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| <b>AD HOC 133 COMMITTEE<br/>SERVICES</b> |
| <b>MD</b> : 054/02                       |
| <b>SOURCE</b> : Commission               |
| <b>FOR</b> : Discussion                  |
| <b>DATE RECEIVED</b> : 06-03-02          |

Member States are requested to ensure that this text is not made publicly available and is only circulated to the officials concerned

### **GATS 2000**

#### **Request from the EC and its Member States (hereinafter the EC)**

**to**

**Hong Kong, China (hereinafter Hong Kong )**

#### **General remarks**

This request covers horizontal commitments and the following service sectors:

- Professional services
- Business services (other than professional services)
- Postal and courier services
- Telecommunication services
- Construction and related engineering services
- Distribution services
- Environmental services
- Financial services
- Tourism and travel related services
- News agency services
- Transport (air, maritime, land, other) services
- Energy

The EC proposes that Hong Kong's current GATS commitments are revised in accordance with this request. The EC is both seeking improved commitments and clarification of existing commitments as set out in this Request. The EC is furthermore looking for a reduction in scheduled limitations whether these are horizontal or sector specific in nature.

The EC further requests that commitments are entered in accordance with the scheduling guidelines adopted by the Council of Trade in Services on 23

March 2001 (S/L/92). In particular, for each commitment or limitation entered the EC requests:

- that the sector and sub-sector are clearly identified in accordance with the classification list in Document MTN.GNS/W/120 or other internationally recognised classification (e.g. Financial Services Annex) and corresponding CPC number. If this is not possible, the schedule should contain a sufficiently detailed definition to avoid any ambiguity as to the scope of the commitment.
- that any remaining limitation on market access (hereafter “MA”) or on national treatment (hereafter “NT”) are clearly described and only be inscribed in the market access or national treatment columns if the measure is of a nature foreseen by Articles XVI-XVII GATS.

The EC remains available to provide any clarification and answer any question on this request. Questions can be addressed to the European Commission via the EC contact point, via the Delegation of the European Commission in Geneva, or at the following EC officials in Directorate-General Trade Unit D2 (Trade in services, including e-commerce) :

|                       |   |
|-----------------------|---|
| Country Desk Officer: | <b>Sergio Balibrea</b><br>Tel : 32-2 2955929<br>e-mail: sergio.balibrea@cec.eu.int  |
| General issues:       | <b>Joao Aguiar Machado</b> , Head of Unit<br>Tel : 32-2 299 6310<br>e-mail : joao-luis.aguiar-machado@cec.eu.int<br><b>Anders C. Jessen</b> , Deputy Head of Unit<br>Tel: 32-2 299 2457<br>e-mail: anders.jessen@cec.eu.int |

*Note : The EC reserves the right to revise and/or supplement this request. For each service sector, W120 classification has been followed unless expressly indicated and CPCs refer to the Provisional CPC classification. The precise scope for each sector is without prejudice to the EC's final positions on classification issues and to the EC's classification of their existing commitments.*

## **HORIZONTAL COMMITMENTS**

### **EC request to Hong Kong**

#### **Mode 4**

##### **General :**

- Commitments currently take the form of an attachment to Hong Kong China's schedule. **EC request :** Incorporate into main body of schedule.

##### **Intra-corporate transferees :**

- Degree of affiliation between companies which is required in order for a transfer to be covered by provisions on intra-corporate transferees is not clear – « bona fide business establishment ». **EC request :** Clarify.
- Initial length of stay is limited to one year. **EC request:** Extend to two years.
- The EC requests that a commitment be made to allow as intra-corporate transferees without requiring an economic needs test « persons with a university degree or equivalent technical qualification who are transferring for career development purposes or to obtain training in business techniques or methods ». The maximum prior employment requirement should be one year.

##### **Business Visitors :**

- No commitment has been made. **EC request :** Make a commitment relating to Business Visitors who are not entering to themselves supply a service, but rather to either (a) establish a commercial presence or (b) negotiate and/or conclude salescontracts. The maximum length of stay should be at least 90 days in any 12 month period.

##### **Contractual Service Suppliers :**

- A contractual service supplier is a juridical person with no commercial presence in Hong Kong China, who has obtained a service contract in Hong Kong China which requires the presence of its employees in Hong Kong China in order to fulfil that contract. **EC request :** Take commitments for natural persons employed in the service sectors listed below and seeking temporary entry as contractual service suppliers. Such natural persons can be required to have a university degree or equivalent technical qualification – plus the appropriate professional qualifications where this is required by domestic law. The length of stay may be limited to the length of the contract.

