

## **Supplement VI to the Provisions on Foreign Investment in Civil Aviation**

Subject to the Agreement on Trade in Services under the Mainland and Hong Kong Closer Economic Partnership Arrangement, the Agreement on Trade in Services under the Mainland and Macao Closer Economic Partnership Arrangement (Agreements on Trade in Services under CEPA), Decision of the State Council on Temporarily Adjusting Relevant Administrative Approval Items and Special Market-Access Management Measures in the Mainland for Hong Kong and Macao Service Providers (State Council (2016) No. 32), and Decision of the State Council on Temporarily Adjusting the Provisions of Relevant Administrative Regulations, Documents of the State Council, and Departmental Rules Approved by the State Council in Pilot Free Trade Zones (State Council (2016) No. 41), supplementary provisions to the Provisions on Foreign Investment in Civil Aviation (Order No. 110 of the General Civil Aviation Administration of China, the Ministry of Foreign Trade and Economic Cooperation and the State Development Planning Commission) are hereby given as follows:

1. Hong Kong and Macao service providers shall be allowed to invest in aircraft repair and maintenance, air catering, transport and storage of cargo, parking lots and ground handling projects (excluding security related projects) in the form of solely-funded enterprises. The requirement that a Hong Kong or Macao service provider should be subject to an economic needs test to acquire the business permit for starting a CRS equity joint venture shall be cancelled.

Hong Kong and Macao service providers as mentioned in the present Supplement shall satisfy the definition of “service provider” and the relevant requirements as provided in the Agreement on Trade in Services under the Mainland and Hong Kong Closer Economic Partnership Arrangement and the Agreement on Trade in Services under the Mainland and Macao Closer Economic Partnership Arrangement, respectively.

2. In pilot free trade zones in Shanghai, etc., foreign investors shall be allowed to invest in air transport sales agencies in the form of solely-funded enterprises; foreign investors shall be allowed to invest in transport and storage of cargo, ground handling, air catering and parking lots projects in the form of solely-funded enterprises; the restriction that the Chinese party should hold a controlling interest in a general aircraft repair and maintenance project with foreign investment shall be relaxed, and foreign investors shall be allowed to invest in general aircraft repair and maintenance projects in the form of equity or contractual joint ventures; and the obligation for foreign investors that invest in aircraft repair and maintenance to contract for business from the international repair and maintenance market shall be cancelled.

3. The present Supplement shall enter into force as of May 1, 2017.

*This is a translation of the Chinese Provisions.  
In case of divergence of interpretation, the Chinese version shall prevail.*