

# 2020

www.economia.gov.mo

# CEPA Newsletter

September 2020 ♦ Issue 74 ♦ Published by Macao Economic Bureau

## content

1. Newly-revised CEPA ROOs for goods effective on 1 July 2020
2. Three CEPA WGs explore deepening of trade in goods facilitation
3. Single E-lock Scheme briefing session held in Macao
4. Pilot measures implemented for Macao legal practitioners to obtain Mainland practice qualifications and to practise as lawyers in the nine Mainland municipalities in the GBA
5. Guangdong sees seven new Cross-border E-commerce Comprehensive Pilot Areas
6. The Mainland and Macao sign arrangement on deepening IP exchange and cooperation

### *Editor's Note:*

**According** to the mechanism under CEPA, enterprises may submit revision requests to the Macao Economic Bureau (DSE) on or before 1 March and 1 September of every year to allow the Mainland and Macao to negotiate on the requests. The revised rules of origin (ROOs) will be implemented not later than 1 July of the same year or 1 January of the subsequent year. Regarding the proposals for revisions of the ROOs of certain food and pharmaceutical products made by industries in the first half of this year, the DSE and relevant authorities of the Mainland have concluded the negotiations and confirmed the revisions to the ROOs of 5 food products and 2 pharmaceutical products, in total 7 products under CEPA, which were implemented on 1 July 2020.

In accordance with the CEPA Agreement on Trade in Goods, which has been implemented since 1 January 2019, three working groups (WGs), namely the WG on Rules of Origin (ROOs), WG on Sanitary and Phytosanitary (SPS) Measures, and WG on Technical Barriers to Trade (TBT), have been set up under the mechanism of the CEPA Joint Steering Committee to facilitate the follow-up of the implementation of the Agreement on Trade in Goods.

To assist local industries in pursuing customs clearance measures that are more convenient with a view to enhancing the effectiveness of goods clearance, the Guangdong and the Macao Customs launched the Single E-lock Scheme in late September to enhance the level of facilitation of goods clearance by means of technology systems. A briefing session was held by the Macao Customs and the Macao Economic Bureau (DSE) on 31 August at the Macao Chamber of Commerce to present the details of the Scheme to industries.

## 1. Newly-revised CEPA ROOs for goods effective on 1 July 2020

According to the mechanism under CEPA, enterprises may submit revision requests to the Macao Economic Bureau (DSE) on or before 1 March and 1 September of every year to allow the Mainland and Macao to negotiate on the requests. The revised rules of origin (ROOs) will be implemented not later than 1 July of the same year or 1 January of the subsequent year.

Regarding the proposals for revisions of the ROOs of certain food and pharmaceutical products made by industries in the first half of this year, the DSE and relevant authorities of the Mainland have concluded the negotiations and confirmed the revisions to the ROOs of 5 food products and 2 pharmaceutical products, in total

7 products under CEPA, which were implemented on 1 July 2020. The 7 ROOs are mainly revised by including the requirements for regional value content on the basis of the existing rules with a 40% threshold under the build-down method and a 30% threshold under the build-up method. The revisions allow manufacturing enterprises to take into account their own cost control status for determining the originating status of products. This facilitates the carrying out of certain production processes abroad, which in turn saves the production cost of enterprises and enhance the price competitiveness of products.

The enhancement of ROOs for goods has



created conditions that are more favorable for local enterprises to enjoy the zero-tariff preferences under CEPA and facilitates the further development of the local manufacturing industry. Meanwhile, leveraging on the role of Macao as a commercial and trade cooperation service platform between China and Portuguese-speaking countries (PSCs) can

attract manufacturers to bring in advantaged raw materials of PSCs to Macao for processing and production, as well as to explore the Mainland market with made-in-Macao products. Details about the revision of ROOs are available on the DSE's website and WeChat public account (DSEMACAU), or by calling 85972328/85972342.

## 2. Three CEPA WGs explore deepening of trade in goods facilitation

In accordance with the CEPA Agreement on Trade in Goods, which has been implemented since 1 January 2019, three working groups (WGs), namely the WG on Rules of Origin (ROOs), WG on Sanitary and Phytosanitary (SPS) Measures, and WG on Technical Barriers to Trade (TBT), have been set up under the mechanism of the CEPA Joint Steering Committee to facilitate the follow-up of the implementation of the Agreement on Trade in Goods.

