Opinions of the National Development and Reform Commission and the Ministry of Commerce on

Special Measures for Relaxing Control over Market Access to Support the Construction of Hainan Free Trade Port

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The People's Government of Hainan Province and the relevant ministries and commissions of and the relevant institutions directly under the State Council,

Upon approval of the Central Committee of the Communist Party of China (CPC) and the State Council, the following opinions are hereby put forward in accordance with the requirements of the Overall Plan for the Construction of Hainan Free Trade Port, in order to further support Hainan in building the market access system and market environment of a free trade port with Chinese characteristics, promote the free and convenient flow of production factors, accelerate the cultivation of industries with international comparative advantages, and construct a high-quality free trade port pursuant to high standards.

I. Innovating Market Access Methods in Medicine and Health Sectors

(I) Supporting online sales of prescription drugs. The Hainan Electronic Prescription Center (providing third-party information services for sales agencies of prescription drugs) will be established in Boao Lecheng International Medical Tourism Pilot Zone (hereinafter referred to as "Lecheng Pilot Zone"). The prescription drugs sold on the market in China, except for those subject to special administration as stipulated in the Drug Administration Law of the People's Republic of China, are allowed to be sold online by relying on the Hainan Electronic Prescription Center, without separate approval. The Hainan Electronic Prescription Center connects with online hospitals, prescription systems of medical institutions in Hainan, sales platforms for prescription drugs, the medical insurance

information platform, payment and settlement agencies, and commercial insurance agencies, to realize the unified collection of prescription-related information and the handling via a single website of such matters as prescription drug purchase, information security certification, and medical insurance settlement. The Hainan Electronic Prescription Center and the relevant departments of Hainan Province shall formulate detailed work plans, strengthen the administration of high-risk drugs, and fulfill the primary responsibilities such as cyber security, information security, and personal privacy protection. The blockchain, quantum information and other technologies are to be used to realize online and offline linked supervision, whole-process traceability of drug flows, and secure data storage. (Led by: National Health Commission, National Medical Products Administration, and National Development and Reform Commission as per the division of responsibilities; participated in by: National Healthcare Security Administration, China Banking and Insurance Regulatory Commission, and National Administration of Traditional Chinese Medicine)

- (II) Supporting the innovative development of China-made high-end medical equipment in Hainan. The first (set of) high-end medical equipment is encouraged to be produced in Hainan. China-made large medical equipment produced in Hainan and included in the guiding catalog for promotion and application of the first (set of) major technical equipment or the catalog for allocation licensing for Category A and Category B large medical equipment shall be subject to the requirements of the relevant document on the first (set of) China-made equipment. (Led by: Ministry of Industry and Information Technology, National Health Commission, and National Medical Products Administration; participated in by: National Development and Reform Commission)
- (III) Increasing support for access to the medicine market. The People's Government of Hainan Province needs to optimize the environment for research and development, testing, production, and application of medicine (traditional Chinese medicine, chemical medicine, and biological products), encourage enterprises engaged in research,

development and production of China-made high-value medical consumables, national innovative drugs and traditional Chinese medicine to settle in Hainan, improve Hainan's financing system for research and development of new drugs, formulate a support system for research and development of new drugs that matches with drug marketing authorization holders, and motivate domestic and foreign pharmaceutical companies and drug research and development institutions to develop innovative drugs and improved new drugs in Hainan. Medical institutions settled in Lecheng Pilot Zone are supported to carry out clinical trials in accordance with the provisions. Medical institutions in Hainan that meet the appropriate conditions are encouraged to directly use, in line with the principle of "import upon approval", the innovative drugs for which pharmaceutical companies registered in Hainan have completed Phase I-III clinical trials in China and obtained the marketing authorization, and the relevant government agencies shall not set additional requirements for market access. (Led by: National Medical Products Administration, and National Health Commission; participated in by: National Administration of Traditional Chinese Medicine, and General Administration of Customs)

