

ANNEX 8: Schedules of Specific Commitments on Services

Annex 8 Part A: China Schedule of Specific Commitments on Services

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>I. HORIZONTAL COMMITMENTS</p> <p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>(3) In China, foreign invested enterprises include foreign capital enterprises (also referred to as “wholly foreign-owned enterprises”) and joint venture enterprises and there are two types of joint venture enterprises: equity joint ventures and contractual joint ventures.¹</p> <p>The proportion of foreign investment in an equity joint venture shall be no less than 25 per cent of the registered capital of the joint venture.</p> <p>The establishment of branches by foreign enterprises is unbound, unless otherwise indicated in specific sub-sectors, as the laws and regulations on branches of foreign enterprises are under formulation.</p> <p>Representative offices of foreign 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>(3) Unbound for all the existing subsidies to domestic services suppliers in the sectors of audio-visual, aviation and medical services.</p>	

¹ The terms of the contract, concluded in accordance with China's laws, regulations and other measures, establishing a “contractual joint venture” govern matters such as the manner of operation and management of the joint venture as well as the investment or other contributions of the joint venture parties. Equity participation by all parties to the contractual joint venture is not required, but is determined pursuant to the joint venture contract. “Foreign invested enterprise” in this schedule means a foreign invested enterprise duly constituted or otherwise organized under “Law on Chinese-Foreign Equity Joint Ventures”, “Law on Chinese-Foreign Contractual Joint Ventures” and “Law on Foreign-Capital Enterprises”.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<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> <ul style="list-style-type: none"> (a) 70 years for residential purposes; (b) 50 years for industrial purposes; (c) 50 years for the purpose of education, science, culture, public health and physical education; (d) 40 years for commercial, tourist and recreational purposes; (e) 50 years for comprehensive utilization or other purposes. 		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence		Additional commitments	
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
II. SPECIFIC COMMITMENTS			
A. Professional Services	(1) None (2) None (3) Foreign law firms can provide legal services only in the form of representative offices in Beijing, Shanghai, Guangzhou, Shenzhen, Haikou, Dalian, Qingdao, Ningbo, Yantai, Tianjin, Suzhou, Xiamen, Zhuhai, Hangzhou, Fuzhou, Wuhan, Chengdu, Shenyang and Kunming only.	(1) None (2) None (3) All representatives shall be resident in China no less than six months each year. The representative office shall not employ Chinese national registered lawyers.	
a. Legal Services (CPC 861, excluding Chinese law practice)	Representative offices can engage in profit-making activities. Representative offices in China shall be no less than the number established upon the date of accession. A foreign law firm can only establish one representative office in China. The above-mentioned geographic and quantitative limitations will be eliminated within one year after China's accession to the WTO.		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>Business scope of foreign representative offices is only as follows:</p> <ul style="list-style-type: none"> (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; (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; (c) to entrust, on behalf of foreign clients, Chinese law firms to deal with the Chinese legal affairs; (d) to enter into contracts to maintain long-term entrustment relations with Chinese law firms for legal affairs; (e) to provide information on the impact of the Chinese legal environment. <p>Entrustment allows the foreign representative office to directly instruct lawyers in the entrusted Chinese law firm, as agreed between both parties.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>b. Accounting, auditing and bookkeeping services (CPC 862)</p>	<p>The representatives of a foreign law firm shall be practitioner lawyers who are members of the bar or law society in a WTO member 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 WTO member and have practiced for no less than three years outside of China.</p>	<p>(1) None (2) None (3) None</p>	<p>- Foreign accounting firms are permitted to affiliate with Chinese firms and enter into contractual agreements with their affiliated firms in other WTO members. - Upon accession to the WTO, issuance of licenses 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. - Existing contractual joint venture accounting firms are not limited only to CPAs licensed by Chinese authorities. - 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.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
c. Taxation services (CPC 8630)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. None, within six years of China's accession, foreign firms will be permitted to establish wholly foreign-owned subsidiaries.	(1) None (2) None (3) None	
d. Architectural services (CPC 8671) e. Engineering services (CPC 8672) f. Integrated engineering services (CPC 8673) g. Urban planning services (except general urban planning) (CPC 8674)	(1) None for scheme design Co-operation with Chinese professional organisations is required except scheme design (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. Within five years after China's accession to the WTO, wholly foreign-owned enterprises will be permitted	(1) None (2) None (3) Foreign service suppliers shall be registered architects/engineers, or enterprises engaged in architectural/engineering/urban planning services, in their home country	
h. Medical and dental services (CPC 9312)	(1) None (2) None (3) Foreign service suppliers are permitted to establish joint venture hospitals or clinics with Chinese partners with quantitative limitations in line with China's needs, with foreign majority ownership permitted.	(1) None (2) None (3) The majority of doctors and medical personnel of the joint venture hospital and clinics shall be of Chinese nationality.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
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 means of supply)	(1) None (2) None (3) None	(1) None (2) None (3) None	
(a). Consultancy services related to the installation of computer hardware (CPC 841)			
(b) Software implementation services (CPC 842)	(1) None (2) None (3) Wholly foreign-owned enterprises will be allowed.	(1) None (2) None (3) None	
(c) Data processing services (CPC 843)			
- Input preparation services (CPC 8431)			
- Data processing and tabulation services (CPC 8432)	(1) None (2) None (3) None	(1) None (2) None (3) None	
- Time-sharing services (CPC 8433)			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
D. Real Estate Services	(1) None (2) None (3) None except for the following: Wholly foreign-owned enterprises are not permitted for high standard real estate projects ² , such as apartments and office buildings, but excluding luxury hotels.	(1) None (2) None (3) None	
a. Real estate services involving own or leased property (CPC 821)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted.	(1) None (2) None (3) None	
b. Real estate services on a fee or contract basis (CPC 822)			

