

## Second Agreement Concerning Amendment to CEPA Agreement on Trade in Services to be implemented on March 1

The Hong Kong Special Administrative Region (HKSAR) Government today (February 28) said that the Second Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) Agreement on Trade in Services (Amendment Agreement II) signed between the Ministry of Commerce and the HKSAR Government under the framework of CEPA will be implemented tomorrow (March 1).

The Amendment Agreement II further opens up the services market of the Mainland to Hong Kong, enabling Hong Kong businesses and professionals to enter the Mainland market with more preferential treatments. The Amendment Agreement II introduces new liberalisation measures across a number of service sectors where Hong Kong enjoys competitive advantages, such as financial services, construction and related engineering services, testing and certification, telecommunications, motion pictures, television and tourism services. The liberalisation measures take various forms, including removing or relaxing restrictions on equity shareholding and business scope in the establishment of enterprises; relaxing qualification requirements for Hong Kong professionals providing services; and easing restrictions on Hong Kong's exports of services to the Mainland market. Most of the liberalisation measures apply to the whole Mainland, while some of them are designated for pilot implementation in the nine Pearl River Delta municipalities in the Guangdong-Hong Kong-Macao Greater Bay Area.

The Amendment Agreement II also brings along institutional innovation and collaboration enhancements. It includes the addition of "allowing Hong Kong-invested enterprises to adopt Hong Kong law" and "allowing Hong Kong-invested enterprises to choose for arbitration to be seated in Hong Kong" as facilitation measures for Hong Kong investors; and removal of the period requirement on Hong Kong service suppliers to engage in substantive business operations in Hong Kong for three years in most service sectors.

Since the signing of the Amendment Agreement II, the HKSAR Government has been proactively liaising with various chambers of commerce, industries and advisory bodies, etc, to enhance the trade's understanding of the liberalisation measures. In addition, in the middle of this month, the HKSAR Government co-organised with the Ministry of Commerce a forum to introduce the content and implementation arrangements of the measures as well as the criteria and procedures for application for preferential treatments to over 350 participants, including representatives from local and foreign chambers of commerce, consulates, major trade associations and professional sectors. The HKSAR Government will continue to assist the trade in making good use of the preferential measures of the Amendment Agreement II to facilitate Hong Kong in fully capitalising on the city's distinctive advantages of enjoying

strong support of the motherland and maintaining close connection to the world under the "one country, two systems" principle, and to contribute to the national development of new quality productive forces and solid progress in promoting high-quality development.

The Mainland and Hong Kong signed the Agreement on Trade in Services (the Services Agreement) under the framework of CEPA in November 2015, basically achieving liberalisation of trade in services between the two places. Subsequently, the two sides signed an agreement to amend the Services Agreement in November 2019 and the relevant liberalisation measures have been implemented since June 2020. To further enhance liberalisation and facilitate trade in services in response to the aspirations of the Hong Kong business community for greater participation in the development of the Mainland market, the two sides signed the Amendment Agreement II on October 9, 2024, to make further amendments to the Services Agreement.

To provide one-stop facilitation to the trade, the Trade and Industry Department (TID) has established a dedicated website ([www.tid.gov.hk/english/cepa/index.html](http://www.tid.gov.hk/english/cepa/index.html)) where the enterprises and professionals concerned can access more details about CEPA.

The TID also maintains a telephone hotline (2398 5667) and email ([cepa@tid.gov.hk](mailto:cepa@tid.gov.hk)) for CEPA-related enquiries, and helps liaise with relevant bureaux, departments or the Mainland authorities to follow up on those issues.