

Notification of the State Council of People's Republic of China on Issuing the Master Plan for China(Chongqing) Pilot Free Trade Zone

Guo Fa No.19, 2017

To all provinces, autonomous regions, municipalities directly under the central government, all ministries and agencies directly under the State Council,

The Master Plan for China (Chongqing) Pilot Free Trade Zone is hereby issued to you for earnest implementation.

The State Council

March 15, 2017

(Unclassified)

The Master Plan for China (Chongqing) Pilot Free Trade Zone

The establishment of China (Chongqing) Pilot Free Trade Zone (hereinafter refer as FTZ) is a major decision made by CPC Central Committee and the State Council and a major initiative on deepening comprehensive reform and opening up, advancing "Belt and Road" Initiative, implementing Yangtze River Economic Belt Strategy and Western Development Strategy. To efficiently and comprehensively build the pilot free trade zone, we formulate this plan.

1. General Requirement

1) Guiding Principles

To fully implement the guiding principle of the 18th CPC National Congress and the 3rd, 4th, 5th and 6th Plenary Sessions of the 18th CPC Central Committee, series of important speeches and new concepts and strategies on governance by General Secretary Xi Jinping, conscientiously implement the CPC Central Committee and State Council's policies and arrangements, and promote the "Five In One" Master Plan and the "Four" Comprehensive Strategic Plan, we shall adhere to the general principle of advancing development while maintaining stability, firmly uphold the development concept of innovation, coordination, green, open and sharing. To promote development and reform and lead the development of inland open economy, lay a solid foundation for "Belt and Road" initiative and Yangtze River Economic Belt Strategy, explore new ways and accumulate new experience to comprehensively reform and open up, and play an active role in leading and serving the country, we shall further free our mind and carry out the pilot project.

2) Strategic Positioning

With system innovation as the core and replicability and promotability as the primary requirement, we shall fully perform CPC Central Committee and State Council's requirement on Chongqing's strategic position and important connectivity and opening up of major western cities. We shall strive to build this FTZ into an important part of "Belt and Road" Initiative, a major connectivity hub for Yangtze River Economic Zone and Western Development Strategy.

3) Development Objectives

After three to five years' reform and research, a high-level FTZ shall be built featuring convenient investment and trade, high-end industry cluster, adequate supervision, comprehensive financial service, sound regulation and outstanding influence. We shall strive to create an international logistical hub and a major port serving "Belt and Road" Initiative and Yangtze River Economic Zone and intensify the all-around opening up and deepen the Western Development Strategy.

2. Overall Arrangement

1) Area

The total area of FTZ is 119.98 km², including three regions:

- 66.29 km² for Liangjiang Area (including 8.37 km² of Lianglu Cuntan Bonded Zone)
- 22.81 km² for Xiyong Area (including 8.8 km² of Chongqing Xiyong Comprehensive Bonded Zone and 0.15 km² of Chongqing Rail Bonded Logistic Center [Type B])
- 30.88 km² for Guoyuan Port Area

The development of FTZ shall abide by the related land planning, development, and environment protection law and regulations. It shall be in line with the master plan for land development and relevant regulations on saving land and intensive land use.

2) Functional Area

According to the different function requirements, Liangjiang Area will focus on high-end industries and factors, mainly developing premium equipment, core electric components, cloud computing, biomedicine and other emerging industries, headquarters trade, trade in service, e-commerce, logistics and distribution, professional service, financing and leasing, research and design and other modern services. We shall open up and innovate financial industry, accelerate development through innovation and enhance the attraction and influence of logistics, technology, assets, talents and other factor resources.

Xiyong Area will underscore transforming and upgrading processing trade with a focus on manufacturing industry like electronic information, smart devices and bonded logistics and distribution service and improving the development model for processing business.

Guoyuan Port Area will emphasize on establishing a multi-model transport and logistics and distribution center by focusing on services like international container transit, break bulk and consolidation, and distribution and advanced manufacturing innovation.

According to different customs supervision requirement, special customs supervision area (SCSA) within the FTZ will improve and innovate the system to facilitate the trade. It will offer bonded processing, bonded logistics and other bonded services; non-SCSA will focus on opening up investment, reforming the investment management system, improving oversight on on-going and completed projects, innovating financial system and developing high-end manufacturing industries and modern services.