(IV) Fully relaxing access restrictions on contract research organizations (CROs). The People's Government of Hainan Province shall formulate the policies and opinions on supporting CROs to settle in Hainan, provide support for the establishment of a regional ethics center for international standards for medical research in Hainan, encourage Hainan's medical institutions to cooperate with CROs, and improve the technical capability for clinical trials and quality management of medical institutions. The approval and record-filing procedures for traditional Chinese medicine preparations of medical institutions shall be optimized and improved. The relevant standards shall be formulated in accordance with the principles of safety and effectiveness, and the pilot program of clinical trial and re-evaluation after marketing of traditional Chinese medicine shall be carried out in Hainan. (Led by: National Medical Products Administration; participated in by: Ministry of Science and Technology, National Health Commission, and National

Administration of Traditional Chinese Medicine)

(V) Supporting the development of Hainan's high-end medical cosmetology industry. Well-known medical cosmetology institutions are encouraged to settle in Lecheng Pilot Zone. The medical cosmetology institutions in Lecheng Pilot Zone may use in batches the medical cosmetology products marketed in the United States, the European Union, Japan and other countries or regions. Among them, drugs, medical devices and cosmetics that need to be registered or filed in China shall be registered or filed in accordance with the law. Lecheng Pilot Zone may formulate incentive measures. The relevant government departments of Hainan Province shall research and put forward the list of imported drugs, medical devices, cosmetics companies and products required for the development of the medical cosmetology industry in Lecheng Pilot Zone, and assist the related companies in handling the registration, under the support of the national medical products administration. Foreign high-level medical cosmetologists are supported to practice medicine in Hainan for a short period of time in accordance with laws and regulations. The development of the medical cosmetology tourism industry shall be promoted. Support is given to the introduction and organization of international and professional exhibitions, summits, and forums in the medical cosmetology industry. The approval and regulation of medical cosmetology institutions shall be standardized. (Led by: National Health Commission, and National Medical Products Administration; participated in by: Ministry of Commerce, and Ministry of Culture and Tourism)

(VI) Optimizing the market access and development environment for all fields of transplantation science. It is imperative to gather all kinds of high-quality resources, promote the establishment of an international transplantation science research center, accelerate the construction of a tissue bank in accordance with international leading standards, continuously improve related systems and work systems, and boost the application and transformation of research results related to renewable biological materials in Hainan. Efforts will be made to optimize the market access for all kinds of new drugs,

inspection and testing reagents, genetic technologies, and medical devices in the transplantation field, ensure smooth market access links such as research and development, registration, production, and use, and support related products that meet the corresponding conditions to enter priority or innovative approval procedures. Medical institutions run by social capital and public medical institutions shall be subject to consistent access standards in terms of the identification and approval of practicing qualifications for human organ transplantation, and be treated equally. An International medical transplantation, rehabilitation, diagnosis and treatment center will be built in Lecheng Pilot Zone to carry out medical transplantation, rehabilitation, diagnosis and treatment in cooperation with major medical institutions. Eligible medical transplantation projects shall be included in the scope of medical insurance payment, and the medical insurance settlement in different places shall be facilitated. Commercial insurance institutions are encouraged to explore and research insurance business related to transplantation diagnosis, treatment and rehabilitation. Domestic first-class traditional Chinese medicine institutions are encouraged to set up the relevant institutions in Hainan, carry out research on integration of traditional Chinese medicine and Western medicine in diagnosis and treatment in the transplantation discipline, and promote the integration of health and aged care services. (Led by: National Health Commission, and National Medical Products Administration; participated in by: Ministry of Science and Technology, National Healthcare Security Administration, National Administration of Traditional Chinese Medicine, and Chinese Academy of Sciences)

(VII) Establishing a mixed-ownership reform fund for the development of the healthcare industry in Hainan. Under the guidance of the National Development and Reform Commission, Hainan is supported to establish a mixed-ownership reform fund for the development of the healthcare industry featuring social capital contribution and market-oriented operation, and related industries are supported to settle and develop. The China Securities Regulatory Commission will actively support the listing, merger and

acquisition, and restructuring of strategic key enterprises supported by the mixed-ownership reform fund. (Led by: National Development and Reform Commission; participated in by: China Securities Regulatory Commission)

