

ANNEX II
SCHEDULE OF SPECIFIC COMMITMENTS FOR SERVICES

CHINA

EXPLANATORY NOTES

1. This Schedule sets out China's commitments in accordance with Article 8.7 (Schedules of Specific Commitments).
2. The classification of sectors in this Schedule is based on the 1991 provisional Central Product Classification (CPC) of the United Nations Statistical Office, while the ordering reflects the classification system used by the WTO Secretariat in MTN.GNS/W/120 dated 10 July 1991.
3. Unbound* means unbound due to lack of technical feasibility.
4. China's Schedule of Reservations and Non-Conforming Measures for Investment in Annex III (Schedules of Reservations and Non-Conforming Measures for Services and Investment) does not cover any aspects of an entry of investment in services. Any aspects of such an entry are covered under this Schedule only.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or subsector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS				
ALL SECTORS INCLUDED IN THIS SCHEDULE¹	(1)(2)(3)(4): Unbound with respect to the social services established or maintained for a public purpose. Such services may be subject to public monopolies or to exclusive rights granted to private operators. China reserves rights to adopt or maintain any measure it considers necessary to protect its essential security interests against another Party, including screening of investments, if that other Party reserves right to adopt or maintain a measure it considers necessary to protect its security interests in its Schedule in Annex II (Schedules of Specific Commitments for Services) or Annex III (Schedules of Reservations and Non-Conforming Measures for Services and Investment).		(1)(2)(3)(4): Unbound with respect to the social services established or maintained for a public purpose. Such services may be subject to public monopolies or to exclusive rights granted to private operators. China reserves rights to adopt or maintain any measure it considers necessary to protect its essential security interests against another Party, including screening of investments, if that other Party reserves right to adopt or maintain a measure it considers necessary to protect its security interests in its Schedule in Annex II (Schedules of Specific Commitments for Services) or Annex III (Schedules of Reservations and Non-Conforming Measures for Services and Investment).	
	(3)	“Foreign-invested enterprises or companies” in this Schedule refer to enterprises that are wholly or partly invested by foreign investors and registered within the territory of	(3)	None except for those indicated in the Market Access column.

¹ Where commitments have been made in respect of “wholly foreign-owned enterprises/subsidiaries”, foreign majority or minority ownership is also allowed. Where commitments have been made in respect of “foreign majority ownership permitted”, foreign minority ownership is also allowed, and foreign majority ownership does not mean wholly foreign-ownership.

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Sector or subsector	Limitations on Market Access	Limitations on National Treatment		Additional Commitments
	<p>China under <i>Foreign Investment Law of the People's Republic of China (2019)</i>, subject to the terms and limitations set out under specific sectors in this Schedule.</p> <p>The establishment of branches by foreign-invested enterprises is unbound, unless otherwise indicated in specific sub-sectors, as the laws and regulations on branches of foreign-invested enterprises are under formulation.</p> <p>Representative offices of foreign-invested enterprises are permitted to be established in China, but they shall not engage in any profit-making activities except for the representative offices under CPC 861, 862, 863, 865 in the sectoral specific commitments.</p> <p>The land in the People's Republic of China is state-owned. Use of land by enterprises and individuals is subject to the following maximum term limitations:</p> <p>(a) 70 years for residential purposes;</p> <p>(b) 50 years for industrial purposes;</p>			

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	<p>(c) 50 years for the purpose of education, science, culture, public health and physical education;</p> <p>(d) 40 years for commercial, tourist and recreational purposes;</p> <p>(e) 50 years for comprehensive utilisation or other purposes.</p> <p>(4) Unbound except for terms, conditions, limitations or qualifications concerning the entry and temporary stay of natural persons who fall into one of the categories referred to in China's Schedule in Annex IV (Schedules of Specific Commitments on Temporary Movement of Natural Persons).</p>	<p>(4) Unbound except for terms, conditions, limitations, or qualifications concerning the entry and temporary stay of natural persons who fall into the categories referred to in the market access column.</p>		

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Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
II. SPECIFIC COMMITMENTS					
1. BUSINESS SERVICES					
A. Professional Services	(1)	None	(1)	None	<p>In accordance with the Chinese laws, regulations and rules, foreign law firms which have established their representative offices in the China (Shanghai) Pilot Free Trade Zone ("FTZ") may enter into contracts with Chinese law firms in the FTZ. Based on such contracts, these foreign and Chinese law firms may dispatch their lawyers to each other to act as legal counsels.</p> <p>For the aforementioned dispatchment, it means the Chinese law firms may dispatch their lawyers to the foreign law firms to act as legal counsels on Chinese law and international law practice, and the foreign law firms may dispatch their lawyers to the Chinese law firms to act as legal counsels on foreign law and international law practice. The two sides shall cooperate within their respective business scope.</p> <p>In accordance with Chinese laws, regulations and rules, foreign law firms which have established their</p>
(a) Legal Services (CPC 861, excluding Chinese law practice)	(2)	None	(2)	None	
	(3)	<p>Foreign law firms can provide legal services only in the form of representative offices. Representative offices can engage in profit-making activities. Business scope of foreign representative offices is only as follows:</p> <p>(a) to provide clients with consultancy on the legislation of the country/region where the lawyers of the law firm are permitted to engage in lawyer's professional work, and on international conventions and practices;</p> <p>(b) to handle, when entrusted by clients or Chinese law firms, legal affairs of the country/region where the lawyers of the law firm are permitted to engage in lawyer's professional work;</p> <p>(c) to entrust, on behalf of foreign clients, Chinese law firms to deal with the Chinese legal affairs;</p>	(3)	<p>All representatives shall be resident in China no less than six months each year. The representative office shall not employ Chinese national registered lawyers.</p>	

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	<p>(d) to enter into contracts to maintain long-term entrustment relations with Chinese law firms for legal affairs; and</p> <p>(e) to provide information on the impact of the Chinese legal environment.</p> <p>Entrustment allows the foreign representative office to directly instruct lawyers in the entrusted Chinese law firm, as agreed between both parties. The representatives of a foreign law firm shall be practitioner lawyers who are members of the bar or law society in a Party and have practiced for no less than two years outside of China. The Chief representative shall be a partner or equivalent (e.g., member of a law firm of a limited liability corporation) of a law firm of a Party and have practiced for no less than three years outside of China.</p>		<p>representative offices in the China (Shanghai) Pilot Free Trade Zone ("FTZ") are permitted to form commercial association with Chinese law firms in Shanghai FTZ. Within the validity of commercial association, the two law firms from both sides respectively have independent legal status, name, and financial operation, and bear civil liabilities independently. Clients of the commercial association are not limited within Shanghai FTZ. Foreign lawyers in this type of commercial association are not permitted to conduct the practice of Chinese law.</p>	
	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.		