3. Key tasks and Measures

1) To Foster an International and Convenient Business Environment with Rule of Law

a) To Improve Legal Environment. We shall take bold steps to enrich opening up system, carry out pilot projects and formulate high standard investment and trade regulation and system. By upholding the principle of unity, openness and fairness, to ensure fair competition among various entities, we shall pioneer in opening up law enforcement and judicial development. A specialized trial mechanism shall be established when dealing with business cases concerning FTZ investment and trade. We support the development international arbitration and mediation mechanism for business affairs. We shall carry out a pilot reform on intellectual property rights (IPR) management. By innovative development, we shall better use patent, trademark, copyright and other IPRs, integrate IPR creation, utilization, protection, management and service, build an efficient system managing IPR, and set up a people-oriented IPR public service system. We shall explore the IPR operational mechanism to sustain innovative development and build a system featuring clear definition of rights and responsibilities, reasonable division of labor, parity of authority and responsibility, efficient operation and sound legal protection. To vigorously develop professional IPR service, a convenient IPR public service platform and IPR service stations shall be established. We will build a mechanism to coordinate law enforcement across different sectors within FTZ to improve related mediation, assistance and arbitration. A patent navigation system for the major FTZ industries and expedited coordination and protection mechanism will be developed.

b) To Deepen Administrative Management System Reform. By safeguarding the national security and ensuring fair competition in the market, various competent departments shall enhance their coordination with Chongqing municipal government, improve government's role in regulating economy, overseeing market, managing society and providing public service and step up its service of safeguarding economic and social safety. By following the principle of parity of authority and responsibility, we will establish an administrative responsibility list system which clearly defines the boundaries of government functions. We shall deepen the administrative approval and review system, further eliminate and streamline projects requiring

administrative approval and review and improve administrative approval and review service system. Further efforts are needed to innovating and optimizing government services and transferring part of government functions to industrial associations and chambers of commerce and reducing the government's role in managing micro-affairs. We shall research and establish an interim and ex-post supervision system based on comprehensive oversight with specialized regulation. A "four in one" comprehensive supervision system shall be set up featuring market and industry autonomy, social oversight and government regulation which will enable multi-governing model. We shall improve social creditability system and promote lawful interconnectivity and sharing of information among department. We shall develop social creditability incentives and dishonesty disciplinary mechanism and improve the mechanism of safeguarding interests and rights of market entities. We shall open the exercise of the power, upgrade the online administrative approval and review system and establish an information disclosure mechanism with the participation of investors and in line with international rules. We will carry out anti-monopoly investigation with the Ministry of Commerce.

c) To Improve Administrative Effectiveness. Chongqing municipal government will gradually delegate economic executive power to the FTZ, streamline government agencies and improve its efficiency. We will carry out comprehensive electric registration and e-business license management and establish a "one-stop" service model integrating application, review and approval. We shall improve "one-stop" application system for new enterprises which enables multi-sector information sharing and collaborative management. We shall promote tax innovation, including one-stop national and local tax collection, self-service centers, training and counseling, multiple payment methods, appointment service, connectivity between banks and tax administration, tax compliance cooperation and innovated online service. We will establish community service centers which integrate social affairs within the FTZ and facilitate public services, provide community services and municipal management services with high standards.

2) To Open and Expand Investment Sectors

d) To Better Utilize Foreign Capital. We shall implement pre-establishment national treatment and a negative list management system for foreign investors and strive to build an interim and ex-post regulation system in line with the negative list management. The FTZ will be responsible for implementing a filing system for foreign enterprise establishment or change and foreign investment projects excluded from special management on foreign investment access (the negative list) and domestic investment projects requiring approval by the State Council. We shall further reduce or eliminate restrictions on foreign investment access, increase openness and transparency and carry out stress testing and risk testing for opening up. We shall actively bring in foreign capital, advanced technology and top talents and enhance the use of foreign capital. Foreign investment in the FTZ will be bound by Special Management Measures on Foreign Investment Access in the Pilot FTZ (the Negative List) and National Security Review Pilot Rule on Foreign Investment in the Pilot FTZ. We shall research and strengthen the management of the actual controller of foreign investment and establish a foreign investment reporting system and a

foreign investment information publicity platform. We will fully use the national corporate credit publicity system to supervise every step of foreign investment in a scientific, normative and transparent manner. We shall establish an integrated foreign capital management information system with multi-sectoral sharing. We shall improve the mechanism safeguarding investor's rights and allowing qualified foreign investors to freely transfer their investment income.

