

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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**COMMUNICATION FROM THE PERMANENT MISSION OF THE
PEOPLE'S REPUBLIC OF CHINA**

**Conditional Offer of the People's Republic of China
Concerning Initial Commitments on Trade in Services**

Revision

The following communication is circulated at the request of the People's Republic of China to the members of the Group of Negotiations on Services.

China hereby submits a revised version of its conditional offer concerning initial commitments on trade in services. This offer replaces the one contained in MTN.GNS/W/124/Rev.1 of 6 April 1993. The following conditions and explanations form an integral part of the Chinese offer.

This offer is conditional upon, inter alia, the final text of the General Agreement on Trade in Services (GATS), including the sectoral annexes, particularly in the areas in which China has major interests, and also upon the final initial commitments assumed by other parties to the GATS.

China's offer of commitments on market access and national treatment is subject to the existing legislation and without prejudice to measures for the purpose of national security and national development policy objectives, and in line with its level of economic development. This offer does not in any way affect measures pertaining to trade in goods and intellectual property rights. Neither does this offer apply to services supplied in the exercise of governmental functions.

China reserves its right to modify, extend, reduce or even withdraw this offer at any time prior to conclusion of the service negotiations, depending on the value of specific commitments on market access and national treatment undertaken by other parties and the degree of adherence to the m.f.n. treatment obligation contained in Article II of the GATS. In addition, China will evaluate the results achieved in the GATS in relation to their link to the overall outcome of the GATT-sponsored Uruguay Round of multilateral trade negotiations.

China further reserves the right to make technical changes and to correct omissions or technical errors in its offer.

China maintains at present certain reciprocity requirements on market access and national treatment. According to the relevant Chinese legislation, right of establishment and national treatment in certain sectors or sub-sectors are subject to the condition that the beneficiary country grants Chinese companies and/or nationals the corresponding right of establishment and national treatment with respect to services in the sectors or sub-sectors concerned. In this regard, China will commit itself to comply with the m.f.n. obligation of the GATS, unless otherwise specified in the exemption list. However, this offer is conditional on the acceptance of adequate market access and national treatment commitments being assumed by other parties.

Explanation:

Service sectors and sub-sectors covered by the Chinese offer are as far as possible specified in accordance with the classification list established by the secretariat as contained in document MTN.GNS/W/120 of July 1991, although this classification list in some cases does not coincide with the systematics of categories of service suppliers as provided for under the Chinese legislation. For instance, maritime and road transport services fall within the sector of communication in Chinese systematics. The Ministry of Communication is in charge of maritime and road transport services instead of postal and telecommunication services.

The Chinese offer consists of two parts. The first one states horizontal conditions and measures pertaining to all sectors and, where appropriate, all modes of delivery. The second one contains specific commitments regarding the listed sectors and sub-sectors.

Throughout China's offer, identical terminology is used to ensure that the extent of initial commitments is precise. The following terms are used:

- (1) Bound: This means binding of the regime of all conditions, limitations and qualifications currently in force, i.e. certain restrictions are currently applied but are not intended to be strengthened in future in the context of the GATS.
- (2) Unbound: This means that China has not undertaken any commitments regarding the mode or modes of delivery in respect of market access or national treatment for the service activity in question.
- (3) Not Applicable: This means that the mode of delivery of the designated service is not practical, and therefore, no relevant commitment can be technically feasible.
- (4) None: This means that no conditions, limitations or qualifications are currently applied or intended to be introduced regarding market access or national treatment in a given mode of delivery of a sector or sub-sector, but this does not mean that there are no laws or regulations governing the service activity in question. In addition, the indication "none" in Part II means that no conditions, limitations

and/or qualifications apply other than those mentioned in Part I. The entry "none" under the national treatment column means no conditions and/or limitations other than those indicated under the market access column.

PART I

Horizontal Conditions, Limitations and Qualifications
Applicable to All Sectors

1. Foreign Investment

The Chinese laws and regulations concerning foreign investment have concrete stipulations on foreign investment in China, and on the registration, establishment and operations, and also on the enjoyed rights and assumed obligations of the Chinese-foreign equity joint ventures, contractual joint ventures and foreign-capital enterprises. Such laws and regulations also apply to all service sectors. For the specifically-regulated sectors, specific regulations shall at the same time be observed in transacting business.