##### **List of sectors :**

#### **1. Business Services**

Legal Services

Accounting and bookkeeping services

Taxation services  
Architectural services  
Engineering Services  
Integrated engineering services  
Urban planning and landscape architectural services  
Computer and Related Services  
Research and Development Services  
Advertising  
Management consulting services  
Services related to management consulting  
Technical testing and analysis services  
Related scientific and technical consulting services  
Maintenance and repair of equipment  
Photographic services  
Convention services  
Translation services

3. Construction and related engineering services

Site investigation work (CPC 5111)

4. Distribution Services

Wholesale trade services (CPC 622)

6. Environmental Services

Water for human use & wastewater management

Solid/hazardous waste management

7. Financial Services

Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services

Advisory, intermediation and other auxiliary financial services on all the activities listed in the subparagraphs (v) to (xv) of the classification of the Annex on Financial Services, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy

9. Tourism and Travel Related Services

Tourist Guide Services (CPC 7472)

**Additional commitments.**

- Difficulties are experienced as a result of the length of time taken to process work permits and visas. The EC wishes to discuss the possibility of taking additional commitments to address this issue.

*Note : Mode 4 is covered horizontally in this part for all service sectors. The sectoral requests in the following pages only refer to mode 4 when specifically related to one particular service sector.*

## **PROFESSIONAL SERVICES**

### **EC request to Hong Kong**

Hong Kong has committed this sector only partially. The EC requests that this sector is committed as follows:

#### **a. Legal Services (CPC 861)**

This sub-sector is not committed. **EC Request:**

- Commit covering at least consultancy on public international law and on law of jurisdiction where the service supplier or its personnel are qualified lawyers
- Modes 1, 2, 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

#### **b. Accounting, auditing and bookkeeping services (CPC 862)**

- This sub-sector is not committed for the entire CPC 862. **EC Request:** Extend sectoral coverage of commitments to the entire CPC
- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i. e. schedule none, under MA and NT, for accountancy and bookkeeping services
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule none, under NT, for the entire CPC 862
- Mode 3: Mode 3: MA – Access to auditing services restricted to natural persons licensed as certified public accountants. **EC Request:** Remove in order to allow supply by juridical persons employing certified public accountants

#### **c. Taxation Services (CPC 863)**

- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i. e. schedule none, under MA and NT
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule none, under NT

#### **d. Architectural services (CPC 8671)**

#### **e. Engineering services (CPC 8672)**

#### **f. Integrated engineering services (CPC 8673)**

#### **g. Urban planning and landscape architectural services (CPC 8674)**

Sub-sectors d) to g) are not committed. **EC Request** for each of these sub-sectors:

- Modes 1, 2, 3: Take full commitments, i.e schedule “none” under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **BUSINESS SERVICES (other than Professional Services)**

### **EC request to Hong Kong**

#### **General**

Hong Kong is requested to include the relevant CPC Prov codes when scheduling its commitments.

#### **B. Computer and Related Services**

##### **General**

This sub-sector has only been partially committed. **EC request:** Extend coverage to include CPCs 845 and 849 and schedule commitments at the two-digit level as follows:

Computer and Related Services (CPC 84):

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none” under MA and NT;  
Mode 4: Commit as referred to in the horizontal section.
- In view of the rapid technological advances which have taken, and continue to take place, in this sub-sector, the EC proposes to seek clarification at a multilateral level as to what services are considered to be covered under CPC Prov 84.

#### **C. Research and Development Services**

Hong Kong has not committed this Sector. The EC requests that it be committed as follows :

a) R&D Services on natural sciences (CPC 851)

b) R&D Services on social sciences and humanities (CPC 852)

c) Interdisciplinary R&D services. (CPC 853)

For each of the above sub-sectors :

- Modes 1 and 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

## **D. Real Estate Services**

### **a) Involving own or leased property (CPC 821) and**

### **b) On a fee or contract basis (CPC 822)**

- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitment, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

## **E. Rental and Leasing Services without Operators**

### **a) Relating to ships (CPC 83103) and**

### **c) Relating to other transport equipment (CPC 83101 + 83102 + 83105) and**

### **d) Relating to other machinery (CPC 83106 – 83109)**

- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitment, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

## **F. Other Business Services**

**NB:** Requests (if any) on (h) - services incidental to mining, and (j) - services incidental to energy distribution, are covered in those sections of the request dealing with Energy Services and Construction Services.

