

# China-Chile Free Trade Agreement China's Schedule of Specific Commitments

## DEZAN SHIRA & ASSOCIATES

Corporate Establishment, Tax, Accounting & Payroll Throughout Asia

This document was downloaded from the Dezan Shira & Associates' Online Library and was compiled by the tax experts at Dezan Shira & Associates ([www.dezshira.com](http://www.dezshira.com)).

Dezan Shira & Associates is a specialist foreign direct investment practice, providing corporate establishment, business advisory, tax advisory and compliance, accounting, payroll, due diligence and financial review services to multinationals investing in emerging Asia.



### ASIA BRIEFING

[www.asiabriefing.com](http://www.asiabriefing.com)

Established in 1999, Asia Briefing Ltd. ([www.asiabriefing.com](http://www.asiabriefing.com)) is a Dezan Shira & Associates wholly-owned subsidiary dedicated to providing individuals and enterprises with the latest business and regulatory news as well as expert commentary relating to conducting business in emerging Asia.

**Annex II: Schedules of Specific Commitments**  
**Part I: Schedule of China**

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	Limitation on national treatment	Additional commitments	
<b>I. HORIZONTAL COMMITMENTS<sup>1</sup></b>				
ALL SECTORS INCLUDED IN THIS SCHEDULE	<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.<sup>2</sup> 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> <p>Unbound for all the existing subsidies to domestic services suppliers in the sectors listed in China-Chile FTA Services commitments.</p> <p>Unbound for all the subsidies to domestic services suppliers in any new sector and sub-sector scheduled in the future services negotiations after signing China-Chile FTA Services Agreement.</p>		

<sup>1</sup> In this offer, the mention of “foreign” in both horizontal and specific commitments only refers to “Chile” or “Chilean” .

<sup>2</sup> 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” .

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
	<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"> <li>(a) 70 years for residential purposes;</li> <li>(b) 50 years for industrial purposes;</li> <li>(c) 50 years for the purpose of education, science, culture, public health and physical education;</li> <li>(d) 40 years for commercial, tourist and recreational purposes;</li> <li>(e) 50 years for comprehensive utilization or other purposes.</li> </ul> <p>(4) Unbound except for measures concerning the entry and temporary stay of natural persons who fall into one of the following categories:</p>	<p>(4) Unbound except for the measures concerning the entry and temporary stay of natural persons who fall into the categories referred to in the market access column.</p>	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply      (2) Consumption abroad      (3) Commercial presence      (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
	<p>(a) Managers, executives and specialists defined as senior employees of a corporation of Chile that has established a representative office, branch or subsidiary in the territory of the People's Republic of China, temporarily moving as intra-corporate transferees, shall be permitted entry for an initial stay of three years;</p> <p>(b) Managers, executives and specialists defined as senior employees of a corporation of Chile, being engaged in the foreign invested enterprises in the territory of the People's Republic of China for conducting business, shall be granted a long-term stay permit as stipulated in the terms of contracts concerned or an initial stay of three years, whichever is shorter;</p> <p>(c) Service salespersons – persons not based in the territory of the People's Republic of China and receiving no remuneration from a source located within China, and who are engaged in activities related to representing a service supplier for the purpose of negotiation for the sale of services of that supplier where:</p> <p>(a) such sales are not directly made to the general public and</p> <p>(b) the salesperson is not engaged in supplying the service: entry for salespersons is limited to a 90-day period.</p>		

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
<b>II. SPECIFIC COMMITMENTS</b>			
A. Professional Services (a) Legal Services (CPC 861, excluding Chinese law practice)	(1) None (2) None (3) Foreign law firms can provide legal services only in the form of representative offices. Representative offices can engage in profit-making activities. Business scope of foreign representative offices is only as follows: (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;	(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.	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
	<p>(c) to entrust, on behalf of foreign clients, Chinese law firms to deal with the Chinese legal affairs;</p> <p>(d) to enter into contracts to maintain long-term entrustment relations with Chinese law firms for legal affairs;</p> <p>(e) to provide information on the impact of the Chinese legal environment. Entrustment allows the foreign representative office to directly instruct lawyers in the entrusted Chinese law firm, as agreed between both parties. The representatives of a foreign law firm shall be practitioner lawyers who are members of the bar or law society in Chile 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 Chile and have practiced for no less than three years outside of China.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(4) Unbound except as indicated in horizontal commitments.</p>	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
(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) Wholly foreign-owned enterprises are permitted.  (4) Unbound, except as indicated in horizontal commitments.	(1) None  (2) None (3) Foreign service suppliers shall be registered architects/engineers, or enterprises engaged in architectural/engineering/urban planning services, in Chile.  (4) Unbound, except as indicated in horizontal 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)  (a). Consultancy services related to the installation of computer hardware (CPC 841)	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Qualifications are as follows: certified engineers, or personnel with Bachelor's degree (or above) and three years of experience in these fields.	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply      (2) Consumption abroad      (3) Commercial presence      (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
(b) Software implementation services (CPC 842) (c) Data processing services (CPC 843) - <i>Input preparation services</i> (CPC 8431)	(1) None (2) None (3) Wholly foreign-owned enterprises are allowed. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Qualifications are as follows: certified engineers, or personnel with Bachelor's degree (or above) and three years of experience in these fields.	
- <i>Data processing and tabulation services</i> (CPC 8432) - <i>Time-sharing services</i> (CPC 8433)	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Qualifications are as follows: certified engineers, or personnel with Bachelor's degree (or above) and three years of experience in these fields.	
- <i>Maintenance and repair services of office machinery and equipment including computers</i> (CPC845)	(1) None (2) None (3) Wholly foreign-owned subsidiaries are permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	