The proportion of the foreign joint venturer's investment in an equity joint venture shall be, in general, no less than 25 per cent of the registered capital of the equity joint venture. This is a minimum percentage limit on foreign shareholding and there is no limitation on the proportion of foreign capital in terms of maximum percentage. The parties to the venture shall share the profits, risks and losses in proportion to their contributions to the registered capital.

Under Chinese legislation on foreign investment, the establishment of foreign-capital enterprises shall be restricted in the following sectors and sub-sectors:

- (a) public utilities;
- (b) communications and transportation;
- (c) real estate;
- (d) trust investment; and
- (e) leasing.

The application for the establishment of a foreign-capital enterprise in the above-mentioned sectors shall be submitted to the Ministry of Foreign Economic Relations and Trade (MOFERT) for approval.

Under Chinese legislation on foreign investment, no establishment of foreign-capital enterprise shall be permitted in the following sectors and sub-sectors:

- (a) the press, publication, broadcasting, television and movies;
- (b) post and telecommunications; and

- (c) other sectors in which the establishment of foreign-capital enterprises is forbidden, as prescribed by the Chinese Government.

2. Taxation

For the purpose of encouraging foreign services and service providers in China, certain taxes and charges more favourable than those levied on domestic services and service providers are currently levied on foreign like services and service providers in certain sectors, as special measures with time limits. Accordingly, these measures shall not be deemed as bound.

3. Foreign Exchange Control

The People's Republic of China, as a developing country, is practising foreign exchange control according to the Chinese laws and regulations as well as the relevant international agreements which China has signed. Transfers of foreign exchange relating to foreign services and service providers are transacted in accordance with the foreign exchange control laws and regulations.

4. Real Estate

The land in the People's Republic of China is State-owned. Enterprises and individuals may obtain the right to the use of the land in accordance with relevant provisions of the laws concerning the land.

5. Temporary Movement of Natural Persons

Aliens in China must abide by Chinese laws and may not endanger the national security of China, harm public interests or disrupt public order. The Chinese Government shall protect the legitimate rights and interests of aliens in the Chinese territory.

With respect to movement of natural persons for the supply of services defined in paragraph 2 of Article I of the Agreement, China will undertake no commitments except for the entry and temporary stay of a natural person who falls into one of the following categories:

- (1) Managers, executives and specialists defined as senior employees of a corporation of a party to the GATS that has established a branch or subsidiary in the territory of the People's Republic of China, temporarily moving as intra-corporate transferees, shall be permitted entry and an initial period of one year's stay without requiring compliance with labour market tests. Upon the expiry, the temporary stay may, if necessary, be extended for a total period not exceeding five years.
- (2) Managers, executives and specialists of nationalities of other parties to the GATS, engaged in the Chinese-foreign equity joint ventures and foreign-capital enterprises in the territory of the People's Republic

of China, for conducting business within the scope as stipulated in the contracts concerned, may be granted entry and a one to five year long-term residence permit.

All other requirements of Chinese laws and regulations regarding entry and temporary stay of aliens shall continue to apply.

PART II

Specific Commitments Regarding the Sectors and Sub-Sectors

Modes of delivery:

- (1) Cross-border supply.
- (2) Consumption abroad.
- (3) Commercial presence.
- (4) Presence of natural persons (horizontal limitations in Part I apply throughout if not specified otherwise).