### **a) Advertising (CPC 871)**

- This sub-sector has only been partially committed. **EC request** : Extend sectoral coverage to all of CPC 871.
- Modes 1 and 2 : NT – These modes remain unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

### **b) Market research and Public Opinion Polling (CPC 864)**

- This sub-sector has only been partially committed. **EC request** : Extend sectoral coverage to all of CPC 864.

- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

**c) Management consulting services (CPC 865)**

- This sub-sector has only been partially committed. **EC request** : Extend sectoral coverage to all of CPC 865.
- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

**d) Services related to management consulting (CPC 866)**

Hong Kong has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**e) Technical testing and analysis services (CPC 8676)**

Hong Kong has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**k) Placement and supply services of personnel (CPC 872)**

Hong Kong has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".



**l) Security Services (CPC 87302 – 87309)**

Hong Kong has not committed this sub-sector. The EC requests that it be committed as follows:

- Mode 3 : MA - Commit with no form of establishment or equity limitation. Full NT commitment - i.e. schedule "none".
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**m) Related scientific and technical consulting services (CPC 8675)**

Hong Kong has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

**n) Maintenance and Repair of Equipment (not including transport equipment) (CPC 633 + 8861-8866)**

- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

**p) Photographic Services (CPC 875)**

This sub-sector has only been partially committed. **EC request** : Extend sectoral coverage to all of CPC 875.

- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

**q) Packaging Services (CPC 876)**

Hong Kong has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

#### **r) Printing and Publishing Services (CPC 88442)**

Hong Kong has not committed this sub-Sector. The EC requests that it be committed as follows :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

#### **s) Convention Services (part of CPC 87909)**

This sub-sector has only been partially committed. **EC request** : Extend sectoral coverage to all convention services.

- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

#### **t) Other (CPC 8790)**

##### **Translation Services (CPC 87905)**

- This sub-sector has only been partially committed. **EC request** : Extend sectoral coverage to all of this part of CPC 87905.
- Mode 1 : MA and NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2 : NT – This mode remains unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 4 : MA and NT – This mode remains unbound. **EC request** : Commit as referred to in the section "Horizontal commitments".

## **POSTAL AND COURIER SERVICES**

### **EC request to Hong Kong**

This request includes sub-sectors that are listed under the negotiating proposal of the EC (S/CSS/W/61). The work on the revision of classification of this sector is still underway. For this reason, the sub-sectors lack reference to CPC.

Hong Kong has only partially committed this sector (commitments in courier services). The EC requests Hong Kong to commit this sector as follows, based on the EC proposal for the revised classification of postal and courier services:

**Services relating to the handling<sup>1</sup> of postal items<sup>2</sup>, whether for domestic or foreign destinations:**

**A. Handling of addressed written communications on any kind of physical medium<sup>3</sup>, including:**

**- Hybrid mail services**

**- Direct mail**

**B. Handling of addressed parcels and packages<sup>4</sup>**

**C. Handling of addressed press products<sup>5</sup>**

**D. Handling of items referred to in A. to C. above as registered or insured mail**

**E. Express delivery services<sup>6</sup> for items referred to in A. to C. above**

**F. Handling of non-addressed items**

**G. Document exchange**

**H. Other services not elsewhere specified**

For sub-sectors B., C., E., F. and G. :

- Modes 1, 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

For sub-sectors A. and D. :

- Modes 1, 2 and 3: Undertake commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

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1 The term “handling” should be taken to include clearance, sorting, transport and delivery.

2 “Postal item” refers to items handled by any type of commercial operator, whether public or private.

3 E.g. letter, postcards.

4 Books, catalogues are included hereunder.

5 Journals, newspapers, periodicals.

6 Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.

Hong Kong's current commitments :

- Market access, Mode 1 : « Unbound». **EC request** : Schedule « None ».
- National treatment, Modes 1-2 : « Unbound ». **EC request** : Schedule « None ».

## TELECOMMUNICATION SERVICES

### EC request to Hong Kong

Hong-Kong has only partially committed this Sector. The EC requests that this Sector is committed as follows:

#### All Modes

- There are no commitments in telex and telegraph services. **EC Request:** Make full commitments, i.e. schedule "None".