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Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
(b) Accounting, auditing and bookkeeping services (CPC 862)	(1)	None	(1)	None	<ul style="list-style-type: none"> - Foreign accounting firms are permitted to affiliate with Chinese firms and enter into contractual agreements with their affiliated firms in other Parties. - Issuance of licences to those foreigners who have passed the Chinese national CPA examination shall be accorded national treatment. - Applicants will be informed of results in writing no later than 30 days after submission of their applications. - Accounting firms providing services in CPC 862 can engage in taxation and management consulting services. They will not be subject to requirements on form of establishment in CPC 865 and 8630.
	(2)	None	(2)	None	
	(3)	Partnerships or incorporated accounting firms are limited to Certified Public Accountants (CPAs) licensed by the Chinese authorities.	(3)	None	
	(4)	Unbound except as indicted in horizontal commitments.	(4)	Unbound except as indicted in horizontal commitments.	

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(c) Taxation services (CPC 8630)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
(d) Architectural services (CPC 8671)	(1)	None for scheme design. Co-operation with Chinese professional organisations is required, except scheme design.	(1)	None
			(2)	None
			(3)	None
			(4)	Unbound except as indicated in horizontal commitments.
(e) Engineering services (CPC 8672)	(2)	None	(2)	None
			(3)	None
(f) Integrated engineering services (CPC 8673)	(3)	Wholly foreign-owned enterprises are permitted.	(3)	None
			(4)	Unbound except as indicated in horizontal commitments.
(g) Urban planning services (except general urban planning) (CPC 8674)	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

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(h) Medical and dental services (CPC 9312)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	Foreign service suppliers are permitted to establish partly foreign-invested hospitals or clinics with Chinese partners with quantitative limitations in line with China's needs, with foreign majority ownership permitted.	(3)	The majority of doctors and medical personnel of the partly foreign-invested hospitals and clinics shall be of Chinese nationality
	(4)	Unbound except as indicated in horizontal commitments and as follows: Foreign doctors with professional certificates issued by their home country shall be permitted to provide short-term medical services in China after they obtain licences from the health authorities. The term of service may be up to six months and may be extended to one year.	(4)	Unbound except as indicated in horizontal commitments.

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B. Computer and Related Services (Computer and related services do not cover the economic activity consisting of the provision of content services which require computer and related services as a means of supply) (a) Consultancy services related to the installation of computer hardware (CPC 841)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	None	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Qualifications are as follows: certified engineers, or personnel with bachelor's degree (or above) and three years of experience in these fields.
(b) Software implementation services (CPC 842)	(1)	None	(1)	None
	(2)	None	(2)	None
(c) Data processing services (CPC 843)	(3)	Wholly foreign-owned enterprises are permitted.	(3)	None
(d) Input preparation services (CPC 8431)	(4)	Unbound except as indicated in horizontal commitments.	(4)	Qualifications are as follows: certified engineers, or personnel with bachelor's degree (or above) and three years of experience in these fields.

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(e) Data processing and tabulation services (CPC 8432) (f) Time-sharing services (CPC 8433)	(1)	None	(1)	None			
	(2)	None	(2)	None			
	(3)	None	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Qualifications are as follows: certified engineers, or personnel with bachelor's degree (or above) and three years of experience in these fields.			
- Maintenance and repair services of office machinery and equipment including computers (CPC 845 and 886)	(1)	None	(1)	None			
	(2)	None	(2)	None			
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			
D. Real Estate Services (a) Real estate services involving own or leased property (CPC 821)	(1)	None	(1)	None			
	(2)	None	(2)	None			
	(3)	Wholly foreign-owned enterprises are allowed.	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			

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Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
(b) Real estate services on a fee or contract basis (CPC 822)	(1) None	(2) None	(3) None	
	(2) None	(3) Wholly foreign-owned enterprises are allowed.	(3) None	
	(3) Wholly foreign-owned enterprises are allowed.	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
	(4) Unbound except as indicated in horizontal commitments.			
E. Rental and leasing services (CPC 831, 832, excluding CPC 83202)	(1) None	(2) None	(3) Wholly foreign-owned enterprises are allowed. Foreign service suppliers are required to have global assets of US\$ 5 million.	
	(2) None	(3) Wholly foreign-owned enterprises are allowed. Foreign service suppliers are required to have global assets of US\$ 5 million.	(3) Wholly foreign-owned enterprises are allowed. Foreign service suppliers are required to have global assets of US\$ 5 million.	
	(3) Wholly foreign-owned enterprises are allowed. Foreign service suppliers are required to have global assets of US\$ 5 million.	(4) Unbound except as indicated in horizontal commitments	(4) Unbound except as indicated in horizontal commitments	
	(4) Unbound except as indicated in horizontal commitments			
F. Other Business Services	(1) None	(2) None	(3) None	
(a) Advertising services (CPC 871)	(2) None	(3) None	(3) None	
	(3) None	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
	(4) Unbound except as indicated in horizontal commitments.			

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(b) Market research services (CPC 86401, only limited to investigation services designed to secure information on the prospects and performance of an organisation's products in the market)	(1)	Unbound	(1)	Unbound	
	(2)	Unbound	(2)	Unbound	
	(3)	Only partly foreign-invested enterprises with foreign majority ownership are permitted. Economic needs tests are required.	(3)	Unbound	
	(4)	Unbound except as indicated in horizontal commitments. Requirement for a commercial presence.	(4)	Unbound except as indicated in horizontal commitments.	
(c) Management consulting services (CPC 865)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
(d) Services related to management consulting (only limited to the following sub-sector) - Project management services other than for construction	(1)	None	(1)	Unbound	
	(2)	None	(2)	Unbound	
	(3)	Only partly foreign-invested enterprises with foreign majority ownership are permitted. Economic needs tests are required.	(3)	Unbound	

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(CPC 86601)	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
(e) Technical testing and analysis services (CPC 8676)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Foreign services suppliers which have been engaged in inspection services in their home countries for more than three years are permitted to establish partly foreign-invested enterprises conducting technical testing, analysis and freight inspection with no less than US\$ 350,000 in registered capital. Wholly foreign-owned subsidiaries are permitted.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
(f) Services incidental to forestry (CPC 8814)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Only partly foreign-invested enterprises with foreign majority ownership are permitted.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	

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Modes of supply: (1) Cross-border supply		(2) Consumption abroad		(3) Commercial presence		(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments		
(g) Services incidental to manufacturing (CPC 884, 885, except for 88442, and excluding prohibited or restricted industries for foreign service suppliers by Chinese laws and regulations, and excluding services China considers relating to its national security interests.)	(1)	Unbound	(1)	Unbound			
	(2)	None	(2)	None			
	(3)	Wholly foreign-owned subsidiaries are allowed.	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			
(h) Placement and supply services of Personnel (CPC 872, excluding CPC 87209)	(1)	Unbound	(1)	Unbound			
	(2)	Unbound	(2)	Unbound			
	(3)	Only partly foreign-invested enterprises with foreign majority ownership are permitted. Economic needs tests are required.	(3)	Unbound			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			

