

ANNEX 8-B

FINANCIAL SERVICES

SCHEDULE OF HONG KONG, CHINA

INTRODUCTORY NOTES

1. The commitments made by Hong Kong, China under this Agreement with respect to cross-border supply (Mode 1) and consumption abroad (Mode 2) of financial services do not signify a commitment to allow a service supplier from the Area of Australia to solicit business or to conduct marketing in the Area of Hong Kong, China.
2. The commitments made by Hong Kong, China under this Agreement shall not prevent it from adopting or maintaining non-discriminatory measures which restrict or require specific types of legal entity through which a service supplier may supply a service.
3. There is a statutory monopoly on the operation of a stock market in Hong Kong, China.

Section A and Section B – Part I

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access)	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors)
	<u>Section A</u>	<u>Section B – Part I</u>

SECTOR-SPECIFIC COMMITMENTS

Insurance and Insurance-related Services

<p>(a) direct insurance (including co-insurance):</p> <p>(i) life</p> <p>(ii) non-life</p>	<p>1) None other than that statutory insurances must be purchased from an insurer authorised in Hong Kong, China.</p> <p>2) None other than that statutory insurances must be purchased from an insurer authorised in Hong Kong, China.</p> <p>3) None other than that only an incorporated company authorised by the Insurance Authority (IA) or an association of underwriters approved by</p>	<p>Obligations Concerned:</p> <p>National Treatment (Mode 3) (Article 8.4)</p> <p>Senior Management and Boards of Directors (Article 8.7)</p> <p>Measures:</p> <p>Paragraph 3.5(a) of the Authorization Guideline (GL1) published by the Insurance Authority.</p> <p>Description:</p> <p>The chief executive appointed by the authorised insurer shall normally reside in Hong Kong, China.</p>
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Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
	the IA is permitted to carry on insurance business. In the case of the former, commercial presence must take the form of a subsidiary or branch. Insurance business shall not be carried out through a representative office ¹ .	
(b) reinsurance and retrocession.	1) None, provided that the insurance company is a company incorporated outside Hong Kong, China and has no agent nor place of business in Hong Kong, China. 2) None	Obligations Concerned: National Treatment (Mode 3) (Article 8.4) Senior Management and Boards of Directors (Article 8.7) Measures: Paragraph 3.5(a) of the Authorization Guideline (GL1) published by the Insurance Authority.

¹ A representative office is considered a promotion (for non-business purpose only) and liaison office and can only serve some auxiliary functions such as conduct market research, collect business statistics and establish contacts with prospective customers and partners. It cannot conduct any profit generating business activities.

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
	3) None other than that only an incorporated company authorised by the IA or an association of underwriters approved by the IA is permitted to carry on insurance business. In the case of the former, commercial presence must take the form of a subsidiary or branch. Insurance business shall not be carried out through a representative office ¹ .	Description: The chief executive appointed by the authorised insurer shall normally reside in Hong Kong, China.

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
(c) insurance intermediation, such as brokerage and agency (d) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services	1) None other than claims settlement services, except for settlement of claims under contracts of goods in transit insurance entered into wholly outside Hong Kong, China in respect of goods consigned to Hong Kong, China 2) None 3) None	
<u>Banking and Other Financial Services (excluding insurance)</u>		
(e) acceptance of deposits and other repayable funds from the public	1) Unbound 2) None 3) None other than that: (a) all authorised institutions (i.e. licensed banks, restricted licence	Obligations Concerned: National Treatment (Mode 3) (Article 8.4) Senior Management and Boards of Directors (Article 8.7) Measures:

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access)	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors)
	<p style="text-align: center;"><u>Section A</u></p> <p>banks and deposit-taking companies) shall maintain a physical presence in Hong Kong, China; and</p> <p>(b) in the case of an overseas bank seeking to establish a representative office in Hong Kong, China, such offices are prohibited from taking deposits and undertaking banking business in general.</p>	<p style="text-align: center;"><u>Section B – Part I</u></p> <p>Section 74 of the <i>Banking Ordinance (Cap. 155)</i></p> <p>Description: All authorised institutions (local or overseas) must appoint a chief executive and not less than one alternative chief executive, each of whom shall be an individual and ordinarily resident in Hong Kong, China.</p>
(f) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transactions	<p>1) Unbound</p> <p>2) None</p> <p>3) None</p>	

