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Editor’s Note

The Supplement 6 to CEPA (CEPA 7) was signed in May, setting the stage for further cooperation between the Mainland and Macao in various areas. CEPA 7 deepens the opening of 18 existent service sectors and includes a new sector for preferential treatments, resulting in a total of 41 sectors opened under the Trade in Service of CEPA. Among all those services, 7 sectors will be implemented in Guangdong on an early and pilot basis. Also, starting from July 1, additional 475 products will be added to the existing CEPA Zero-Tariff Product List. Then the total number of Macao-made products eligible for CEPA zero-tariff treatment has reached 1,156.

To further enhance the effectiveness of CEPA for Macao businesses and individuals to enter into the Mainland market, the Mainland has announced new facilitation regulations and measures, including those for the recognition of medical qualification, travel agencies, and certified public accountants.

1. The Supplement 6 of CEPA advances cooperation on various fronts between the Mainland and Macao

Witnessed by the Chief Executive, Mr. Edmund Ho Hau Wah, the Deputy Director of Liaison Office of the Central People’s Government in Macao SAR, Ms. Gao Yan, Deputy Director of Hong Kong and Macao Affairs Office of the State Council, Mr. Zhou Bo, Commissioner of the Office of the Ministry of Foreign Affairs of the PRC in the Macao SAR, Mr. Lu Shumin and the Director-General of Macao Customs Service, Mr. Choi Lai Hang, the Supplement 6 to CEPA was signed by the Vice

Minister of Commerce, Mr. Jiang Zengwei and the Secretary for Economy and Finance of the Macao SAR, Mr. Tam Pak Yuen, on behalf of both sides.

The newly signed Supplement mainly comprises measures in three areas, namely, Trade in Services, Trade and Investment Facilitation, and Mutual Recognition of Professional Qualifications.

In the area of Trade in Services, from October 1, 2009, the Mainland will deepen the liberalization in 18 existing sectors, including legal, construction, medical, real estate, placement and supply services of personnel, printing, convention and exhibition, public utility, telecommunications, audiovisual, distribution, banking, securities, tourism, cultural and recreational, maritime transport, air transport, and individually owned stores. Also, a new sector, research and development, will be included in the Supplement 6, resulting in a total of 41 services opened under CEPA.



The Vice Minister of Commerce, Mr. Jiang Zengwei and the Secretary for Economy and Finance of the Macao SAR, Mr. Tam Pak Yuen, signed the Supplement 6 to CEPA. (Courtesy photo from the Government Information Bureau)

With respect to Trade and Investment Facilitation, in order to enhance the protection of Intellectual Property Rights, the Mainland and Macao agree to adopt measures to strengthen the exchanges and cooperation in the area of Trademarks. Towards this end, the State Administration for Industry and Commerce and Macao Economic Services will establish a communication mechanism to strengthen the cooperation. Major measures of the cooperation content include strengthening exchanges of information in relation to Trademarks and intensifying cooperation of the two sides in personnel training.

On the front of Mutual Recognition of Professional Qualifications, both sides will adopt measures to promote mutual recognition of professional qualifications in accounting and printing services. In the area of accounting, the two sides agree to initiate studies on mutual exemption of certain examination papers in the professional qualification examinations for China Certified Public Accountant and Macao Registered Auditor.

Apart from the above, in the Supplement 6, 8 commitments in 7 service sectors involve Guangdong Province, covering legal, convention and exhibition, public utility, telecommunications, banking, securities, and maritime transport. These measures further strengthen the role played by Guangdong in the early and pilot implementation of CEPA.

Major opening measures in different service sectors are tabulated as the follows:

