

CHINA-MACAO, CHINA (Services)
Summary Fact Sheet

Table 1: Background Information

Parties	People's Republic of China; Macao, China.	
Type of Agreement	Economic Integration Agreement	
Date of signature	17 October 2003	
Date of entry into force	01 January 2004	
Review envisaged	The Parties continue to engage in discussions with a view to further liberalize trade in services. They have notified five supplements on trade in services to the Agreement.	
Website or contact addresses	Ministry of Commerce of the People's Republic of China: http://english.mofcom.gov.cn/ Macao Economic Services, Macao Special Administrative Region of the People's Republic of China: http://www.economia.gov.mo/index.jsp & http://www.cepa.gov.mo	
List of related WTO documents	WT/REG163/N/1-Add.1-2 WT/REG163/1 WT/REG163/1/Add.1-2-3 S/C/M/72 WT/REG163/4 WT/REG163/5-6-7Rev.1 WT/REG163/M/1-2-3	Notification Agreement Supplements Terms of reference Standard Format Question and Replies Minutes

Table 2: Scope and general aspects

Scope	Sectors	The liberalization of service sectors is set out in Annex 4 to the Agreement.
	Modes of supply	Not specified.
	Definitions	A "natural person" is in the case of Mainland China, a citizen of the People's Republic of China. In the case of Macao, it refers to a permanent resident of the Macao Special Administrative Region of the People's Republic of China. A "juridical person" is any legal entity duly constituted or otherwise organized under the applicable laws of the Mainland or the Macao Special Administrative Region, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association (business association).
	Positive/negative list	Positive list approach.
	Sector-specific rules	Financial cooperation (Art. 13), Tourism (Art. 14), Mutual recognition of Professional Qualifications (Art. 15).
	Sectoral exclusions	No sectoral exclusions in the agreement.

Table 3: Provisions of the Agreement

Provision	Article	Additional information
MFN/National treatment	None	
Market access	Art. 11	The Parties agree to progressively reduce or eliminate existing restrictive measures against each others' services and services suppliers in accordance with the content and timetable in Annex 4. Any new measure to liberalize trade in services with regard to market access must be added to Annex 4.
Elimination of discriminatory measures	Art. 1.2 and 11.2; Annex 4	The Parties are committed to progressively liberalize trade in services through the reduction or elimination of substantially all discriminatory measures, according to the times and modalities set out in Annex 4. Under Art. 5 of the Annex, Macao, China agrees to not impose any new discriminatory measures on China's services and service suppliers in sectors covered under the Agreement, whereas China is committed to ensure preferential treatment for services and service suppliers from Macao, China by removing or eliminating restrictions in services, as scheduled in Annex 4. Under Art. 11.2, upon request of either Party, they may, through consultation, pursue further liberalization of trade in service.
Treatment of third party	Art. 12.2;	Service suppliers from other WTO Members that are juridical

suppliers	Annex 5 (amended)	<p>persons established under the laws of one Party will be entitled to the same treatment granted by a Party to its own service suppliers, provided that they engaged in substantive business operations (for 3-5 years or more, depending on the services sector), as stipulated in Annex 5; where more than 50% of the equity interest of a Macao service supplier has been owned for at least one year since a merger or acquisition by a service supplier other than one from either side, the service supplier which has been acquired or merged will be regarded as a Macao service supplier..</p> <p>Supplement I to the Agreement modifies the definition of services suppliers (Paragraph 3.1.2.2 of Art. 3 of Annex 5) requiring that suppliers of air transport ground services from Macao, China must have obtained licenses in order to supply such a services in Macao, China and have engaged in substantive business operations for five years or more.</p> <p>Supplement IV to the Agreement modifies the definition of services suppliers (Paragraph 3.1.2.2.of Art. 3 of Annex 5) requiring that suppliers of banking and other financial services (excluding insurance and securities) from Macao, China should have engaged in substantive business operations for 5 years or more, or should have operated in the form of a branch for two years or more and engaged afterwards in substantive business operations in the form of a locally incorporated financial institution for three years or more; and Macao service supplier providing third-party international shipping agency services should have incorporated and established in Macao and have engaged in substantive business operations for 5 years or more.</p>
Denial of benefits	None	
Standards/mutual recognition	Art. 15	The Parties encourage mutual recognition of professional qualifications and promote the bilateral exchange of professional talent. The competent authorities and professional bodies of both Parties will, in consultation with each other, consider and design specific methodologies for mutual recognition of professional qualifications.
Safeguard mechanisms (intra-trade)	None	
Domestic regulations	None	
Subsidies and state aid	None	
IPR	Art. 17.1 and Annex 6 (amended)	Provisions on IPRs were introduced in Supplement III to the Agreement, in place as of 2006. These have been added to Trade and Investment Facilitation (Chapter 5) and in Annex 6 to guarantee IPR protection.
Government Procurement	None	
Competition	None	
Investment	Chapter 5; Annex 6 (amended)	<p>The Parties commit to promote trade and investment facilitation through greater transparency, standards conformity and enhanced information exchange. The Parties will promote cooperation in the various areas: trade and investment promotion; customs clearance facilitation; commodity inspection, inspection and quarantine of animals and plants, food safety, sanitary quarantine, certification, accreditation and standardization management; electronic business; transparency in laws and regulations; cooperation of small and medium sized enterprises, and industrial cooperation.</p> <p>Supplement III to the Agreement added protection of intellectual property rights to the areas of trade and investment facilitation.</p> <p>Supplement V to the Agreement added cooperation on brand promotion to the areas of trade and investment facilitation</p>
General reservations	Art. 18	The Agreement and its Annexes do not affect the ability of the Parties to maintain or adopt exceptions consistent with WTO rules.
Level of Government	None	
Accessions	None	

Dispute resolution	Art. 19	The Parties have set up a Joint Steering Committee to, among others, supervise the implementation, and interpret the provisions, of the Agreement and to resolve disputes that may arise during its implementation. The Committee will take decisions by consensus.
Relations with other trade agreements	Art. 20.1	Any action taken under the Agreement will not affect or nullify the rights and obligations of either Party under other existing agreements to which it is a contracting party, except as otherwise provided in the Agreement.
Institutional provisions	Art. 19	A Joint Steering Committee has been established under the Agreement, comprising senior representatives or officials designated by the Parties. It shall meet at least once a year and may convene special meetings within 30 days upon request by either Party.
Other		The Parties agreed to adopt measures, listed in Article 13, to further strengthen cooperation in banking, securities and insurance and to promote cooperation in tourism (Art. 14); trade and investment facilitation (Chapter 5). Details are set out in Annex 6 and various supplements to the Agreement.

No data on trade in services are available.