

## Annex IV

### Sectors and Liberalization Measures Under the Early Harvest for Trade in Services

#### Commitments of the Taiwan Side on Liberalization of Non-financial Service Sectors<sup>1</sup>

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
C. Research and development services (CPC 851, 852, 853)	(1) No limitation. (2) No limitation. (3) Service suppliers of the Mainland are allowed to establish their commercial presence in Taiwan in the form of a sole proprietorship, joint venture, partnership or branch, to supply research and development services.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
F. Other business services (s) Convention services (CPC 87909*) — *Activities of establishments engaged in provision of planning, organizing, managing and marketing services for conventions and similar events (including catering and beverage services)	(1) No limitation. (2) No limitation. (3) Service suppliers of the Mainland are allowed to establish their commercial presence in Taiwan in the form of a sole proprietorship, joint venture, partnership or branch, to supply convention services.	

<sup>1</sup> Sectors and sub-sectors are classified in accordance with the Services Sectoral Classification List of the World Trade Organization General Agreement on Trade in Services (GNS/W/120). The contents of each sector are based on the corresponding CPC, United Nations Provisional Central Product Classification, ST/ESA/STAT/SER.M/77 as reference.

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
F. Other business services (s) Exhibition services (CPC87909) – Jointly held business-to-business exhibitions only.		The Mainland's enterprises, public institutions and convention-and-exhibition-related bodies or foundations, etc. are allowed to hold business-to-business exhibitions in Taiwan jointly with bodies such as enterprises, associations, or chambers of commerce of Taiwan's convention and exhibition industry, provided the relevant regulations are complied with.

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
F. Other business services (t) Others v. Specialty design services (CPC87907) – All specialized design services other than interior design are deemed specialty design services, such as design, visual communication (graphic) design and package design services in respect of merchandise such as fashion items, jewelry, furniture and other personal or household items.	(1) No limitation. (2) No limitation. (3) Service suppliers of the Mainland are allowed to establish commercial presence in Taiwan in the form of a sole proprietorship, joint venture, partnership or branch, to supply specialty design services.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
2. Communication services		
D. Audiovisual services (b) Motion pictures projection services – Chinese-language motion pictures and motion pictures jointly produced.		A maximum of ten motion pictures of the Mainland which are filmed by production units incorporated in accordance with the relevant regulations of the Mainland and which conform to the definitions in relevant regulations of Taiwan may, upon review and approval of the competent authority of Taiwan, be commercially released and exhibited in Taiwan each year; and regulations governing the release and exhibition of motion pictures of the Mainland shall be complied with.

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
4. Distribution services		
A. Commission agents' services (except live animals) (CPC 621) – Brokerage of sales of tangible commodities for a commission, on a fee or contract basis, is deemed commission agents' service. Commodity brokerage via the Internet is included in this class.	(1) No limitation. (2) No limitation. (3) Service suppliers of the Mainland are allowed to establish commercial presence in Taiwan in the form of a sole proprietorship, joint venture, partnership or branch, to supply commission agents' services.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
10. Recreational, cultural and sporting services (other than audiovisual services)		
D. Sporting and other recreational services (CPC 96411, 96412, 96419)	(1) No limitation. (2) No limitation. Service suppliers of the Mainland are allowed to establish their commercial presence in Taiwan in the form of a sole proprietorship, joint venture, partnership or branch, to supply sporting and recreational services.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
11. Air transport services		
(c) Computer reservation system <sup>2</sup>	(1) No limitation. (2) No limitation. (3) Service suppliers of the Mainland are allowed to establish commercial presence in Taiwan in the form of a sole proprietorship, joint venture, partnership or branch, to supply computer reservation system services.	

### Commitments of the Taiwan Side on Liberalization of Financial Services Sector

Sector	Specific Commitments
Banking and other financial services (excluding securities, futures and insurance)	The Mainland's banks which have been permitted to incorporate representative offices in Taiwan and whose representative offices have so incorporated for one full year, may apply for incorporation of branches in Taiwan.

<sup>2</sup> The definition in the Annex on Air Transport Services to the World Trade Organization General Agreement on Trade in Services shall apply.

### Commitments of the Mainland Side on Liberalization of Non-financial Service Sectors<sup>3</sup>

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
A. Professional Services b. Accounting, auditing and bookkeeping services (CPC862)	(1) No limitation (2) No limitation (3) Unbound except as indicated in the Mainland's WTO commitments	The validity period of the "Temporary License to Perform Auditing Service", applied for by Taiwan accounting firms for the purpose of conducting auditing business on a temporary basis in the Mainland is one year.

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
B. Computer and Related Services b. Software implementation services (CPC842)  c. Data processing services (CPC843, excluding CPC8439)	(1) No limitation (2) No limitation (3) On the basis of the Mainland's commitments upon its accession to the WTO, Taiwan service suppliers shall be allowed to set up wholly-owned enterprises to provide software implementation services in the Mainland.  (1) No limitation (2) No limitation (3) On the basis of the Mainland's commitments upon its accession to the WTO, Taiwan service suppliers shall be allowed to set up wholly-owned enterprises to provide data processing services in the Mainland.	

<sup>3</sup> Sectoral classification is based on WTO's GATS Services Sectoral Classification List (GNS/W/120). For the contents of the sectors, reference is made to the relevant CPC, United Nations Provisional Central Product Classification (ST/ESA/STAT/SER.M/77).