e) To Establish an Overseas Investment Facilitation Service System. We shall reform offshore investment management system, allow enterprises as the overseas investment entities, implement filing system for foreign investment projects non-involving sensitive countries, regions or industries, support overseas investment and cooperation in different forms, and allow lawful overseas investment and collaboration which will be conducted at own risks. We will encourage innovated outward investment and cooperation. Based on Hong Kong and Macao's advantages in financial services, information, international trade networks and risk controls, we shall turn the FTZ into a leading inland for opening up and integrated service platform. We shall strengthen cooperation with HK and Macao in terms of projects, investment, information sharing and talent training and jointly explore the international market. We will enhance ex-post management and services for overseas investment and improve security risk alert and emergency response system for foreign assets and personnel.

3) To Promote Trade Transformation and Upgrading

f) To Support Processing Trade Transformation and Upgrading. By taking full advantage of Chongqing as the demonstration receptor for processing trade transfer, we will build an international processing base for industrial gradient transfer within the FTZ. We will improve the whole process industry chain featuring machine, core parts and raw materials and promote vertical integration from horizontal division of labor for processing trade. We encourage processing trade to develop into the higher-end of industry chain and value chain with greater added value. We shall explore a new development model for inland processing trade integrating industry chain, value chain and logistic chain. We will implement network-based supervision over warehousing enterprise, work order write-off model for processing trade and explore a better write-off system. We encourage to set up lawful domestic sales platforms for processing trade products within the FTZ and build local sales follow-up services bases for processing trade products. Considerable efforts shall be made to foster new processing trade industrial clusters for premium jewelry, precision instruments, smart robots, integrated circuits and tablet displays and build a public service platform for transforming and upgrading processing trade regarding R&D, industrial design and IPR.

g) To Vigorously Develop Trade in Services. International companies are encouraged to set up regional HQs, R&D centers, sales center, maintenance centers, logistic centers and settlement centers in the FTZ. We support advanced manufacturing industry to integrated with modern service industry and expand to a higher-end of the value chain. We will promote the development of "Internet Plus", in-depth integration between the internet and modern

manufacturing sector and the application of big data analysis in trade and commerce services, healthcare, education, finance and public administration. We encourage testing, standard, certification and other third party services for design and development, manufacturing and after-sale services. We will promote R&D, high-tech and high-added-value product development, and international maintenance, testing and dismantling with controllable risks. Based on the SCSA within the FTZ, we will accelerate the outward culture trade and support the exhibition, auction and trading of bonded cultural art products for the global market. We will expand the function of the culture market and cultivate cultural industry with focusing on the post-production of film and TV programs, CD burning, printing, film copying.

h) To Speed Up the Development of New Trades. We encourage enterprises to engage in global repairing and maintenance, and international deconsolidation and transit services. We will promote overseas consignment business for domestic products, the market procurement trade, re-export trade and relax the standard in determining the direct delivery of maritime goods. We will vigorously develop the airport-related industries, broaden eligible imported maintenance and speed up airplane maintenance services within SCSA of the FTZ. It is allowed to carry out the bonded warehousing business and the bonded goods pledge and financing business for the imported automobile in the SCSA of the FTZ. We support the qualified international and domestic agencies to set up financial leasing companies and carry out aircraft, ships and large-scale construction equipment financial leasing service. In the spirit of fair competition, we will actively promote cross-border e-commerce, improve supporting systems for customs supervision, inspection and quarantine, tax rebates and logistics, and speed up the building of supporting platform of cross-border trade and e-commerce. We support the establishment of an import and export goods distribution center within the SCSA. We encourage the development of international shipping and logistics and carry out international transfer and consolidation service for air mails within the FTZ when conditions are available. We support domestic and foreign shipping companies to conduct qualified territorial declaration and inspection services for international mails within the non-SCSA of the FTZ.