² High standard real estate projects refer to the real estate projects with construction costs per unit two times more than the average construction costs per unit in the same city.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence			
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
F. Other Business Services a. Advertising Services (CPC 871)	<p>(1) Only through advertising agents registered in China who have the right to provide foreign advertising services.</p> <p>(2) Only through advertising agents registered in China who have the right to provide foreign advertising services.</p> <p>(3) Foreign service suppliers are permitted to establish advertising enterprises in China only in the form of joint ventures with foreign investment no more than 49 per cent.</p> <p>Within two years after China's accession, foreign majority ownership will be permitted and within four years after China's accession, wholly foreign-owned subsidiaries will be permitted.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	
c. Management Consulting services (CPC 865)	<p>(1) None</p> <p>(2) None</p> <p>(3) Only in the form of joint ventures, with foreign majority ownership permitted.</p> <p>None, within six years of China's accession, foreign firms will be permitted to establish wholly foreign-owned subsidiaries.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	
d. Services related to management consulting (only limited to the following sub-sector) -Project management services other than for construction (CPC 86601)	<p>(1) None</p> <p>(2) None</p> <p>(3) Only in the form of joint ventures, with foreign majority ownership permitted. Economic needs tests are required.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Unbound</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>e. Technical testing and analysis services (CPC 8676) and freight inspection covered by CPC 749, excluding statutory inspection services for freight inspection services</p>	<p>(1) 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 joint venture technical testing, analysis and freight inspection companies with no less than US\$ 350,000 in registered capital. Within two years after China's accession, foreign majority ownership will be permitted and within four years after China's accession, wholly foreign-owned subsidiaries will be permitted.</p>	<p>(1) None (2) None (3) None</p>	
<p>f. Services incidental to agriculture, forestry, hunting and fishing (CPC 881, 882)</p>	<p>(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted.</p>	<p>(1) None (2) None (3) None</p>	
<p>m. Related scientific technical consulting services (CPC 8675)</p> <p>- Offshore oil-field services geological, geophysical and other scientific prospecting services (CPC 8675 1) Sub-surface surveying services (CPC 86752)</p>	<p>(1) None (2) None (3) Only in the form of petroleum exploitation in cooperation with Chinese partners</p>	<p>(1) None (2) None (3) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>- Onshore oil-field services</p>	<p>(1) None (2) None (3) Only in the form of petroleum exploitation in cooperation with China National Petroleum Corp. (CNPC) 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 the People's Republic of China and go through registration formalities in accordance with the laws. The domiciles of the said offices shall be determined through consultation with CNPC. 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 Chinese territory.</p>	<p>(1) None (2) None (3) The foreign service supplier shall furnish CNPC 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 shall have the ownership of all of the data records, samples, vouchers and other original information acquired during the implementation of the petroleum operations. The investment of foreign service suppliers shall be made in US dollars or other hard currencies.</p>	
<p>p. Photographic services (CPC 875)</p>	<p>(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted</p>	<p>(1) None (2) None (3) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
q. Packaging services (CPC 876)	(1) None (2) None (3) Foreign service suppliers will be permitted to establish joint venture in China. Within one year after China's accession, foreign majority ownership will be permitted. Within three years after China's accession, foreign service suppliers will be permitted to establish wholly foreign-owned subsidiaries.	(1) None (2) None (3) None	
s. Convention services (CPC 87909)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted.	(1) None (2) None (3) None	
t. Translation and interpretation services (CPC 87905)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted	(1) None (2) None (3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<ul style="list-style-type: none"> - Maintenance and repair services (CPC 63, 6112 and 6122) - Maintenance and repair services of office machinery and equipment including computers (CPC 845 and 886) - Rental and leasing services (CPC 831, 832, excluding CPC 83202) 	<ul style="list-style-type: none"> (1) None (2) None (3) Only in the form of joint ventures. Within one year after China's accession, foreign majority ownership will be permitted. Within three years after China's accession, wholly foreign-owned subsidiaries will be permitted. For Rental and Leasing services, service suppliers will have global assets of US\$ 5 million. 	<ul style="list-style-type: none"> (1) None (2) None (3) None 	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
2. COMMUNICATION SERVICES			
B. Courier Services (CPC 75121, except for those currently specifically reserved to Chinese postal authorities by law)	(1) None (2) None (3) Upon accession, foreign service suppliers will be permitted to establish joint ventures with foreign investment not exceeding 49 per cent. Within one year after China's accession, foreign majority ownership will be permitted. Within four years after China's accession, foreign service suppliers will be permitted to establish wholly foreign-owned subsidiaries.	(1) None (2) None (3) None	
C. Telecommunication Services ³ Value-added Services Including the following: h. Electronic mail i. Voice mail j. On-line information and database retrieval k. Electronic data interchange l. Enhanced/Value-added facsimile services (including store and forward, store and retrieve) m. Code and protocol conversion n. On-line information and/or data processing (including transaction processing)	(1) See mode 3 (2) None (3) Foreign service suppliers will be permitted to establish joint venture value-added telecommunication enterprises, without quantitative restrictions, and provide services in the cities of Shanghai, Guangzhou and Beijing. Foreign investment in joint venture shall be no more than 30 per cent. Within one year after China's accession, the areas will be expanded to include Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo,	(1) None (2) None (3) None	

³ 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.

Telecommunication services do not cover the economic activity consisting of the provision of content services which require telecommunications services for their transport.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
Basic Telecommunication Services - Paging Services	<p>Qingdao, Shenyang, Shenzhen, Xiamen, Xi'an, Taiyuan and Wuhan and foreign investment shall be no more than 49 per cent.</p> <p>Within two years after China's accession, there will be no geographic restriction and foreign investment in the joint ventures shall be no more than 50 per cent.</p> <p>(1) See mode 3 (2) None (3) Foreign service suppliers will be permitted to establish joint venture enterprises, without quantitative restrictions, and provide services in and between the cities of Shanghai, Guangzhou and Beijing. Foreign investment in joint venture shall be no more than 30 per cent.</p> <p>Within one year after China's accession, the areas will be expanded to include services in and between Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xi'an, Taiyuan and Wuhan and foreign investment shall be no more than 49 per cent.</p> <p>Within two years after China's accession, there will be no geographic restriction and foreign investment in the joint ventures shall be no more than 50 per cent.</p>	<p>(1) None (2) None (3) None</p>	<p>China undertakes the obligations contained in the Reference Paper in Appendix 1 attached hereto.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>Mobile Voice and Data Services:</p> <ul style="list-style-type: none"> - Analogue / Digital / Cellular Services - Personal Communication Services 	<p>(1) See mode 3 (2) None (3) Upon China's accession, foreign service suppliers will be permitted to establish joint venture enterprises, and without quantitative restrictions, and provide services in and between the cities of Shanghai, Guangzhou and Beijing. Foreign investment in the joint venture shall be no more than 25 per cent. Within one year after accession, the areas will be expanded to include services in and between Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xi'an, Taiyuan and Wuhan and foreign investment shall be no more than 35 per cent. Within three years after accession, foreign investment in the joint ventures shall be no more than 49 per cent. Within five years after accession, there will be no geographic restriction.</p>	<p>(1) None (2) None (3) None</p>	

Modes of supply: (1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	Additional commitments
Sector or sub-sector	Limitations on market access	Limitation on national treatment	
<ul style="list-style-type: none"> - Domestic Services a. Voice services b. Packet-switched data transmission services c. Circuit-switched data transmission services 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) 	<ul style="list-style-type: none"> (1) See mode 3 (2) None (3) Within three years after China's accession, foreign service suppliers will be permitted to establish joint venture enterprises, without quantitative restrictions, and provide services in and between the cities of Shanghai, Guangzhou and Beijing. Foreign investment in the joint venture shall be no more than 25 per cent. 	<ul style="list-style-type: none"> (1) None (2) None (3) None 	
<ul style="list-style-type: none"> Within five years after accession, the areas will be expanded to include services in and between Chengdu, Chongqing, Dalian, Fuzhou, Hangzhou, Nanjing, Ningbo, Qingdao, Shenyang, Shenzhen, Xiamen, Xi'an, Taiyuan and Wuhan. And foreign investment shall be no more than 35 per cent. Within six years after accession, there will be no geographic restriction and foreign investment shall be no more than 49 per cent. 			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
D. Audiovisual Services			
- Videos, including entertainment software and (CPC 83202), distribution services	(1) None (2) None (3) Upon accession, foreign services suppliers will be permitted to establish contractual joint ventures 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 (see footnote 1).	(1) None (2) None (3) None	Without prejudice to compliance with China's regulations on the administration of films, upon accession, China will allow 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.
- Sound recording distribution services			
- Cinema Theatre Services	(1) None (2) None (3) Upon accession, foreign services suppliers will be permitted to construct and/or renovate cinema theatres, with foreign investment no more than 49 per cent.	(1) None (2) None (3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, 512, 513⁴, 514, 515, 516, 517, 518⁵)</p>	<p>(1) Unbound* (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. Within three years after China's accession to the WTO, wholly foreign-owned enterprises will be permitted. Wholly foreign-owned enterprises can only undertake the following four types of construction projects.</p> <ol style="list-style-type: none"> 1. Construction projects wholly financed by foreign investment and/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 	<p>(1) Unbound* (2) None (3) None except for the following: (a) The existing registered capital requirements for joint venture construction enterprises are slightly different from those of the domestic enterprises. (b) Joint venture construction enterprises have the obligation to undertake foreign-invested construction projects. Within three years after China's accession to the WTO, none.</p>	

⁴ Including dredging services relating to infrastructure construction.