Based on the scope of Trade in Goods under CEPA and the natures of the WGs, the Macao Economic Bureau (DSE), together with the Macao Customs, the Municipal Affairs Institute (IAM), the Macao Trade and Investment Promotion Institute (IPIM), the Macau Productivity and Technology Transfer Center (CPTTM), Macau Investment and Development Company Limited (MID) and Transferência Electrónica de Dados - Macau EDI VAN S.A. (TEDMEV) have formed the Macao-side members of the three WGs. The meetings of the Macao side of the WGs of this year convened on 22 September under the chairpersonship of

Chan Tze Wai, Deputy Director of the DSE.

The progress and outcome of the work by the members on putting forward the CEPA Agreement on Trade in Goods over the past year, as well as the future work plans are summarized at the meeting. As for advancing trade facilitation within the Guangdong-Hong Kong-Macao Greater Bay Area, it mainly includes the Single E-lock Scheme and inspection and quarantine facilitation.

With regard to the Single E-lock Scheme, the Guangdong and the Macao Customs launched the said scheme on 28 September with a view to putting forward the implementation of express clearance for cross-border land transportation of goods between Guangdong and Macao, as well as enhancing the level of good clearance facilitation. This facilitates the achievement of fast cross-border delivery of goods by reducing repeated inspection of the same goods by the Customs of the two places, which in turn speeds up the flow of goods, curtails the transportation time of goods for and enhances the competitiveness of industries.

On the front of inspection and quarantine facilitation, the General Administration of Customs and the Secretariat for Administration and Justice have signed the Cooperation Arrangement on Supervision of Food Safety of Made-in-Macao Food Products Supplied to the Mainland, under which local food manufacturers that comply with the Mainland's production requirements can, upon having reported to the Mainland, and with a sanitary certificate issued by the IAM, have their locally-produced food products directly released by the Mainland Customs after inspections without the need to await the inspection results when exporting them to the Mainland, thereby achieving the effect of clearance facilitation. In case the inspection results are unsatisfactory, the goods concerned will be recalled. In the early stage of the measure, the scope of the first-phase trial implementation will cover food products not subject to inspection (food products of non-animal origin). Afterwards, based on the actual implementation, it will be considered if the scope will be extended to food products subject to inspection (food products of animal origin).

The parties agreed to sum up the relevant experiences and generalize the problems currently confronted. After being sorted and consolidated, they will be taken up with and handed over to the Mainland side at relevant meetings in future to allow the two places to achieve new breakthroughs in future on the basis of Trade in Goods under CEPA, further

enhancing the level of facilitation in export of goods to the Mainland.



**WG on SPS Measures in meeting**



**WG on ROOs in meeting**



**WG on TBT in meeting**

### 3. Single E-lock Scheme briefing session held in Macao

To assist local industries in pursuing customs clearance measures that are more convenient with a view to enhancing the effectiveness of goods clearance, the Guangdong and the Macao Customs launched the Single E-lock Scheme in late September to enhance the level of facilitation of goods clearance by means of technology systems. A briefing session was held by the Macao Customs and the Macao Economic Bureau (DSE) on 31 August at the Macao Chamber of Commerce to present the details of the Scheme to industries.

The Single E-lock Scheme is a cooperation project between the Guangdong and the Macao Customs for jointly promoting the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA). Aiming to achieve full-trip

monitoring with one single lock, the Customs of the two places monitor the whole trips of cross-border goods vehicles by means of an electronic customs lock featuring satellite positioning functions, which allows goods to pass through borders unhindered and reduces repeated inspections of the same goods by the Customs of the two places. This speeds up the flow of goods and reduces the transportation time of goods for industries, thereby enhancing their competitiveness. Industries are expected to make use of the measure to increase the flexibility in business development and grasp the opportunities brought by the GBA's development and the opening of the Hong Kong-Zhuhai-Macao Bridge.



Group photo of representatives of the Customs, DSE and industries

#### 4. Pilot measures implemented for Macao legal practitioners to obtain Mainland practice qualifications and to practise as lawyers in the nine Mainland municipalities in the GBA

To promote the development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and leverage the professionalism of legal practitioners of Hong Kong and Macao, the Standing Committee of the National People's Congress passed on 11 August 2020 the Decision on Authorizing the State Council on the Implementation of Pilot Measures for Hong Kong and Macao Legal Practitioners to Obtain Mainland Practice Qualifications and to Practise as Lawyers in the Nine Mainland Municipalities in the Guangdong-Hong Kong-Macao Greater

Bay Area, which allows eligible Hong Kong and Macao legal practitioners to practise in specific areas of Mainland law in the nine Mainland municipalities of the GBA upon obtaining the practice qualifications through a special examination. The above measure, which will be implemented on a three-year pilot basis, will facilitate the implementation of the Outline Development Plan for the GBA and the Agreement Concerning Amendment to the CEPA Agreement on Trade in Services signed in 2019.