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Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
(i) Related scientific and technical consulting services (CPC 8675) - Geological, geophysical (excluding regional gravity and magnetism prospecting services) and other scientific prospecting services (CPC 86751) - Sub-surface surveying services (CPC 86752)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Only in the form of petroleum exploitation in cooperation with Chinese partners.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
- Onshore oil-field services	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Only in the form of petroleum exploitation in cooperation with China National Petroleum Corp. (CNPC) or China Petrochemical Corp. (SINOPEC) in the designated areas approved by the Chinese government. In order to carry out the petroleum contract, the foreign service supplier shall establish a branch, subsidiary, or representative office within the territory of China and go through registration formalities in	(3)	The foreign service supplier shall furnish CNPC or SINOPEC accurately and promptly with the reports on the petroleum operations, and shall submit to CNPC the data and samples as well as various technological, economic, accounting and administrative reports related to petroleum operations. CNPC or SINOPEC shall have the ownership of all of the data records, samples, vouchers, and other	

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	<p>accordance with the laws. The domiciles of the said offices shall be determined through consultation with CNPC or SINOPEC.</p> <p>The foreign service supplier shall open its bank account with a bank approved by the Chinese authorities to engage in foreign exchange business within the territory of China.</p>		<p>original information acquired during the implementation of the petroleum operations. The investment of foreign service suppliers shall be made in US dollars or other hard currencies.</p>	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
- Maintenance and repair services (CPC 633,6112,6122)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

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Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
(o) Building-cleaning services (CPC 874)	(1)	Unbound*	(1)	Unbound*
	(2)	None	(2)	None
	(3)	Wholly foreign-owned enterprises are permitted.	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
(p) Photographic services (CPC 875)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	Only partly foreign-invested enterprises with foreign majority ownership are permitted.	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
(q) Packaging services (CPC 876)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

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Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
(r) Printing of packaging materials, on a fee or contract basis (Only limited to the printing of packaging materials)	(1) Unbound	(2) Unbound	(1) Unbound	
	(2) Unbound		(2) Unbound	
	(3) Wholly foreign-owned enterprises are permitted. Economic needs tests are required.		(3) Unbound	
	(4) Unbound except as indicated in horizontal commitments.		(4) Unbound except as indicated in horizontal commitments.	
(s) Convention services (CPC 87909)	(1) None	(2) None	(1) None	
	(2) None		(2) None	
	(3) Only partly foreign-invested enterprises with foreign majority ownership are permitted.		(3) None	
	(4) Unbound except as indicated in horizontal commitments.		(4) Unbound except as indicated in horizontal commitments.	
(t) Translation and interpretation services (CPC 87905)	(1) None	(2) None	(1) None	
	(2) None		(2) None	
	(3) Wholly foreign-owned enterprises are permitted.		(3) None	
	(4) Unbound except as indicated in horizontal commitments.		(4) Qualifications are as follows: three years of experience in translation or interpretation and a good command of the working language(s).	

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2. COMMUNICATION SERVICES					
B. Courier services (CPC 75121, except for those specifically reserved to Chinese postal authorities by the related law at the time of China's accession to the WTO on 11 December 2001)	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	

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C. Telecommunication Services ²	(1)	See mode 3	(1)	None	
Value-added Services	(2)	None	(2)	None	
Including the following:	(3)	Foreign service suppliers are permitted to establish partly foreign-invested value-added telecommunication enterprises, and foreign investment in the enterprises shall be no more than 50 per cent.	(3)	None	
(h) Electronic mail					
(i) Voice mail					
(j) On-line information and database retrieval					
(k) Electronic data interchange					
(l) Enhanced or Value-added facsimile services (including store and forward, store and retrieve)	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
(m) Code and protocol conversion					
(n) On-line information or data processing (including transaction processing)					

² China's commitments are scheduled in accordance with the following: Notes for Scheduling Basic Telecom Services Commitments (S/GBT/W/2/REV/1) and Market Access Limitations on Spectrum Availability (S/GBT/W/3) attached hereto.

All international telecommunications services shall go through gateways established with the approval of China's telecommunications authorities, which will act as an independent regulatory authority in accordance with the principles of paragraph 5 of the Reference Paper in Attachment 2 attached hereto.

Further liberalization of this sector, including with respect to the level of equity participation permitted, will be discussed in the services negotiations during the new round of trade talks under WTO.

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Basic Telecommunication Services - Paging Services	(1)	See mode 3	(1)	None	China undertakes the obligations contained in the Reference Paper in Attachment 2 attached hereto.
	(2)	None	(2)	None	
	(3)	Foreign service suppliers are permitted to establish partly foreign-invested enterprises with foreign equity participation of no more than 50 per cent.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
Mobile Voice and Data Services: - Analogue / Digital / Cellular Services - Personal Communication Services	(1)	See mode 3	(1)	None	
	(2)	None	(2)	None	
	(3)	Foreign service suppliers are permitted to establish partly foreign-invested enterprises only, and foreign investment in the enterprises shall be no more than 49 per cent.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
- Domestic Services (a) Voice services (b) Packet-switched data transmission services (c) Circuit-switched data transmission services	(1)	See mode 3	(1)	None	
	(2)	None	(2)	None	
	(3)	Foreign service suppliers are permitted to establish partly	(3)	None	

