

On April 21, upon approval by the State Council, the Ministry of Commerce issued the General Plan for the Comprehensive Pilot Program for Further Opening up the Services Industry in Hainan Province, proposing to relax access restrictions by category, promote the elimination of administrative barriers, improve the regulatory system, and deepen the reform in key sectors such as tourism, transport, finance, commercial services, technical services, health care, education, and culture and entertainment. After three-year implementation of the pilot program, Hainan shall accumulate experience in the pilot program that can be duplicated and promoted throughout the country to play a demonstrative and leading role in the all-round opening-up of the country and the innovative development of the services industry.

General Plan for the Comprehensive Pilot Program for Further Opening up the Services Industry in Hainan Province

The General Plan for the Comprehensive Pilot Program for Further Opening up the Services Industry in Hainan Province (hereinafter referred to as the "Plan") is formulated to promote the comprehensive pilot program for further opening up the services industry in Hainan Province in a comprehensive and effective manner.

I. General Requirements

(I) Guidelines. The Plan is issued under the guidance of the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and in accordance with the spirit of the 19th National Congress of the Communist Party of China (CPC) and the second, third, fourth, and fifth plenary sessions of the 19th CPC Central Committee. Hainan shall promote the "Five-in-One" overall layout and the "Four-Pronged Comprehensive Strategy" in a coordinated manner in accordance with the decisions and arrangements of the CPC Central Committee and the State Council. Based on the new development stage, Hainan shall implement new development concepts and create a new development pattern.

With promoting high-quality development as the theme and deepening the supply-side structural reform as the main line, as driven by reform and innovation, Hainan aims to meet the people's growing needs for a better life. Focusing on positioning itself as a pilot zone for comprehensively deepening reform and opening-up, a national pilot zone for ecological conservation, an international tourism and consumption destination, and a pilot zone serving China's major strategies, Hainan will further open up the services industry, accelerate the development of the modern services industry, create new advantages in international cooperation and competition, and promote the construction of a new economic regime that is more open to contribute to the accelerated construction of a new development pattern.

(II) Basic principles.

Strengthening the top-down design. The mutual promotion and common progress of expanding high-level opening-up and deepening market-oriented reform shall be upheld. With focus on institutional innovation, internal and external opening-up shall be coordinated to promote the transition of the opening-up pattern from one based on the flow of products and factors to one based on institutions and rules. The opening-up path shall be scientifically planned to enhance the systematicness, integrity, and synergy of the work.

Focusing on key sectors. Hainan shall actively adapt to the new trend of reconstructing the global industrial chain and international economic and trade rules, relax access restrictions by category, promote the elimination of administrative barriers, improve the regulatory system, and deepen the reform in key sectors such as tourism, transport, finance, commercial services, technical services, health care, education, and culture and entertainment to enhance the competitiveness and overall development level of the services industry.

Giving play to comparative advantages. Hainan's ecological and resource advantages and regional advantages of facing the Pacific Ocean and the Indian Ocean and relying on

the super large-scale domestic market and hinterland economy shall be brought into full play. Hainan shall seize the important opportunities for the new round of global scientific and technological revolution and industrial change, adhere to ecological priority and green development, gather global innovation elements to deepen internal and external opening-up, and cultivate new cooperative and competitive advantages with Hainan characteristics.

Strengthening risk prevention. While expanding the opening-up, Hainan shall coordinate development and security and strengthen risk awareness and bottom-line thinking. It shall further improve the risk assessment and early warning mechanism and establish a statistical monitoring and risk evaluation system for industry development related to the services industry, to continuously improve the risk prevention and control ability to ensure industry security.

(III) Development objectives. After three-year implementation of the pilot program, Hainan will endeavor to form a new pattern of further opening-up in the services industry featuring a more open market, more standard systems, more effective supervision, and a better business environment by relaxing market access, reforming the regulatory model, and optimizing market environment. Hainan shall accumulate experience in the pilot program that can be duplicated and promoted throughout the country to play a demonstrative and leading role in the all-round opening-up of the country and the innovative development of the services industry.

II. Main Tasks and Measures

(I) Promoting the further reform and opening-up in major sectors of the services industry.

1. Fully competitive services industry. Science and technology sector: efforts shall be made to explore and improve the intellectual property rights financing mechanism, such as intellectual property rights pledge financing, promote the development of science and technology insurance and related reinsurance business, and carry out the pilot program for

patent insurance for science and technology innovation enterprises. New models of pledge loans based on intellectual property rights, equity and related physical asset portfolios shall be actively promoted. Foreign-invested credit standing investigation companies are supported. High-quality market research and consulting agencies are introduced.

