

Supplementary Regulations for Measures for The Administration on Foreign Investment in Commercial Fields

Ministry of Commerce has examined and approved the supplementary regulations for Measures for The Administration on Foreign Investment in Commercial Fields, which is now announced and will take effect as from its release.

Minister: Bo Xilai

Jan 9, 2006

For purposes of promoting construction of closer economic and trade relations between Hong Kong, Macao and the mainland, and encouraging service providers of Hong Kong and Macao to establish commercial enterprises at mainland, the following supplementary regulations are stipulated as complementarities to regulations that are related to commercial investments of service providers from Hong Kong and Macao and regulated in Measures for The Administration on Foreign Investment in Commercial Fields (Decree No.8 of Ministry of Commerce), in accordance with Supplementary Agreement II for Mainland/Hong Kong Closer Economic Partnership Arrangements as well as Supplementary Agreement II for Mainland/Macao Closer Economic Partnership Arrangements approved by the State Council.

1. Service providers from Hong Kong are permitted to establish enterprises of single proprietary, joint ventures or cooperative enterprises to undertaking commission agent business of chemical fertilizer, product oil and crude oil as well as wholesale and retail trade of chemical fertilizer.
2. Under the circumstance that the same service provider from Hong Kong or Macao opens more than 30 stores accumulatively within Chinese mainland, if the goods it manages include books, newspapers, magazines, automobiles (this restriction shall be cancelled from December 11, 2006), drugs, pesticides, agricultural films, fertilizers, food, vegetable oil, sugar, cotton, and the above commodities are of different brands and come from different suppliers, the proportion of capital contribution of the service provider from Hong Kong or Macao shall not exceed 51%.
3. The service providers from Hong Kong and Macao in the said Regulations should comply with the definition and related regulations on "service providers" in Mainland/Hong Kong Closer Economic Partnership Arrangements and Mainland/Macao Closer Economic Partnership Arrangements respectively.
4. Please continue to take Measures for The Administration on Foreign Investment in Commercial Fields as criterion of implementation of other matters of investment in commercial fields in mainland of service providers from Hong Kong and Macao.
5. The Regulations takes effect as from release.

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