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Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
(f) Facsimile services (g) Domestic private leased circuit services - International Services (a) Voice services (b) Packet-switched data transmission services (c) Circuit-switched data transmission services (f) Facsimile services (g) International closed user group voice and data services (use of private leased circuit service is permitted).	(4)	foreign-invested enterprises only, and foreign investment in the enterprises shall be no more than 49 per cent. Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
D. Audiovisual Services - Videos, including entertainment software and (CPC 83202), distribution services	(1)	None	(1)	None	In accordance with China's commitments under GATS, and without prejudice to compliance with China's regulations on the administration of films, China allows the importation of motion pictures for theatrical release on a revenue-sharing basis and the number of such imports shall be 20 on an annual basis.
	(2)	None	(2)	None	
	(3)	Foreign services suppliers are permitted to establish partly foreign-invested enterprises with Chinese partners to engage in the distribution of audiovisual products, excluding motion pictures, without prejudice to China's right to examine the content of audio and video products.	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad		(3) Commercial presence		(4) Presence of natural persons	
Sector or Sub-sector		Limitations on Market Access		Limitations on National Treatment		Additional Commitments	
- Sound recording distribution services	(1)	None		(1)	None		In accordance with China's commitments under GATS and without prejudice to compliance with China's regulations on the administration of films, China allows the importation of motion pictures for theatrical release on a revenue-sharing basis and the number of such imports shall be 20 on an annual basis.
	(2)	None		(2)	None		
	(3)	Foreign services suppliers are permitted to establish partly foreign-invested enterprises with Chinese partners to engage in the distribution of audiovisual products, excluding motion pictures, without prejudice to China's right to examine the content of audio and video products.		(3)	None		
	(4)	Unbound except as indicated in horizontal commitments.		(4)	Unbound except as indicated in horizontal commitments.		
- Cinema Services	Theatre	(1)	None		(1)	None	
		(2)	None		(2)	None	
		(3)	Foreign services suppliers are permitted to construct or renovate cinema theatres, with foreign investment no more than 49 per cent.		(3)	None	
		(4)	Unbound except as indicated in horizontal commitments.		(4)	Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES					
(CPC 511, 512, 513 ³ , 514, 515, 516, 517, 518 ⁴)	(1)	Unbound*	(1)	Unbound	The foreign construction enterprises established in the China (Shanghai) Pilot Free Trade Zone ("FTZ") may undertake the Chinese-foreign jointly constructed projects in Shanghai. Under such circumstances, these foreign construction enterprises will be exempted from the foreign investment ratio requirement in the projects.
	(2)	None	(2)	None	
	(3)	Wholly foreign-owned enterprises are permitted. Wholly foreign-owned enterprises can only undertake the following four types of construction projects. 1. Construction projects wholly financed by foreign investment or grants. 2. Construction projects financed by loans of international financial institutions and awarded through international tendering according to the terms of loans. 3. Chinese-foreign jointly constructed projects with foreign investment equal to or more than 50 per cent; and Chinese-foreign jointly constructed projects with foreign investment less than 50 per cent but technically difficult to be implemented by Chinese construction enterprises alone. 4. Chinese invested construction	(3)	None	

³ Including dredging services relating to infrastructure construction.

⁴ Coverage of CPC 518 is limited only to the rental and leasing services of construction or demolition machines with operator which are owned and used by foreign construction enterprises in their supply of services.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	<p>projects which are difficult to be implemented by Chinese construction enterprises alone can be jointly undertaken by Chinese and foreign construction enterprises with the approval of provincial government.</p>			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
4. DISTRIBUTION SERVICES (as defined in Attachment 3)					
A. Commission Agents' Services (excluding salt, tobacco)	(1)	Unbound	(1)	Foreign-invested enterprises are permitted to distribute their products manufactured in China, including the products listed in the market access or sector or sub-sector column, and provide subordinate services as defined in Attachment 3. Foreign service suppliers are permitted to provide the full range of related subordinate services, including after sales services, as defined in Attachment 3, for the products they distribute.	
	(2)	None	(2)		None
B. Wholesale Trade Services (excluding salt, tobacco)	(3)	Wholly foreign-owned enterprises are permitted.	(3)		None
	(4)	Unbound except as indicated in horizontal commitments.	(4)		Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
C. Retailing Services (excluding tobacco).	(1)	Unbound except for mail order.	(1)	Foreign-invested enterprises may distribute their products manufactured in China, including those excepted products as listed in the market access or sector or sub-sector column, and provide subordinate services as defined in Attachment 3. Foreign service suppliers are permitted to provide full range of related subordinate services, including after sales services, as defined in Attachment 3, for the products they distribute.	
	(2)	None	(2)		None
	(3)	Wholly foreign-owned enterprises are permitted, except for: - chain stores which sell products of different types and brands from multiple suppliers with more than 30 outlets. For such chains stores with more than 30 outlets, foreign majority ownership will not be permitted if those chain stores distribute any of the following products: books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, processed oil, chemical fertilizers and products listed in Annex 2A (Products Subject to State Trading) of the <i>Protocol of China's WTO Accession</i> . The foreign chain store operators will have the freedom of choice of any partner, legally established in China according to China's laws and regulations.	(3)		None
	(4)	Unbound except as indicated in horizontal commitments.	(4)		Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments
D. Franchising	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	
E. Wholesale or retail trade services away from a fixed location.	(1)	None	(1)	None	
	(2)	None	(2)	None	
	(3)	None ⁵	(3)	None	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.	

⁵ See paragraph 310 of the Working Party Report on the Accession of China to WTO.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector	Limitations on market access		Limitations on national treatment	Additional commitments
5. EDUCATIONAL SERVICES				
(Excluding special education services e.g. military, police, political and party school education)	(1)	Unbound	(1)	Unbound
	(2)	None	(2)	None
	(3)	Partly foreign-invested schools are permitted, with foreign majority ownership permitted.	(3)	Unbound
A. Primary education services (CPC 921, excluding national compulsory education in CPC 92190)	(4)	Unbound except as indicated in horizontal commitments and the following: Foreign individual education service suppliers may enter into China to provide education services when invited or employed by Chinese schools and other education institutions.	(4)	Qualifications are as follows: - possession of bachelor's degree or above; and - an appropriate professional title or certificate, with two years' professional experiences.
B. Secondary education services (CPC 922, excluding national compulsory education in CPC 92210)				
C. Higher education services (CPC 923)				
D. Adult education services (CPC 924, including non-academic training of beauty treatment, spa, and acupuncture)				
E. Other education services (CPC 929, including non-academic training				

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or sub-sector	Limitations on market access	Limitations on national treatment	Additional commitments
in the following areas: a. English language b. cooking c. handicraft)			

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons				
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
6. ENVIRONMENTAL SERVICES (excluding environmental quality monitoring and pollution source inspection)				
A. Sewage Services (CPC 9401)	(1)	Unbound except for environmental consultation services.	(1) None	
B. Solid Waste Disposal Services (CPC 9402)	(2)	None	(2) None	
C. Cleaning Services of Exhaust Gases (CPC 9404)	(3)	Wholly foreign-owned enterprises are permitted.	(3) None	
D. Noise Abatement Services (CPC 9405)	(4)	Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
G. Sanitation Services (CPC 9403)				
E. Nature and Landscape Protection Services (CPC 9406 excluding the construction and operation of natural reserves and Ramsar sites)	(1)	Unbound except for environmental consultation services.	(1) None	
	(2)	None	(2) None	
	(3)	Foreign services suppliers engaged in environmental services are permitted to provide services by establishing partly foreign-invested enterprises only, with foreign majority ownership permitted.	(3) None	
F. Other Environmental Protection Services (CPC 9409)				
	(4)	Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
7. FINANCIAL SERVICES				
A. All Insurance and Insurance-Related Services ⁶ (a) Life, health and pension/annuity insurance (b) Non-life insurance (c) Reinsurance (d) Services auxiliary to insurance	(1)	Unbound except for: (a) reinsurance; (b) international marine, aviation, and transport insurance; and (c) brokerage for large scale commercial risks, international marine, aviation, and transport insurance, and reinsurance.	(1)	None
	(2)	Unbound for brokerage. Other, none.	(2)	None
	(3)	A. <u>Form of establishment</u> Foreign non-life insurers are permitted to establish as a branch, or as a foreign-invested enterprise, with no form of establishment restrictions. Foreign life insurers are permitted to establish as a branch, or as a foreign-invested enterprise with no form of establishment restrictions. Foreign Insurance brokerage	(3)	None, except for: - Foreign insurance institutions shall not engage in the statutory insurance business, except that insurance institutions of a Party are permitted to undertake third party auto liability insurance.