i) To Implement a Highly-Efficient Supervision Service. We will research and innovate the supervision model and system within the SCSA. We will apply a customs clearance service within the SCSA featuring “the first line- free from customs supervision” and “the second line-controlled and secured”. According to its development, we will innovate the port supervision system. Enterprises’ operational information will be included in the supervision system and a goods sampling system based on enterprise’s creditability review and goods risk assessment will be gradually put in place. In addition to waste raw materials, dangerous chemicals and their packaging and bulk cargo, inspection and quarantine administration will innovate supervision technics and methods and implement “ entry and exit quarantine, key and sensitive commodity inspection” model at the first line. It will streamline the process and promote “convenient entry and exit while safeguarding from the possible risks” at the second line. We will support the development of the FTZ inspection and quarantine e-service platform, data exchange platform

and smart law enforcement system in order to improve information supervision service for various new industries. We will research a new inland customs clearance and port supervision model featuring “inspection of first batch of products delivered by air and free of inspection for the rest of the products”.

j) To Innovate The Customs Clearance Mechanism. We will deepen the reform of bonded commodity circulation mode. With adequate supervision, we will research and establish a commodity status classification supervision mode within the SCSA. For financial leasing enterprises registered in the SCSA which import or export large-scale equipment such as aircraft, ship, marine engineering structures crossing different customs jurisdiction, in ensuring the effective supervision and implementation of the relevant tax policies, commissioned remote location supervision will be enforced according to actual logistic needs. An integrated customs clearance reform will be carried out. Enterprises are encouraged to participate in the pilot supervision system featuring self-declare dutiable goods, self-customs clearance, automatic review and approval and targeted check and auditing. Based on E-port public platform, we will improve the customs single-window function for import and export of goods or means of transport and implementation of trade agreements, further optimize law enforcement procedure and customs clearance procedure, add new features like trade licensing and qualification registration and gradually integrate related departments for trade supervision into customs single-window management platform. We agree to add export duty rebate application into the single-window project. In line with regulatory requirements and conditions, we support the pilot import port transit for imported vehicles. Under the current tax policy, we will improve our service for oversize or overweight cargo in terms of customs clearance, transportation and port service. For re-export of imported maintenance and remanufacturing of imported machinery components, pre-shipment exam will be exempted. We will formulate a standardized innovation system for trade facilitation covering all eligible enterprises within the FTZ.

4) To Further Open Up and Innovate the Financial Industry

k) To Optimize Cross-Border Financial Settlement Service. We encourage pilot settlement facilitation projects tailored to the development of inland processing trade, re-export trade and other trades. We will research the foreign exchange revenue and expenditure facilitation measures fit in with cross-border transaction of the factor market and support regional factor market to engage in international trade. We support headquarters economy and relax the access requirement for multinational corporations’ centralized operation and management of foreign exchange funds. Banks and financial agencies are allowed to cooperate with payment organizations in the FTZ obtaining a valid payment service license whose service including internet payment to provide cross-border local and foreign currency payment settlement service for cross-border e-commerce(trade in goods or services) in line with related regulations. We will further promote payment agencies’ pilot cross-border foreign exchange payment service and gradually expand its business scope while ensuring the authenticity of each transaction.

l) To Innovate Cross-Border RMB Services. We will promote two-way RMB financing between the FTZ and overseas market. Based on its own operational and management needs, enterprises in the FTZ are allowed to carry out cross-border two-way RMB capital pool business within their own groups. Financial leasing companies registered in the FTZ are authorized to engage in two-way cross-border RMB capital pool. Leasing companies in the FTZ are allowed to open RMB accounts for cross-border RMB leasing service. We support insurance agencies in the FTZ to carry out cross-border RMB reinsurance and global policy-sharing business. With sound legal compliance and risk control, we will research on providing RMB financial products and cross-border guarantees under RMB business by financial institutions in the FTZ. We encourage the establishment of RMB overseas lending funds in the FTZ. While implementing the pilot policy on promoting offshore RMB funded project, we will carry out pilot management on constraining the overall size of the regional net position. Foreign equity investment management institutions and foreign venture capital management agencies are allowed to initiate RMB equity investment management and venture capitals funds in the FTZ. Financial institutions in the FTZ are encouraged to innovate their RMB financial products for the global market and expand the scope for overseas RMB investing into domestic financial products. Eligible enterprises within the FTZ are encouraged to engage in overseas RMB securities investment.