⁵ Coverage of CPC 518 is limited only to the rental and leasing services of construction and/or demolition machines with operator which are owned and used by foreign construction enterprises in their supply of services.

* Unbound due to lack of technical feasibility.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>4. Chinese invested construction 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>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>4. DISTRIBUTION SERVICES (as defined in Appendix 2)</p>			
<p>A. Commission Agents' Services (excluding salt, tobacco) B. Wholesale Trade Services⁶ (excluding salt, tobacco)</p>	<p>(1) Unbound (2) None (3) Within one year after China's accession to the WTO, foreign service suppliers may establish joint ventures to engage in the commission agents' business and wholesale business of all imported and domestically produced products, except those products that immediately follow. For these products, foreign service suppliers will be permitted to engage in the distribution of books, newspapers, magazines, pharmaceutical products, pesticides and mulching films within three years after China's accession, and to engage in the distribution of chemical fertilizers, processed oil and crude oil within five years after China's accession. Within two years after China's accession to the WTO, foreign majority ownership will be permitted and no geographic or quantitative restrictions will apply. None, within three years after accession, except for chemical fertilizers, processed oil and crude oil within five years after accession.</p>	<p>(1) Unbound (2) None (3) None</p>	<p>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 Appendix 2. Foreign service suppliers are permitted to provide the full range of related subordinate services, including after sales services, as defined in Annex 2, for the products they distribute.</p>

⁶ The restrictions on mode 1 shall not undermine the rights of WTO Members to the right to trade as stipulated in Chapter 5 of China's Protocol of accession to the WTO.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>C. Retailing Services (excluding tobacco).</p>	<p>Limitations on market access</p> <p>(1) Unbound except for mail order.</p> <p>(2) None</p> <p>(3) Foreign service suppliers may supply services only in forms of joint ventures in five Special Economic Zones (Shenzhen, Zhuhai, Shantou, Xiamen and Hainan) and six cities (Beijing, Shanghai, Tianjin, Guangzhou, Dalian and Qingdao). In Beijing and Shanghai, a total of no more than four joint venture retailing enterprises are permitted respectively. In each of the other cities, no more than two joint venture retailing enterprises will be permitted. Two joint venture retailing enterprises among the four to be established in Beijing may set up their branches in the same city (i.e. Beijing).</p> <p>Upon China's accession to the WTO, Zhengzhou and Wuhan will be immediately open to joint venture retailing enterprises. Within two years after China's accession to the WTO, foreign majority control will be permitted in joint venture retailing enterprises and all provincial capitals, Chongqing and Ningbo will be open to joint venture retailing enterprises.</p> <p>Foreign service suppliers will be permitted to engage in the retailing of all products, except for the retailing of books, newspapers and magazines within one year after accession, the retailing of pharmaceutical products, pesticides, mulching films and processed oil</p>	<p>Limitation on national treatment</p> <p>(1) Unbound except for mail order.</p> <p>(2) None</p> <p>(3) None</p>	<p>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 Annex 2.</p> <p>Foreign service suppliers are permitted to provide full range of related subordinate services, including after sales services, as defined in Annex 2, for the products they distribute.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>within three years after accession and retailing of chemical fertilizers within five years after accession. None, within three years after accession, except for:</p> <ul style="list-style-type: none"> - retailing of chemical fertilizers, within five years after accession; and- <p>those 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: motor vehicles (for a period of five years after accession at which time the equity limitation will have been eliminated), and products listed above and in Annex 2a of the Protocol of China's WTO Accession. 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.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access (1) None (2) None (3) Within three years after China's accession to the WTO, none.	Limitation on national treatment (1) None (2) None (3) Within three years after China's accession to the WTO, none.	Additional commitments
D. Franchising	(1) None (2) None (3) Within three years after China's accession to the WTO, none.	(1) None (2) None (3) Within three years after China's accession to the WTO, none.	
E. Wholesale or retail trade services away from a fixed location.	(1) None (2) None (3) Within three years after China's accession to the WTO, none ⁷ .	(1) None (2) None (3) Within three years after China's accession to the WTO, none.	

⁷ See paragraph 310 of the Working Party Report.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence			
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
5. EDUCATIONAL SERVICES			

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector (Excluding special education services e.g. military, police, political and party school education)	Limitations on market access	Limitation on national treatment	Additional commitments
<p>(1) Unbound (2) None (3) Joint schools will be established, with foreign majority ownership permitted.</p> <p>A. Primary education services (CPC 921, excluding national compulsory education in CPC 92190) 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) E. Other education services (CPC 929, including English language training)</p>	<p>(1) Unbound (2) None (3) Unbound</p>	<p>(1) Unbound (2) None (3) Unbound</p>	<p>China will list on its Ministry of Education "Study Abroad" website www.jsj.edu.cn the eight New Zealand universities, the twenty Institutes of Technology and Polytechnics, Te Wananga o Aotearoa, Te Whare Wananga o Awanuiarangi and Te Wananga o Raukawa, and the following six degree conferring Private Training Establishments duly approved and accredited by NZQA: Auckland Institute of Studies at St Helens, International Pacific College New Zealand, New Zealand College of Chiropractic, Pacific International Hotel Management School, Te Kura Toi Whakaari o Aotearoa: New Zealand Drama School, Whitecliff College of Arts and Design.</p> <p>Both Parties will jointly initiate work at the official level on evaluation of the quality assurance criteria for qualifications which include a distance delivery component.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence			
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
6. ENVIRONMENTAL SERVICES (excluding environmental quality monitoring and pollution source inspection) A. Sewage Services (CPC 9401) B. Solid Waste Disposal Services (CPC 9402) C. Cleaning Services of Exhaust Gases (CPC 9404) D. Noise Abatement Services (CPC 9405) E. Nature and Landscape Protection Services (CPC 9406) F. Other Environmental Protection Services (CPC 9409) G. Sanitation Services (CPC 9403)	(1) Unbound except for environmental consultation services. (2) None (3) Joint ventures, with foreign majority ownership will be permitted. Wholly foreign-owned enterprises will be permitted.	(1) None (2) None (3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>7. FINANCIAL SERVICES</p> <p>A. All Insurance and Insurance-Related Services⁸</p> <p>a. Life, health and pension/annuities insurance</p> <p>b. Non-life insurance</p> <p>c. Reinsurance</p> <p>d. Services auxiliary to insurance</p>	<p>(1) Unbound except for :</p> <p>a) reinsurance;</p> <p>b) international marine, aviation, and transport insurance; and</p> <p>c) brokerage for large scale commercial risks, international marine, aviation, and transport insurance, and reinsurance.</p> <p>(2) Unbound for brokerage. Other, none.</p> <p>(3) A. Form of establishment</p> <p>Foreign non-life insurers will be permitted to establish as a branch or as a joint venture with 51 per cent foreign ownership.</p> <p>Within two years after China's accession, foreign non-life insurers will be permitted to establish as a wholly-owned subsidiary; i.e., with no form of establishment restrictions.</p> <p>Upon accession, foreign life insurers will be permitted 50 per cent foreign ownership in a joint venture with the partner of their choice.</p> <p>The joint venture partners can freely agree the terms of their engagement, provided they remain within the limits of the commitments contained in this schedule.</p> <p>For brokerage for insurance of large scale commercial risks and brokerage for reinsurance and brokerage for international marine,</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None, except for:</p> <ul style="list-style-type: none"> - Foreign insurance institutions shall not engage in the statutory insurance business. - Upon accession, a 20 per cent cession of all lines of the primary risks for non-life, personal accident and health insurance business with an appointed Chinese Reinsurance Company shall be required; one year after accession, 15 per cent shall be required; two years after accession, ten per cent shall be required; and three years after accession, five per cent shall be required; and four years after accession, no compulsory cession shall be required. 	