⁶ Any further authorisation provided to foreign insurers after accession under more favourable conditions than those contained in this Schedule (including the extension of grandfathered investments through branching, sub-branching or any other legal form), will be made available to other foreign service suppliers which so requested.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>companies are permitted to establish foreign-invested companies.</p> <p>Internal branching is permitted for foreign insurance firms which have established foreign-invested insurance companies in China.</p> <p>Internal branching is permitted for foreign insurance brokerage companies which have established foreign-invested insurance brokerage companies in China.</p> <p>B. <u>Business Scope</u> (See Attachment 4: Definition of "Master Policy") Foreign non-life insurers are permitted to provide "master policy" insurance/insurance of large scale commercial risks, which has no geographic restrictions. In accordance with national treatment, foreign insurance brokers are permitted to provide "Master policy" no</p>		

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>later than Chinese brokers, under conditions no less favourable.</p> <p>Qualified foreign investors are permitted to engage in insurance agency business and loss adjustment business in China.</p> <p>The business scope of foreign insurance brokerage company will be the same as Chinese insurance brokerage company.</p> <p>Foreign non-life insurers are permitted to provide the full range of non-life insurance services to both foreign and domestic clients.</p> <p>Foreign insurers are permitted to provide health insurance, individual/group insurance and pension/annuities insurance to foreigners and Chinese.</p> <p>Foreign insurers are permitted to provide reinsurance services for life and non-life insurance as a</p>		

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>branch, or as a foreign-invested enterprise, without geographic or quantitative restrictions on the number of licences issued.</p> <p>C. <u>Licences</u> Licences are issued with no economic needs test or quantitative limits on licences. Qualifications for establishing a foreign insurance institution are as follows:</p> <ul style="list-style-type: none"> - it shall have total assets of more than US \$5 billion at the end of the year prior to application, except for insurance brokers. <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(4) Unbound except as indicated in horizontal commitments.</p>	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments	
<p>B. Banking and Other Financial Services (excluding insurance and securities)</p> <p>Banking services as listed below:</p> <p>(a) Acceptance of deposits and other repayable funds from the public;</p> <p>(b) Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;</p> <p>(c) Financial leasing;</p> <p>(d) All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (including import and export settlement);</p> <p>(e) Guarantees and commitments;</p> <p>(f) Trading for own</p>	(1)	<p>Unbound except for the following:</p> <ul style="list-style-type: none"> - Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; - Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs (a) through (k), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy. 	(1)	None	<p>For financial leasing services, foreign financial leasing corporations are permitted to provide financial leasing service at the same time as domestic corporations.</p>
	(2)	None	(2)	None	
	(3)	<p>A. <u>Geographic coverage</u></p> <p>For foreign currency and local currency business, there is no geographic restriction.</p> <p>B. <u>Clients</u></p> <p>For foreign currency business, foreign financial institutions are permitted to provide services in China without restriction as to clients.</p> <p>For local currency business,</p>	(3)	<p>Except for prudential measures, foreign financial institution may do business, without restrictions or need for case-by-case approval, with foreign-invested enterprises, non-Chinese natural persons, Chinese natural persons, and Chinese enterprises. Otherwise, none.</p>	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
account or for account of customers: foreign exchange.	the relevant requirements as to clients are solely prudential. C. <u>Licensing</u> Criteria for authorisation to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licences).		
	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment		Additional Commitments
- Motor vehicle financing by non-bank financial institutions	<p>(1) Unbound except for the following:</p> <ul style="list-style-type: none"> - Provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and - Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs (a) through (k), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy. <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>		

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
- Other financial services as listed below: (k) Provision and transfer of financial information, and financial data processing and related software by supplier of other financial services; (l) Advisory, intermediation and other auxiliary financial services on all activities listed in subparagraphs (a) through (k), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.	(1) None (2) None (3) None. Criteria for authorisation to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licences). Branches of foreign institutions are permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
Securities	(1)	Unbound except for the following: - (a) Foreign securities institutions may engage directly (without Chinese intermediary) in B share business (b) Foreign service suppliers which meet the requirement of China's relevant laws and regulations are permitted to provide the following services to Chinese Qualified Institutional domestic Investors (QDII): - Trading for account of QDII; - Providing securities trading advice or portfolio management; and - Providing custody for overseas assets of QDII.	(1) None	
	(2)	None	(2) None	
	(3)	(a) Unbound except for the following: - Representative offices in China of foreign securities institutions may become Special Members of all Chinese stock exchanges. - Foreign service suppliers, which meet the regulatory	(3) None	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>requirements and conditions, upon approval, are permitted to establish wholly foreign owned fund management companies to engage (without Chinese intermediary) in domestic securities investment fund management business.</p> <ul style="list-style-type: none"> - Foreign services suppliers, which meet the regulatory requirements and conditions, upon approval, are permitted to establish wholly foreign owned securities companies to engage (without Chinese intermediary) in domestic securities business. - Foreign services suppliers are permitted to hold 100 per cent equity of futures companies. <p>(b) Criteria for authorisation to deal in China's financial industry are solely prudential (i.e., contain no economic needs test or quantitative limits on licences).</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(4) Unbound except as indicated in horizontal commitments.</p>	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons				
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
8. HEALTH RELATED AND SOCIAL SERVICES				
C. Social Services	(1)	None	(1)	None.
- Services for the aged (part of CPC 93311 and 93323)	(2)	None	(2)	None.
	(3)	Service suppliers of a Party are permitted to establish wholly foreign-owned profit-making institutions for the aged in China.	(3)	Unbound
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
9. TOURISM AND TRAVEL RELATED SERVICES				
A. Hotels (including apartment buildings) and Restaurants (CPC 641-643)	(1) None	(2) None	(1) None	
	(2) None		(2) None	
	(3) Foreign services suppliers may construct, renovate and operate hotel and restaurant establishments in China. Wholly foreign-owned subsidiaries are permitted.		(3) None	
	(4) Unbound except as indicated in horizontal commitments and as follows: - Foreign managers, specialists including chefs and senior executives who have signed contracts with partly foreign-invested hotels and restaurants in China are permitted to provide services in China.		(4) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
B. Travel Agency and Tour Operators Services (CPC 7471)	(1)	None	(1)	
	(2)	None	(2)	
	(3)	None	(3)	
	(4)	Unbound except as indicated in horizontal commitments.	(4)	
			(3)	
			(4)	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons				
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services)				
D. Sporting and other recreational services (Only limited to CPC 96411, 96412, 96413, including yoga, excluding golf and E-Sports)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	None	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
11. TRANSPORT SERVICES				
A. Maritime Transport Services - International transport (freight and passengers) (CPC 7211 and 7212 less cabotage transport services)	(1)	(a) Liner shipping (including passenger transportation): None (b) Bulk, tramp and other international shipping (including passenger transportation): None	(1) (a) None (b) None	The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling, and watering 4. Garbage collecting and ballast waste disposal 5. Port Captain's services 6. Navigation aids 7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth, and berthing services.
	(2)	None	(2) None	
	(3)	None	(3) None	
	(4)	(a) Ship's crew: Unbound except as indicated in horizontal commitments. (b) Key personnel employed by commercial presence: Unbound except as indicated in horizontal commitments.	(4) (a) Unbound except as indicated in horizontal commitments. (b) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad		(3) Commercial presence		(4) Presence of natural persons	
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment		Additional Commitments		
H. Auxiliary Services	(1)	Unbound*	(1)	Unbound*			
(a) Maritime cargo-handling services (CPC 741)	(2)	None	(2)	None			
(c) Customs clearance services for maritime transport	(3)	None.	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			
(d) Container station and depot services	(1)	Unbound*	(1)	Unbound*			
	(2)	None	(2)	None			
	(3)	None.	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			
(e) Maritime agency services	(1)	None	(1)	None			
	(2)	None	(2)	None			
	(3)	None.	(3)	None			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.			