#### Mode 1 - Cross-border supply

- Public external telephone service (which include person to person voice communications with places outside Hong Kong) is not allowed. **EC Request:** remove this prohibition.
- For self-provision of external satellite circuits, connection to the public-switched telephone network (PSTN) at the Hong Kong end may be restricted. **EC Request:** remove this restriction.
- For virtual private network service, connection to the PSTN at the Hong Kong end may be restricted. **EC Request:** remove this restriction.
- For mobile satellite service, gateway station for mobile satellite traffic is not allowed. **EC Request:** remove this restriction.
- mode 1 is unbound for value-added services, i.e.: electronic mail, on-line information and data base access and retrieval (including data processing or transaction processing), store and forward facsimile services, videotex and teletex, code, protocol and/or format conversion, voice mail and electronic data interchange. **EC Request:** Make full commitments, i.e. schedule "None".

#### Mode 2 – Consumption abroad.

Mode 2 is unbound as regards national treatment for value-added services, i.e.: electronic mail, on-line information and data base access and retrieval (including data processing or transaction processing), store and forward facsimile services, videotex and teletex, code, protocol and/or format conversion, voice mail and electronic data interchange. **EC Request:** Make full commitments, i.e. schedule "None".

#### Mode 3 – Commercial presence

- Public external telephone service (which include person to person voice communications with places outside Hong Kong) is not allowed. **EC Request:** remove this prohibition.
- For self-provision of external satellite circuits, connection to the public-switched telephone network (PSTN) at the Hong Kong end may be restricted. **EC Request:** remove this restriction.
- For virtual private network service, connection to the PSTN at the Hong Kong end may be restricted. **EC Request:** remove this restriction.

- Four licences for local fixed network services were issued in 1995. Whether more licences will be issued thereafter was subject to review in 1998. **EC request:** Suppress this restriction on the number of local service suppliers.

## CONSTRUCTION AND RELATED ENGINEERING SERVICES

### EC request to Hong Kong

#### General

Hong Kong China has committed this Sector only partially. The EC requests that this Sector be committed as follows:

#### A. General construction work for buildings (CPC 512)

#### B. General construction work for civil engineering (CPC 513)

#### C. Installation and assembly work (CPC 514+516)

The above-mentioned sub-sectors are not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred in the section “Horizontal commitments”.

#### D. Building completion and finishing work (CPC 517)

- This sub-sector is defined as “Building completion and finishing work”.  
**EC Request:** Refer explicitly to “CPC 517”

#### E. Other (CPC 511+515+518)

- This sub-sector is defined as “Other”. **EC Request:** Refer explicitly to “CPC 511+515+518”



## **DISTRIBUTION SERVICES**

### **EC request to Hong Kong**

Hong Kong has only partially committed this Sector. The EC requests that this Sector is committed as follows :

#### **A. Commission agents' services (CPC 621, 6111+6113+6121)**

This sub-sector is not committed. **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

#### **B. Wholesale trade services (CPC 622, 6111+6113+6121)**

This sub-sector is not committed. **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

#### **C. Retailing services (CPC 631+632, 6111+6113+6121+613)**

- No reference to CPC codes. **EC Request** : include the above CPCs in the sector column.
- Mode 1 : This Mode remains unbound. **EC Request:** Take full commitments, i.e. schedule "none".
- Mode 4 : This Mode remains unbound. **EC Request:** Commit as referred in the section "Horizontal commitments".

#### **D. Franchising services (CPC 8929)**

This sub-sector is not committed. **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **ENVIRONMENTAL SERVICES**

### **EC request to Hong Kong**

Hong Kong has not undertaken commitments in environmental services. The EC requests Hong Kong to commit the following subsectors, based on the EC proposal for the classification of environmental services:

#### **A. Water for human use & wastewater management**

Water collection, purification and distribution services through mains, except steam and hot water

Waste water services (CPC 9401)

#### **B. Solid/hazardous waste management**

Refuse disposal services (CPC 94020)

Sanitation and similar services (CPC 94030)

#### **C. Protection of ambient air and climate**

Services to reduce exhaust gases and other emissions and improve air quality (CPC 94040)

#### **D. Remediation and cleanup of soil & water**

Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060)

#### **E. Noise & vibration abatement**

Noise abatement services (CPC 94050)

#### **F. Protection of biodiversity and landscape**

Nature and landscape protection services (part of CPC 94060)

#### **G. Other environmental & ancillary services**

Other environmental protection services not classified elsewhere (CPC 94090)

For each of the above sub-sectors :

- Modes 1 (where technically feasible), 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Refer to horizontal commitments.

