiple or cabled yarn, measuring medium decitex, carded, not put up for	5.0	0
65	52054200	Cotton multiple or cabled yarn, measuring medium decitex, combed, not put up for	5.0	0
66	52083200	Lighter weight plain weave cotton fabric, dyed	10.0	0
67	52083300	Light weight 3-thread or 4-thread twill cotton fabric, dyed	10.0	0
68	52083900	Other light weight cotton fabrics, dyed	10.0	0
69	52084200	Light weight plain weave cotton fabric, of yarns of different colours	10.0	0
70	52084900	Other light weight cotton fabrics, of yarns of different colours	10.0	0
71	52091200	Heavy weight 3-thread or 4-thread twill cotton fabric, unbleached	11.8	0
72	52093100	Heavy weight plain weave cotton fabric, dyed	11.8	0
73	52093200	Heavy weight 3-thread or 4-thread twill cotton fabric, dyed	11.8	0
74	52093900	Other heavy weight cotton fabrics, dyed	11.8	0
75	52094100	Heavy weight plain weave cotton fabric, of yarns of different colours	11.8	0
76	52094200	Heavy weight twill cotton fabric (denim), of yarns of different colours	10.0	0
77	52094300	Heavy weight 3-thread or 4-thread twill cotton fabric, of yarns of different colours	11.8	0
78	52103100	Light weight plain weave cotton fabric mixed with man-made fibres, dyed	12.6	0
79	53091900	Other fabrics of mainly flax	12.4	0
80	53092900	Other fabrics of flax, mixed with other textile materials	12.4	0
81	54011010	Sewing thread of synthetic filaments, not put up for retail sale	8.2	0
82	54074200	Fabrics of mainly nylon, dyed	18.7	0
83	54074300	Fabrics of mainly nylon, of yarns of different colours	18.7	0
84	54075200	Fabrics of mainly textured polyester filaments, dyed	18.7	0
85	54076100	Other fabrics, of mainly non-textured polyester filaments	18.7	0
86	54077200	Other fabrics, of mainly synthetic filaments, dyed	18.7	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
87	54079200	Other fabrics of synthetic filaments mixed with other textile materials, dyed	18.7	0
88	55081000	Sewing thread of synthetic staple fibres	11.0	0
89	55093200	Multiple or cabled yarn, of mainly acrylic or modacrylic staple fibres, not put up for	11.0	0
90	55121900	Other fabrics, of mainly polyester	18.7	0
91	55129900	Other fabrics, of mainly synthetic fibres	18.7	0
92	55132100	Light weight plain weave fabric of polyester fibres, mixed with cotton, dyed	18.7	0
93	55161200	Fabrics, of mainly artificial staple fibres, dyed	17.3	0
94	58012200	Cut corduroy, of cotton	12.5	0
95	58042100	Mechanically made lace of man-made fibres	17.3	0
96	58062000	Narrow fabrics, containing by weight 5% or more of elastomeric yarn or rubber thread	16.7	0
97	58071000	Woven labels, badges and similar articles of textile materials, not embroidered	16.7	0
98	59031020	Imitation leather impregnated, coated, with polyvinyl chloride	13.0	0
99	59031090	Other textile fabrics impregnated, coated, with polyvinyl chloride	13.2	0
100	59032090	Other textile fabrics impregnated, coated, with polyurethane	13.2	0
101	59039090	Other textile fabrics impregnated, coated, with other plastics	13.2	0
102	60019200	Knitted or crocheted pile fabrics, of man-made fibres	16.0	0
103	60023010	Cotton knitted or crocheted fabric of a width exceeding 30cm	12.5	0
104	60023090	Other knitted or crocheted fabrics of a width exceeding 30cm	16.0	0
105	60024200	Warp knit fabric of cotton	12.5	0
106	60029200	Other knitted or crocheted fabrics of cotton	12.5	0
107	60029300	Other knitted or crocheted fabrics of man-made fibres	16.0	0
108	61046200	Women's or girls' trousers, bib and brace overalls etc., knitted or crocheted and of	17.7	0
109	61051000	Men's or boys' shirts, knitted or crocheted and of cotton	17.7	0
110	61052000	Men's or boys' shirts, knitted or crocheted and of man-made fibres	21.3	0
111	61059000	Men's or boys' shirts, knitted or crocheted and of other textile materials	20.5	0
112	61061000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of cotton	17.7	0
113	61062000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of man-made fibres	21.3	0