Service Sectors	Summary of the commitments in the Supplement 6 to CEPA
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Service Sectors	Summary of the commitments in the Supplement 6 to CEPA
Legal services	<ul style="list-style-type: none"> • To allow Macao lawyers who have experience in legal practice for at least 5 years and have passed the National Judicial Examination to participate in a no less than one-month intensive training organized by the Mainland lawyer associations in accordance with the “Lawyer Law of the People’s Republic of China” and the “Administrative Regulations on Internship for Lawyers Applying for Legal Practice (Provisional)” of the All-China Lawyers' Association. Those who are qualified after the training and examination can apply for lawyer practicing in the Mainland. • To allow Macao law firms that have set up representative offices in the Mainland to operate in Guangdong Province in association with Mainland law firms that have set up for one year or more and have at least one founding partner with experience in legal practice for at least 5 years.
Research and Development (New commitment)	<ul style="list-style-type: none"> • To allow Macao service suppliers to set up wholly-owned enterprises in the Mainland to provide research and experimental development services on natural sciences and engineering.
Real Estate	<ul style="list-style-type: none"> • To allow Macao service suppliers to provide real estate project services on a wholly-owned basis in the Mainland.
Convention and exhibition	<ul style="list-style-type: none"> • To allow Macao service suppliers to organize exhibitions, in the cross-border mode of supply, in Beijing Municipality, Tianjin Municipality, Chongqing Municipality, Zhejiang Province, Jiangsu Province, and Fujian Province, on a pilot basis. • To entrust to the Guangdong Province the authority of examining and approving Macao service suppliers for organizing foreign economic and technical exhibitions covering an exhibition area of more than 1,000 square metres in Guangdong Province. • To allow Macao service suppliers to set up wholly-owned, equity joint venture or contractual joint venture enterprises in Guangxi, Hunan, Hainan, Fujian, Jiangxi, Yunnan, Guizhou and Sichuan provinces and autonomous regions to organize overseas exhibitions on a pilot basis. Participating exhibitors should be enterprises registered in those provinces or autonomous regions correspondingly.
Public utility	<ul style="list-style-type: none"> • To remove the restriction on the shareholding ratio of Macao service suppliers engaging in the construction and operation of urban gas networks in the cities with population less than one million in Guangdong Province.
Telecommunications	<ul style="list-style-type: none"> • To allow Macao service suppliers to distribute, in Guangdong Province,

Service Sectors	Summary of the commitments in the Supplement 6 to CEPA
	fixed/mobile phone cards (excluding satellite mobile phone cards) that can be used only in Macau.
Distribution	<ul style="list-style-type: none"> The minimum registered capital requirement for publication distribution enterprises set up by Macao service suppliers in the Mainland will be the same as that for Mainland enterprises.
Banking	<ul style="list-style-type: none"> The foreign bank branches established by Macao banks in Guangdong Province can apply for establishing sub-branches on different locations (other than the city where the branch is located) in accordance with requirements stipulated in relevant Mainland regulations on setting up sub-branches. If the wholly-owned foreign invested bank established in the Mainland by a Macao bank has set up a branch in Guangdong Province, the branch can apply for establishing sub-branches on different locations (other than the city where the branch is located) in accordance with requirements stipulated in relevant Mainland regulations on setting up sub-branches
Tourism	<ul style="list-style-type: none"> To allow Macao permanent residents with Chinese citizenship to obtain tour group escort licenses for outbound group tours and to be employed in the Mainland by international travel agencies that have been authorized to operate outbound tour groups and by Macao and Hong Kong travel agencies that are allowed to operate outbound group tours to Hong Kong and Macao. Mainland travel agencies organizing outbound group tours to Taiwan can arrange for the Mainland tourists who are holding “Permit for Mainland residents traveling to and from Taiwan” and tourist visas (L visas) to stay in Macao for transit purpose so as to facilitate the Mainland and Macao tourism businesses to develop “one route, multi-stops” tourism products.
Individually owned stores	Three new types of services are opened for Macao permanent residents with Chinese citizenship to operate nationwide, i.e. individually owned clinic, economic and trade consulting, and business administration consulting services, wholesaling (for textiles, apparel, daily supplies, stationery, sports goods, and other cultural products only).

For the details of CEPA 7, please visit the website of Macao Economic Services (www.economia.gov.mo) or CEPA exclusive website (www.cepa.gov.mo).

2. 475 new made-in-Macao products are eligible for CEPA zero-tariff treatment after July 1

The consultation on the rules of origins of Macao products applying for zero-tariff treatment for the first half of 2009 was convened in Beijing on May 13. Representatives from the General Administration of Customs, the Ministry of Industry and Information Technology, the Ministry of Finance, the Department of Taiwan, Hong Kong, and Macao Affairs of the Ministry of Commerce, Gongbei Office for the Administration of Rules of Origin, and Macao Economic Services, etc., attended the meeting. Both sides reached an agreement during the consultation on the rules of origin for the products that Macao petitioned for zero-tariff treatment for the first half of 2009. Starting from July 1, additional 475 products will be recognized as CEPA zero-tariff products, including food, chemicals, pharmaceutical products, plastics and rubber products, textiles, medical equipment, etc.



Representatives from the General Administration of Customs and Macao Economic Services were engaging in the consultation on the rules of origin for the new zero-tariff products.

Since CEPA came into effect, the total number of Macao products eligible for the zero-tariff treatment has reached 1,156. The Mainland tariff codes and the related rules of origin of those new zero-tariff products are now available on the website of Macao Economic Services (www.economia.gov.mo) and the CEPA exclusive website (www.cepa.gov.mo).