⁸ Any further authorization provided to foreign insurers after accession under more favorable 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.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>aviation, and transport insurance and reinsurance: upon accession, joint venture with foreign equity no more than 50 per cent will be permitted; within three years after China's accession, foreign equity share shall be increased to 51 per cent; within five years after China's accession, wholly foreign owned subsidiary will be permitted. For other brokerage services: Unbound. Internal branching for an insurance firm will be permitted consistent with the phase out of geographic restrictions.</p> <p>B. <u>Geographic Coverage</u> Upon accession, foreign life and non-life insurers, and insurance brokers will be permitted to provide services in Shanghai, Guangzhou, Dalian, Shenzhen and Foshan. Within two years after China's accession, foreign life and non-life insurers, and insurance brokers will be permitted to provide services in the following cities: Beijing, Chengdu, Chongqing, Fuzhou, Suzhou, Xiamen, Ningbo, Shenyang, Wuhan and Tianjin. Within three years after China's accession, there will be no geographic restrictions.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>C. <u>Business Scope</u> Upon accession, foreign non-life insurers will be 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 will be permitted to provide "Master policy" no later than Chinese brokers, under conditions no less favourable. Foreign non-life insurers are permitted to provide insurance of enterprises abroad as well as property insurance, related liability insurance and credit insurance of foreign-invested enterprises in China upon accession. Within 2 years after China's accession, foreign non-life insurers will be permitted to provide the full range of non-life insurance services to both foreign and domestic clients. Foreign insurers are permitted to provide individual (not group) insurance to foreigners and Chinese citizens; within three years after accession, foreign insurers will be permitted to provide health insurance, group insurance and pension/annuities insurance to foreigners and Chinese.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>Upon accession, foreign insurers will be permitted to provide reinsurance services for life and non-life insurance as a branch, joint venture, or wholly foreign-owned subsidiary, without geographic or quantitative restrictions on the number of licenses issued.</p> <p>D. <u>Licenses</u> Upon accession, licenses will be issued with no economic needs test or quantitative limits on licenses. Qualifications for establishing a foreign insurance institution are as follows:</p> <ul style="list-style-type: none"> - the investor shall be a foreign insurance company with more than 30 years of establishment experience in a WTO member; - it shall have a representative office for two consecutive years in China; - 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>Insurance brokers shall have total assets of more than US\$ 500 million. Within one year after accession, they shall have total assets of more than US\$ 400 million. Within two years after accession, they shall have total assets of more than US\$ 300 million. Within four years after accession, they shall have total assets of more than US\$ 200 million.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation 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 account or for account of customers: foreign exchange.</p>	<p>(1) Unbound except for the following: - 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, and advice on acquisitions and on corporate restructuring and strategy.</p> <p>(2) None</p> <p>(3) A. <u>Geographic coverage</u> For foreign currency business, there will be no geographic restriction upon accession. For local currency business, the geographic restriction will be phased out as follows: Upon accession, Shanghai, Shenzhen, Tianjin and Dalian; Within one year after accession, Guangzhou, Zhuhai, Qingdao, Nanjing and Wuhan; within two years after accession, Jinan, Fuzhou, Chengdu and Chongqing; within three years after accession, Kunming, Beijing and Xi'an; Within four years after accession, Shantou, Ningbo, Shenyang and Xi'an. Within five years after accession, all geographic restrictions will be removed.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Except for geographic restrictions and client limitations on local currency business (listed in the market access column), 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>	<p>For financial leasing services, foreign financial leasing corporations will be permitted to provide financial leasing service at the same time as domestic corporations.</p>

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>B. <u>Clients</u></p> <p>For foreign currency business, foreign financial institutions will be permitted to provide services in China without restriction as to clients upon accession.</p> <p>For local currency business, within two years after accession, foreign financial institutions will be permitted to provide services to Chinese enterprises. Within five years after accession, foreign financial institutions will be permitted to provide services to all Chinese clients. Foreign financial institutions licensed for local currency business in one region of China may service clients in any other region that has been opened for such business.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>C. Licensing</p> <p>Criteria for authorization to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). Within five years after accession, any existing non-prudential measures restricting ownership, operation, and juridical form of foreign financial institutions, including on internal branching and licenses, shall be eliminated.</p> <p>Foreign financial institutions who meet the following condition are permitted to establish a subsidiary of a foreign bank or a foreign finance company in China:</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>- total assets of more than US \$10 billion at the end of the year prior to filing the application.</p> <p>Foreign financial institutions who meet the following condition are permitted to establish a branch of a foreign bank in China:</p> <p>- total assets of more than US \$20 billion at the end of the year prior to filing the application.</p> <p>Foreign financial institutions who meet the following condition are permitted to establish a Chinese-foreign joint bank or a Chinese-foreign joint finance company in China:</p> <p>- total assets of more than US \$10 billion at the end of the year prior to filing the application.</p> <p>Qualifications for foreign financial institutions to engage in local currency business are as follows:</p> <p>- three years business operation in China and being profitable for two consecutive years prior to the application, otherwise, none.</p>		

