

Annex 8-A: 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
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE ¹	<p>(3)² 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.³ The proportion of foreign investment in an equity joint venture shall be no less than 25 percent of the registered capital of the joint venture. The establishment of branches by enterprises of Chile is unbound, unless otherwise indicated in specific sub-sectors, as the laws and regulations on branches of foreign enterprises are under formulation.</p>	<p>(3) Unbound for all subsidies to domestic services suppliers except those committed by China in its WTO accession.</p>	

¹Where commitments have been made in respect of “wholly foreign owned enterprises”, joint ventures with foreign majority or minority ownership are also allowed, unless there are special requirements under China’s laws and regulations.

²For the purpose of this Schedule, limitations or commitments that refer to a “foreign” or “Chilean” participation by service suppliers of Chile in a company, enterprise, firm or other type of commercial presence in China, (whether “wholly foreign-owned”, “foreign majority ownership”, “foreign investment”, “foreign ownership”, “foreign minority ownership” or any other form of foreign participation stipulated in Chinese law) means the total participation of non-Chinese capital whatever its origin and its owner, including but not exclusively, the participation by service suppliers of Chile. The aforementioned types of foreign participation shall not, collectively or individually, exceed China’s WTO commitments, except the more preferential commitments in the China-Chile FTA as allowed by current Chinese laws, regulations and rules.

³The 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

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
	<p>Representative offices of enterprises of Chile 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>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 utilisation or other purposes. <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>	

enterprise duly constituted or otherwise organised 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 (4) Presence of natural persons			
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	(a) Business visitor ⁴ shall be permitted entry for a maximum of 180 days; (b) Manager ⁵ , executive ⁶ and specialist, ⁷ 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; (c) Contractual service supplier ⁸ (CSS) shall be granted a stay permit as stipulated in the terms of contracts concerned or for an initial stay not exceeding one year;		

⁴ "Business visitor" means a natural person of Chile who is: (a) a service seller who is a sales representative of a service supplier of Chile and is seeking temporary entry into China for the purpose of negotiating the sale of services for that service supplier, where such representative will not be engaged in making direct sales to the general public or in supplying services directly; or (b) an investor of Chile, or a duly authorised representative of an investor of Chile, seeking temporary entry into China to establish, expand, monitor, or dispose of a commercial presence of that investor.

⁵ "Manager" means a natural person within an organisation who primarily directs the organisation or a department or subdivision of the organisation, supervises and controls the work of other supervisory, professional or managerial employees, has the authority to hire and fire or take other personnel actions (such as promotion or leave authorisation), and exercises discretionary authority over day-to-day operations.

⁶ "Executive" means a natural person within an organisation who primarily directs the management of the organisation, exercises wide latitude in decision making, and receives only general supervision or direction from higher level executives, the board of directors or stockholders of the business. An executive would not directly perform tasks related to the actual provision of the service nor the operation of an investment.

⁷ "Specialist" means a natural person within an organisation who possesses knowledge at an advanced level of technical expertise, and who possesses proprietary knowledge of the organisation's service, research equipment, techniques or management.

⁸ "Contractual service supplier" means a natural person of Chile who: (a) is an employee of a service supplier or an enterprise of Chile, whether a company, partnership or firm, who enters into China temporarily in order to perform a service pursuant to a contract between his or her employer and a service consumer(s) in China; (b) is employed by a company, partnership or firm of Chile which has no commercial presence in China where the service is to be supplied; (c) receives his or her remuneration from that employer; and (d) has appropriate educational and professional qualifications relevant to the service to be supplied.