II. Optimizing the Market Access and Development Environment in the Financial Sector

(VIII) Supporting the development of securities, insurance, funds in Hainan. Financial institutions such as securities and funds are supported to settle in Hainan in accordance with the law. The development of commercial insurance related to healthcare and long-term care shall be encouraged, and the development of forms of pension finance shall be supported. (Led by: People's Bank of China, China Banking and Insurance Regulatory Commission, and China Securities Regulatory Commission as per the division of responsibilities; participated in by: National Development and Reform Commission)

(IX) Strengthening the sharing of data and information and carrying out the pilot program of supporting the development of the entire agricultural industry chain. It is necessary to select part of areas in Hainan Province to carry out the pilot program, use information methods such as geographic information system (GIS), satellite remote sensing technology, and drone information collection technology to obtain data on the entire agricultural industry chain including land and crops, and introduce third-party agencies in line with the market-oriented principle to conduct the risk assessment and credit evaluation. Financial institutions are encouraged to, as per their functional positioning, provide financial support for the construction of the entire agricultural industry chain based on the needs of agricultural development and the market-oriented principle, in combination with third-party assessment and evaluation information, and in accordance with laws and regulations, and insurance institutions are encouraged to provide supporting agricultural insurance services. Hainan Province is encouraged to drive the development of the entire industry chain including planting, breeding, fishery production, processing, circulation, sales, and experience. Hainan Province is supported to, in concert

with the relevant financial institutions and third-party information service agencies, formulate specific implementing plans, give full play to the advantages of local agricultural reclamation groups in resource integration and information integration, and form a development pattern featuring the participation of third-party agencies related to scientific and technological information and financial data, and the cooperation of agricultural reclamation groups, leading agricultural enterprises, and farmers. (Led by: Ministry of Agriculture and Rural Affairs, and National Development and Reform Commission as per the division of responsibilities; participated in by: Ministry of Finance, Ministry of Natural Resources, and China Banking and Insurance Regulatory Commission)

III. Advancing the Relaxation of Access Restrictions and Prosperity and Development in the Cultural Sector

(X) Supporting the establishment of the Hainan International Cultural Relics and Artworks Trading Center. The China (Hainan) International Cultural Relics and Artworks Trading Center shall be established with the introduction of international rules for exhibitions, transactions and auctions in the artwork industry, to provide an open, professional, convenient and efficient international trading platform for outstanding artworks of countries along the "Belt and Road" and tradable cultural relics that comply with the relevant laws and regulations on protection of cultural relics. Well-known auction agencies at home and abroad are encouraged to conduct business in the trading center. The transaction costs of artworks and tradable cultural relics shall be reduced to form a comparative advantage in international transaction costs. Policy support in terms of convenient customs clearance, bonded goods regulation, warehousing and logistics shall be provided. (Led by: Publicity Department of the CPC Central Committee, Ministry of Culture and Tourism, National Cultural Heritage Administration, and National Development and Reform Commission as per the division of responsibilities; participated in by: Ministry of Commerce, People's Bank of China, State-owned Assets Supervision

and Administration Commission of the State Council, General Administration of Customs, and State Administration of Foreign Exchange)

- (XI) Encouraging the development of the cultural and performing arts industry. It is required to support cultural exchanges and cooperation of countries along the "Belt and Road", and push forward the gathering in Hainan of high-quality resources in the cultural performing arts industry such as performance, creation, capital, and technology from countries along the "Belt and Road" and even the whole world. Efforts shall be made to implement the incentive and support policies for the cultural industry with international competitiveness, take the lead in the application of new technologies such as 5G, VR, and AR, and provide systematic support in planning, land use, sea use, energy use, finance, and talent introduction. It is imperative to optimize the approval of commercial performance, innovate in interim and post-event regulation methods, give full play to the role of performance industry associations, and improve the level of industry self-discipline. The examination of business activities of entertainment venues and contents of game and entertainment equipment shall be optimized. (Led by: Ministry of Culture and Tourism, and Publicity Department of the CPC Central Committee; participated in by: National Development and Reform Commission, Ministry of Science and Technology, Ministry of Industry and Information Technology, Ministry of Civil Affairs, Ministry of Human Resources and Social Security, Ministry of Natural Resources, State Administration for Market Regulation, and National Immigration Administration)
- (XII) Encouraging the development of the online game industry. It is necessary to explore the delegation of pilot approval authority for domestic online games to Hainan, and support Hainan's development of the online game industry. (Led by: Publicity Department of the CPC Central Committee)
- (XIII) Relaxing access restrictions on the cultural relics industry. The approval of the establishment of cultural relics stores in Hainan shall be subject to notification and commitment management. Support is given to the establishment of cultural relics

restoration, protection and appraisal research agencies under market-oriented operation. (Led by: National Cultural Heritage Administration)