Modes of supply: (1) Cross-border supply	(2) Consumption abroad	(3) Commercial presence	Limitation on national treatment	Additional commitments
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments	
- Motor vehicle financing by non-bank financial institutions	(1) Unbound except for the following: - 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, and corporate restructuring and strategy. (2) None (3) None	(1) Unbound	(2) None (3) None	
- Other financial services as listed below:	(1) None (2) None (3) None	(1) None (2) None (3) None	(1) None (2) None (3) None	
k. Provision and transfer of financial information, and financial data processing and related software by supplier of other financial services;	(1) None (2) None (3) None	(1) None (2) None (3) None	(1) None (2) None (3) None	
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, and corporate restructuring and strategy.	(1) None (2) None (3) None (Criteria for authorization to deal in China's financial services sector are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). Branches of foreign institutions are permitted.	(1) None (2) None (3) None	(1) None (2) None (3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence	Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
-	Securities	<p>Limitations on market access</p> <p>(1) Unbound except for the following: Foreign securities institutions may engage directly (without Chinese intermediary) in B share business.</p> <p>(2) None</p> <p>(3) a. Unbound, except for the following: <ul style="list-style-type: none"> - Upon accession, representative offices in China of foreign securities institutions may become Special Members of all Chinese stock exchanges. - Upon accession, foreign service suppliers will be permitted to establish joint ventures with foreign investment up to 33 per cent to conduct domestic securities investment fund management business. Within three years after China's accession, foreign investment shall be increased to 49 per cent. Within three years after accession, foreign securities institutions will be permitted to establish joint ventures, with foreign minority ownership not exceeding 1/3, to engage (without Chinese intermediary) in underwriting A shares and in underwriting and trading of B and H shares as well as government and corporate debts, launching of funds. b. Criteria for authorization to deal in China's financial industry are solely prudential (i.e., contain no economic needs test or quantitative limits on licenses). </p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p> <p>A. Hotels (including apartment buildings) and Restaurants (CPC 641-643)</p>	<p>(1) None (2) None (3) Foreign services suppliers may construct, renovate and operate hotel and restaurant establishments in China in the form of joint ventures with foreign majority ownership permitted. None, within four years after accession, wholly foreign-owned subsidiaries will be permitted.</p>	<p>(1) None (2) None (3) None</p>	
<p>B. Travel Agency and Tour Operator (CPC 7471)</p>	<p>(1) None (2) None (3) Foreign services suppliers who meet the following conditions are permitted to provide services in the form of joint venture travel agencies and tour operators in the holiday resorts designated by the Chinese government and in the cities of Beijing, Shanghai, Guangzhou and Xi'an upon accession: a) a travel agency and tour operator mainly engaged in travel business; b) Annual world-wide turnover exceeds US\$ 40 million.</p>	<p>(1) None (2) None (3) None except that joint ventures or wholly-owned travel agencies and tour operators are not permitted to engage in the activities of Chinese travelling abroad and to Hong Kong China, Macao China and Chinese Taipei.</p>	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>The registered capital of joint venture travel agency/tour operator shall be no less than RMB 4 million. Within three years after China's accession, the registered capital shall be no less than RMB 2.5 million. Within three years after accession foreign majority ownership will be permitted.</p> <p>Within six years after accession, wholly foreign-owned subsidiaries will be permitted and geographic restrictions will be removed. The business scope of the travel agency/ tour operator is as follows:</p> <ul style="list-style-type: none"> a) travel and hotel accommodation services for foreign travellers which can be made directly with transportation and hotel operators in China covering such operations; b) travel services and hotel accommodation services for domestic travellers which can be made directly with transportation and hotel operators in China covering such operations; c) conducting of tours within China for both domestic and foreign travellers, and d) travellers check cashing services within China. <p>None within six years after accession, there will be no restriction on the establishment of branches of the joint venture travel agency/tour operator and the requirement on registered capital of foreign-invested travel agency/tour operator will be the same as that of Chinese travel agency/tour operator.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES			
D. Sporting and other recreational services (Only limited to CPC 96411, 96412, 96413, excluding golf)	(1) Unbound (2) Unbound (3) Wholly foreign-owned enterprises will be allowed. Economic needs tests are required.	(1) Unbound (2) Unbound (3) Unbound	
11. TRANSPORT SERVICES			
A. Maritime Transport Services			
- International transport (freight and passengers) (CPC 7211 and 7212 less cabotage transport services)	(1) Liner shipping (including passenger transportation): None (b) Bulk, tramp and other international shipping (including passenger transportation): None (2) None (3) (a) Establishment of registered companies for the purpose of operating a fleet under the national flag of the People's Republic of China: - Foreign service suppliers are permitted to establish joint venture shipping companies. - Foreign investment shall not exceed 49 per cent of the total registered capital of the joint venture. - The chairman of board of directors and the general manager of the joint venture shall be appointed by the Chinese side. (b) Other forms of commercial presence for the supply of international maritime transport services: Unbound	(1) (a) None (b) None (2) None (3) (a) None (b) Unbound	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.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence			
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
H. Auxiliary Services a. Maritime cargo-handling services (CPC 741) c. Customs clearance services for maritime transport	(1) Unbound* (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted.	(1) Unbound* (2) None (3) None	
d. Container station and depot services	(1) Unbound* (2) None (3) Only in forms of joint ventures, with foreign majority ownership permitted.	(1) Unbound* (2) None (3) None	
e. Maritime agency services	(1) None (2) None (3) Only in forms of joint ventures, with foreign equity share no more than 49 per cent.	(1) None (2) None (3) None	

* Unbound due to lack of technical feasibility.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
B. Internal Waterways Transport b. Freight transport (CPC 7222)	(1) Only international shipping in ports open to foreign vessels shall be permitted. (2) None (3) Unbound	(1) Limitations as indicated under market access column. (2) None (3) Unbound	
C. Air Transport Services (d) Aircraft repair and maintenance services (CPC 8868)	(1) Unbound* (2) None (3) Foreign service suppliers are permitted to establish joint venture aircraft repair and maintenance enterprises in China. The Chinese side shall hold controlling shares or be in a dominant position in the joint ventures.	(1) Unbound* (2) None (3) The joint ventures have the obligation to undertake business in the international market.	
- Computer Reservation System (CRS) services	(1) (a) Foreign Computer Reservation System, when having agreements with Chinese aviation enterprises and Chinese Computer Reservation System, may provide services to Chinese aviation enterprises and Chinese aviation agents by connecting with Chinese Computer Reservation System.	(1) None	

* Unbound due to lack of technical feasibility.

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence	Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
		<p>(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.</p> <p>(c) Direct access to and use of foreign Computer Reservation System by Chinese aviation enterprises and agents of foreign aviation enterprises are subject to approval of the General Administration of Civil Aviation of China (CAAC).</p>	<p>(2) None (3) Unbound</p>	
		<p>(2) None (3) Foreign service suppliers are permitted to establish joint venture enterprises with Chinese Computer Reservation System in China. The Chinese side shall hold controlling shares or be in a dominant position in the joint ventures. Licenses for the establishment of joint ventures are subject to economic needs test.</p>		

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
E. Rail Transport Services - Freight transportation by rail (CPC 7112)	(1) None (2) None (3) Only in the form of joint ventures, with foreign investment not to exceed 49 per cent. For rail transport, within three years after China's accession, foreign majority ownership will be permitted and within six years after China's accession, wholly foreign-owned subsidiaries will be permitted.	(1) None (2) None (3) None	
F. Road Transport Services - Freight transportation by road in trucks or cars (CPC 7123)	(1) None (2) None (3) For road transport, wholly foreign-owned subsidiaries will be permitted.	(1) None (2) None (3) None	
- Maintenance and repair services of motor vehicles (CPC 61120)	(1) None (2) None (3) Wholly foreign-owned subsidiaries will be permitted.	(1) None (2) None (3) None	
H. Services Auxiliary to all Modes of Transport - Storage and warehousing services (CPC 742)	(1) Unbound (2) None (3) Wholly foreign-owned subsidiaries will be permitted.	(1) Unbound (2) None (3) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
<p>- Freight forwarding agency services (CPC 748 and 749 excluding freight inspection)</p>	<p>(1) None (2) None (3) Foreign freight forwarding agencies which have at least three consecutive years experience are permitted to set up freight forwarding agency joint ventures in China, wholly foreign-owned subsidiaries will be permitted. Operation term of the joint ventures shall not exceed 20 years. After one year operating in China, the joint venture can set up branches. A foreign freight forwarding agency may set up a second joint venture after its first joint venture has been in operation for two years.</p>	<p>(1) None (2) None (3) None</p>	

Appendix 1

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-subsidization;
- (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 Member 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 Member.

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.

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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., cable⁹, 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.

⁹Including all types of cable.

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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.

Appendix 2

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 characterized 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 consist 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.