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
	<p>The services provided by CSS are only limited to the specific sectors as follows:</p> <ul style="list-style-type: none"> (1) medical and dental services; (2) architectural services; (3) engineering services; (4) urban planning services (except general urban planning); (5) integrated engineering services; (6) computer and related services; (7) construction and related engineering services; (8) education services: provided that the CSS shall have acquired a bachelor's degree or above, have received appropriate professional titles or certificates, and have at least two years of professional work experience; and that the Chinese party involved in the contract shall be a juridical person which has the function of providing education services; (9) tourism services; and (10) accounting services. <p>(d) Installer and maintainer⁹: the duration of stay for installers and maintainers is subject to the duration of the contract, but shall not exceed 180 days;</p>		

⁹ "Installer and maintainer" means a natural person who is an installer or maintainer of machinery and/or equipment, where such installation and/or maintenance service by the supplying company is a condition of purchase of the said machinery or equipment. An installer or maintainer cannot perform services which are not related to the service activity which is the subject of the contract.

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	<p>(e) Accompanying Spouse and Dependent¹⁰:</p> <p>Accompanying spouse and dependent of Chilean entrants defined in (b) or (c) are accorded the same period of stay as for the entrants, provided that the stay in China of those entrants is greater than 12 months.</p> <p>The working rights of the abovementioned accompanying spouse and dependent in China are subject to relevant Chinese laws, regulations and rules.</p>		

¹⁰ “Accompanying spouse and dependent” means the entrant’s spouse, their parents and their children who are under 18 years old.

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
II. SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. Professional Services (a) Legal Services (CPC 861, excluding Chinese law practice)	<p>(1) None</p> <p>(2) None</p> <p>(3) Law firms of Chile can provide legal services only in the form of representative offices. Representative offices can engage in profit-making activities. Business scope of representative offices of Chile is only as follows:</p> <p>(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;</p> <p>(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;</p> <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.</p>	<p>(1) None</p> <p>(2) None</p> <p>(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.</p>	<p>(1) In accordance with Chinese laws, regulations and rules, Chilean law firms which have established their representative offices in the China (Shanghai) Pilot Free Trade Zone ("FTZ") may enter into contracts with Chinese law firms in the FTZ. Based on such contracts, these Chilean and Chinese law firms may dispatch their lawyers to each other to act as legal counsels.</p> <p>This means Chinese law firms may dispatch their lawyers to the Chilean law firms to act as legal counsels on Chinese law and international law, and Chilean law firms may dispatch their lawyers to the Chinese law firms to act as legal counsels on foreign law and international law. The two sides shall cooperate within their respective business scope.</p>

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	<p>Entrustment allows the representative office of Chile to directly instruct lawyers in the entrusted Chinese law firm, as agreed between both parties. The representatives of a Chilean 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 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>	<p>(2) In accordance with Chinese laws, regulations and rules, Chilean law firms which have established their representative offices in the China (Shanghai) Pilot Free Trade Zone (“FTZ”) are permitted to form a commercial association with Chinese law firms in the Shanghai FTZ. Within validity of this commercial association, the two law firms of each side respectively have independent legal status, name, financial operation, and bear civil liabilities independently. Clients of the commercial association are not limited within the Shanghai FTZ. Chilean lawyers in this type of commercial association are not permitted to practise Chinese law.</p>

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
(b) Accounting, auditing and bookkeeping services (CPC 862)	(1) None (2) None (3) Partnerships or incorporated accounting firms are limited to Certified Public Accountants (CPAs) licensed by the Chinese authorities. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	<ul style="list-style-type: none"> - Accounting firms of Chile are permitted to affiliate with Chinese firms and enter into contractual agreements with their affiliated firms in other WTO Members. - Issuance of licences to natural persons of Chile who have passed the Chinese national CPA examination shall be accorded national treatment. - Applicants of Chile shall be informed of results in writing no later than 30 days after submission of their applications. - Accounting firms providing services in CPC 862 can engage in taxation and management consulting services. They are not subject to requirements on form of establishment in CPC 865 and 8630.
(c) Taxation services (CPC 8630)	(1) None (2) None (3) Firms of Chile are permitted to establish wholly foreign-owned subsidiaries. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