114	61069000	Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted and of other textile materials	20.5	0
115	61071100	Men's or boys' underpants, briefs, knitted or crocheted and of cotton	16.3	0
116	61083100	Women's or girls' nightdresses and pyjamas, knitted or crocheted and of cotton	16.3	0
117	61091000	T-shirts, singlets, etc., knitted or crocheted and of cotton	16.3	0
118	61099090	T-shirts, singlets, etc., knitted or crocheted and of other textile materials	19.5	0
119	61101010	Jerseys, pullovers etc., knitted or crocheted and of Angora, Tihetan, Kashmir or similar goats wool	19.5	0
120	61101020	Jerseys, pullovers etc., knitted or crocheted and of wool	19.5	0
121	61101030	Jerseys, pullovers etc., knitted or crocheted and of rabbit or hare hair	19.5	0
122	61101090	Jerseys, pullovers etc., knitted or crocheted and of other animal hair	19.5	0
123	61102000	Jerseys, pullovers etc., knitted or crocheted and of cotton	14.0	0
124	61103000	Jerseys, pullovers etc., knitted or crocheted and of man-made fibres	19.0	0
125	61109010	Jerseys, pullovers etc., knitted or crocheted and of silk or silk waste	19.5	0
126	61109090	Jerseys, pullovers etc., knitted or crocheted and of other textile materials	19.5	0
127	61112000	Babies' garments and clothing accessories, knitted or crocheted and of cotton	16.3	0
128	61179000	Parts of garments or of clothing accessories, knitted or crocheted and of other textile	19.5	0
129	62034210	Men's or boys' Arabian trousers, of cotton	18.5	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
130	62034290	Men's or boys' trousers, bib and brace overalls, etc., of cotton	18.5	0
131	62043200	Women's or girls' jackets, of cotton	17.7	0
132	62043300	Women's or girls' jackets, of synthetic fibres	21.3	0
133	62045200	Skirts and divided skirts, of cotton	16.3	0
134	62046200	Women's or girls' trousers, bib and brace overalls, etc., of cotton	17.7	0
135	62046300	Women's or girls' trousers, bib and brace overalls, etc., of synthetic fibres	21.3	0
136	62052000	Men's or boys' shirts, of cotton	17.7	0
137	62053000	Men's or boys' shirts, of man-made fibres	20.5	0
138	62059090	Men's or boys' shirts, of other textile materials	20.5	0
139	62063000	Women's or girls' blouses, shirts and shirt-blouses, of cotton	17.7	0
140	62064000	Women's or girls' blouses, shirts and shirt-blouses, of man-made fibres	21.3	0
141	62069000	Women's or girls' blouses, shirts and shirt-blouses, of other textile materials	20.5	0
142	62082200	Women's or girls' nightdresses and pyjamas, of man-made fibres	19.0	0
143	62179000	Parts of garments or of clothing accessories, non-knitted or crocheted	19.5	0
144	63025190	Other table linen, of cotton	16.3	0
145	64069900	Parts of footwear, gaiters etc., of other materials	17.0	0
146	70195900	Other woven fabrics of glass fibres	12.0	0
147	70200011	Conductivity glass	10.5	0
148	71023100	Unworked or simply worked non-industrial diamonds	3.0	0
149	71131100	Articles of jewellery and parts, of silver	26.7	0
150	71131910	Articles of jewellery and parts, of gold	26.7	0
151	71131990	Articles of jewellery and parts, of other precious metal	35.0	0
152	71132000	Articles of jewellery and parts, of base metal clad with precious metal	35.0	0
153	71141100	Articles of silversmiths' wares and parts	35.0	0
154	71141900	Articles of goldsmiths' and silversmiths' wares and parts, of precious metal	35.0	0
155	71142000	Articles of goldsmiths' and silversmiths' wares and parts, of base metal clad with precious metal	35.0	0
156	71151000	Catalysts in the form of wire cloth or grill, of platinum	3.0	0
157	71159010	Articles of precious metal or of metal clad with precious metal, for technical or laboratory use	3.0	0
158	71159090	Articles of precious metal or of metal clad with precious metal, for other use	35.0	0
159	71161000	Articles of natural or cultured pearls	35.0	0
160	71162000	Articles of precious or semi-precious stones	35.0	0
161	71171100	Cuff-links and studs of base metal	35.0	0
162	71171900	Other imitation jewellery of base metal	24.7	0