## FINANCIAL SERVICES

### EC Request to Hong Kong

#### General

- **EC Request:** Undertake commitments in accordance with the Understanding on Commitments in Financial Services.

#### Insurance

- Modes 1 and 2: MA and NT – MAT and insurance of risks relating to goods in international transit are either not or only partially committed.
- **EC Request:** Take full MA and NT commitments on cross-border supply.
- Modes 1 and 2: MA and NT – Reinsurance and retrocession, and services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services, are not or only partially committed.
- **EC Request:** Take full MA and NT commitments on cross-border supply.
- Mode 4: NT – Unbound. **EC Request:** Schedule “Unbound, except as indicated in the horizontal section” instead.

#### Banking and other financial services

- Modes 1 and 2: NT – National treatment not committed in all sub-sectors of financial services, including regarding provision and transfer of financial information, and advisory and other auxiliary services. **EC Request:** Take full NT commitments.
- Mode 3: MA and NT – Money broking, and settlement and clearing services for financial assets are not committed. **EC Request:** Take binding commitments on these two sub-sectors.
- Mode 3: MA – Restriction on the granting of full licences to foreign banks for deposit-taking or similar activities to be undertaken by local subsidiary (except the licences granted to branches or to companies that have been present in Hong Kong for 10 years or more). **EC Request:** Undertake commitment on new full licences
- Mode 3: MA – Regarding trading for own account or for account of customers, restriction on membership of Hong Kong Stock Exchange and Futures Exchange: requirement is incorporation of companies or residency of natural persons during at least five of the preceding seven years.
- **EC Request:** Eliminate this requirement.

## **TOURISM AND TRAVEL RELATED SERVICES**

### **EC request to Hong Kong**

The EC suggests to Hong Kong, China, to make reference to tourism and travel related services as classified in W/120 and refer to the relevant CPC codes.

#### **A. Hotels and restaurants (incl. catering) (CPC 641-643)**

- Clarify the scope of the commitments. Which hotel services would not be included in provision on a fee-basis? What is the definition of 'short-term'?
- Mode 2: National treatment: Bind this mode and take full commitments.
- Mode 4: Market access and national treatment: Bind this mode and take commitments.

#### **B. Travel agencies and tour operators services (CPC 7471)**

- Extend the scope of committed activities to include travel agency and tour operator services for travel/tours inside Hong Kong, China, and undertake full commitments for those activities.
- Mode 1: Market access and national treatment: Bind this mode, and undertake full commitments.
- Mode 2: National treatment: Bind this mode and take full commitments.
- Mode 3: Market Access: Clarify the entry that only a 'company' may operate tours. The EC reserves the right to adjust its request in the light of such clarification.
- Mode 4: Market access and national treatment: Bind this mode and take commitments.

#### **C. Tourist guides services (CPC 7472 )**

- Extend sectoral coverage to include tourist guide services, and undertake full commitments

## **NEWS AGENCY SERVICES**

### **EC request to Hong Kong**

Hong Kong has not committed this sector (CPC 962). The EC requests that this Sector be committed as follows:

#### **EC Request (CPC 962):**

- Modes 1-3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”.

## **TRANSPORT SERVICES**

### **EC request to Hong Kong**

#### **A. Maritime transport**

Hong Kong has specific commitments with certain restrictions for maritime transport. Restrictions relate in particular to: national treatment, passengers and presence of natural persons.

**EC request:** Take commitments in accordance with the attached model schedule (Annex 1). In particular for the following areas:

- 1) International transport (freight and passengers) CPC 7211 and 7212
- 2) Additional commitments for access to and use of ports facilities
- 3) Maritime auxiliary services (maritime cargo handling, storage and warehouse services, customs clearance services, container station and depot services, maritime agency services)
- 4) Multimodal activities: for inland forwarding of cargoes - commit the ability to rent or lease - or to have access to and use of multimodal facilities (as specified in the note to the schedule).
- 5) Definitions - commit definitions as specified in the model schedule.

