

Building bridges – Hong Kong construction professionals gain easier access to mainland market

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Structural engineers, building surveyors, planners, architects, and other construction professionals working in Hong Kong should find it easier to work in mainland China following changes to a key agreement signed on 21 November 2019 that will lower barriers to market access in a wide range of industry sectors.

Under the Agreement Concerning Amendment to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), the Hong Kong and mainland governments have agreed to put in place new liberalization measures in a number of important fields including financial and legal services, television and films, and crucially in construction and related engineering services. The new measures will come into effect on 1 June 2020.

CEPA is a framework agreement made up of four separate agreements: trade in goods (signed in 2018), investment (signed in 2017), economic and technical cooperation (also signed in 2017), and the Agreement on Trade in Services (signed in 2015, the "services agreement").

Feeling positive

As part of the drive to facilitate market access, the list of "reserved restrictive measures" within the services agreement, in other words those prohibitions which Hong Kong-based professionals must observe (known as the "negative list"), has been amended and shortened while the "positive list," setting out new liberalization measures, has been greatly expanded. From 1 June 2020:

- Hong Kong construction professionals will be able to register and practice throughout the entire mainland either through taking mainland examinations or through mutual recognition of Hong Kong professional qualifications.
- Various agreements providing for mutual recognition of qualifications that have expired will be renewed, including those relating to structural engineers, planners, building surveyors, and architects.
- Construction professionals, Class 1 registered architects, and structural engineers who have qualified in the mainland through the mutual recognition procedure, will be permitted to register and practice in the mainland. Hong Kong professionals will be allowed, going

forward, to complete all the courses necessary to attain mutual recognition in Hong Kong, without the need to travel to the mainland.

- The mainland residence requirement for Hong Kong professional and technical staff will also be relaxed. Periods of residence in Hong Kong will be counted as equivalent to periods of residence in the mainland.
- It will also be easier for Hong Kong professionals to set up shop in the mainland. Restrictions on equity share ownership will be relaxed. Those who have the Class 1 registered architect or structural engineer qualification may act as partners in construction and engineering design offices in the mainland. They will also be free to employ architects and structural engineers registered in Hong Kong who yet to obtain the relevant professional qualifications in the mainland.
- Where enterprise qualifications are declared by foreign wholly owned or joint-venture rural planning enterprises, employed Hong Kong professionals who have obtained the mainland registered planner qualification through mutual recognition, will be regarded as essential registered personnel.
- Hong Kong professionals who have passed examinations to qualify as registered structural engineers, registered civil engineers (harbor and waterway), registered public facility engineers, registered chemical engineers, or registered electrical engineers, may register and practice in the mainland regardless of whether they are registered practitioners in Hong Kong.

Freer trade

Some of the measures outlined are intended to be implemented first in Guangdong Province or in the Guangdong-Hong Kong-Macao Greater Bay Area, which the Hong Kong government hopes will further facilitate the liberalization of trade in services.

The changes are a welcome boost for Hong Kong companies looking to break into the vast mainland market, and should create more opportunities for Hong Kong service professionals. The legal texts of the various CEPA agreements including the services agreement can be found at the Hong Kong government [Trade and Industry Department's website](#).

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