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(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) Service suppliers of Chile shall be registered architects/engineers, or enterprises engaged in architectural/engineering/urban planning services, in Chile. (4) Unbound except as indicated in horizontal commitments.	1. For Chilean architectural enterprises established in China, when applying for higher-level qualifications, their performance in China and Chile will be recognised by the competent authority in the process of review and approval. 2. For Chilean urban planning enterprises established in China, when applying for higher-level qualifications, their performance in China and Chile will be recognised by the competent authority in the process of review and approval.
(h) Medical and dental services (CPC 9312)	(1) None (2) None (3) Service suppliers of Chile 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. (4) Unbound except as indicated in horizontal commitments and as follows: Doctors of Chile with professional certificates issued by Chile shall be permitted to provide short-term medical services in China after they obtain licences from the National Health and Family Planning Commission of the People's Republic of China. The term of service is six months and may extend to one year.	(1) None (2) None (3) The majority of doctors and medical personnel of the joint venture hospital and clinics shall be of Chinese nationality. (4) Unbound except as indicated in horizontal commitments.	

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<p>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)</p> <p>(a) Consultancy services related to the installation of computer hardware (CPC 841)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.</p>	<p>(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.</p>	
<p>(b) Software implementation services (CPC 842)</p> <p>(c) Data processing services (CPC 843)</p> <p>- Input preparation services (CPC 8431)</p>	<p>(1) None (2) None (3) Wholly foreign-owned enterprises are allowed. (4) Unbound except as indicated in horizontal commitments.</p>	<p>(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.</p>	
<p>- Data processing and tabulation services (CPC 8432)</p> <p>- Time-sharing services (CPC 8433)</p>	<p>(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.</p>	<p>(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.</p>	

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
C. Research and Development Services - Research & experimental development services on natural sciences and engineering (CPC 8510) (excluding prohibited foreign investment industries defined in <i>Catalogue for the Guidance of Foreign Investment Industries</i> published by the Chinese Government)	(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.	
D. Real Estate Services (a) Real estate services involving own or leased property (CPC 821) (b) Real estate services on a fee or contract basis (CPC 822)	(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) Unbound except as indicated in horizontal commitments.	
F. Other Business Services (a) Advertising Services (CPC 871)	(1) Only through advertising agents registered in China who have the right to provide foreign advertising services. (2) Only through advertising agents registered in China who have the right to provide foreign advertising services. (3) Service suppliers of Chile are permitted to establish advertising enterprises in China. 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.	

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
(b) Market research services (CPC 86401, only limited to investigation services designed to secure information on the prospects and performance of an organisation's products in the market)	(1) Unbound (2) Unbound (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. Requirement for a commercial presence.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in horizontal commitments.	
(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.	

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
(e) Technical testing and analysis services (CPC 8676) and freight inspection covered by CPC 749, excluding statutory inspection services for freight inspection services	(1) None (2) None (3) Services suppliers of Chile which have been engaged in inspection services in Chile 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. 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.	
(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.	
(h) 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.	

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
(i) Services incidental to manufacturing (CPC 884, 885, except for 88442, and excluding prohibited foreign investment industries defined in <i>Catalogue for the Guidance of Foreign Investment Industries</i> published by the Chinese Government.)	(1) Unbound* (2) None (3) Wholly foreign-owned subsidiaries are allowed. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(m) Related scientific technical consulting services (CPC 8675) - Field services for iron, copper, manganese, coal bed methane and shale gas Geological, geophysical (excluding gravity and magnetic prospecting and surveying services) 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, manganese, coal bed methane and shale gas 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.	In accordance with the requirements of <i>Catalogue for the Guidance of Foreign Investment Priority Industries in the Central and Western Regions</i> , and subject to approval, the Chilean services suppliers are allowed to provide comprehensive utilization of mineral resources exploitation services in the central and western regions of China.
(m) Related scientific technical consulting services (CPC 8675) - Offshore oil-field services geological, geophysical and other scientific prospecting services (CPC 86751) Sub-surface surveying services (CPC 86752)	(1) None (2) None (3) Only in the form of petroleum exploitation 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.	