**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
D. Real Estate Services	(1) None	(1) None	
a) Real estate services involving own or leased property (CPC 821)	(2) None	(2) None	
	(3) Wholly foreign-owned enterprises are allowed.	(3) None	
(b) Real estate services on a fee or contract basis (CPC 822)	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
F. Other Business Services	(1) Only through advertising agents registered in China who have the right to provide foreign advertising services.	(1) None	
a) Advertising Services (CPC 871)	(2) Only through advertising agents registered in China who have the right to provide foreign advertising services.	(2) None	
	(3) Foreign service suppliers are permitted to establish advertising enterprises in China. Wholly foreign-owned subsidiaries are permitted.	(3) None	
	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
(b) Market research services (CPC 86401, only limited to investigation services designed to secure information on the prospects and performance of an organization's products in the market)	(1) Unbound	(1) Unbound	
	(2) Unbound	(2) Unbound	
	(3) Only in the form of joint ventures, with foreign majority ownership permitted. Economic needs tests are required.	(3) Unbound	
	(4) Unbound except as indicated in horizontal commitments. Requirement for a commercial presence.	(4) Unbound except as indicated in horizontal commitments.	

**Annex II: Schedules of Specific Commitments**  
**Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
(c) Management Consulting services (CPC 865)	(1) None (2) None (3) Wholly foreign-owned subsidiaries are allowed. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None  (4) Unbound except as indicated in horizontal commitments.	
(d) Services related to management consulting (only limited to the following sub-sector)  - Project management services other than for construction (CPC 86601)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. Economic needs tests are required. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) Unbound  (4) Unbound except as indicated in horizontal commitments.	
(f) Services incidental to agriculture, forestry, hunting and fishing (CPC 881, 882)	(1) None (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None  (4) Unbound except as indicated in horizontal commitments.	
Services incidental to mining (CPC 883, only including oil and natural gas)	(1) Unbound  (2) None  (3) only in the form of oil and gas exploitation in cooperation with Chinese partners (4) Unbound except as indicated in horizontal commitments.	(1) Unbound  (2) None  (3) None  (4) Unbound except as indicated in horizontal commitments.	

**Annex II: Schedules of Specific Commitments**  
**Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
Related scientific technical consulting services field services for iron, copper and manganese - geological, geophysical and other scientific prospecting services (part of CPC 86751) - Sub-surface surveying services (part of CPC 86752)	(1) None (2) None (3) Only in the form of prospecting and surveying services for iron, copper and manganese in cooperation with Chinese partners (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None  (4) Unbound except as indicated in horizontal commitments.	
(t) Translation and interpretation services (CPC 87905)	(1) None (2) None (3) Wholly foreign-owned enterprises are allowed. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None  (4) Qualifications are as follows: three years of experience in translation or interpretation and a good command of the working language(s).	

**Annex II: Schedules of Specific Commitments**  
**Part I: Schedule of China**

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	Limitation on national treatment	Additional commitments
<b>3. CONSTRUCTION AND RELATED ENGINEERING SERVICES</b> (CPC 511, 512, 513 <sup>3</sup> , 514, 515, 516, 517, 518 <sup>4</sup> )	(1) Unbound* (2) None (3) Wholly foreign-owned enterprises are permitted. Wholly foreign-owned enterprises can only undertake the following four types of construction projects. 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. 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  (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) None      (4) Unbound except as indicated in horizontal commitments.	

<sup>3</sup> Including dredging services relating to infrastructure construction.

<sup>4</sup> 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.