Commercial services sector: restrictions of practicing qualification examinations on overseas professionals shall be further relaxed; except for those involving national sovereignty and security, overseas persons legally working in pilot regions are allowed to apply for participating in the relevant professional and technical qualification examinations of China (excluding the legal professional qualification examination) in accordance with the provisions. Overseas professionals in such sectors as architectural design and planning having overseas professional qualifications recognized by the State are allowed to provide professional services for enterprises in specific areas in pilot regions in accordance with provisions after record-filing or mutual recognition, and their overseas work experiences can be regarded as domestic work experiences. Well-known overseas arbitration institutions and dispute resolution institutions are allowed to, after being registered with the judicial administrative department of Hainan Province and reported to the Ministry of Justice for record-filing, set up business institutions in specific areas of Hainan Province to provide arbitration services for civil and commercial disputes in sectors such as international commerce and investment. The Hainan international arbitration institution is encouraged to carry out business cooperation with well-known overseas arbitral institutions and dispute resolution institutions. Chinese and foreign parties concerned are supported and guaranteed in accordance with the law to apply for and execute interim measures such as property preservation, evidence preservation, and act preservation before and during arbitration.

2. Limited competitive services industry. Education services sector: great efforts shall be made to develop integrated online education. Vocational colleges and regular higher educational institutions are allowed to purchase and use eligible and excellent socialized

and market-oriented online courses and resources, which are integrated into their daily teaching systems and launched in some schools on a pilot basis. Regular middle schools and primary schools are encouraged to admit and supported in admitting foreigners' children. **Financial services sector:** the Hainan financial services industry is granted more autonomy over opening-up and innovation to promote the all-round internal and external opening-up of the financial services industry. The establishment of RMB overseas investment and loan funds is supported. The implementation of the pilot program for qualified domestic limited partners (QDLPs) and qualified overseas limited partners (QFLPs) is supported. The scope of QDLPs is extended to investment management institutions initiated by domestic and foreign institutions in pilot regions, including domestic securities companies, fund management companies, and futures companies. Foreign banks are allowed to participate in tariff payment and customs guarantee business during import and export customs clearance. Reform of the guarantee for enterprise credit enhancement, the guarantee for financial companies of enterprise groups, and customs guarantee insurance shall be promoted. The establishment of a platform for exchanges and cooperation in fintech and green finance sectors is supported. Efforts shall be made to strengthen fintech innovation, actively develop spot carbon trading and environmental rights and interests-based financing, and develop green financing instruments. Eligible local corporate banks and enterprises are supported in issuing green bonds abroad. Multinational companies are supported in establishing wholly foreign-owned financial companies in Hainan Province. Eligible financial institutions, such as financial companies, are supported in obtaining the qualification for settlement and sale of foreign exchange and derivatives trading business. Eligible securities companies, fund management companies, and other financial institutions are supported in obtaining the qualification for settlement and sale of foreign exchange and carrying out spot foreign exchange and derivatives trading in accordance with laws and regulations on the premise of controllable risks. Eligible enterprises are supported in listing on National Equities Exchange and

Quotations and overseas markets for financing. The cooperative development of cross-border commercial medical insurance products with overseas institutions is supported, and international commercial medical insurance settlement shall be carried out in accordance with provisions. Overseas financial institutions are encouraged to invest in the establishment of foreign-invested securities companies. Hainan spot and futures oil and gas exchanges are supported in cooperating with each on spot commodities and futures. The inclusion of local oil and gas infrastructure in the national network of oil and gas products and futures bonded settlement facilities is supported. Financial institutions are supported in providing cross-border financial services based on free trade accounts for the authentic and legitimate offshore trading and bonded settlement of spot bulk commodities in accordance with the law, to promote the interactive development of spot and futures markets. More efficient financial services of better quality are provided for ship and aircraft financing. Overseas ship and aircraft financing restrictions are cancelled. Insurance in lieu of security deposits is explored during financing. Eligible foreign banks are allowed to participate in domestic gold and silver futures trading. Hainan Province is allowed to issue offshore RMB local government bonds abroad. The pilot program for digital RMB is supported. **Health care services sector:** Hong Kong and Macao services providers and Taiwan services providers are supported in establishing wholly-owned medical institutions and wholly-owned hospitals respectively. Sino-foreign joint ventures are supported in establishing non-profit medical institutions and providing basic health care services. Hainan shall actively develop the services industry in traditional Chinese medicine sector to promote the internationalization of certain domestic standards for Chinese herbal medicines and the construction of a national traditional Chinese medicine services export base. "Preventive Treatment of Disease" and charges therefor shall be carried out in profit-making medical institutions on a pilot basis. The development of internet health care shall be supported. The mutually recognized systems such as the examination results system and the online prescription information system shall be

explored. The sharing methods and systems for patient-led medical data shall be established and improved. Eligible internet medical services expenses shall be included in the payment scope of medical insurance funds according to procedures. The system of medical device registrants shall be promoted to facilitate the development of the "registration + production" inter-regional industrial chain. The access of private non-enterprise entities to non-profit elderly care institutions set up by foreign investors by donation is relaxed.