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
B. Internal Waterways Transport (b) Freight transportation (CPC 7222)	(1)	Only international shipping in ports open to foreign vessels shall be permitted.	(1)	Limitations as indicated under market access column.
	(2)	None	(2)	None
	(3)	Unbound	(3)	Unbound
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
C. Air Transport Services (d) Aircraft repair and maintenance services (CPC 8868)	(1)	Unbound*	(1)	Unbound*
	(2)	None	(2)	None
	(3)	Foreign service suppliers are permitted to establish partly foreign-invested aircraft repair and maintenance enterprises in China. The Chinese side shall hold controlling shares or be in a dominant position in the enterprises.	(3)	The partly foreign-invested enterprises have the obligation to undertake business in the international market.
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
- Computer Reservation System (CRS) services	(1)	(a) Foreign computer reservation systems may provide services to Chinese aviation enterprises and aviation agents by connecting through a Chinese computer reservation system. (b) Foreign Computer Reservation System may provide services to representative offices and sales offices established in the destination cities in China by foreign aviation enterprises which have the right to engage in business according to the bilateral aviation agreements. (c) Direct access to and use of foreign computer reservation systems by aviation agents are subject to approval of the General Administration of Civil Aviation of China (CAAC).	(1) None	
	(2)	None	(2) None	
	(3)	Foreign service suppliers are permitted to establish partly foreign-invested enterprises with Chinese Computer Reservation	(3) Unbound	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
	System in China. The Chinese side shall hold controlling shares or be in a dominant position in the enterprises. Licences for the establishment of enterprises are subject to economic needs test.			
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
E. Rail Transport Services	(1)	None	(1)	None
- Freight transportation by rail (CPC 7112)	(2)	None	(2)	None
	(3)	Wholly foreign-owned subsidiaries are permitted.	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
F. Road Transport Services	(1)	None	(1)	None
- Freight transportation by road in trucks or cars (CPC 7123)	(2)	None	(2)	None
	(3)	None	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
Passenger Transportation - Urban and suburban regular transportation (CPC 71211) - Urban and suburban special transportation (CPC 71212) - Interurban regular transportation (CPC 71213) - Interurban special transportation (CPC 71214)	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in horizontal commitments.	
H. Services Auxiliary to all Modes of Transport - Storage and warehousing services (CPC 742)	(1) Unbound (2) None (3) Wholly foreign-owned subsidiaries are permitted. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment		Additional Commitments
- Freight forwarding agency services (CPC 748)	<p>(1) None</p> <p>(2) None</p> <p>(3) Foreign freight forwarding agencies which have at least three consecutive years' experience are permitted to set up partly foreign-invested freight forwarding agency in China. Wholly foreign-owned subsidiaries permitted. Operation term of the partly foreign-invested enterprises shall not exceed 20 years. After one year operating in China, a partly foreign-invested enterprise can set up branches. A foreign freight forwarding agency may set up a second partly foreign-invested enterprise after its first enterprise has been in operation for two years.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	
		<p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(4) Unbound except as indicated in horizontal commitments.</p>	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or Sub-sector	Limitations on Market Access		Limitations on National Treatment	Additional Commitments
- Freight inspection covered by CPC 749, excluding statutory inspection services for freight inspection services	(1)	None	(1) None	
	(2)	None	(2) None	
	(3)	Foreign services suppliers which have been engaged in inspection services in their home countries for more than three years are permitted to establish partly foreign-invested enterprises conducting technical testing, analysis and freight inspection with no less than US\$ 350,000 in registered capital. Wholly foreign-owned subsidiaries are permitted.	(3) None	
	(4)	Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	

CHINA - SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: (1) Cross-border supply		(2) Consumption abroad	(3) Commercial presence	(4) Presence of natural persons
Sector or sub-sector	Limitations on market access		Limitation on national treatment	Additional commitments
12. OTHER SERVICES NOT INCLUDED ELSEWHERE				
- Specialty design services (CPC87907)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	None	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.
- Hairdressing and other beauty services (CPC 9702)	(1)	None	(1)	None
	(2)	None	(2)	None
	(3)	None	(3)	None
	(4)	Unbound except as indicated in horizontal commitments.	(4)	Unbound except as indicated in horizontal commitments.

CHINA'S MOST-FAVOURED-NATION TREATMENT SECTORAL COVERAGE APPENDIX

This Appendix sets out China's commitments in accordance with subparagraph 1(b) of Article 8.6 (Most-Favoured-Nation Treatment).

I. Horizontal Limitations

In terms of Most-Favoured-Nation (MFN) Treatment commitments pursuant to Article 8.6 (Most-Favoured-Nation Treatment), the following rights are reserved by China:

- (a) For China, the term "non-Party" under Article 8.6 (Most-Favoured-Nation Treatment) shall not include the following WTO Members within the meaning of the WTO Agreement: Hong Kong, China; Macao, China; and Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei).
- (b) China reserves the right to adopt or maintain any measure that accords more favourable treatment to any service supplier under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement⁷.
- (c) China reserves the right to adopt or maintain any measure that accords more favourable treatment to any service supplier under any bilateral or multilateral international agreement in force or signed involving aviation, fisheries or maritime matters including salvage.
- (d) China reserves the right to confer or accord advantages to adjacent countries in order to facilitate exchanges limited to contiguous frontier zones of services that are both locally produced or consumed.
- (e) China reserves the right to adopt or maintain any measure with respect to the supply of service by presence of natural persons.
- (f) China reserves rights to adopt or maintain any measure it considers necessary to protect its essential security interests to another Party, including screening of investments, if that Party reserves right to adopt or maintain a measure it considers necessary to protect its security.