163	71179000	Other imitation jewellery of materials not specified elsewhere	35.0	0
164	73181500	Other screws and bolts	8.0	0
165	73269090	Other articles of iron or steel, not for technical use	10.4	0
166	74040000	Copper waste and scrap	1.5	0
167	74081900	Other refined copper wire, of which the maximum cross-sectional dimension not exceeding 6mm	4.0	0
168	74092100	Brass plates, sheets and strip, in coils	7.0	0
169	74092900	Other brass plates, sheets and strip	7.0	0
170	74099000	Other copper alloy plates, sheets and strips	7.0	0
171	74101100	Refined copper foil, not backed	4.0	0
172	74102100	Refined copper foil, backed	4.0	0



Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
173	76011000	Unwrought aluminum	5.0	0
174	76020000	Aluminum waste and scrap	1.5	0
175	76061190	Other rectangular aluminum plates, sheets and strip	6.0	0
176	76061240	Rectangular aluminum alloy plates, sheets and strip, of a thickness exceeding 0.35mm	6.0	0
177	76069100	Aluminum plates, sheets and strip, not rectangular	6.0	0
178	76069200	Aluminum alloy plates, sheets and strip, not rectangular	10.0	0
179	80030000	Bars, rods, profiles and wire, of tin and tin alloys	8.0	0
180	83089000	Beads and spangles of base metal	10.5	0
181	84159010	Parts of air-conditioning machines of a refrigerating effect not exceeding 4000 Cal per	10.0	0
182	84435990	Other printing machinery	8.0	0
183	84514000	Washing, bleaching or dyeing machines	8.4	0
184	84518000	Other machinery within HS heading 84.51, not specified elsewhere	12.0	0
185	84798962	Automatic coreslice adhering machines	3.6	0
186	84804100	Moulds for metal or metal carbides, injection or compression types	8.0	0
187	84807900	Other moulds for rubber or plastics	5.0	0
188	84818019	Other valves, not specified elsewhere	7.0	0
189	84821000	Ball bearings	8.0	0
190	85011010	Electric motors for use in toys, of an output not exceeding 37.5W	24.5	0
191	85011091	Micromotors with a housing diameter of 20mm or more but not exceeding 39mm	11.2	0
192	85011099	Other micromotors, of an output not exceeding 37.5W	9.0	0
193	85013100	DC electric motors and generators, of an output not exceeding 750W	12.0	0
194	85030010	Parts for micromotors for use in toys	12.0	0
195	85030020	Parts for AC generators, of an output exceeding 350 MVA	3.0	0
196	85030030	Parts for wind-powered electric generating sets	3.0	0
197	85030090	Parts for other electric motors, electric generating machine (sets)	8.0	0
198	85043190	Other electrical transformers, having a power handling capacity not exceeding 1kVA	7.2	0
199	85044090	Other static converters, not specified elsewhere	10.0	0
200	85049019	Parts of other transformers	8.0	0
201	85049090	Parts of other static converters and inductors	8.0	0
202	85051190	Other permanent magnets. of metal	7.0	0
203	85051900	Permanent magnets. of non metal	7.0	0
204	85061000	Primary cells and primary batteries of manganese dioxide	20.0	0
205	85068000	Other primary cells and primary batteries	14.0	0
206	85073000	Nickel-cadmium electric accumulators	10.0	0
207	85078010	Nickel-hydrogen accumulators	12.0	0
208	85079010	Parts of lead-acid accumulators	10.0	0
209	85079090	Parts of other electric accumulators	8.0	0
210	85089000	Parts of electro-mechanical tools for working in the hand, with self-contained electric	6.6	0
211	85099000	Parts of electro-mechanical domestic appliances	12.0	0
212	85139010	Parts of torches	14.0	0
213	85139090	Parts of other portable electric lamps designed to function by their own source of	14.0	0
214	85152110	Aligning tube welding machines	10.0	0
215	85152190	Other fully or partly automatic machines for resistance welding of metal	10.0	0
216	85158000	Other welding machines and apparatus	8.0	0
217	85169010	Parts for electric soil heating apparatus and electric heating resistors	8.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
218	85169090	Other parts of products within HS heading 85.16	14.6	0
219	85181000	Microphones and stands	10.0	0
220	85189000	Parts of products within HS heading 85.18	10.5	0
221	85221000	Pick-up cartridges	35.0	0