Appendix 3

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 authorized 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 State Development and Planning 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 CIRC can not be underwritten or co-insured by insurers located other than where the subject-insured are located, or covered under a master policy.

Annex 8 Part B: New Zealand Schedule of Specific Commitments on Services

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>I. HORIZONTAL COMMITMENTS</p> <p>ALL SECTORS INCLUDED IN THIS SCHEDULE</p>		<p>3) Under the Overseas Investment Regulations, 1985, issued under the Overseas Investment Act 1973, Overseas Investment Commission approval is required for the following investments by an "overseas person":¹</p> <p>(a) acquisition or control of 25 per cent or more of the shares or voting power in a company where either the consideration of transfer or the value of the assets of the company exceeds \$NZ10 million;</p> <p>(b) the establishment of new business in New Zealand where the total expenditure in setting up the business exceeds \$NZ10 million;</p> <p>(c) the acquisition of the assets of the business where the total consideration paid or payable for the assets exceeds \$NZ10 million;</p> <p>(d) the issue or allotment of shares where the 25 per cent threshold has already been exceeded or will be exceeded as a result of the issue and where the total consideration paid or payable exceeds \$NZ10 million.</p>	

¹ See Attachment A.2

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
		<p>OIC consent is required, regardless of the dollar value of the investment, for acquisition of rural land. Approval is also required under the Land Settlement Promotion and Land Acquisition Act for the purchase of some classes of land.</p> <p>Unbound for enterprises currently in State ownership</p>	
		<p>1)2)Unbound for current and future measures at the central and sub-central levels according to more favourable treatment to any Maori person or organisation, in relation to the acquisition, establishment or operation of any commercial or industrial undertaking.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR SPECIFIC COMMITMENTS			
I. BUSINESS SERVICES			
<p>A. <u>Professional Services</u></p>			
<p>(a) Legal Services, in respect of the following areas of law: Practice of New Zealand law (CPC 861)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>Provision of advice on international law (CPC 861)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>(b) Accounting, auditing and book-keeping services (CPC 862)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>(c) Taxation services Tax preparation, (CPC 86302, CPC 86303)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>(d) Architectural services (CPC 8671)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Engineering services (CPC 8672)	1) None 2) None 3) None	1) Certification of certain works involving health and safety is limited to Registered Engineers, who to become registered must be ordinarily resident in New Zealand. 2) None	
(i) Veterinary services (CPC 9320)	1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None	
B. <u>Computer and Related Services</u>			
(a) Consultancy services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) None	1) None 2) None 3) None	
(b) Software implementation services (CPC 842)	1) None 2) None 3) None	1) None 2) None 3) None	
(c) Data processing services (CPC 843)	1) None 2) None 3) None	1) None 2) None 3) None	
(d) Data base services (CPC 844)	1) None 2) None 3) None	1) None 2) None 3) None	

* Unbound due to lack of technical feasibility

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Maintenance and Repair of office machinery and equipment, including computers (CPC 845) (e) Other Computer Services (CPC 849)	1) None 2) None 3) None 1) None 2) None 3) None	1) None 2) None 3) None 1) None 2) None 3) None	
D. <u>Real Estate Services</u> (a) Involving own or leased property (CPC 821) (b) On a fee or contract basis (CPC 822)	1) None 2) None 3) None 1) None 2) None 3) None	1) None 2) None 3) None 1) None 2) None 3) None	
E. <u>Rental/Leasing of Equipment without Crew</u> Transport and non transport (CPC 8310)	1) None 2) None 3) None	1) None 2) None 3) None	
F. <u>Other Business Services</u> (a) Advertising services (CPC 871) (f) Services incidental to agriculture, hunting and forestry	1) None 2) None 3) None 1) None 2) None 3) None	1) None 2) None 3) None 1) None 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Services incidental to agriculture (CPC 8811)	<ol style="list-style-type: none"> 1) None 2) None 3) None 	<ol style="list-style-type: none"> 1) None 2) None 3) None 	
Services incidental to animal husbandry (CPC 8812)	<ol style="list-style-type: none"> 1) None 2) None 3) The Herd Testing Regulations under the Dairy Board Act 1961 restrict the provision of herd testing services to providers licensed by the NZ Dairy Board. The number of licences may be limited. 	<ol style="list-style-type: none"> 1) None 2) None 3) None 	
Services incidental to hunting (CPC 8813)	<ol style="list-style-type: none"> 1) None 2) None 3) None 	<ol style="list-style-type: none"> 1) None 2) None 3) None 	
Services incidental to forestry and logging (CPC 8814)	<ol style="list-style-type: none"> 1) None 2) None 3) None 	<ol style="list-style-type: none"> 1) None 2) None 3) None 	
(o) Cleaning of buildings and similar activities (CPC 874)	<ol style="list-style-type: none"> 1) Unbound* 2) None 3) None 	<ol style="list-style-type: none"> 1) Unbound* 2) None 3) None 	
(p) Photographic Services (CPC 875)	<ol style="list-style-type: none"> 1) None 2) None 3) None 	<ol style="list-style-type: none"> 1) None 2) None 3) None 	
(t) Translation services (CPC 87905**)	<ol style="list-style-type: none"> 1) None 2) None 3) None 	<ol style="list-style-type: none"> 1) None 2) None 3) None 	

* Unbound due to lack of technical feasibility.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(t) Duplicating Services (CPC 87904)	1) None 2) None 3) None	1) None 2) None 3) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>2. COMMUNICATION SERVICES</p> <p>C. <u>Telecommunication Services</u></p> <p>(a) Voice telephone services (CPC 7521)</p> <p>(b) Packet-switched data transmission services (CPC 7523**)</p> <p>(c) Circuit-switched data transmission services (CPC 7523**)</p> <p>d) Telex services (CPC 7523**)</p> <p>(e) Telegraph services (CPC 7522)</p> <p>(f) Facsimile services (CPC 7521**, CPC 7529**)</p> <p>(g) Private leased circuit services (CPC 7522**, CPC 7523**)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p>	<p>1) None</p> <p>2) None</p> <p>3) None, other than: The Articles of Association of the Telecom Corporation of New Zealand Limited limit the shareholding by any single overseas entity to 49.9%. At least half of Board directors are required to be New Zealand citizens.</p>	<p>The principles set forth in the attached reference paper are incorporated in this schedule to the extent they are commitments additional to the obligations flowing from Part I and II, Article XXVIII and the Annex on Telecommunications of the General Agreement on Trade in Services in respect of the Article XVI and XVII commitments on telecommunication services contained herein.</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(o) Other Paging services (CPC 75291) Teleconferencing services (CPC 75292) Personal Communications Services (CPC 75213*) Cellular services (CPC 75213*) Trunked radio system services (CPC 7523**, CPC 75213*) Mobile data services (CPC 7523**)			
(h) Electronic mail (CPC 7523**) (i) Voice mail (CPC 7523**) (j) On-line information and data-base retrieval (CPC 7523**) (k) Electronic data interchange (EDI) (CPC 7523**) (l) Enhanced/value-added facsimile services (CPC 7523**) (m) Code and protocol conversion (n) On-line information and/or data processing (CPC 843**)	1) None 2) None 3) None	1) None 2) None 3) The Articles of Association of the Telecom Corporation of New Zealand Limited limit the shareholding by any single overseas entity to 49.9 per cent. At least half of Board directors are required to be New Zealand citizens.	