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
<u>Professional Services</u>			
Legal Services (CFC No. 861)	(1) Unbound (2) Unbound	Foreign law firms may have establishments in the Chinese territory through the form of representative offices subject to criteria and procedures stipulated in "Interim Provisions of the Ministry of Justice and the State Administration for Industry and Commerce on the setting up of the Office of Foreign Law Firm in China".	The business scope of foreign lawyer firms' representative offices is limited to the following: (a) providing clients with consultancy on home country's law, international treaty and practice; (b) handling legal affairs on behalf of and entrusted by Chinese clients and lawyer firms in the country in which the lawyer firm is registered for legal business; (c) acting on behalf of foreign clients to entrust a Chinese lawyer firm to deal with legal affairs in the Chinese territory.
Accounting, Auditing and Book-keeping CFC No. 862	(1) Unbound (2) Unbound	A foreign lawyer is not permitted to conduct legal business in his/her own capacity as a lawyer in China. A foreign lawyer can only conduct lectures and academic activities as a legal expert in China.	The foreign lawyers' representative offices shall not employ Chinese lawyers. The term of representative office in China is limited to 5 years, and it may be extended subject to approval. A foreign lawyer is not permitted to conduct legal business in his/her own capacity as a lawyer in China. A foreign lawyer can only conduct lectures and academic activities as a legal expert in China.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Accounting, Auditing and Book-Keeping (CFC No. 862)	(3) (4)	Foreign accounting firms which meet the following conditions may be permitted to establish branch offices or contractual joint venture accounting firms in the economically developed areas* of China: (a) with professional personnel no less than 10,000; and (b) with annual business income not less than US\$1 billion. The total number of this kind of foreign accounting firms providing services in China shall not exceed 15. Unbound	Foreign accountants' auditing reports shall be valid for the competent authorities of China providing that they obtain the titles of Chinese CPA. The foreign professional staff members employed by a branch office or a contractual joint venture accounting firm must hold the CPA titles of their home countries. Unbound
Taxation Service (8630)	(1) (2)	Unbound	Unbound
General Management Consulting Service (86501)	(1) (2)	Unbound	Unbound
Financial Management Consulting Service (86502)	(3) (4)	Foreign accounting firms which possess huge enough business capacity may be permitted to establish representative offices in the economically developed districts of China and provide management consulting services. Unbound	The qualifications of foreign professionals employed by a representative office shall be examined and recognized by the Ministry of Finance of China. Unbound
Medical and Dental Services	(1) (2)	Unbound	Unbound

* Economically developed area refers to the Special Economic Zones and coastal open cities.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Medical and Dental Services	(3)	Foreign solely-owned hospitals or clinics (i.e. foreign-capital enterprises) are not permitted, but foreigners are permitted to establish equity joint-venture or contractual joint venture hospitals or clinics with Chinese partners on a trial basis with a quantitative limitation in line with China's needs. Such establishments must be approved by the Ministry of Public Health and the MOFERT.	The trial equity or contractual joint venture hospitals and clinics shall assume sole responsibility for foreign exchange balance of payments and for its profits or losses. The majority of the doctors and medical personnel of the joint venture hospitals and clinics shall be of Chinese nationality.
	(4)	Foreign doctors with professional certificates issued by home state shall be permitted to provide short-term medical services in China. The licence shall be obtained from the health authorities at provincial level. The term of service is six month and may be extended to one year subject to approval. For medical services, foreign doctors shall submit the following documents to the competent authorities: (a) an application; (b) notarized educational résumé, professional certificate and more than five years of medical experience as a doctor; (c) contracts with Chinese partners, etc.	Foreign doctors providing services must sign a contract with Chinese partners which shall be Chinese medical institutions.
Technical Testing and Analysis Services (CPC No. 8676)	(1)	Unbound	Unbound
	(2)	None	None
	(3)	Foreign service providers are permitted to establish technical testing and analysis institutions or companies with Chinese partners in the form of equity joint ventures subject to approval jointly by the MOFERT and other competent authorities in accordance with the Chinese-foreign equity joint venture law.	None other than "all sectors" conditions.
	(4)	Unbound	Unbound
Related Scientific Technical Consulting Services (8675)	(1)	Unbound	Unbound
	(2)	None	None
	(3)	Foreign service providers are permitted to establish scientific and technical consulting institutions or companies in the form of equity joint venture subject to approval jointly by the MOFERT and other competent authorities in accordance of the provisions of the Chinese-foreign equity joint venture law.	None other than 'all sectors' conditions.
	(4)	Unbound	Unbound