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
(g) financial leasing	1) None 2) None 3) None	
(h) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts	1) Unbound 2) None 3) None	<p>Obligations Concerned: National Treatment (Mode 3) (Article 8.4) Senior Management and Boards of Directors (Article 8.7)</p> <p>Measures: Section 8ZZU of the <i>Payment Systems and Stored Value Facilities Ordinance (Cap. 584)</i></p> <p>Description: All licensees to operate stored value facilities must appoint a chief executive and not less than one alternative chief executive</p>

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
		each of whom shall be an individual and ordinarily resident in Hong Kong, China.
(i) guarantees and commitments	1) None 2) None 3) None	
(j) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: (i) money market instruments, including cheques, bills,	1) Unbound 2) None 3) None	

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
certificates of deposits; (ii) foreign exchange; (iii) derivative products including, but not limited to, futures and options; (iv) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements; and (v) transferable securities.		
(k) participation in issues of all kinds of securities, including underwriting and placement as agent	1) Unbound 2) None 3) None	

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
(whether publicly or privately) and provision of services related to such issues		
(1) money broking	1) Unbound 2) None 3) None	

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
(m) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services	1) Unbound 2) None 3) None	
(o) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services	1) None 2) None 3) None	
(p) advisory and other auxiliary financial services on all the activities listed in	1) None other than commodity trading and investment advisory services 2) None	

Modes of supply: 1) Mode 1

2) Mode 2

3) Mode 3

Sector or subsector	Terms, limitations and conditions in relation to Article 8.3 (Market Access) <u>Section A</u>	Existing non-conforming measures not subject to Article 8.4 (National Treatment), Article 8.5 (Most-Favoured-Nation Treatment) or Article 8.7 (Senior Management and Boards of Directors) <u>Section B – Part I</u>
subparagraphs (e) through (o) of Annex 8-A, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	3) None	
All financial services not specified above	1) Unbound 2) Unbound 3) Unbound	

Section B

Part II

HKC-1.

Sector	FINANCIAL SERVICES
Subsector	All
Obligations Concerned	National Treatment (Article 8.4) Senior Management and Boards of Directors (Article 8.7)
Description	<p>Hong Kong, China reserves the right to adopt or maintain:</p> <ul style="list-style-type: none">(a) Mode 1: Any measure with respect to all financial services other than the financial services referred to in subparagraph (a)(ii), subparagraph (b), subparagraph (c), subparagraph (d), subparagraph (g), subparagraph (i), and subparagraph (o) of Annex 8-A;(b) Mode 2: Any measure with respect to all financial services other than the financial services referred to in subparagraph (a)(ii), subparagraph (b), subparagraph (c), subparagraph (d), subparagraph (e), subparagraph (f), subparagraph (g), subparagraph (h), subparagraph (i), subparagraph (j)(i), subparagraph (j)(ii), subparagraph (j)(iii), subparagraph (j)(iv), subparagraph (j)(v), subparagraph (k), subparagraph (l), subparagraph (m), subparagraph (o), and subparagraph (p) (excluding intermediation services under subparagraph (p)) of Annex 8-A;(c) Modes 1 and 2: Any measure with respect to statutory insurance services referred to in subparagraph (a) of Annex 8-A;(d) Mode 3: Any measure with respect to all financial services other than the financial services referred to in subparagraph (a), subparagraph (b), subparagraph (c), subparagraph (d), subparagraph (e), subparagraph (f), subparagraph (g), subparagraph (h), subparagraph (i), subparagraph (j)(i), subparagraph (j)(ii), subparagraph

(j)(iii), subparagraph (j)(iv), subparagraph (j)(v), subparagraph (k), subparagraph (l), subparagraph (m), subparagraph (o), and subparagraph (p) (excluding intermediation services under subparagraph (p)) of Annex 8-A.

For the financial services subject to the *Securities and Futures Ordinance (Cap. 571)*, Hong Kong, China reserves the right to adopt or maintain:

Mode 3: The requirement that, in relation to the regulated activity, at least one responsible officer of the licensed corporation is available at all times to supervise the business of the regulated activity for which the corporation is licensed.