<p>D. <u>Audiovisual Services</u></p> <p>Production, distribution, exhibition and broadcasting of audiovisual works (CPC 9611-9613, CPC 96192**, CPC 7524, CPC 753)</p>	<p>1) None</p> <p>2) None 3) None</p>	<p>1), The Broadcasting Commission is directed by the Government, pursuant to the Broadcasting Act 1989, to allocate a minimum of 6 per cent of its budget to Maori programming. From 1995 all public funding for Maori broadcasting will be controlled by Te Reo Whakapuaki Iirangi (Maori Broadcasting Funding Agency). Government assistance to the film industry through the New Zealand Film Commission is limited to New Zealand films as defined in Section 18 of the New Zealand Film Commission Act 1978.</p> <p>2) None</p>	
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3. CONSTRUCTION AND RELATED ENGINEERING SERVICES			
A. <u>General Construction Work for Buildings</u> (CPC 512, CPC 515)	1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None
B. <u>General Construction Work for Civil Engineering</u> (CPC 513)	1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None
C. <u>Installation and Assembly Work</u> (CPC 514, CPC 516)	1) None for consultancy services 2) None 3) None	1) None for consultancy services 2) None 3) None	1) None for Consultancy services 2) None 3) None
D. <u>Building Completion and Finishing Work</u> (CPC 517)	1) None for consultancy services 2) None 3) None	1) None for consultancy services 2) None 3) None	1) None for consultancy services 2) None 3) None
E. <u>Other</u> Site preparation: new construction (other than pipelines) (CPC 511) Maintenance and repair of fixed structures	1) Unbound* 2) None 3) None 1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None 1) Unbound* 2) None 3) None	1) Unbound* 2) None 3) None 1) Unbound* 2) None 3) None

* Unbound due to lack of technical feasibility.

4. DISTRIBUTION SERVICES			
A. <u>Commission Agents' Services (CPC 6211, excluding CPC 62111, CPC 62112, and such services relating to CPC 2613-2615)</u>	1) None 2) None 3) None		1) None 2) None 3) None
B. <u>Wholesale Trade (CPC 622, excluding CPC 6221, CPC 6222 and such services relating to CPC 2613-2615)</u>	1) None 2) None 3) None		1) None 2) None 3) None
C. <u>Retail Trade (CPC 631, CPC 632, CPC 6111, CPC 6113 and CPC 6121)</u>	1) None 2) None 3) None		1) None 2) None 3) None

<p>5. EDUCATION SERVICES</p>	<p>Primary, Secondary, and Tertiary education in private institutions (CPC 921, CPC 922, CPC 923)</p> <p>Other Education in respect of the following services only:</p> <p>Training provided in private specialist language institutions;</p> <p>Language assessment services provided through private Chinese language testing centres;</p> <p>Tuition in subjects taught at the primary and secondary levels, provided by private specialist institutions operating outside the New Zealand compulsory school system²</p> <p>CPC (929**)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
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² Examples of these services might include the provision of extension or remedial tuition in relation to Maths, Science or History.

<p>6. ENVIRONMENTAL SERVICES³</p>			
<p>Related to the following environmental services³ (CPC 940**)</p> <p>A. Waste water management:</p> <p>(i) consultancy relating to waste water management; for all other aspects of this service: those contracted by private industry only.</p> <p>(CPC 9401**)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	

³ The New Zealand commitments on environmental services exclude the collection, purification and distribution of water, including water for human use.

<p>B. Waste Management</p> <p>Refuse disposal services:</p> <p>(i) consultancy relating to refuse disposal; for all other aspects of this service: those contracted by private industry only.</p> <p>(CPC 9402**)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>Sanitation and similar services:</p> <p>(i) consultancy relating to sanitation and similar services; for all other aspects of this service: those contracted by private industry only.</p> <p>(CPC 9403**)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	

<p>C. Protection of ambient air & climate:</p> <p>(i) consultancy relating to the protection of ambient air & climate</p> <p>(ii) for all other aspects of this service: those contracted by private industry only (CPC 9404**)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>D. Remediation & cleanup of soil & water:</p> <p>(i) consultancy relating to the remediation & cleanup of soil & water</p> <p>(ii) for all other aspects of this service: those contracted by private industry only (CPC 9406**)⁴</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	

⁴ New Zealand's commitments under items 6.D and 6.F combine to cover the entirety of CPC 9406 services with respect to consultancy.

<p>E. Noise & vibration abatement:</p> <p>(i) consultancy relating to noise & vibration abatement</p> <p>(ii) for all other aspects of this service: those contracted by private industry only</p> <p>(CPC 9405**)¹</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>F. Protection of biodiversity & landscape:</p> <p>(i) consultancy relating to protection of biodiversity & landscape</p> <p>(ii) for all other aspects of this service: those contracted by private industry only</p> <p>(CPC 9406**)¹</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>	

¹ New Zealand's commitments under items 6.D and 6.F combine to cover the entirety of CPC 9406 services with respect to consultancy.

<p>G. Other environmental & ancillary services (including indoor environmental services):</p> <p>(i) consultancy relating to other environmental & ancillary services</p> <p>(ii) for all other aspects of these services: those contracted by private industry only</p> <p>(CPC 9409**)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
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7. FINANCIAL SERVICES

1. New Zealand undertakes its specific commitments on Financial Services in accordance with the provisions of the WTO "GATS Understanding on Commitments in Financial Services" (the Understanding)
2. These commitments on financial services are subject to the general limitations contained in the "Horizontal Commitments" section of this Schedule.
3. Market access and national treatment commitments in Modes (1) and (2) are bound to the extent of the obligations in paragraphs B.3 and B.4 of the Understanding.
4. The admission to the market of new financial services or products may be subject to the existence of, and consistency with, a regulatory framework aimed at achieving the objectives indicated in Article 2(a) of the GATS Financial Services Annex.
5. Mode 3 commitments are subject to the provisions of the Financial Reporting Act 1993 and the Companies Act 1993. These require overseas companies to prepare financial statements on an annual basis comprising a balance sheet, a profit and loss statement and (if required by an applicable financial reporting standard approved by the Accounting Standards Review Board) a statement of cash flows. The Acts also require such financial statements in relation to an overseas company's New Zealand business. The Acts require the following companies to deliver annual audited financial statements to the Registrar of Companies for registration: (a) issuers (i.e. those which have raised investment from the public); (b) overseas companies; (c) subsidiaries of companies or bodies corporate incorporated outside New Zealand; (d) companies in which 25 per cent or more of the shares are held or controlled by : (i) a subsidiary of a company or body corporate incorporated outside New Zealand or a subsidiary of that subsidiary; (ii) a company or body corporate incorporated outside New Zealand; or (iii) a person not ordinarily resident in New Zealand.