**Annex II: Schedules of Specific Commitments**  
**Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
<b>4. DISTRIBUTION SERVICES</b> (as defined in Annex 1)			
A. Commission Agents' Services (excluding salt, tobacco)	(1) Unbound (2) None (3) Wholly foreign-owned enterprises are allowed. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None  (4) Unbound except as indicated in horizontal commitments.	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 the Annex 1.  Foreign service suppliers are permitted to provide the full range of related subordinate services, including after sales services, as defined in Annex 1, for the products they distribute.
C. Retailing Services (excluding tobacco).	(1) Unbound except for mail order. (2) None (3) Wholly foreign-owned enterprises are allowed, except for: - 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	(1) Unbound except for mail order. (2) None (3) None	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 1.  Foreign service suppliers are permitted to provide full range of related subordinate services, including after sales services, as defined in Annex 1, for the products they distribute.

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
	<p>following products: books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, processed oil, chemical fertilizers and products listed 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> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(4) Unbound except as indicated in horizontal commitments.</p>	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
<b>5. EDUCATIONAL SERVICES</b> (Excluding special education services e.g. military, police, political and party school education)  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)	(1) Unbound (2) None (3) Joint schools with foreign majority ownership are permitted. (4) Unbound except as indicated in horizontal commitments and the following: foreign individual education service suppliers may enter into China to provide education services when invited or employed by Chinese schools and other education institutions.	(1) Unbound (2) None (3) Unbound  (4) Qualifications are as follows: - possession of Bachelor's degree or above; - and an appropriate professional title or certificate, with two years' professional experiences.	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
<b>6. ENVIRONMENTAL SERVICES</b> (excluding environmental quality monitoring and pollution source inspection)	(1) Unbound except for environmental consultation services. (2) None (3) Wholly foreign-owned enterprises are allowed (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
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)			



**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
<b>9. TOURISM AND TRAVEL RELATED SERVICES</b> B. Travel Agency and Tour Operator (CPC 7471)	(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: (a) a travel agency and tour operator mainly engaged in travel business; (b) Annual world-wide turnover exceeds US\$ 40 million. The registered capital of joint venture travel agency/tour operator shall be no less than RMB 2.5 million. <i>Foreign majority ownership are permitted.</i> <i>Within six years after accession, wholly foreign-owned subsidiaries will be permitted and geographic restrictions are removed. The business scope of the travel agency/ tour operator is as follows:</i> (a) travel and hotel accommodation services for foreign travellers which can be made directly with transportation and hotel operators in China covering such operations;	(1) None (2) None (3) None except that joint ventures or wholly Foreign-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.	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
	(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. 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. (4) Unbound, except as indicated in horizontal commitments.	(4) Unbound, except as indicated in horizontal commitments.	
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audiovisual services) D. Sporting and other recreational services (Only limited to CPC 96411, 96412, 96413, excluding golf)	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply    (2) Consumption abroad    (3) Commercial presence    (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
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 ventures of aircraft repair and maintenance in China. The Chinese side shall hold controlling shares or be in a dominant position in the joint ventures. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None  (4) Unbound except as indicated in horizontal commitments.	
- Selling and marketing of air transport services	(1) None (2) None (3) Foreign enterprises, which are designated to operate as per the bilateral air services agreements, can establish offices in China. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None  (4) Unbound except as indicated in horizontal commitments.	
- Computer Reservation System (CRS) services	(1) (a) Foreign computer reservation systems may provide services to Chinese aviation enterprises and aviation agents by connecting through a Chinese computer reservation system. (b) Direct access to and use of foreign computer reservation systems by aviation agents are subject to the approval of the General Administration of Civil Aviation of China (CAAC).	(1) None	

**Annex II: Schedules of Specific Commitments  
Part I: Schedule of China**

<b>Modes of supply: (1) Cross-border supply      (2) Consumption abroad      (3) Commercial presence      (4) Presence of natural persons</b>			
<b>Sector or sub-sector</b>	<b>Limitations on market access</b>	<b>Limitation on national treatment</b>	<b>Additional commitments</b>
	(2) None (3) (a) Foreign CRS providers are permitted to establish joint ventures with Chinese CRS providers in China to provide CRS services. (b) The Chinese side shall hold at least 51 per cent shares in the joint ventures. (c) Licenses for the establishment of joint ventures are subject to economic needs test. (4) Unbound except as indicated in horizontal commitments	(2) None (3) Unbound  (4) Unbound except as indicated in horizontal commitments.	
Airport Operation Services	(1) None (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
Ground Handling Services	(1) None (2) None (3) Foreign service providers are allowed to establish joint ventures in China to provide airport ground handling services. Chinese side shall hold at least 51 percent shares in the joint ventures. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
Specialty Air Services	(1) None (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments.	

## ANNEX 1

### 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.