For information purposes, and acknowledging that Hong Kong has for geographical reasons concentrated maritime activities in one commercial port under the same authority, the EC would also ask Hong Kong to consider whether any of the following additional maritime commitments could be of relevance for Hong Kong:

- 6) Equipment. To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports [areas] in Hong Kong, when it is not carried against payment. This is requested to be committed in a new footnote:
- 7) International cargo. Notwithstanding the general exclusion of “cabotage” in the definitions of the model schedule (see Annex 1) an international maritime transport supplier should be allowed to operate feeder services for its own international cargo between ports [areas] in Hong Kong. This is requested to be committed in a new footnote:
- 8) Rental and leasing of vessels with crew (CPC 7213, 7223).  
Hong Kong has currently a restriction for this activity in Mode 1.  
**EC request:**
  - Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
  - Mode 4: Commit as in horizontal commitments.

### **C. Air transport**

#### **1) Maintenance and repair of aircraft and parts thereof**

##### **EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

#### **2) Selling and marketing**

##### **EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

#### **3) Computer Reservation Systems**

##### **EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

#### **4) Groundhandling services, as specified in the attached definitions (Annex 2)**

##### **EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

#### **5) Airport management services, as specified in the attached definitions (Annex 2).**

##### **EC request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **E. Rail transport**

Hong Kong has no commitment for rail transport.

#### **d) Maintenance and Repair of Rail Transport Equipment (CPC 8868).**

##### **EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **F. Road transport**

Hong Kong has no commitment for road transport.

### **b) Freight Transportation (CPC 7123).**

#### **EC request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **d) Maintenance and Repair of Road Transport Equipment (CPC 6112)**

#### **EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **H. Services Auxiliary to All Modes of Transport**

### **b) Storage and Warehouse Services (CPC 742)**

Hong Kong currently has a commitment, which is restricted to maritime transport.

#### **EC request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **c) Freight Transport Agency/Freight Forwarding Services (CPC 748) and Pre-Shipment Inspection (part of CPC 749)**

Hong Kong currently has a commitment, which is restricted to maritime transport.

#### **EC request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”



## Annex 1: SCHEDULE ON MARITIME TRANSPORT SERVICES

| Sector or Sub-Sector  | Limitations on Market Access   | Limitations on National Treatment | Additional Commitments   |
|---|--|-----------------------------------|--|
| <b>TRANSPORT SERVICES</b>   |  |                                   | The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions   |
| <b>MARITIME TRANSPORT SERVICES</b>  |  |                                   |  |
| International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u> cabotage transport | 1) (a) <u>Liner Shipping</u> : none<br><br>(b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u> : none | 1) (a) None<br><br>(b) None       | 1. Pilotage<br>2. Towing and tug assistance<br>3. Provisioning, fuelling and watering<br>4. Garbage collecting and ballast waste disposal<br>5. Port Captain's services<br>6. Navigation aids<br>7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies<br>8. Emergency repair facilities<br>9. Anchorage, berth and berthing services<br><br>1) See note |

| Sector or Sub-Sector  | Limitations on Market Access  | Limitations on National Treatment   | Additional Commitments        |
|---|---|---|-------------------------------|
| <b>TRANSPORT SERVICES MARITIME<br/>TRANSPORT SERVICES</b>   |   |   |                               |
| International Transport (freight and passengers) CPC 7211 and 7212 <u>less</u> cabotage transport (cont.) | <p>2) None</p> <p>3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound</p> <p>(b) Other forms of commercial presence for the supply of international maritime transport services (as defined below – 2): none</p> <p>4) (a) Ships' crews: unbound</p> <p>(b) Key personnel employed in relation to a commercial presence as defined under mode 3b) above: Unbound except as in horizontal section</p> | <p>2) None</p> <p>3) (a) Unbound</p> <p>(b) None</p> <p>4) (a) Unbound</p> <p>(b) Unbound except as in horizontal section</p> | <p>3) (b) See Notes 2, 3,</p> |