<p>A. <u>Insurance and Insurance-related services</u></p> <p>(a) Life insurance services (CPC 8121)</p> <p>(b) Non-life insurance services (CPC 8129)</p>	<p>3) None</p> <p>1), The Accident Rehabilitation and Compensation Insurance Act 1992 provides for compulsory worker's compensation insurance via levies on vehicle owners, employers, employees and the self-employed. The Act is administered by the Accident Rehabilitation and Compensation Insurance Corporation.</p> <p>3) The Earthquake Commission is the sole insurer of residential property disaster insurance for replacement cover up to NZ\$100,000 per dwelling and NZ\$20,000 on personal property. These amounts may be increased by regulation.</p> <p>1), Under the Apple and Pear Marketing Act</p> <p>3) 1971 the Apple and Pear Marketing Board has the power to organise compulsory hail insurance on behalf of growers and to require growers to pay a levy to recover the premium amount of this insurance.</p> <p>1),2) Unbound for marketing and sales related to & 3) products covered under CPC 01, 02, 211, 213-216, 22, 2399 and 261.</p> <p>3) None</p>	<p>3) None</p> <p>3) None</p>	
<p>(c) Reinsurance and retrocession (CPC 81299)</p>	<p>3) None</p>	<p>3) None</p>	

<p>(d) Insurance intermediation, such as brokerage and agency services (CPC 8140**)</p>	<p>1), The Accident Rehabilitation and Compensation Insurance Act 1992 provides for compulsory worker's compensation insurance via levies on vehicle owners, employers, employees and the self-employed. The Act is administered by the Accident Rehabilitation and Compensation Insurance Corporation.</p> <p>3) 1), Under the Apple and Pear Marketing Act 1971 and the Wheat Producers Levy Act 1987 (or regulations enacted under the Commodities Levy Act 1990), the respective bodies (the Apple and Pear Marketing Board and United Wheat growers (NZ) Ltd) have the power to organise compulsory disaster insurance on behalf of growers and to require them to pay a levy to recover the premium amount of this insurance.</p> <p>1),2) Unbound for loss of & 3) products covered under CPC 01, 02, 211, 213-216, 22, 2399 and 261.</p>	<p>3) None</p>	<p>3) None</p>
<p>(e) Services Auxiliary to Insurance, such as consultancy, actuarial, risk assessment and claim settlement services (CPC 8140**)</p>	<p>3) None</p>	<p>3) None</p>	<p>3) None</p>

<p>B. Banking and other Financial Services (excluding insurance)⁶</p> <p>(a) Acceptance of deposits and other repayable funds from the public (CPC 81115-81119)</p> <p>(b) Lending of all types, including consumer credit, mortgage, credit, factoring and financing of commercial transactions (CPC 8113)</p> <p>(c) Financial leasing (CPC 8112)</p> <p>(d) All payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts (CPC 81339**)</p> <p>(e) Guarantees and commitments (CPC 81199**)</p>	<p>3) None</p>	<p>3) None</p>	
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⁶ As defined in paragraph 5(a)(v)-(xvi) of the WTO GATS Annex on Financial Services.

<p>(f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:</p> <ul style="list-style-type: none"> (i) money market instruments (cheques, bills, certificates of deposits etc) (CPC 81339**) (ii) foreign exchange (CPC 81333) (iii) derivative products including, but not limited to, futures and options (CPC 81339**) (iv) exchange rates and interest rate instruments, including products such as swaps, forward rate agreements etc (CPC 81339**) (v) transferable securities (CPC 81321) (vi) other negotiable instruments and financial assets, including bullion (CPC 81339**) 			
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<p>(g) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues (CPC 8132)</p> <p>(h) Money broking (CPC 81339**)</p> <p>(i) Asset management, such as cash or portfolio management; all forms of collective investment management, pension fund management, custodial, depository and trust services (CPC 8119**, 81323*)</p> <p>(j) Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments (CPC 81339**, 81319**)</p> <p>(k) Provision and transfer of financial information, and financial data processing and related software by providers of other financial services (CPC 8131)</p>			
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<p>(l) Advisory, intermediation, and other auxiliary financial services on all the activities listed in (a) to (k) above, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy (CPC 8131, 8133)</p>			
<p>9. TOURISM AND TRAVEL RELATED SERVICES</p>			
<p>A. <u>Hotels and Restaurants</u> (CPC 641-643)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>B. <u>Travel Agencies</u>, C. <u>Tour Guides and Tour Operator Services</u> (7471, 7472)</p>	<p>1) None 2) None 3) None</p>	<p>1) None 2) None 3) None</p>	
<p>11. TRANSPORT SERVICES</p>			
<p>A. <u>Maritime Transport Services</u> International Transport (freight and passengers) (CPC 7211 and CPC 7212 less cabotage-as defined in Attachment A. 3)</p>	<p>General conditions applicable to all maritime service sectors: marketing and sales of maritime transport services for products covered under CPC 01, 02, 211, 213-216, 22, 2399 and 261; unbound, 1) None 2) None 3) Unbound for establishment of registered company for the purpose of operating a fleet under the New Zealand flag.</p>	<p>1) None 2) None 3) Unbound as described in the market access column.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Maritime Auxiliary Services</u> Storage and warehousing services (CPC 742) Maritime freight forwarding services (as defined in Attachment A. 4)	1) Unbound* 2) None 3) None 1) None 2) None 3) None	1) Unbound* 2) None 3) None 1) None 2) None 3) None	
<u>C. Air Transport Services</u> Selling and marketing of air transport services ⁷ Computer reservation system services ⁸ (CPC 7523**)	1)2) Unbound for products covered under CPC &3) 01, 02, 211, 213-216, 22, 2399 and 261. 1) None 2) None 3) None	1) None 2) None 3) None 1) None 2) None 3) None	
<u>E. Rail Transport Service (CPC 711)</u>	1) None 2) None 3) None	1) None 2) None 3) None	

* Unbound due to lack of technical feasibility.

⁷ As defined in paragraph 6(b) of the WTO GATS Annex on Air Transport Services.

⁸ As defined in paragraph 6(c) of the WTO GATS Annex on Air Transport Services.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
F. <u>Commercial Road Transport Services (passenger, goods, rental and vehicle recovery) (712 except 71235)</u>	1) None 2) None 3) None	1) None 2) None 3) None	
G. <u>Pipeline Transport (CPC 713)</u>	1) None 2) None 3) None	1) None 2) None 3) None	

ATTACHMENT A

NOTES TO THE SCHEDULE

1. Specific commitments in this schedule are prepared in accordance with the WTO Secretariat paper entitled "Scheduling of Initial Commitments on Trade in Services: Explanatory Note" (MTN.GNS/W/164). 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 Secretariat in MTN.GNS/W/120. In the context of CPC listings in the schedule, the use of ** against individual CPC listings indicates that the service specified constitutes only part of the total range of activities covered by the CPC concordance.

Overseas Investment

2. An "overseas person" is defined as an individual not normally resident in New Zealand; a company not incorporated in New Zealand; a New Zealand-incorporated company in which 25 per cent or more of any class of shares or 25 per cent or more of the voting power is held by overseas persons; or a nominee of the overseas person, whether or not the nominee is himself/herself an overseas person.

Maritime Transport Services

3. Cabotage: for purposes of this schedule only, cabotage is defined as the transportation of passengers or goods between a port located in New Zealand and another port located in New Zealand and traffic originating and terminating in the same port located in New Zealand.

4. Maritime Freight Forwarding Services: 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.

ATTACHMENT B

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services⁹.

Definitions

Users mean service consumers and service suppliers.

Essential facilities¹⁰ 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-subsidization;

⁹ This applies only to suppliers of basic telecommunications services and not to end-users of such services.

¹⁰ This definition of "essential facilities" will be applied only to the extent consistent with New Zealand's competition policy regime, which regulates the activities of "dominant suppliers".

- and
- (b) using information obtained from competitors with anti-competitive results;
 - (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.

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 Member 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 Member.

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 procedures¹¹ 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

¹¹ Such procedures may be administered by means of a variety of mechanisms, including laws and regulations, public tendering process and consultative processes.

will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.