VI. Facilitating the Relaxation of Access Restrictions and Resource Pooling in the Education Sector

(XIV) Encouraging colleges and universities to transform scientific research results in Hainan. Hainan is supported to set up transformation bases for scientific research results such as biomedicine, electronic information, computer and big data, artificial intelligence, and marine science in colleges and universities in key development zones such as Lingshui International Education Pilot Zone and Lecheng Pilot Zone. Scientific research personnel from colleges and universities are encouraged to start businesses, take part-time jobs, and carry out the transformation of scientific research results in Hainan in accordance with the relevant national provisions. Colleges and universities are encouraged to participate in industrial investment funds that conform to the national strategy under the premise of ensuring normal operation and career development, and boost the transformation of scientific research results through the transfer of licenses and purchase of shares in consideration of scientific research results. (Led by: Ministry of Education, and Ministry of Science and Technology; participated in by: National Development and Reform Commission, Ministry of Finance, and Ministry of Human Resources and Social Security)

(XV) Supporting well-known domestic colleges and universities to set up international schools in Hainan. Well-known domestic colleges and universities are supported to set up international schools in areas with better conditions for running schools such as Hainan Lingshui International Education Pilot Zone or Sanya, to serve the construction of the "Belt and Road". International schools shall be small in scale but carry out high-quality undergraduate education, and their disciplines and majors shall be mainly based on basic science and applied technology. The relevant institutes of the Chinese Academy of Sciences will support the construction of international schools in pairs.

International schools are encouraged to carry out school-running cooperation and academic exchanges with internationally renowned colleges and universities in innovative ways. The initial enrollment scale shall be 300-500 students per year (mainly international students). International students are mainly outstanding high school graduates and first-year university students from countries along the "Belt and Road" who will be selected and admitted according to the marks they get. The Ministry of Education will actively support high-quality programs of studying in China from the relevant colleges and universities in Hainan Province by means of Chinese governmental scholarships. The Chinese Academy of Sciences and other relevant institutions will, in concert with Hainan Province, formulate specific construction plans, which will be implemented after being submitted for approval in accordance with procedures. (Led by: Chinese Academy of Sciences, and Ministry of Education; participated in by: National Development and Reform Commission, Ministry of Foreign Affairs, and National Immigration Administration)

(XVI) Encouraging Hainan to vigorously develop vocational education. Efforts shall be made to improve the vocational education and training system, deepen the integration of production and education, and school-enterprise cooperation, and encourage social forces to develop vocational education through forms such as sole proprietorship, joint venture, and cooperation. Hainan is supported to build a public training base for vocational skills that serves the national regional development strategy. Hainan is encouraged to vigorously develop vocational education in such fields as medical care, health and aged care, culture and performing arts, cultural relics restoration and identification, and implement notification and commitment management for the approval for establishment, modification and termination of non-governmental schools that only provide vocational skills training and the approval for establishment of skilled workers' schools. (Led by: Ministry of Education, Ministry of Human Resources and Social Security, and National Development and Reform Commission)