| Sector or Sub-Sector                                    | Limitations on Market Access  | Limitations on National Treatment   | Additional Commitments |
|---|---|---|------------------------|
| <b>MARITIME AUXILIARY SERVICES</b>                      |   |   |                        |
| Maritime Cargo Handling Services (as defined below – 4) | 1) Unbound* except for – no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment<br>2) None<br>3) None**<br>4) Unbound except as in horizontal section | 1) Unbound* except for no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment<br>2) None<br>3) None<br>4) Unbound except as in horizontal section |                        |
| Storage and warehousing Services CPC 742                | 1) Unbound*<br>2) None<br>3) None**<br>4) Unbound except as in horizontal section   | 1) Unbound*<br>2) None<br>3) None<br>4) Unbound except as in horizontal section   |                        |
| Customs Clearance Services (as defined below – 5)       | 1) Unbound*<br>2) None<br>3) None**<br>4) Unbound except as in horizontal section   | 1) Unbound*<br>2) None<br>3) None<br>4) Unbound except as in horizontal section   |                        |

| Sector or Sub-Sector  | Limitations on Market Access |   | Limitations on National Treatment |   | Additional Commitments |
|---|------------------------------|---|-----------------------------------|---|------------------------|
| <b>MARITIME AUXILIARY SERVICES</b><br>(cont.)                 |                              |   |                                   |   |                        |
| Container Station and Depot Services (as defined below – 6)   | 1)                           | Unbound*                                | 1)                                | Unbound*                                |                        |
|   | 2)                           | None                                    | 2)                                | None                                    |                        |
|   | 3)                           | None**                                  | 3)                                | None                                    |                        |
|   | 4)                           | Unbound except as in horizontal section | 4)                                | Unbound except as in horizontal section |                        |
| Maritime Agency Services (as defined below – 7)               | 1)                           | None                                    | 1)                                | None                                    |                        |
|   | 2)                           | None                                    | 2)                                | None                                    |                        |
|   | 3)                           | None                                    | 3)                                | None                                    |                        |
|   | 4)                           | Unbound except as in horizontal section | 4)                                | Unbound except as in horizontal section |                        |
| (Maritime) Freight Forwarding Services (as defined below - 8) | 1)                           | None                                    | 1)                                | None                                    |                        |
|   | 2)                           | None                                    | 2)                                | None                                    |                        |
|   | 3)                           | None                                    | 3)                                | None                                    |                        |
|   | 4)                           | Unbound except as in horizontal section | 4)                                | Unbound except as in horizontal section |                        |

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

\*\* Public utility concession or licensing procedures may apply in case of occupation of the public domain.

## NOTE TO THE SCHEDULE

Where road, rail, inland waterways (and) (related) (auxiliary) services are not otherwise fully covered in (this) (a Member's) schedule, a multimodal transport operator shall have the ability to rent or lease trucks, railway carriages or barges, and related equipment, for the purpose of inland forwarding of cargoes, or have access to, and use of, these forms of multimodal activities on reasonable and non-discriminatory terms and conditions for the purpose of carrying out multimodal transport operations. (« Reasonable and non-discriminatory terms and conditions » means, for the purpose of (multimodal transport operations), (this additional commitment), the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date).

## DEFINITIONS

1. Without prejudice to the scope of activities which may be considered as « cabotage » under the relevant national legislation, this schedule does not include « maritime cabotage services », which are assumed to cover transportation of passengers or goods between a port located in ... (name of country or, for EEC, « a Member State ») and another port located in ... (name of the country or, for EEC, « the same Member State ») and traffic originating and terminating in ... the same port located in (name of country, or for the EEC, « a Member State ») provided that this traffic remains within ... (name of country or « this Member State »)'s territorial waters.

2. « Other forms of commercial presence for the supply of international maritime transport services » means the ability for international maritime transport service suppliers of other Members to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

- (a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;
- (b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;
- (c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;
- (d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);
- (e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;
- (f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. « Multimodal transport operators » means the person on whose behalf the bill of lading /multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.

4. « Maritime cargo handling services » means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
- the loading/discharging of cargo to/from a ship;
  - the lashing/unlashing of cargo;
  - the reception/delivery and safekeeping of cargoes before shipment or after discharge.
5. « Customs clearance services » (alternatively « customs house brokers' services ») means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.
6. « Container station and depot services » means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.
7. « Maritime agency services » means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
  - acting on behalf of the companies organising the call of the ship or taking over cargoes when required.
8. « Freight forwarding services » means (the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information).

## **Annex 2 Facilitating air transport services**

### **Ground-handling Services**

Efficient ground-handling is essential to the proper functioning of air transport and competition between operators in this area ensures that proper use is made of air transport infrastructure. It helps reduce the operating costs of airlines and improves the quality of service for airport users.