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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
- Onshore oil-field services	<p>(1) None</p> <p>(2) None</p> <p>(3) Only in the form of petroleum exploitation in cooperation with China National Petroleum Corp. (CNPC) or China Petroleum & Chemical Corporation (SINOPEC) in the designated areas approved by the Chinese Government. In order to carry out the petroleum contract, the service supplier of Chile 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 or SINOPEC. The service supplier of Chile 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>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) The service supplier of Chile shall furnish CNPC or SINOPEC accurately and promptly with the reports on the petroleum operations, and shall submit to CNPC or SINOPEC the data and samples as well as various technological, economic, accounting and administrative reports related to petroleum operations. CNPC or SINOPEC 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 service suppliers of Chile shall be made in US dollars or other hard currencies.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	
(o) Building-cleaning services (CPC 874)	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) Wholly foreign-owned enterprises are allowed.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
(p) Photographic services (CPC 875)	(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.	
(q) Packaging services (CPC 876)	(1) None (2) None (3) Service suppliers of Chile are permitted to establish wholly foreign-owned subsidiaries. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(r) Printing of packaging materials, on a fee or contract basis (CPC 88442, only limited to the printing of packaging materials)	(1) Unbound (2) Unbound (3) Wholly foreign-owned enterprises are allowed. 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.	
(s) Convention services (CPC 87909)	(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.	

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Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional 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).	
- 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)	(1) None (2) None (3) Wholly foreign-owned subsidiaries are permitted. For Rental and Leasing services, service suppliers are required to have global assets of US\$ 5 million. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

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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 specifically reserved to Chinese postal authorities by the related law at the time of China's accession to WTO on December 11th 2001)	(1) None (2) None (3) Service suppliers of Chile are permitted to establish wholly foreign-owned subsidiaries (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
C. Telecommunication Services ¹¹ 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) Service suppliers of Chile are permitted to establish joint venture value-added telecommunication enterprises and foreign investment in the joint ventures shall be no more than 50 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	China undertakes the obligations contained in the Reference Paper in Attachment 1 attached hereto.

¹¹ 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 independent regulatory in accordance with the principles of paragraph 5 of the Reference Paper.

Further liberalization of this sector, including with respect to the level of equity participation permitted, will be discussed in the services negotiations during the new round of trade talks.

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
Basic Telecommunication Services - Paging Services	(1) See mode 3 (2) None (3) Service suppliers of Chile are permitted to establish joint venture enterprises and foreign investment in the joint ventures shall be no more than 50 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	China undertakes the obligations contained in the Reference Paper in Attachment 1 attached hereto.
Mobile Voice and Data Services: - Analogue / Digital / Cellular Services - Personal Communication Services	(1) See mode 3 (2) None (3) Service suppliers of Chile are permitted to establish joint ventures only, and foreign investment in the joint ventures shall be no more than 49 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
<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) Service suppliers of Chile are permitted to establish joint ventures only, and foreign investment in the joint ventures shall be no more than 49 percent. (4) Unbound except as indicated in horizontal commitments. 	<ul style="list-style-type: none"> (1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
<p>D. Audiovisual Services</p> <ul style="list-style-type: none"> - Videos, including entertainment software and (CPC 83202), distribution services - Sound recording distribution services 	<ul style="list-style-type: none"> (1) None (2) None (3) Services suppliers of Chile are 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 3). (4) Unbound except as indicated in horizontal commitments. 	<ul style="list-style-type: none"> (1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments. 	<p>Without prejudice to compliance with China's regulations on the administration of films, China allows the importation of motion pictures for theatrical release from foreign countries on a revenue-sharing basis and the number of such imports shall be 20 on an annual basis.</p>
<ul style="list-style-type: none"> - Cinema Theatre Services 	<ul style="list-style-type: none"> (1) None (2) None (3) Services suppliers of Chile are permitted to construct and/or renovate cinema theatres, with foreign investment no more than 49 percent. (4) Unbound except as indicated in horizontal commitments. 	<ul style="list-style-type: none"> (1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (CPC 511, 512, 513 ¹² , 514, 515, 516, 517, 518 ¹³)	(1) Unbound* (2) None (3) Joint ventures, with foreign majority ownership are permitted. 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 percent; and Chinese-foreign jointly constructed projects with foreign investment less than 50 percent 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 the provincial government. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	Chilean construction enterprises established in the China (Shanghai) Pilot Free Trade Zone (“FTZ”) may undertake joint Chinese-foreign constructed projects in Shanghai. Under such circumstances, these Chilean construction enterprises will be exempted from the foreign investment ratio requirement in the projects.