3. Competitive business in natural monopoly sectors. Power services sector: private enterprises are supported in carrying out power generation, incremental power distribution, and power sales in the form of equity holding or participation. It is necessary to steadily push forward the market-oriented reform of on-grid tariffs and explore the innovative on-grid tariff bidding model. A spot power trading market shall be established and improved, and a market-oriented trading mechanism shall be formed through spot trading, medium and long-term trading, and auxiliary services trading. The tariff supervisory system for power transmission and distribution shall be further improved, and the cost supervision and review and pricing system for power transmission and distribution shall be perfected, with dynamic monitoring and all-round supervision strengthened. The reform of sales tariffs shall be promoted steadily to adapt to the construction and development of the competitive power market.

4. Services industry in specific sectors. Cultural, sports, and entertainment industries: Hainan shall innovate the construction of national sports and tourism demonstration zones, promote the in-depth integration of sports and tourism, support tourist attractions in expanding sports and tourism projects, and encourage tourism enterprises such as travel agencies to design and develop tourism products and routes in combination with sports and leisure projects as well as sports events. Foreign investors are encouraged to invest in tourism, participate in the development and construction of commercial tourist attractions, and invest in tourism commodities and facilities. Hainan is supported in deepening the

pilot program for review of territorial online games, strengthening the protection of intellectual property rights of online games, attracting creative teams, and improving the overall innovation ability of the game industry. Chinese and foreign enterprises are supported in establishing joint ventures or cooperative entities in the cultural sector. The examination, approval, and management of business performances shall be optimized to facilitate the participation of artistic performance groups or individuals in business performances in pilot regions.

(II) Optimizing systems and mechanisms for the open development of the services industry.

5. Speeding up streamlining administration and delegating powers. The reform of streamlining administration, delegating powers, strengthening regulation, and upgrading services shall be deepened. The system of the market access negative list shall be fully implemented. The prohibitive and restrictive clauses in the services sector shall be further reduced. Various explicit and hidden barriers shall be regularly assessed, screened, and cleaned up. The acceptance and parallel handling of real estate registration, trading, and tax payment on the online and offline "Single Window" platform shall be fully implemented. In services sectors other than those directly involving national security, public security, prudential financial supervision, ecological and environmental protection, and the life and health of the people, the government services notification and commitment system shall be promoted; market players undertake to meet the relevant requirements and submit the relevant materials; and investment operations can be carried out upon record-filing with or spot approval by government departments.

6. Improving the system of rules. Hainan shall promote the construction of supervisory standards, norms, and systems, and accelerate the construction of a comprehensive supervisory system integrating administrative supervision, industry self-regulation, social supervision, and public participation. The establishment of a government services integrity evaluation mechanism shall be explored to strengthen the

special governance of dishonest government services. It is required to break administrative monopoly, prevent market monopoly, and maintain the fair competition market order, to ensure equal treatment of market players of different ownership. The construction of a digital business environment shall be explored in line with international high-standard and high-level rules and carried out in a pilot basis. The digital business environment shall be optimized and upgraded to develop Hainan into a preferred choice for related overseas investment.

(III) Strengthening policy and elemental security for the open development of the services industry.

7. Promoting trade and investment facilitation. The pilot international cooperation on the "Single Window" platform for international trade shall be carried out and gradually expanded to involve the relevant countries and regions jointly developing the Belt and Road strategy. By relying on the "Single Window" platform, the international settlement of trade in services is facilitated. Subject to the requirements of the relevant security measures of the International Civil Aviation Organization, the mutual transfer and multimodal transport of joint passengers of international flights and their baggage in "international - domestic" or "international - international" transit shall be actively promoted. It is required to improve the entry and exit customs clearance efficiency, eliminate weak points in exit customs clearance, improve the customs clearance environment, and continuously consolidate and enhance the port public health management and services capacity. Exhibitions and exhibits are allowed to be filed in advance in accordance with the law, and released in the form of guarantees. Exhibits (except for those under the list of ATA documents) shall be transferred to bonded supervision places or special customs supervision areas for write-off after the exhibition. Purchase of vehicle exhibits is supported in accordance with the law, and transactions during exhibitions are facilitated. By relying on the trade and finance block chain platform of the People's Bank of China, Hainan shall build a standard system for trade and finance

block chain, to provide financial, logistics, and related government services for micro, small and medium-sized enterprises.