For specialised groundhandling suppliers the following activities are requested:

- Ground Administration – supervision and administration at the airport (CPC 7461);
- Passenger Handling – assisting arriving, departing and transfer passengers (CPC 7461);
- Baggage Handling – handling baggage in the sorting area (CPC 7461);
- Freight and Mail Handling – physical handling of freight and mail, dealing with security and customs procedures (CPC 74110 (container handling services) and 74190 (other cargo handling services);
- Ramp Handling – marshalling and moving the aircraft, loading and unloading of aircraft, transport of passengers, freight, supplies (CPC 7469).
- Aircraft Services – cleaning the aircraft, heating and cooling, removal of snow and ice (CPC 7469);
- Fuel and Oil Handling – organisation and provision of fuel and oil;
- Aircraft Maintenance – covered specifically by the Annex as above;
- Flight Operations and Crew Administration – preparation of the flight, inflight and post-flight assistance, crew administration;
- Surface Transport – organisation and execution of transport within airport – except to and from aircraft;
- Catering Services – administration, storage, preparation and delivery of bar and food supplies (CPC 6423). [Catering is listed for only for information purposes as this activity is classified and committed by Hong Kong as part of tourism services]

### **Airport management services**

Airport management services constitute the core activities of airport services providers and cover: Airport operation services (excl. cargo handling), including passenger air terminal services and ground services on air fields, including runway operating services, on a fee or contract CPC 74610. Activities are also related to “other management consulting services” (CPC 86509) and activities separately specified under “other management services not elsewhere classified” (CPC 86609). A commitment will allow services suppliers to take an equity stake in - and engage in the overall operation and

management of - airports when these are open for investments from private operators. Thereby it will bind existing common practices in the sector.



## **ENERGY SERVICES**

### **EC request to Hong Kong**

This request includes services that are listed under the negotiating proposal of the EC (S/CSS/W/60) . The work on the classification of these services is still underway. For this reason, some activities therefore lacks reference to CPC.

The EC requests that this area is committed as follows :

#### **A. Services related to exploration and production**

##### **CPC 883: Services incidental to mining**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

##### **CPC 8675: Related scientific and technical consulting services**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

##### **CPC 511 and CPC 513: Construction and related engineering services**

These sub-sectors are not totally committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

#### **B. Services related to the construction of energy facilities**

##### **B.1 Construction of energy facilities**

##### **CPC 513: Construction work for civil engineering**

##### **CPC 51340: For long distance pipelines, communication and power lines (cables)**

##### **CPC 51350: For local pipelines and cables; ancillary works**

##### **CPC 51360: For constructions for mining and manufacturing**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

##### **B.2 Installation and assembly work**

##### **CPC 516: Installation and assembly work**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **C. Services related to networks**

### **C.1 Operation of transportation/transmission and distribution facilities**

#### **CPC 887: Services incidental to energy distribution**

This sub-sector is not committed. **EC Request:**

- Modes 3 : Take commitments for operation of networks not part of the integrated system.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

#### **CPC 71310: Transportation of petroleum and natural gas**

This sub-sector is not committed. **EC Request:**

- Modes 3 : Take commitments for operation of networks not part of the integrated system.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **D. Storage services**

#### **CPC 74220: Bulk storage services of liquids or gases**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E. Services for the supply of energy**

### **E.1 Wholesale of energy products**

#### **CPC 62271: Wholesale trade services of solid, liquid and gaseous fuels and related products**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments for solid and liquid fuels and related products. Take commitments for gaseous fuels.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

#### **Wholesale trade services of electricity**

**EC Request:**

- Modes 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E.2 Retail sale of energy products**

### **CPC 63297: Retail sale of fuel oil, bottled gas, coal and wood**

This sub-sector is not committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. None.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E.3 Trading of energy products**

### **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **E.4 Brokering of energy products**

### **EC Request:**

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none"
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **F. Services for the final use**

### **F.1 Energy audit**

#### **CPC 86505: Production management consulting services**

This sub-sector is not totally committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. None.
- Mode 4 : Commit as referred in the section "Horizontal commitments".
- 

### **F.2 Energy management**

#### **CPC 86505: Production management consulting services**

This sub-sector is not totally committed. **EC Request:**

- Mode 3 : Take full commitments, i.e. None.
- Mode 4 : Commit as referred in the section "Horizontal commitments".

## **G. Services related to decommissioning**

### **EC Request:**

- Modes 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".