¹²Including dredging services relating to infrastructure construction.

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
4. DISTRIBUTION SERVICES (as defined in Attachment 2)			
A. Commission Agents' Services (excluding salt, tobacco)	(1) Unbound (2) None (3) Wholly foreign-owned enterprises are allowed.	(1) Unbound (2) None (3) None	Chilean 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 Attachment 2. Service suppliers of Chile are permitted to provide the full range of related subordinate services, including after sales services, as defined in Attachment 2, for the products they distribute.
B. Wholesale Trade Services (excluding salt, tobacco)	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
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 is not permitted if those chain stores distribute any of the following products:	(1) Unbound except for mail order. (2) None (3) None	Chilean 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 Attachment 2. Service suppliers of Chile are permitted to provide full range of related subordinate services, including after sales services, as defined in Attachment 2, for the products they distribute.

¹³Coverage 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 (4) Presence of natural persons			
Sector or sub-sector	Limitations on market access	Limitation on national treatment	Additional commitments
	books, newspapers, magazines, pharmaceutical products, pesticides, mulching films, processed oil, crude oil, chemical fertilizers and products listed in Annex 2a of the Protocol of China's WTO Accession (WT/L/432). The chain store operators of Chile will have the freedom of choice of any partner, legally established in China according to China's laws and regulations. (4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
D. Franchising	(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.	
E. Wholesale or retail trade services away from a fixed location.	(1) None (2) None (3) None ¹⁴ (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

¹⁴See paragraph 310 of the Report of the Working Party on the Accession of China to the WTO.

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
<p>5. EDUCATIONAL SERVICES (Excluding special education services e.g. military, police, political and party school education)</p> <p>A. Primary education services (CPC 921, excluding national compulsory education in CPC 92190)</p> <p>B. Secondary education services (CPC 922, excluding national compulsory education in CPC 92210)</p> <p>C. Higher education services (CPC 923)</p> <p>D. Adult education services (CPC 924)</p> <p>E. Other education services (CPC 929, including English languages training)</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) Joint schools may be established, with foreign majority ownership permitted.</p> <p>(4) Unbound except as indicated in horizontal commitments and the following: Individual education service suppliers of Chile may enter into China to provide education services when invited or employed by Chinese schools and other education institutions.</p>	<p>(1) Unbound</p> <p>(2) None</p> <p>(3) Unbound</p> <p>(4) Qualifications are as follows: possession of Bachelor's degree or above; and an appropriate professional title or certificate, with two years' professional experience.</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	Limitation on national treatment	Additional commitments
6. ENVIRONMENTAL SERVICES (excluding environmental quality monitoring and pollution source inspection)			
A. Sewage Services (CPC 9401)	(1) Unbound except for environmental consultation services.	(1) None	
B. Solid Waste Disposal Services (CPC 9402)	(2) None	(2) None	
C. Cleaning Services of Exhaust Gases (CPC 9404)	(3) Wholly foreign-owned enterprises are allowed	(3) None	
D. Noise Abatement Services (CPC 9405)	(4) Unbound except as indicated in horizontal commitments.	(4) Unbound except as indicated in horizontal commitments.	
E. Nature and Landscape Protection Services (CPC 9406)			
F. Other Environmental Protection Services (CPC 9409)			
G. Sanitation Services (CPC 9403)			