m) To Research on Reforming and Innovating Cross-Border Investment and Financing Facilitation Measures. To promote international trade and facilitate investment and financing settlement, we will study and establish a local and foreign currency account management system fit in with the development of the FTZ. We will further simplify the foreign exchange receipt and payment procedures for the current account, A Class enterprises (foreign currency management classification for goods and trade) do not need to open accounts to verify their foreign exchange earnings on the basis of real and legitimate transactions. By observing the three principles “to know clients, to understand business and to review diligently”, banks offer receipt, payment, settlement and purchasing of foreign exchange for the current account. We allow qualified financial leasing service to accept foreign currency rents in the FTZ. We support enterprises and financial institutions in the FTZ to carry out overseas financing and transfer the capital back for domestic use by overseas listing or issuing bonds and standardized financial securities according to relevant regulations. We support individuals and entities in the FTZ to carry out two-way investment in domestic and foreign stock market per laws. We will gradually allow foreign enterprises to participate in commodity futures transactions. We support commercial factoring services and research on the regulatory model for commercial factoring services.

n) To Strengthen Cross-Border Financial Service. We support eligible social and foreign capital to initiate and participate in the establishing new financial institutions according to the current laws, regulations and policies. By observing unified services management policy of respective HQs, banks and financial institutions are allowed to have more autonomy in offering services and carrying out capital transaction services with controllable risks. We support securities agencies to set up branches or subsidiaries in the FTZ according to relevant laws.

Currency exchange agency, credit agency and other specialized service providers are allowed in the FTZ. We support the eligible securities and futures institutions in Chongqing to enter the inter-bank foreign exchange market and carry out RMB-foreign exchange spot business and derivatives. We support mutual recognition between qualified fund products from FTZ and the counterparts from mainland and Hong Kong. We support eligible banks and financial institutions in the FTZ to issue large deposit certificates and it will be available to all FTZ-registered domestic and foreign enterprises. We endorse to set up special insurance agencies providing foreign capital reinsurance, international health insurance and international multi-modal transport and logistics insurance in the FTZ. We encourage the establishment of insurance asset management companies, self-insured companies and mutual insurance agencies, as well as professional insurance services for the development of the insurance industry like insurance brokers and insurance agents. We will research on the pilot project of catastrophe insurance service in the FTZ. We support to set up an insurance asset registration and trading platform. We encourage domestic future exchanges to provide bonded futures trade and warehouse receipts pledged financing in the SCSA. On the basis of summarizing the experience of futures bonded delivery, the domestic futures exchange is encouraged to carry out business in the SCSA of the free trade pilot area and increase the pilot varieties of futures bonded delivery. We will further promote the pilot domestic financial leasing enterprises. The review of the pilot domestic financial leasing enterprises registered in the FTZ will be conducted by provincial department of commerce and the same level of national tax bureau. We will strength the interim and ex-post supervision and formulate the filing system for the establishment and change of financial leasing enterprises, a punishment system for violation of industry regulations, a publicity system for disclosing dishonesty and violations and a regular inspection system for supervising enterprises. We will develop technology finance in the FTZ and strive to integrate it into pilot venture loan following the unified arrangement of the State Council.

o) To Improve the Financial Risk Prevention and Control System. In the principle of preventing and controlling risks, we will build a cross-border capital flow risk regulatory mechanism to strengthen anti-money laundering, anti-terrorism financing, and anti-tax evasion and prevent illegal cross-border or cross-area flow. We will research and build a comprehensive mechanism coordinating financial supervision, carry out inter-industry and cross-market financial risk monitoring and evaluation, strengthen the early warning of major risks and effectively prevent financial risks in an open environment.