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Maintenance and Repair of Equipment Services	(1) None (2) None	None	None
	(3)	Foreign service providers are permitted to establish maintenance companies with Chinese partners in the form of equity joint venture subject to approval jointly by the MOFERT and other competent authorities in accordance of the provisions of the Chinese-foreign equity joint venture law.	None other than "all sectors" conditions.
Services Incidental to Agriculture, Forestry, Hunting and Fishing	(4)	Unbound	Unbound
	(1) None (2) None	None	None
	(3)	Foreign service providers are permitted to establish service companies with Chinese partners in the form of equity joint venture subject to approval jointly by the MOFERT and other competent authorities in accordance with the provisions of the Chinese-foreign equity joint venture law.	None other than "all sectors" conditions.
Translation and Interpretation Services	(4)	Unbound	Unbound
	(1) Unbound (2) None	None	None
	(3)	Unbound	Unbound
	(4)	Licence shall be obtained from the State Bureau of Foreign Experts of the P.R.C. (SBFE) and other competent authorities.	Qualifications are as follows: specified years of experience in translation or interpretation and a good command of the working language(s) concerned.
Educational Services	(1)	Unbound	Unbound
	(2) None other than "all sectors" conditions.	None	None
	(3)	Unbound	Unbound
	(4)	Licence shall be obtained from the SBFE and the State Educational Commission of the P.R.C. (SEC).	Qualifications are as follows: possession of Master's degree or above, and an appropriate professional title (e.g. professor, senior engineer or lecturer or above, etc.).

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
<u>Computer and Related Services</u> (84)*			
Consultancy Services, the Installation of Computer Hardware (841)	(1) Unbound (2) None (3) None (4) None	Unbound	None
Systems Analysis Services (8422)	Unbound	None	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 5 years of experience in these fields.
Systems and Software Consulting Services (8421)	(1) Unbound (2) None (3) None (4) None	Unbound	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 5 years of experience in these fields.
Systems Design Services (8423)	(1) Unbound (2) None	Unbound	None
Programming Services (8424)	(3) None	The form of equity joint venture only.	None
Systems Maintenance (8425)	(4) None	None	Qualifications required from the certified Services engineer are as follows: Bachelor's degree or above and 5 years of experience in these fields.

*NOTE: Those services which are conveyed over the public telecommunications delivery network are not included.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Data Processing Services (843)	(1) Unbound (2) None	The form of equity joint venture only.	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 3 years of experience in these fields. Data entry operator shall be of Chinese nationality.
Input Preparation Services (8431)	(3) Unbound (4) None	The form of equity joint venture only.	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 3 years of experience in these fields. Data entry operator shall be of Chinese nationality.
Data Processing and Tabulation Services (8432)	(1) Unbound (2) None	The form of equity joint venture only.	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 5 years of experience in these fields. Unbound
Time-sharing Services (8433)	(3) Unbound (4) None	The form of equity joint venture only.	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 5 years of experience in these fields. Unbound
Maintenance and Repair Services of Office Machinery and Equipment including Computers (845)	(1) Unbound (2) None (3) Unbound (4) None	The form of equity joint venture only.	Qualifications required from the certified engineer are as follows: Bachelor's degree or above and 5 years of experience in these fields. Unbound
Advertising Services	(1) Foreign enterprises or businessmen that need release advertisement in China shall entrust their advertisement to the Chinese advertising agents possessing the right to operate foreign advertisement.		

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
	(2)	Foreign service providers who want to solicit advertisement from China shall conduct advertising business through the Chinese advertising agents possessing the right to operate foreign advertisement.	Unbound None other than "all sectors" limitations.
	(3)	Foreign service providers may establish advertising companies in China by the way of Chinese-foreign equity joint venture or contractual joint venture, subject to the following conditions: (a) foreign partner shall have the capacity in providing advanced technology and equipment and managerial experience; (b) the foreign partner must be an enterprise in terms of juridical person whose business is mainly involved in advertising services. Foreign-capital advertising enterprises are not permitted.	Unbound None other than "all sectors" limitations.
Offshore Oilfield Services	(4)	Unbound (1) None (2) None	Unbound None
Related scientific and technical consulting services (CPC 8675)	(3)	By the way of Chinese-foreign cooperative development and subject to 'The Notification of Registration of Foreign Companies Involving in Cooperative Development Activities and Contracting Projects in the People's Republic of China' effective as from April 1, 1983. and meeting requirements of Bidding Documents from Chinese side.	None
Subsurface Surveying Services 86752)	(4)	None	None
Offshore Oilfield Services	(1)	Unbound	Unbound
	(2)	Not applicable	Not applicable