3. The Mainland announced regulations on the recognition of medical qualification for Hong Kong and Macao doctors to practice in the Mainland

The Ministry of Health promulgated the “Administrative Measures for Hong Kong and Macao Doctors to Obtain Mainland Medical Practitioner Qualification Certificates” on April 4. The Administrative Measures stipulates that Hong Kong and Macao permanent residents with Chinese citizenship who meet the requirements of the “Law of the People’s Republic of China on Medical Practitioners” and related regulations can apply for the Mainland Medical Qualification accreditation. Categories of medical profession covered for accreditation are clinical medicine, Chinese medicine, and dental medicine. Application criteria are summarized as follows: Hong Kong and Macao permanent residents with medical qualification for at least 5 years before December 31, 2007, obtaining Hong Kong or Macao specialist medical qualification, or have been practicing in medical institutions in Hong Kong or Macao. For the complete document of the “Administrative Measures for Hong Kong and Macao Doctors to Obtain Mainland Medical Practitioner Qualification Certificates” and the application forms, please visit the website of the Ministry of Health at :

http://www.moh.gov.cn/sofpro/cms/previewjspfile/mohyzs/cms_0000000000000000073_tpl.jsp?requestCode=40139&CategoryID=1751.

4. The State Council of the PRC announced the implementation of the “Regulations on Travel Agencies” on May 1

To strengthen the governance of travel agencies, to protect the legitimate rights of tourists and travel agencies, to uphold the order of tourism market, and to promote the healthy development of the tourism industry, the State Council of the PRC enacted the “Regulations on Travel Agencies” (The Regulations), which has entered into force from May 1. On the other hand, the “Administrative Regulations on Travel Agencies” promulgated by the State Council on October 15, 1996 was revoked. The Regulations are aimed at governing the establishment, foreign investment, operation, supervision and inspection, legal responsibilities, etc of travel agencies. With respect to foreign-invested travel agencies, the Regulations set out that to establish foreign-invested travel agencies, investors should submit applications to competent tourism administrative departments under the State Council, and provide related credentials proving that they have stable operation premises, necessary operational facilities, and registered capital of no less than RMB300,000. According to the Regulations, tourism administrative departments under the State Council should conclude their examination and authorization within 30 days after accepting the applications. The “Regulations on Travel Agencies” are available at http://www.gov.cn/zwggk/2009-02/26/content_1244055.htm.

5. The authorization on the investment of Hong Kong and Macao travel agencies set up in Guangdong has been entrusted to the Department of Tourism of Guangdong Province and the Department of Foreign Trade and Economic Cooperation of Guangdong Province

The “Measures for Examining the Applications of Hong Kong and Macao Service Suppliers for Setting Up Travel Agencies in Guangdong Province” (the Measures), approved by the National Tourism Administration and the Ministry of Commerce, came into effect on January 1. The Measures are applicable to the application and examination to set up wholly-own, equity and contractual joint-venture travel agencies in Guangdong Province by Hong Kong or Macao Service Suppliers. In accordance with the Measures, the National Tourism Administration and the Ministry of Commerce entrust the competence to receive and examine the applications of Hong Kong or Macao Service Suppliers to establish travel agencies in Guangdong to the Department of Tourism of Guangdong Province and the Department of Foreign Trade and Economic Cooperation of Guangdong Province, respectively. Qualified Hong Kong or Macao Service Suppliers can submit their applications and related credentials to the Department of Tourism of Guangdong Province. For the full text of the Measures, please visit: http://www.gov.cn/flfg/2008-12/31/content_1192671.htm

6. The Mainland will adopt new examination measures for Certified Public Accountants (CPAs) within this year

The Chinese Institute of CPAs has entrusted Macao Society of Certified Practising Accountants to be the enrollment center for the 2009 PRC CPA Uniform Examination for Macao residents. Five people have signed up for the 2009 examination, which will be held from September 19 to 20.

New examination measures are to be implemented this year, while the old system still remains valid for another year. During the transitional period, those who took part in the CPA examinations and obtained passing grade in any subject of the examinations held between 2005 to 2009 before March 23, 2009 are allowed to choose to sit for the examinations under either the old or the new system. The new examination system comprises two phases, namely professional examination and comprehensive examination. Subjects to be included in the professional examination are accounting, auditing, financial and cost accounting, company strategies and risk management, economic laws, and taxation laws. The comprehensive examination, on the other hand, is a general test of the professional capabilities of the examinees. Also, Hong Kong, Macao, and Taiwan residents, as well as foreigners, can be exempted from the examinations of certain subjects set out in the mutual exemption agreement signed according to the mutual beneficial principle between the Mainland and those areas.