II. MFN Sectoral Coverage

1. BUSINESS SERVICES	
A. Professional Services	
(a) Legal services (CPC 861, excluding Chinese law practice)	Most-Favoured-Nation (MFN)

⁷ For greater certainty, paragraph (b) includes, in respect of any bilateral or multilateral agreement, any measures taken as part of a wider process of economic integration or trade liberalisation.

(c) Taxation services (CPC 8630)	Most-Favoured-Nation (MFN)
(d) Architectural services (CPC 8671)	
- Scheme design	Most-Favoured-Nation (MFN)
- Others	Most-Favoured-Nation (MFN)
(e) Engineering services (CPC 8672)	
- Scheme design	Most-Favoured-Nation (MFN)
- Others	Most-Favoured-Nation (MFN)
(f) Integrated engineering services (CPC 8673)	
- Scheme design	Most-Favoured-Nation (MFN)
- Others	Most-Favoured-Nation (MFN)
(g) Urban planning services (except general urban planning) (CPC 8674)	
- Scheme design	Most-Favoured-Nation (MFN)
- Others	Most-Favoured-Nation (MFN)
F. Other Business Services	
(c) Management Consulting services (CPC 865)	Most-Favoured-Nation (MFN)
(f) Services incidental to forestry (CPC 8814)	Most-Favoured-Nation (MFN)
(o) Building-cleaning services (CPC 874)	Most-Favoured-Nation (MFN)
(q) Packaging services (CPC 876)	Most-Favoured-Nation (MFN)
(s) Convention services (CPC 87909)	Most-Favoured-Nation (MFN)
(t) Translation and interpretation services (CPC 87905)	Most-Favoured-Nation (MFN)
2. COMMUNICATION SERVICES	
B. Courier Services (CPC 75121, except for those specifically reserved to Chinese postal authorities by the related law at the time of China's accession to WTO on 11 December 2001)	Most-Favoured-Nation (MFN)
D. Audiovisual Services	
- Cinema Theatre Services	Most-Favoured-Nation (MFN)
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES	
(CPC 511, 512, 513 ⁸ , 514, 515, 516, 517, 518 ⁹)	Most-Favoured-Nation (MFN)
4. DISTRIBUTION SERVICES (as defined in Attachment 3)	
D. Franchising	Most-Favoured-Nation (MFN)

⁸ Including dredging services relating to infrastructure construction.

⁹ Coverage of CPC 518 is limited only to the rental and leasing services of construction or demolition machines with operator which are owned and used by foreign construction enterprises in their supply of services.

6. ENVIRONMENTAL SERVICES	
(excluding environmental quality monitoring and pollution source inspection)	
A. Sewage Services (CPC 9401)	Most-Favoured-Nation (MFN)
B. Solid Waste Disposal Services (CPC 9402)	Most-Favoured-Nation (MFN)
C. Cleaning Services of Exhaust Gases (CPC 9404)	Most-Favoured-Nation (MFN)
D. Noise Abatement Services (CPC 9405)	Most-Favoured-Nation (MFN)
G. Sanitation Services (CPC 9403)	Most-Favoured-Nation (MFN)
E. Nature and Landscape Protection Services (CPC 9406 excluding the construction and operation of Natural Reserves and Ramsar Sites)	Most-Favoured-Nation (MFN)
F. Other Environmental Protection Services (CPC 9409)	Most-Favoured-Nation (MFN)
9. TOURISM AND TRAVEL RELATED SERVICES	
A. Hotels (including apartment buildings) and Restaurants (CPC 641-643)	Most-Favoured-Nation (MFN)
11. TRANSPORT SERVICES	
E. Rail Transport Services	
- Freight transportation by rail (CPC 7112)	Most-Favoured-Nation (MFN)
F. Road Transport Services	
- Freight transportation by road in trucks or cars (CPC 7123)	Most-Favoured-Nation (MFN)
Passenger Transportation	Most-Favoured-Nation (MFN)
- Interurban regular transportation (CPC 71213)	
Freight forwarding agency services (CPC 748)	Most-Favoured-Nation (MFN)

Attachment 1
CHINA'S FUTURE LIBERALISATION COMMITMENTS

This attachment sets out China's commitments on future liberalisation (FL) in accordance with paragraph 3 of Article 8.7 (Schedules of Specific Commitments).

I. Horizontal Limitations

In terms of future liberalisation (FL) commitments pursuant to paragraph 3 of Article 8.7 (Schedules of Specific Commitments), the following rights are reserved by China:

- (a) China reserves the right to adopt or maintain any measure with respect to the supply of service by presence of natural persons.
- (b) China's FL commitments do not apply to its Horizontal Commitments.
- (c) China remains unbound for all subsidies to domestic services suppliers except those committed by China in its WTO accession.

II. Sectoral Coverage of Future Liberalisation (FL) Commitments:

1. BUSINESS SERVICES	
A. Professional Services	
(a) Legal services (CPC 861, excluding Chinese law practice)	Future Liberalisation (FL)
(c) Taxation services (CPC 8630)	Future Liberalisation (FL)
(d) Architectural services (CPC 8671)	
- Scheme design	Future Liberalisation (FL)
- Others	Future Liberalisation (FL)
(e) Engineering services (CPC 8672)	
- Scheme design	Future Liberalisation (FL)
(g) Urban planning services (except general urban planning) (CPC 8674)	
- Scheme design	Future Liberalisation (FL)
- Others	Future Liberalisation (FL)
B. Computer and Related Services	
(Computer and related services do not cover the economic activity consisting of the provision of content services which require computer and related services as a means of supply)	
Consultancy services related to the installation of computer	Future Liberalisation (FL)

hardware (CPC 841)	
Maintenance and repair services of office machinery and equipment including computers (CPC 845 and 886)	Future Liberalisation (FL)
F. Other Business Services	
(c) Management Consulting services (CPC 865)	Future Liberalisation (FL)
(e) Technical testing and analysis services (CPC 8676)	Future Liberalisation (FL)
(f) Services incidental to forestry (CPC 8814)	Future Liberalisation (FL)
(o) Building-cleaning services (CPC 874)	Future Liberalisation (FL)
(q) Packaging services (CPC 876)	Future Liberalisation (FL)
(s) Convention services (CPC 87909*)	Future Liberalisation (FL)
(t) Translation and interpretation services (CPC 87905)	Future Liberalisation (FL)
2. COMMUNICATION SERVICES	
B. Courier Services (CPC 75121, except for those specifically reserved to Chinese postal authorities by the related law at the time of China's accession to WTO on December 11th 2001)	Future Liberalisation (FL)
D. Audiovisual Services	
- Cinema Theatre Services	Future Liberalisation (FL)
4. DISTRIBUTION SERVICES (as defined in Attachment 3)	
D. Franchising	Future Liberalisation (FL)
9. TOURISM AND TRAVEL RELATED SERVICES	
A. Hotels (including apartment buildings) and Restaurants (CPC 641-643)	Future Liberalisation (FL)
11. TRANSPORT SERVICES	
E. Rail Transport Services	
- Freight transportation by rail (CPC 7112)	Future Liberalisation (FL)
F. Road Transport Services	
- Freight transportation by road in trucks or cars (CPC 7123)	Future Liberalisation (FL)
Passenger Transportation	Future Liberalisation (FL)
- Interurban regular transportation (CPC 71213)	
- Freight inspection covered by CPC 749, excluding statutory inspection services for freight inspection services	Future Liberalisation (FL)

Attachment 2

Reference Paper

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

“Users” mean service consumers and service suppliers.