#### 5. Guangdong sees seven new Cross-border E-commerce Comprehensive Pilot Areas

The China Cross-border E-commerce Comprehensive Pilot Areas aim to implement on a pilot basis the technical standards, operation processes, modes of supervision and informatization development for sectors of cross-border e-commerce, such as transaction, payment, logistics, customs clearance, tax refund and settlement. Through institutional innovation, management innovation, service innovation and coordinated development, a set of management systems and rules that accommodates to and leads the global cross-border e-commerce development will gradually be formed to provide replicable and promotable experiences for promoting the

healthy development of cross-border e-commerce in China. On 6 May 2020, the State Council issued the Official Reply of the State Council Concerning the Establishment of Cross-border E-commerce Comprehensive Pilot Areas in 46 Cities and Areas Including the Xiong'an New Area. With the 59 cities that have already received approvals, the number of cities designated as a Cross-border E-commerce Comprehensive Pilot Area in the country have increased to 105, covering 30 provinces, autonomous regions and municipalities.

On 23 July 2020, the People's Government of Guangdong Province announced the Implementation Plan of China (Meizhou)

Cross-border E-commerce Comprehensive Pilot Area, the Implementation Plan of China (Huizhou) Cross-border E-commerce Comprehensive Pilot Area, the Implementation Plan of China (Zhongshan) Cross-border E-commerce Comprehensive Pilot Area, the Implementation Plan of China (Jiangmen) Cross-border E-commerce Comprehensive Pilot Area, the Implementation Plan of China (Zhanjiang) Cross-border E-commerce Comprehensive Pilot Area, the Implementation Plan of China (Maoming) Cross-border E-commerce Comprehensive Pilot Area and the Implementation Plan of China (Zhaoqing) Cross-border E-commerce Comprehensive Pilot

Area, adding seven Cross-border E-commerce Comprehensive Pilot Areas in Meizhou, Huizhou, Zhongshan, Jiangmen, Zhanjiang, Maoming and Zhaoqing to promote industrial restructuring and upgrading and to guide the comprehensive development of cross-border e-commerce. At present, Guangdong has 13 Cross-border E-commerce Comprehensive Pilot Areas, the highest number in the country. Enlarging the number of Cross-border E-commerce Comprehensive Pilot Areas will foster the further strengthening of online platform transaction channels and air logistics and transportation, etc.

## 6. The Mainland and Macao sign arrangement on deepening IP exchange and cooperation

To further deepen the exchange and cooperation in the field of intellectual property (IP) between the Mainland and the Macao SAR for creating an environment more conducive to innovation and sustainable development, the National Intellectual Property Administration (NIPA) and the Macao Economic Bureau (DSE), on the basis of the Agreement on Cooperation in the Area of Intellectual Property signed in 2003, have signed by exchange of notes the Arrangement on Deepening the Exchange and Cooperation in the Area of Intellectual Property between the National Intellectual Property Administration and the Macao Economic Bureau of the Government of the Macao Special Administrative Region, effective since 16 June

2020.

According to the Arrangement, the NIPA and the DSE will deepen their exchange and cooperation in the areas of, among others, patent substantive examination, invention patent extension, patent and trademark information automation, IP information exchange, personnel training, as well as jointly organizing seminars and technical exchange meetings. Also, technical assistance provided by the NIPA to the DSE in patent dispute handling will be introduced as an addition to the existing basis of cooperation, and the two sides will strengthen their cooperation in the area of IP information management, utilization and services, including: launching two-way

transmission of patent examination papers and examination process documents, etc., and sharing the experiences in the development of automation in the areas of patent and trademark, etc.

The new Arrangement has consolidated the good foundation of cooperation between the

two authorities and promoted the cooperation between the two sides to a higher level. This will favour the strengthening of capacity building of IP authorities themselves and provide solid support to the innovation and sustainable development of the Macao SAR.