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Onshore Oilfield Services	(3)	<ul style="list-style-type: none"> -- In the designated areas approved by the Chinese Government.* -- By the way of petroleum exploitation in corporation with China National Oil and Gas Exploration & Development Corp. (CNOOC). -- In order to carry out the petroleum contract, the foreign service provider shall establish a branch or subsidiary or representative office within the territory of the People's Republic of China and go through registration formalities in accordance with the laws. The domiciles of the said offices shall be determined through consultation with CNOOC. -- The foreign service provider shall open its bank account with a bank approved by the Chinese government authorities to engage foreign exchange business within the Chinese territory. -- To meet the requirements of the Bidding Documents and Model Contract from the Chinese side. 	<ul style="list-style-type: none"> -- The foreign service provider shall furnish CNOOC accurately and promptly with the report on the petroleum operations, and shall submit to CNOOC the data and samples as well as various technological, economic, accounting and administrative reports related to petroleum operations. CNOOC shall have the ownership of all of the data records, samples, vouchers and other original information acquired during the implementation of the petroleum operations. -- The foreign service provider shall use appropriate and advanced technology and managerial experience, and shall have the obligation to transfer its technology and pass on its experience to the Chinese personnel. -- The investment of foreign service provider shall be made in U.S. dollar or other hard currencies. -- With regard to personnel, materials, equipment, facilities and services required in the petroleum operations, priority shall be given to the employment of the Chinese subcontractors, provided that they are competitive in delivery, time, price and quality.
			Unbound
			(4) Unbound
Construction and Related Engineering Services (CPC No. 8671-8672)	(1)	Unbound	Unbound
	(2)	None	None
	(3)	By the way of equity joint venture or contractual joint venture. The foreign venturers shall have to be competitive and registered institutions in their own countries.	Registered architect and engineer in his own country.
	(4)	Unbound	Unbound
Construction (CPC No. 511-518)	(1)	Unbound	Unbound
	(2)	None	None

NOTE: Among these areas, the oil and/or gas fields being operated by the Chinese corporations shall be excluded. The eleven provinces and autonomous regions are as follows: Jiangsu Province, Zhejiang Province, Jiangxi Province, Hunan Province, Anhui Province, Guangdong Province, Fujian Province, Yunan Province, Mubei Province, Hainan Province and Guangxi Zhuang Autonomous Region.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Construction (CPC No. 511-518)			
Real Estate Services involving own or leased property (CPC No. 821)	(3) Open tender for projects by joint ventures. (4) Unbound	Subject to provisional measures on the qualification of foreign enterprises in project contraction in China.	Unbound
Real Estate Services on a fee or contract basis (CPC No. 822)	(1) Unbound (2) None (3) By the way of equity joint venture or contractual joint venture, certain percentage of investment, subject to relevant contracts. (4) Unbound	Unbound None Unbound None other than "all sectors" conditions.	Unbound
Urban Planning (CPC No. 8674) Excluding general urban planning	(1) Unbound (2) None (3) Unbound (4) Unbound	Unbound None Unbound Unbound	Unbound
Banking Services			
There are four types of foreign financial institutions to invest and provide services in China. They are subsidiaries of foreign banks, branches of foreign banks, Chinese-foreign joint banks, and Chinese-foreign joint finance companies. All the services mentioned below are limited only to banking business in foreign exchange only.			
All the services provided by the four types of financial institutions are subject to "Regulations Governing Foreign Banks and Joint Chinese-Foreign Banks in Special Economic Zones of the People's Republic of China" and "Regulations for Administration of Financial Institutions with Chinese and Foreign Joint Capital in Shanghai".			