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
C. Research and Development Services - Research and experimental development services on natural sciences and engineering (CPC8510)	(1) No limitation (2) No limitation (3) Taiwan service suppliers shall be permitted to set up equity joint venture, contractual joint venture or wholly owned enterprises to provide research and experimental development services on natural sciences and engineering in the Mainland.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
F. Other Business Services s. Convention services (CPC87909)	(1) No limitation (2) No limitation (3) On the basis of the Mainland's commitments upon its accession to the WTO, Taiwan service suppliers shall be allowed to set up wholly-owned enterprises to provide convention services in the Mainland.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
1. Business services		
F. Other Business Services -Specialty design Services (CPC87907)	(1) No limitation (2) No limitation (3) Taiwan service suppliers shall be permitted to set up equity joint venture, contractual joint venture and wholly owned enterprises to provide specialty design services in the Mainland.	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
2. Communication services		
D. Audiovisual Services -Videos, including entertainment software and (CPC83202), distribution services -Sound recording distribution services	(1) No limitation (2) No limitation (3) Unbound except as indicated in the Mainland's WTO commitments.	Chinese language motion pictures produced by production companies in Taiwan which are set up or established in accordance with the relevant laws of Taiwan, and which own more than 50% of the copyright of the motion pictures concerned, may be imported for distribution in the Mainland on a quota-free basis, after vetting and approval by the competent authority of the Mainland. Taiwan residents should comprise more than 50% of the total principal personnel <sup>4</sup> in the motion pictures concerned.

<sup>4</sup> Principal personnel includes personnel performing the roles of director, screenwriter, leading actor, leading actress, supporting actor, supporting actress, producer, cinematographer, editor, art director, costume designer, action choreographer, and composer of the original film score.

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
8. Health Related and Social Services (other than those listed under Professional Services)		
A. Hospital Services (CPC9311)	(1) Unbound (2) Unbound (3) Taiwan service suppliers shall be permitted to set up hospitals with Mainland-Taiwan joint ventures and cooperation in the Mainland and wholly owned hospitals in Shanghai Municipality, Jiangsu Province, Fujian Province, Guangdong Province and Hainan Province of the Mainland. <sup>5</sup>	

Modes of service supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence

Sector or Sub-sector	Commitments on Market Liberalization	Additional Commitments
11. Transport services		
C. Air Transport Services d. Aircraft repair and maintenance services <sup>6</sup> (CPC8868)	(1) Unbound <sup>7</sup> (2) No limitation (3) On the basis of the Mainland's commitments upon its accession to the WTO, Taiwan service suppliers are permitted to establish wholly owned or equity joint venture enterprises in the Mainland. The Taiwan service supplier or the principal investor of a group of service suppliers making a joint investment shall be a juridical person.	

<sup>5</sup> The establishment of such hospitals shall comply with relevant regulations on foreign investment in hospitals of joint ventures, cooperation and wholly-ownership.

<sup>6</sup> The definition in WTO's GATS Annex on Air Transport Services applies.

<sup>7</sup> Unbound due to the lack of technical feasibility.

## Commitments of the Mainland Side on Liberalization of Financial Services Sector

Sector	Specific Commitments
Insurance and Insurance –Related Services	Groups formed by Taiwan insurance companies through integration or strategic mergers shall be allowed to apply for entry into the Mainland insurance market with reference to market access conditions for foreign-funded insurance companies (total assets held by the group of over US\$ 5 billion; more than 30 years of establishment experience of any one of the Taiwan insurance companies in the group; and a representative office established in the Mainland for over 2 years by any one of the Taiwan insurance companies in the group).

Sector	Specific Commitments
Banking and Other Financial Services (excluding securities, futures and insurance)	<ol style="list-style-type: none"> <li>1. For Taiwan banks to set up wholly owned banks or branches (not branches affiliated to a wholly owned bank) in the Mainland with reference to the Regulation on Administration of Foreign-funded Banks, they shall have representative offices in the Mainland for more than one year before application.</li> <li>2. For the operating branches of Taiwan banks in the Mainland to apply to conduct RMB business, they shall have been operating in the Mainland for more than two years and be profitable in the preceding year before application.</li> <li>3. For the operating branches of Taiwan banks in the Mainland to apply to conduct RMB business for Taiwan corporates in the Mainland, they shall fulfill the following conditions: they should have been operating in the Mainland for more than one year and been profitable in the preceding year.</li> <li>4. The operating branches of Taiwan banks in the Mainland may set up special agencies providing financial services to small businesses, the specific requirements of which shall follow relevant rules in the Mainland.</li> <li>5. Fast tracks shall be established for Taiwan banks applying to set up branches (not branches affiliated to wholly owned banks) in central and western, as well as northeastern regions of the Mainland.</li> <li>6. In conducting profitability assessment on the branches of Taiwan banks in the Mainland, the relevant authorities shall take into account the overall performance of the Taiwan bank under assessment.</li> </ol>

Sector	Specific Commitments
Securities, futures and other related services	<ol style="list-style-type: none"> <li>1. Proper facility shall be provided to the qualified Taiwan-funded financial institutions applying for qualification of Qualified Foreign Institutional Investor (QFII) in the Mainland.</li> <li>2. Taiwan Stock Exchanges and Taiwan Futures Exchanges shall be included as soon as possible in the List of Overseas Exchanges Recognized by the Mainland for Qualified Domestic Institutional Investors (QDII) to invest in Financial Derivatives; and</li> <li>3. Relevant procedures shall be simplified for Taiwan securities practitioners applying for and obtaining qualifications and certificates of practice in the Mainland.</li> </ol>