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
8. HEALTH RELATED AND SOCIAL SERVICES B. Social Services Services for the aged (part of CPC 93311 and 93323)	(1) Unbound (2) Unbound (3) Service suppliers of Chile are permitted to establish wholly foreign -owned profit-making institutions for the aged in China. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) Unbound (4) Unbound except as indicated in horizontal commitments.	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. Hotels (including apartment buildings) and Restaurants (CPC 641-643)	(1) None (2) None (3) Services suppliers of Chile may construct, renovate and operate hotel and restaurant establishments in China. 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.	
B. Travel Agency and Tour Operator (CPC 7471)	(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, 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. (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES: (other than audiovisual services)			
A. Other entertainment services (Only limited to CPC 96191, 96192)	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Chilean services suppliers will be permitted to establish performance brokerage institutions or business entities of performance place in the form of joint ventures or contractual joint ventures with Chinese partners. Chilean investment in the joint venture shall be no more than 49 per cent. The Chinese party shall have the decision-making power in the contractual joint ventures. The performance brokerage institutions can engage in commercial performance in the form of intermediation, commission agency and agency. The business entities of performance place can hold commercial performance in their own place.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) Unbound</p> <p>(2) Unbound</p> <p>(3) Unbound</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	
D. Sporting and other recreational services (Only limited to CPC 96411, 96412, 96413, 96419 excluding golf)	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</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	Limitation on national treatment	Additional commitments
11. TRANSPORT SERVICES			
A. Maritime Transport Services - International transport (freight and passengers) (CPC 7211 and 7212 less cabotage transport services)	<p>(1) (a) Liner shipping (including passenger transportation): None (b) Bulk, tramp and other international shipping (including passenger transportation): None</p> <p>(2) None</p> <p>(3) (a) Establishment of registered companies for the purpose of operating a fleet under the national flag of the People's Republic of China: - Service suppliers of Chile are permitted to establish joint venture shipping companies. - Foreign investment shall not exceed 49 percent 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</p> <p>(4) (a) Ship's crew: Unbound except as indicated in horizontal commitments. (b) Key personnel employed by Commercial Presence as defined under mode (3) (b) above: Unbound except as indicated in horizontal commitments.</p>	<p>(1) (a) None (b) None</p> <p>(2) None</p> <p>(3) (a) None</p> <p>(b) Unbound</p> <p>(4) (a) Unbound except as indicated in horizontal commitments. (b) Unbound except as indicated in horizontal commitments.</p>	<p>A: The following services at the port are made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions:</p> <ol style="list-style-type: none"> 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. <p>B: 1. Qualified maritime service suppliers of Chile are allowed to establish wholly foreign-owned ship management enterprises in the China (Shanghai) Pilot Free Trade Zone ("Shanghai FTZ"); 2. Qualified maritime service suppliers of Chile are allowed to establish joint venture shipping companies in the Shanghai FTZ, with foreign majority ownership permitted. 3. The chairman of board of directors and the general manager of the joint venture international shipping companies established in the Shanghai FTZ may be appointed by the Chinese and Chilean sides through consultation.</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	Limitation on national treatment	Additional commitments
			4. For the ships owned or bareboat-chartered by the joint venture international shipping companies established in the Shanghai FTZ, the registration of such ships may be carried out in accordance with the international ship registration system in the Shanghai FTZ.
H. Auxiliary Services (a) Maritime cargo-handling services (CPC 741)	(1) Unbound* (2) None (3) Only in the form of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(c) Customs clearance services	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	
(d) Container station and depot services	(1) Unbound* (2) None (3) Only in forms of joint ventures, with foreign majority ownership permitted. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound* (2) None (3) None (4) Unbound except as indicated in horizontal commitments.	

*Unbound due to lack of technical feasibility.

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
(e) Maritime agency services	(1) None (2) None (3) Only in forms of joint ventures, with foreign equity share no more than 49 percent. (4) Unbound except as indicated in horizontal commitments.	(1) None (2) None (3) None (4) Unbound except as indicated in horizontal 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	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 are permitted. (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments.	(1) Limitations as indicated under market access column. (2) None (3) Unbound (4) Unbound except as indicated in horizontal commitments	
C. Air Transport Services (d) Aircraft repair and maintenance services (CPC 8868)	(1) Unbound* (2) None (3) Service suppliers of Chile are permitted to establish joint venture aircraft repair and maintenance enterprises in China. The Chinese side shall hold at least 51 per cent shares 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.	