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
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The following limitations, conditions and qualifications apply to all banking service activities listed in the offer:

- A. Four types of foreign financial institutions are permitted to provide services in China. They are the subsidiary of a foreign bank, the branch of a foreign bank, the Chinese-foreign joint bank and the Chinese-foreign joint finance company. Establishment of the four types of foreign financial institutions are limited to the following regions: Shanghai, Shenzhen, Zhuhai, Hainan, Xiamen, Shantou, Guangzhou, Fuzhou, Tianjin, Nanjing, Qingdao, Dalian and Ningbo.
 - B. Qualifications for establishing a foreign bank are as follows:
 - the investor shall be a financial institution;
 - it shall have a representative office of over three years' standing in China;
 - it shall have total assets of more than US\$ billion at the end of the year prior to the application.
 - C. Qualifications for establishing a branch of a foreign bank are as follows:
 - it shall have had a representative office of over three years' standing in China;
 - it shall have total assets of more than 20 billion at the end of the year prior to the application;
 - its home country or region shall have a sound financial supervisory system.
 - D. Qualifications for establishing a Chinese-foreign joint bank or a Chinese-foreign joint finance company are as follows:
 - each investing party shall be a financial institution;
- A foreign bank branch shall be allocated by its head office a sum of no less than US\$10 million or equivalent in other convertible currencies as its operating funds.
- Within 30 days from receipt of the approval certificate issued by the People's Bank of China, a financial institution of the four types must raise in full its paid-in capital or operating funds to be verified by a Chinese registered accountant who shall issue a certificate of capital verification.
- a foreign bank, a Chinese-foreign joint bank or a Chinese-foreign joint finance company must draw 25% of the net profit after tax each year as reserve until the total amount of its paid-in capital plus reserve funds is twice as its registered capital.
- A foreign branch bank must keep 25% of its after-tax net profit in China to supplement its operating funds until the kept profit is equal to its operating funds.
- B. Other regulations on banking business:

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
		-- the foreign investor shall have a representative office in China.	-- The total amount of loans and other facilities granted by a financial institution of the four types to any enterprise and its related enterprise and its related enterprises shall not be more than 30% of its paid-in capital plus total reserves, unless otherwise specially approved by the People's Bank of China.
			-- The total amount of investment by a financial institution of the four types shall not be more than 30% of its paid-in capital plus its total reserves. The preceding sentence does not apply to the investments in financial enterprises approved by the People's Bank of China.
			-- The total assets of a financial institution of the four types shall not be more than 20 times of its paid-in capital plus total reserves.
			-- A financial institution of the four types shall engage at least one Chinese citizen as its senior managerial personnel. Senior managerial personnel in a financial institution of the four types shall not concurrently hold important positions in other economic organizations.
			-- A financial institution of the four types shall appoint a regular registered account and such appointment is subject to the approval by the People's Bank of China or its branches.
Acceptance of Non-resident deposit in foreign currencies (81115-81119)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound
Payment and money transmission service including credit, charge and debit cards, travellers cheques and banking drafts (81339)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
Lending in foreign currencies (8113)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound
Guarantees (81199)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound
Trading for account of customers (81339, 81333)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound
Custodial	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound
Advisory and other auxiliary financial services including credit reference and analysis (8133, excluding 8131)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound
Provision and transfer of financial information data processing and related software by provider of other financial services (8131)	(1) Unbound (2) Unbound (3) Bound (4) Unbound		Unbound

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
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NOTES:

¹(a) At the present stage, the four types of financial institutions are not allowed to take deposits from citizens residing in China; but they can take deposits from "foreign-capital enterprises, equity joint ventures and contractual joint ventures" and also take deposits of loans proceeds from Chinese enterprises to whom they have granted the loans. (b) Each deposit which a Chinese-foreign joint finance company can take shall be no less than US\$100,000 or equivalent in other convertible currencies for a period of at least three months.

²(a) Loans to Chinese citizens in China are excluded. (b) The four types of financial institutions are free to grant loans to foreign-capital enterprises, equity joint ventures and contractual joint ventures, and their lendings to Chinese enterprises are subject to the rules and regulations issued by the State Administration of Exchange Control.

³Excluding transferable securities and other negotiable instruments and financial assets inclusive of bullion.