8. Providing talent guarantee. Convenience for entry and exit, stay, and residence shall be given to high-level foreign talents in their investment and entrepreneurship, lectures and exchanges, and economic and trade activities. Foreign talents engaged in high-grade, precision and advanced industries in urgent need as hired by eligible enterprises in the services industry enjoy convenient measures and "green passage" services in handling business such as talent visas, work permits, and social security. The inclusiveness of social security policies shall be improved, and the protection of rights and interests of personnel flexibly employed by and among different enterprises, platforms, and employers shall be strengthened. Eligible overseas personnel are allowed to serve as legal representatives of legal institutions, public institutions, and state-owned enterprises in pilot regions. The work permit system for foreigners shall be further optimized, and more open and convenient policies and measures in terms of personnel entry and exit, permanent residence of foreign talents, and other aspects shall be implemented.

9. Improving fiscal and tax supportive policies. For an enterprise at or above the designated size engaged in production or research and development of software, artificial intelligence, biomedicine, and key materials in Hainan Province, when it applies for being recognized as a high-tech enterprise, it shall have been engaged in the relevant business for one year or longer, and its total research and development costs incurred in China shall account for no less than 50% of the total research and development costs, and the "record-filing equaling approval" system shall apply. When an enterprise is recognized as a high-tech enterprise, it enjoys the preferential income tax policy and other relevant policies in accordance with provisions. Interim and ex post supervision shall be strengthened. Enterprises found not to meet the recognition standards for high-tech enterprises shall be treated in accordance with the relevant provisions.

10. Strengthening financial risk prevention and control. Management information

sharing, supervisory coordination, and cross-border risk disposal cooperation in the financial sector shall be carried out. The collection, monitoring, and use of cross-border cash inflow and outflow data involved in open financial policies and measures shall be strengthened to screen and prevent risks. The territorial supervision responsibilities shall be strengthened. In-depth exploration of research on the disposal of major financial risks and improvement in the construction of the financial risk prevention and control mechanism shall be carried out. The requirements for resolution of risks of small and medium-sized banks and capital replenishment, financial derivatives business management, debts management, and other aspects shall be further implemented, and the relevant regulations and systems shall be perfected, to resolutely guarantee that no systemic or regional financial risk occurs. In accordance with the requirements for licensed financial operations, guidance services for risk prevention and control for enterprises in the financial sector shall be strengthened through risk warning, risk control indicator calculation, information reporting, and information disclosure.

11. Strengthening the protection of data and intellectual property rights. The construction of basic regulations and systems in the sectors such as data security and personal information protection shall be accelerated. Policies and standards shall be perfected. The relevant technical services shall be optimized. Data security management systems such as data classification system and data exit security assessment system shall be perfected. The management and risk prevention and control of sensitive data shall be strengthened. The construction of a cross-border data flow security management system shall be explored. Local governments shall provide support in terms of funds and supporting policies. The establishment of a data protection capability ability system shall be explored, and a third-party certification mechanism for enterprises' data protection ability shall be established. Compliance assessment shall be promoted, and relevant public services platforms shall be constructed, to instruct enterprises to implement the primary responsibilities. The punishment for infringement of intellectual property rights shall be

intensified by the strict implementation of the punitive compensation system for infringement of intellectual property rights. The mechanism for classified credit supervision and disciplinary actions against discreditable behaviors of market players and other mechanisms in the sector of intellectual property rights shall be established and perfected. The sharing of clues and law enforcement resources among law enforcement departments in Hainan Province shall be promoted, and an inter-departmental law enforcement mechanism for intellectual property rights shall be established.

III. Organization of Implementation

The People's Government of Hainan Province shall, according to target tasks, further improve the working mechanism, build a streamlined and efficient management system for the comprehensive pilot program with clear rights and responsibilities; strengthen the talent training and create a high-quality professional management team; and carefully organize the implementation of various measures under the Plan throughout Hainan Island or specific areas thereof. Hainan shall firmly establish the overall national security outlook and strengthen security assessment and risk prevention, to ensure orderly progress of the relevant work. The Ministry of Commerce shall strengthen overall planning and coordination, organize the evaluation of results, guide the implementation of pilot tasks, and support Hainan in summarizing mature experience and organizing the promotion thereof in a timely manner. The relevant departments of the State Council shall, according to the division of responsibilities, provide active support to form joint forces to ensure proper implementation of various reform measures. Where temporary adjustments shall be made to the implementation of certain provisions in related administrative regulations, documents of the State Council and departmental rules approved by the State Council for the pilot program, stipulated procedures shall be followed. The People's Government of Hainan Province and the Ministry of Commerce shall promptly sort out and study new situations and problems that arise in the pilot program, and continuously adjust and optimize measures. Major matters shall be reported to the State Council for instructions in

a timely manner.