V. Relaxing Market Access Restrictions on Other Key Sectors

(XVII) Optimizing the market access environment for Hainan's commercial aerospace industry to advance the high-quality development. It is necessary to support the construction of an integrated and open Wenchang Spacecraft Launch Site, build a world-class spacecraft launch site system under market-oriented operation, coordinate the construction of related measurement and control systems, ground systems, and application systems, and set up a construction management application mode that conforms to the development characteristics of China's international commercial aerospace industry. The commercial aerospace industry chain including satellite remote sensing, Beidou navigation, satellite communications, quantum satellites, chip design, launch vehicles, and measurement and control are encouraged to settle in Hainan. Efforts shall be made to optimize the handling procedures for matters such as spacecraft launch declaration and spacecraft launch site coordination, and enhance the capabilities of safety regulation for production, storage, transportation and testing of launch vehicles, engines and related products. Support is given to the development of international application demonstration of Beidou navigation in Hainan. Support is also given to the establishment of a mixed-ownership reform fund for commercial aerospace development funded by social capital and operated in the market-oriented principle. Insurance institutions are encouraged to carry out related insurance business in the aerospace sector under the premise of compliance with laws and regulations and controllable risks. It is imperative to support international cooperation of enterprises, universities, research institutions and application institutions in the field of commercial satellites and payloads, and encourage the development of international collaboration, development and application of satellite data and data sharing services. The approval procedures for international cooperation in technology research and development, engineering research and development, system operation, and application promotion in the commercial aerospace field shall be optimized. It is required to formulate special preferential policies for attracting high-end talents and

innovative teams in the international commercial aerospace field, and establish an international exchange and training platform. (Led by: State Administration of Science, Technology and Industry for National Defence, National Development and Reform Commission, and other units as per the division of responsibilities; participated in by: Ministry of Science and Technology, Ministry of Industry and Information Technology, Ministry of Natural Resources, Ministry of Transport, Ministry of Commerce, and China Banking and Insurance Regulatory Commission)

(XVIII) Relaxing access restrictions on the civil aviation industry. It is imperative to optimize the management of Hainan's civil airports, and the licensing for use of civil aviation security inspection equipment, and simplify the approval process for planning and construction of general aviation airports. In the field of general aviation, efforts shall be made to explore the establishment of a hierarchical and classified management mechanism for personnel qualification and a technical standard system for aircraft airworthiness, simplify the approval process for flight training centers, civil aircraft pilot schools, and flight dispatcher training institutions, and minimize requirements for market access on the premise of meeting safety technical requirements. Support is given to the application of new technologies such as 5G civil aviation safety communications, Beidou, and broadcast-type automatic surveillance in such fields as air traffic management and flight service guarantee. Financial, taxation, and talent policy support shall be implemented, and social capital is encouraged to invest in general aviation, aviation fuel guarantee, aircraft maintenance services and other fields. (Led by: Civil Aviation Administration, and National Development and Reform Commission; participated in by: Ministry of Industry and Information Technology, Ministry of Finance, People's Bank of China, China Banking and Insurance Regulatory Commission, and other units)

(XIX) Relaxing market access restrictions on the sports industry. Support is given to the construction of a southern base for national sports training and a provincial sports center in Hainan. It is necessary to support the creation of a national sports tourism demonstration zone, encourage the development of outdoor projects such as beach sports and water sports, and issue the relevant authorizations in accordance with procedures. (Led by: General Administration of Sport; participated in by: National Development and Reform Commission, and Ministry of Natural Resources)

(XX) Relaxing market access restrictions on Hainan's seed industry, and simplifying approvals to promote the development of the seed industry. It is required to simplify the approval process for qualification identification of quality inspection agencies and import and export licenses related to crops, Chinese medicinal materials and other seeds, optimize and standardize the approval procedures for the engagement in agricultural biotechnology research and testing, encourage Hainan Province to conduct cooperative research with overseas institutions and experts in accordance with the law, and further optimize the administrative measures, promotion and application of superior agricultural and forestry germplasm, seedlings and other reproductive materials introduced from abroad. (Led by: Ministry of Agriculture and Rural Affairs, National Forestry and Grass Administration, and General Administration of Customs as per the division of responsibilities; participated in by: Ministry of Commerce, State Administration for Market Regulation, Chinese Academy of Sciences, and National Administration of Traditional Chinese Medicine)

