

Trade in Services

HONG KONG, CHINA

Schedule of Specific Commitments

Supplement 3

(This is authentic in English only)

This text replaces the Financial Services section contained in document GATS/SC/39/Suppl.1.

**HONG KONG SPECIAL ADMINISTRATIVE REGION OF CHINA
SCHEDULE OF SPECIFIC COMMITMENTS**

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>FINANCIAL SERVICES</u></p> <p><u>Mode 1/Mode 2</u></p> <p>The commitments made with respect to mode 1 (cross-border supply) and mode 2 (consumption abroad) supply of financial services inscribed in this section of the Schedule do not signify a commitment to allow a service supplier from the territory of another Member to solicit business or to conduct marketing in the Hong Kong Special Administrative Region (HKSAR) of China.</p>			
<p>All Insurance and Insurance-Related Services</p> <p>Life, accident and health insurance services</p> <p>Non-life insurance services</p>	<p>(1) Unbound</p> <p>(2) None other than that statutory insurances which include third party liability in respect of vehicles and vessels and employer's liability insurance in respect of employees must be purchased from an insurer authorized in HKSAR.</p> <p>(3) None other than that only a company or an association of underwriters is permitted to carry on insurance business.</p> <p>In the case of the former, commercial presence must take the form of a subsidiary, branch or representative office, although insurance business may not be carried out through a representative office.</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None other than that the chief executive appointed by the authorized insurer should normally reside in HKSAR.</p> <p>(4) Unbound</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Reinsurance and retrocession</p>	<p>(1) None, provided that the insurance company is a company incorporated outside HKSAR and has no agent nor place of business in HKSAR.</p> <p>(2) None</p> <p>(3) None other than that only a company or an association of underwriters is permitted to carry on insurance business. In the case of the former, commercial presence must take the form of a subsidiary, branch or representative office, although insurance business may not be carried out through a representative office.</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None other than that the chief executive appointed by the authorized insurer should normally reside in HKSAR.</p> <p>(4) Unbound</p>	
<p>Services auxiliary to insurance (including broking and agency services)</p>	<p>(1) None other than claims settlement services, except for settlement of claims under contracts of goods in transit insurance entered into wholly outside HKSAR in respect of goods consigned to HKSAR.</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p><u>Banking and Other Financial Services</u> (excluding insurance)</p> <p>Acceptance of deposits and other repayable funds from the public</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) None other than that commercial presence must take the following forms:</p> <p>(a) Banks incorporated overseas may apply for a licence to operate a full licensed bank or a restricted licence bank in the form of a branch subject to the following condition:</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None other than that all authorized institutions (local or overseas) must appoint a chief executive and not less than one alternative chief executive, who must normally reside in HKSAR.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>Such banks may maintain (i) offices to which customers have access (physical or otherwise) for the purpose of banking business (or deposit-taking business in the case of a restricted licence bank) and/or for the arranging or entering into of any other financial transactions in only one building (“Office” includes automated teller machines or similar terminal devices); and (ii) no more than two additional offices (other than an automated teller machine or similar device) to which customers and others have access for the purpose of any other types of business in a separate building or buildings. Such additional offices may consist of not more than one regional office and one back office.</p> <p>This condition does not apply to banks incorporated outside HKSAR licensed before May 1978 in respect of full licensed banks and before April 1990 in respect of restricted licence banks.</p>		

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(b) Limited companies incorporated by overseas banks in HKSAR may apply for a licence to operate as a full licensed bank, restricted licence bank or deposit-taking company in the form of a subsidiary with branching rights. In the case of an application for a full banking licence, the institution must have been an authorized institution for at least ten years and be closely associated and identified with HKSAR. Overseas banks may also acquire an existing locally incorporated bank with branching rights subject to consent of the Monetary Authority.</p> <p>(c) Banks incorporated overseas may also set up representative offices in HKSAR, but such offices are prohibited from taking deposits and undertaking banking business in general.</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p>	<p>(4) Unbound</p>	

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction	(1) Unbound (2) None (3) None (4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule. ¹	(1) Unbound (2) Unbound (3) None (4) Unbound	
Financial leasing	(1) None (2) None (3) None (4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule. ¹	(1) Unbound (2) Unbound (3) None (4) Unbound	
All payment and money transmission services	(1) Unbound (2) None (3) None (4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule. ¹	(1) Unbound (2) Unbound (3) None (4) Unbound	

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<p>Guarantees and commitments</p> <p>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"> - Money market instruments (cheques, bills, certificate of deposits, etc.) - foreign exchange derivative products including futures and options - exchange rate and interest rate instruments, including products such as swaps, forward rate agreements, etc. - transferable securities 	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p> <p>(1) Unbound</p> <p>(2) None</p> <p>(3) None other than the following : Only corporations incorporated in HKSAR, or natural persons born in HKSAR or resident in HKSAR for five of the preceding seven years, or partnerships composed of such persons, may become members of the Stock Exchange of Hong Kong Limited.²</p> <p>Only corporations incorporated in HKSAR may become members of the Hong Kong Futures Exchange.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None other than that for dealing in securities or commodities futures, there is a residence requirement in HKSAR in respect of a sole proprietor, or, in the case of a partnership or company, in respect of at least one partner or director, who is registered as a dealer.</p>	

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² The residence requirement for memberships can be waived for persons of good reputation with substantial experience of dealing in securities.

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>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</p> <p>Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services</p>	<p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p> <p>(1) Unbound</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p> <p>(1) Unbound</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p>	<p>(4) Unbound</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None other than that if registration as a dealer is required, as it is in the case of public issues, the limitations as for dealers (above) shall apply.</p> <p>(4) Unbound</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound</p>	

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<p>Advisory and other auxiliary financial services on all the activities listed in subparagraph 5(a)(v) to (xv) of the Annex on Financial Services, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy</p> <p>Provision and transfer of financial information, and financial data processing and related software by providers of other financial services</p>	<p>(1) None other than commodity trading and investment advisory service</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p> <p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as set out in the Attachment on "Presence of Natural Persons" to this Schedule.¹</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound</p> <p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) None</p> <p>(4) Unbound</p>	

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