* Unbound due to lack of technical feasibility.

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
- Computer Reservation System (CRS) services	<p>(1) (a) Foreign computer reservation systems may provide services to Chinese aviation enterprises and aviation agents by connecting through a Chinese computer reservation system.</p> <p>(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).</p> <p>(2) None</p> <p>(3) (a) Foreign CRS providers are permitted to establish joint ventures with Chinese CRS providers in China to provide CRS services.</p> <p>(b) The Chinese side shall hold at least 51 per cent shares in the joint ventures.</p> <p>(c) Licenses for the establishment of joint ventures are subject to economic needs test.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) Unbound</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	
Airport Operation Services	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) Unbound</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) Unbound*</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	

* Unbound due to lack of technical feasibility.

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
Ground Handling Services ¹⁵	(1) Unbound* (2) None (3) Service suppliers of Chile are permitted to establish joint venture enterprises to supply 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) Unbound* (2) None (3) None (4) Unbound except as indicated in horizontal commitments	
Specialty Air Services ¹⁶	(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.	

¹⁵ “Ground Handling Services” includes services of ULD (Unit Load Device) Control, Passengers and Baggage and Cargo and Mail, Ramp, Aircraft Servicing (part of Annex A of Standard Ground Handling Agreement (SGHA) (IATA 1998 version).

* Unbound due to lack of technical feasibility.

¹⁶ Specialty Air Services do not include projects related to national security.

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
E. Rail Transport Services F. Road Transport Services - Freight transportation by rail (CPC 7112) - Freight transportation by road in trucks or cars (CPC 7123)	(1) None (2) None (3) For rail transport, wholly foreign-owned subsidiaries are permitted. For road transport, 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.	
F. Road Transport Services - Passenger transportation (CPC 71213)	(1) Unbound (2) Unbound (3) Only in the form of joint ventures, with foreign investment not to exceed 49 per cent. Economic needs tests are required. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) Unbound (3) None (4) Unbound except as indicated in horizontal commitments.	
H. Services Auxiliary to all Modes of Transport - Storage and warehousing services (CPC 742)	(1) Unbound (2) None (3) Wholly foreign-owned subsidiaries are permitted. (4) Unbound except as indicated in horizontal commitments.	(1) Unbound (2) None (3) None (4) Unbound except as indicated in horizontal 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	Limitation on national treatment	Additional commitments
<ul style="list-style-type: none"> - Freight forwarding agency services (CPC 748) - Other (CPC 749) excluding freight inspection 	<p>(1) None</p> <p>(2) None</p> <p>(3) Freight forwarding agencies of Chile which have at least three consecutive years experience are permitted to set up freight forwarding agency joint ventures in China.</p> <p>Wholly foreign-owned subsidiaries are permitted.</p> <p>Operation term of the joint ventures shall not exceed 20 years.</p> <p>After one year operating in China, the joint venture may set up branches.</p> <p>A freight forwarding agency of Chile may set up a second joint venture after its first joint venture has been in operation for two years.</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	<p>(1) None</p> <p>(2) None</p> <p>(3) None</p> <p>(4) Unbound except as indicated in horizontal commitments.</p>	

ATTACHMENT 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-subsidisation;
- (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

China 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 China.

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.

WORLD TRADE ORGANIZATION

S/GBT/W/2/Rev.1

16 January 1997

(97-0173)

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., cable^{10,17}, 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.

¹⁰ Including all types of cable.

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Group on Basic Telecommunications

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.

ATTACHMENT 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 characterised 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.

ATTACHMENT 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 authorised 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 state key construction projects (i.e., projects that are so listed and annually announced by the National Development and Reform 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 percent 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 percent 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 subject-matter insured of the same legal person. For those subject-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 China Insurance Regulatory Committee cannot be underwritten or co-insured by insurers located other than where the subject-insured are located, or covered under a Master policy.