(XXI) Supporting Hainan to make unified deployments for the construction and operation of charging and battery swapping infrastructure for new-energy vehicles. Hainan is supported to plan, construct and operate new charging and battery swapping infrastructure of new-energy vehicles in a unified manner, relax market access restrictions for 5G converged products and services, and facilitate the application of Intelligent Vehicle Infrastructure Cooperative Systems and unmanned driving technology. Efforts shall focus on speeding up the building of fast charging and battery swapping facilities in service areas along key highways, promoting the construction of centralized charging facilities in parking lots of urban areas, industrial parks, scenic spots and public service places, simplifying project record-filing procedures, and approval process for planning,

construction, and inspection and acceptance of fire protection design, and breaking down hidden barriers to market access. The relevant companies are encouraged to carry out demonstrations of business mode innovations around the charging and battery swapping business. An inclusive and innovative prudential regulation system shall be explored. Grid enterprises, and enterprises in related fields such as new-energy vehicle production, battery manufacturing and operation, transport, real estate, and property are supported and instructed to establish investment, construction and operation companies with the market-oriented method, and are encouraged to carry out types of business cooperation in innovative ways, and create an "all-in-one network" operation mode across Hainan Island. (Led by: National Development and Reform Commission, and National Energy Administration; participated in by: Ministry of Industry and Information Technology, Ministry of Natural Resources, Ministry of Housing and Urban-Rural Development, and State-owned Assets Supervision and Administration Commission of the State Council)

(XXII) Optimizing the access environment and carrying out the pilot program of innovative development of rural tourism and leisure agriculture. Select some part of areas in Hainan Province to share and apply registration data on rural real estate. The pilot program of market access to rural tourism shall be carried out by cities or counties. The relevant local people's governments shall organize the overall assessment on towns and administrative villages that are suitable for rural tourism and leisure agriculture under the jurisdiction of pilot areas. It is imperative to insist on the collective ownership of rural land by farmers, and establish operation companies for rural tourism assets in accordance with the market-oriented principle. On the basis of equal consultation and consensus, it is necessary to support the cooperation between assets suitable for rural tourism business such as homestays and rural tourism and operation companies through methods in compliance with laws and regulations such as long-term lease, joint venture, and shareholding, actively advance the development of homestays and rural tourism with idle farm houses and homesteads, include homestays and rural tourism in the relevant

development planning for unified consideration, and pay attention to interaction, coordination and supporting development with surrounding industries and rural construction. Hainan Province shall unify service quality standards for rural tourism and service standards for homestays, and competent departments of rural homestays shall unify planning information management platforms, capability assessment and operation regulation. Efforts shall be made to effectively safeguard the interests of farmers, resolutely put an end to the "one-size-fits-all" overall development mode that transforms villages into scenic spots, fully consider the interests of investors, operators, collective economic organizations, farmers and other parties, formulate specific pilot plans based on local conditions, and support collective economic organizations and farmers to obtain income in multiple forms such as rent, participation in operation, and dividends. Financial institutions are encouraged to provide financial support for qualified operation companies in accordance with the market-oriented principle, to comprehensively improve the quality of rural tourism, and increase farmers' income. Insurance institutions are encouraged to develop property insurance products, to provide risk guarantee for the rural tourism industry. Banks are encouraged to increase support for the rural tourism industry in accordance with the principles of controllable risks and sustainable business, optimize business processes, and improve service efficiency. (Led by: Ministry of Agriculture and Rural Affairs, Ministry of Culture and Tourism, and National Development and Reform Commission as per the division of responsibilities; participated in by: Ministry of Natural Resources, Ministry of Housing and Urban-Rural Development, and China Banking and Insurance Regulatory Commission)

The measures listed herein shall be implemented by Hainan Province in conjunction with the relevant departments and units. Any adjustment of existing laws or administrative regulations involved shall be implemented upon unified authorization by the National People's Congress and its Standing Committee or the State Council. All departments and units shall attach great importance to the implementation, and actively take actions, and

provide support and cooperation as per the division of responsibilities. Hainan Province must give full play to its main role, strengthen organization and leadership, make careful arrangements and deployments, and promote the achievement of practical results. The National Development and Reform Commission and the Ministry of Commerce shall, in concert with the relevant departments, strengthen coordination, supervision and inspection, and ask for instructions on major issues (if any) from the CPC Central Committee and the State Council in a timely manner.

National Development and Reform Commission

Ministry of Commerce

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