222	85229010	Parts and accessories for turntables (record decks) or record-players	27.0	0
223	85229021	Transport mechanisms of cassette recorders	27.0	0
224	85229030	Other parts and accessories for video recording or reproducing apparatus	30.0	0
225	85229090	Other parts of products within HS headings 85.19 to 85.21	20.0	0
226	85239000	Other prepared unrecorded media for sound recording or similar recording of other phenomena	8.3	0
227	85291010	Aerials and parts for radar apparatus and radio navigational aid apparatus	1.5	0
228	85299030	Parts of walkie-talkie	8.0	0
229	85299049	Parts of television cameras of other use	12.0	0
230	85299060	Parts for radio-broadcast receivers and their combinations	15.0	0
231	85299090	Parts of products within HS headings 85.25 to 85.28	4.0	0
232	85318010	Buzzers	15.0	0
233	85361000	Fuses, for a voltage not exceeding 1000 V	10.0	0
234	85364900	Relays, for a voltage exceeding 60 V	10.0	0
235	85371010	Other numerical control panels	5.0	0
236	85371090	Other apparatus for electric control or the distribution of electricity	8.4	0
237	85372090	Other apparatus for electric control or the distribution of electricity	8.4	0
238	85389000	Parts of products within HS headings 85.35, 85.36 or 85.37	7.0	0
239	85392991	Electric filament lamps, not specified elsewhere, of a voltage 12 V or less	12.0	0
240	85404000	Data/graphic display tubes, colour, with a phosphor dot screen pitch smaller than	8.0	0
241	85441100	Copper winding wire	10.0	0
242	85444190	Other electric conductors, fitted with connectors, for a voltage not exceeding 80 V	4.0	0
243	85445190	Other electric conductors, fitted with connectors, for a voltage exceeding 80 V but not exceeding 1000 V	7.0	0
244	85445990	Other electric conductors, for a voltage exceeding 80 V but not exceeding 1000 V	13.8	0
245	90011000	Optical fibre bundles and cables	7.0	0
246	90012000	Sheets and plates of polarizing material	8.0	0
247	90019000	Other optical elements, not specified elsewhere, within HS heading 90.01	8.0	0
248	90021990	Other objective lenses, not specified elsewhere, within HS heading 90.02	15.0	0
249	90069110	Parts and accessories for cameras specially designed	8.0	0
250	90069120	Parts and accessories for instant print cameras	5.0	0
251	90069191	Automatic focal setting units for cameras	10.0	0
252	90069192	Shutter units for cameras	10.0	0
253	90069199	Other parts and accessories for other cameras	10.0	0
254	90138010	Hand magnifying glasses	12.0	0
255	90138090	Other liquid crystal devices and optical appliances	5.0	0
256	90139010	Parts and accessories for lasers and telescopes	6.0	0
257	90139090	Other parts and accessories of products within HS heading 90.13	8.0	0
258	90318090	Other measuring or checking instruments, appliances and machines, not specified	5.0	0
259	91021100	Other electrically operated wrist-watches, with mechanical display	15.0	0
260	91021200	Other electrically operated wrist-watches, with opto-electronic display	23.0	0
261	91031000	Electrically operated clocks with watch movements	23.0	0

Serial No.	Mainland 2001 Tariff Codes	Product Description	Mainland 2003 MFN Tariff Rates	Mainland 2004 Tariff Rates Under CEPA
262	91051100	Electrically operated alarm clocks	23.0	0
263	91081100	Complete and assembled electrically operated watch movements, with mechanical	16.0	0
264	91081200	Complete and assembled electrically operated watch movements, with opto-electronic display	16.0	0
265	91081900	Other complete and assembled electrically operated watch movements	16.0	0
266	91089900	Other complete and assembled mechanically operated watch movements	16.0	0
267	91112000	Cases of base metal	14.0	0
268	91132000	Watch straps, watch bands and watch bracelets, and parts of base metal	14.0	0
269	91149000	Other clock or watch parts	14.0	0
270	95039000	Other toys, not specified elsewhere	7.0	0
271	96062200	Buttons of base metal	17.0	0
272	96071100	Slide fasteners fitted with chain scoops of base metal	21.0	0
273	96071900	Other slide fasteners	21.0	0