“Essential facilities” mean facilities of a public telecommunications transport network or service that:

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A “major supplier” is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidisation;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with

users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time; or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Party has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Party.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence; and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

WORLD TRADE ORGANIZATION

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Group on Basic Telecommunications

Note by the Chairman

Revision

It has been suggested by a number of delegations that it might be helpful to produce a brief and simple note on assumptions applicable to the scheduling of commitments in basic telecoms. The purpose of the attached note is to assist delegations in ensuring the transparency of their commitments and to promote a better understanding of the meaning of commitments. This note is not intended to have or acquire any binding legal status.

NOTES FOR SCHEDULING BASIC TELECOM SERVICES COMMITMENTS

1. Unless otherwise noted in the sector column, any basic telecom service listed in the sector column:
 - (a) encompasses local, long distance and international services for public and non-public use;
 - (b) may be provided on a facilities-basis or by resale; and
 - (c) may be provided through any means of technology (e.g., cable¹⁰, wireless, satellites).
2. Subsector (g) --private leased circuit services -- involves the ability of service suppliers to sell or lease any type of network capacity for the supply of services listed in any other basic telecom service subsector unless otherwise noted in the sector column. This would include capacity via cable, satellite and wireless network.
3. In view of points 1 and 2 above, it should not be necessary to list cellular or mobile services as a separate subsector. However, a number of Members have done so, and a number of offers have commitments only in these subsectors. Therefore, in order to avoid extensive changes in schedules, it would seem appropriate for Members to maintain separate entries for these subsectors.

¹⁰ Including all types of cable.

Group on Basic Telecommunications

CHAIRMAN'S NOTE

Market Access Limitations on Spectrum Availability

Many Members have entries in the market access column of their schedules indicating that commitments are "subject to availability of spectrum/frequency" or similar wording. In light of the physical nature of spectrum and the constraints inherent in its use, it is understandable that Members may have sought to rely on these words to adequately protect legitimate spectrum management policies. There is, however, doubt that words such as "subject to availability of spectrum/frequency" as listed in the market access column of many Members' schedules achieve that objective.

Spectrum/frequency management is not, *per se*, a measure which needs to be listed under Article XVI. Furthermore under the GATS each Member has the right to exercise spectrum/frequency management, which may affect the number of service suppliers, provided that this is done in accordance with Article VI and other relevant provisions of the GATS. This includes the ability to allocate frequency bands taking into account existing and future needs. Also, Members which have made additional commitment in line with the Reference Paper on regulatory principles are bound by its paragraph 6.

Therefore, words such as "subject to availability of spectrum/frequency" are unnecessary and should be deleted from Members' schedules.

Attachment 3

Distribution Services

Distribution trade services are comprised of four main sub-sectors:

- commission agents services;
- wholesaling;
- retailing; and
- franchising.

The principal services rendered in each subsector can be characterised as reselling merchandise, accompanied by a variety of related subordinated services, including inventory management; assembly, sorting and grading of bulk lots; breaking bulk lots and redistributing into smaller lots; delivery services; refrigeration, storage, warehousing and garage services; sales promotion, marketing and advertising, installation and after sales services including maintenance and repair and training services. Distribution services are generally covered by CPC 61, 62, 63, and 8929.

Commission Agents' Services consist of sales on a fee or contract basis by an agent, broker or auctioneer, or other wholesalers of goods/merchandise and related subordinated services.

Wholesaling consists of the sale of goods/merchandise to retailers to industrial, commercial, institutional, or other professional business users, or to other wholesalers and related subordinated services.

Retailing services consist of the sale of goods/merchandise for personal or household consumption either from a fixed location (e.g., store, kiosk, etc.) or away from a fixed location and related subordinated services.

Franchising services consist of the sale of the use of a product, trade name, or particular business format system in exchange for fees or royalties. Product and trade name franchising involves the use of a trade name in exchange for fees or royalties and may include an obligation for exclusive sale of trade name products. Business format franchising involves the use of an entire business concept in exchange for fees and royalties, and may include the use of a trade name, business plan, and training materials and related subordinated services.

Attachment 4

Insurance: Definition of "Master Policy"

Master policy is the policy that provides blanket coverage for the same legal person's property and liabilities located in different places. Master policy may only be issued by the business department of an insurer's head office or that of its authorised province-level branch offices. Other branches are not allowed to issue master policy.

Master policy business with the state key construction projects as its subject-matter insured. If investors on the state key construction projects (i.e., projects that are so listed and annually announced by the National Development and Reform Commission) meet either of the following requirements, they may purchase master policy from insurers that are located in the same place as the investors' legal persons do.

The investment on the subject-matter insured is all from China (including the reinvestment from the foreign-invested enterprises in China), and the sum of investment of the investor accounts for over 15 per cent of the total investment.

The investment is partially from abroad, and partially from China (including the reinvestment from the foreign-invested enterprises in China), and the sum of investment of the Chinese investor accounts for over 15 per cent for the total domestic investment.

For those projects that draw investment all from abroad, every insurer may provide coverage in the form of master policies.

Master policy covering different subjects-matter insured of the same legal person. For those subjects-matter insured located in different places and owned by the same legal person (excluding financial, railway, and post and telecommunications industries and enterprises), master policy may be issued on the basis of either of the following conditions.

For the sake of payment of premium tax, insurance companies incorporated where the legal person or accounting unit of the insurance applicant is located are allowed to issue master policy.

If over 50 per cent of insurance amount of the subject-matter insured is from a larger or medium sized city, then insurers in that city are allowed to issue master policy, no matter whether the insurance applicant's legal person or accounting unit is located in the city.

Motor insurance, credit insurance, employer liabilities insurance, statutory insurance, and other insurance business excluded by the China Banking and Insurance Regulatory Commission cannot be underwritten or co-insured by insurers located other than where the subject-insured are located, or covered under a master policy.