⁴Custodial depository services are applicable to foreign banks/branches of foreign banks/Chinese-foreign joint banks: trust services are applicable to Chinese-foreign joint finance companies.

Insurance Services

China offers to open its insurance market conditionally. The following limitations, conditions and qualifications apply to all insurance service activities listed in the offer:

- (1) All the services provided by foreign insurance service providers are subject to "Provisional Regulations Governing the Foreign Insurance Institutions in Shanghai".
- (2) At the present stage, foreign insurance companies are allowed to establish branches and Chinese-foreign joint insurance companies in Shanghai only.
- (3) Limitations and conditions on market access:
 - (a) Two types of foreign insurance institutions are permitted in Shanghai China: the branch of a foreign insurance company and the Chinese-foreign joint insurance company.
 - (b) Qualifications for establishing a foreign insurance institution are as follows:
 - the investor shall be a foreign insurance company more than 20 years of establishment;
 - it shall have a representative office of over three consecutive years in China;
 - it shall have total assets of more than US\$5 billion at the end of the year prior to application.
- (4) Conditions and qualifications on national treatment:
 - (a) Requirements of registered capital and guarantee funds:
 - a branch of a foreign insurance company underwriting either life insurance or non-life insurance shall pay in as its guarantee funds US\$4 million or equivalent in other convertible currencies to the branch of the People's Bank of China in Shanghai;

- a branch of a foreign insurance company underwriting both life insurance and non-life insurance shall pay in as its guarantee funds US\$8 million or equivalent in other convertible currencies to the branch of the People's Bank of China in Shanghai;
 - the registered capital of a Chinese-foreign joint insurance company underwriting either life insurance or non-life insurance shall be US\$20 million or equivalent in other convertible currencies;
 - the registered capital of a Chinese-foreign joint insurance company underwriting both life insurance and non-life insurance shall be US\$40 million or equivalent in other convertible currencies;
 - paid-in capital of a Chinese-foreign joint insurance company shall be no less than 50% of its registered capital;
 - a Chinese-foreign joint insurance company must draw 25% of the net profit after tax each year as reserve funds until the total amount of its paid-in capital plus reserve funds is twice as its registered capital;
 - a Chinese-foreign joint insurance company shall pay in 20% of its paid-in capital as its guarantee funds to the branch of the People's Bank of China in Shanghai.
- (b) Other regulations on insurance business:
- requirement of reinsurance: a foreign insurance institution shall transact 30% of its total insurance business as reinsurance to the People's Insurance Company of China. The responsibility for each perilous unit in non-life insurance underwritten by a foreign insurance institution shall not exceed 10% of its total net assets, the exceeded portion shall be transacted as reinsurance to other insurance institutions;
 - the branch of a foreign insurance company and the Chinese-foreign joint insurance company to engage in part or all of the following investment operations in China:
 - deposit in Chinese financial institutions;
 - purchasing bonds issued by the government;
 - purchasing bonds issued by enterprises (not exceeding 10% of its total investments);
 - purchasing financial bonds;
 - trust lending in foreign currencies (it shall have collateral or guarantee by the financial institutions, each unit of its lending shall not exceed 5% of its total investment, the whole sum of its lending shall not exceed 30% of its total investments);
 - equity investment (not exceeding 15% of its total investments);
 - other business operations ratified by the People's Bank of China;
 - senior managerial personnel in a foreign insurance institution shall not concurrently hold important positions in other economic organizations;
 - a foreign insurance institution shall appoint a regular accountant and actuary, such appointment is subject to the approval by the branch of the People's Bank of China in Shanghai.
 - the foreign insurance institution shall not conduct the statutory insurance business.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
<u>Life Insurance</u> ²	(1) Unbound (2) Unbound (3) Bound (4) No limitation	Unbound Unbound Bound No limitation	Unbound Unbound Bound No limitation
<u>Non-Life Insurance</u> ³	(1) Unbound (2) Unbound (3) Bound (4) No limitation	Unbound Unbound Bound No limitation	Unbound Unbound Bound No limitation
<u>Reinsurance</u> ⁴	(1) Bound (2) Unbound (3) Bound (4) No limitation	Bound Unbound Bound No limitation	Bound Unbound Bound No limitation
<u>Services auxiliary to insurance</u> ⁵	(1) Bound (2) Unbound (3) Bound (4) No limitation	Bound Unbound Bound No limitation	Bound Unbound Bound No limitation

¹The foreign insurance company shall make investment with its paid-in capital, unallotted profit, any types of reserve funds and other assets in China. The total value of the investment is that of the above-mentioned capitals and assets. The investment of foreign insurance company shall be in the form of local or foreign currencies.

²The life insurance service refers to the service provided to foreign and Chinese citizens who bear payment of premiums by themselves.

³The non-life insurance services refers to any types of non-life insurance of foreign enterprises abroad, and property insurance, liability insurance of foreign-capital enterprises in China.

⁴The reinsurance service refers to that service related to life insurance and non-life insurance.

⁵The insurance brokerage and agency are not included.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
<u>Tourism Services</u>			
Hotels (including apartment buildings) and restaurants (CPC No. 6411, 64193, 64201)	(1) (2) (3) (4)	Unbound No limitations Foreign service providers may construct, renovate and operate hotel and restaurant establishments in China by the way of Chinese foreign equity joint ventures or contractual joint ventures. Such joint venture hotels are subject to approval by the State Planning Commission, MOFERT and National Tourism Administration in line with economic needs. Such joint venture restaurants are subject to approval by local competent authorities in line with economic needs. Foreign managers, specialists and senior executives who have signed contracts with joint venture hotels and restaurants in China shall be permitted to provide services in China.	Unbound No limitations None other than "all sectors" limitations None other than "all sectors" limitations

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>TRANSPORT SERVICES</u>			
<u>Maritime Transport Services</u>	(1)(a) Liner shipping (including passenger transportation): none	(1)(a) None	
International transport (Freight and Passengers)	(b) Bulk, tramp and other international shipping including passenger transportation: none	(b) None	
CPC 7811 and 7212 less cabotage transport	(2) None	(2) None	
	(3)(a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound	(3)(a) Unbound	
	(b) Other forms of commercial presence for the supply of international maritime transport services: unbound	(b) Unbound	
	(4)(a) Ship's crews: unbound	(4)(a) None	
	(b) Key personnel employed in relation to a commercial presence as defined under mode (3)(b) above: unbound	(b) Unbound	
<u>MARITIME AUXILIARY SERVICES</u>			
Maritime Cargo Handling Services	(1) Unbound*	(1) Unbound*	
	(2) None	(2) None	
	(3) By way of joint ventures only	(3) None	
	(4) Unbound	(4) Unbound	

* A commitment on this mode of delivery is not feasible.

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
MARITIME AUXILIARY SERVICES			
Storage and Warehousing Services (CPC 742)	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) By the way of joint ventures only (4) Unbound 	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) None (4) Unbound 	
Customs Clearance Services	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) By the way of joint ventures only (4) Unbound 	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) None (4) Unbound 	
Container Station and Depot Services	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) By the way of joint ventures only (4) Unbound 	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) None (4) Unbound 	
Maritime Agency Services	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) By the way of joint ventures only (4) Unbound 	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) None (4) Unbound 	
Maritime Freight Forwarding Services	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) By the way of joint ventures only (4) Unbound 	<ul style="list-style-type: none"> (1) Unbound* (2) None (3) None (4) Unbound 	

* A commitment on this mode of delivery is not feasible.

Sector or Sub-sector	Mode of Delivery	Limitations and Conditions on Market Access	Conditions and Qualifications on National Treatment
<u>Internal Waterway Transport Services</u>			
Freight Transport (CPC No. 7222)	(1)	Only international shipping in ports open to foreign vessels shall be permitted.	Limitations as indicated under Market Access.
	(2)	None	None
	(3)	Unbound	Unbound
	(4)	Unbound	Unbound
<u>Road Transport Services</u>			
Freight Transport (CPC No. 7123 including 71231 to 71233)	(1)	Unbound	Unbound
	(2)	None	None
	(3)	Foreigners may provide road freight transport services by the way of joint ventures subject to an economic needs test.	Unbound
	(4)	Unbound	Unbound