5) To Promote Coordinated Development of “Belt and Road” Initiative and Yangtze River Economic Belt

p) To Build an International Multi-Modal Transport and Logistics System. We support to build a customs supervision center for multi-modal transport and logistics and create an international logistics and transport system covering rail, land, air and water transport. Based on China-European International Rail transport channel, we will enhance transport safety, improve efficiency, reduce the cost, create Sino-European land international trade corridor and system

and develop international rail transport. In terms of Yangtze River waterway, we will research and put in place a priority ship lock release mechanism for “five scheduled” fast liners carrying foreign trade containers between Chongqing and Shanghai to develop river-ocean transport. Based on Chongqing-Kunming Pan-Asia railway, southeast coastal seaports, inland port and other railway and expressway networks, we will develop rail-sea transport and cross-region and border international land transport. Based on Chongqing Jiangbei Int. Airport, we will research on reforming the airspace and aviation resource management, support big business at home and abroad to set up base airlines, improve schedule and distribution system, increase flights and air routes and build a route network covering world’s major economies.

q) To Research and Develop a Policy Supporting System for “Belt and Road” Initiative. By focusing on China-European international rail transport channel, we will improve the customs clearance cooperation between the FTZ and customs, quarantine and inspection authorities, certification agencies of countries participating in the “Belt and Road” Initiative on customs clearance of goods, trade statistics, mutual recognition of “certified operators” and inspection and testing certification and gradually achieve information sharing, mutual recognition of supervision and mutual assistance in law enforcement. We will research on cooperation with countries participating “Belt and Road” Initiative on trade supply chain security and facilitation. We will support enterprises in the FTZ to establish overseas marketing, logistics, settlement regional centers in the countries involving in the “Belt and Road” Initiative by means of self-construction, acquisition and equity cooperation. We support China-South Korea, China-Germany and various international trade, industry and cultural cooperation platforms on the basis of the FTZ. We will research the capital operation mode featuring co-financing and shared benefits and support the establishment of a market-oriented cooperative fund for infrastructure construction, investment and trade and industry development. We will strengthen exchange and joint training between colleges and universities of countries involving in “Belt and Road” Initiative and the FTZ and cultivate talents with multi-/bilateral trade and investment knowledge. We will formulate a rule to identify high-level foreign talents and make a related visa policy to clarify requirements and procedures for high-level skills visa. We will provide a green channel for high-level talents, simplify the visa application and facilitate their entry and exit of the border, work and stay in China. Outstanding international students with a master’s degree or above are allowed to work in the FTZ after graduation. We will improve various systems concerning internship residence, work residence and innovation and entrepreneurial reward.

6) To Promote Collaborative Development of Yangtze River Economic Belt and Chengdu-Chongqing Urban Agglomeration

r) To Research and Build a Mechanism for Regional Coordinated Development. Through the development of high-end industrial clusters in the FTZ, we will accelerate the development of modern services, advanced manufacturing and strategic emerging industries in the inland areas. We will promote regional integrated development by innovating regional economic cooperation and benefit sharing model. Based on Yangtze River waterway, areas along the river in the FTZ

will undertake the transfer of industry in an orderly fashion. We encourage enterprises in the FTZ to expand services or business scope to any other locations without geographic restriction. It should be handled in accordance with relevant procedures if any law or regulations apply. We will improve transport services between the FTZ and surrounding areas, optimize transport organizations, innovate service, promote bus services between the FTZ and surrounding cities and encourage local services. We foster the development of freight shipping, inter-city courier service, joint distribution and other diversified and professional services in the FTZ.

s) To Transform and Upgrade Regional Industries. Based on the industrial chain, we will establish a market-oriented industry transfer guiding fund to coordinate R&D, production and sales and logistics distribution among relevant industry parks, enterprises and R&D institutions from various provinces along the Yangtze River Economic Belt and Chongqing-Chengdu city group. By giving full play to the Yangtze River's advantage of transporting major and cumbersome equipment, we will integrate resources of inland equipment manufacturing industry and solicit more manufacturers of automotive, heavy machinery, ship equipment, and rail transportation equipment to the area along the river. By taking full advantage of the FTZ as a platform attracting high-end factors and targeting the global and national S&T innovation trends, we will focus on conquering key technology in the innovation chain and key links in the industrial chain to accelerate the formation of such strategic emerging industry clusters as electronic core components, new materials, Internet of Things, aircraft and parts research and development manufacturing, high-end traffic equipment, new energy vehicles and smart cars, bio-medicine, energy and environmental protection equipment, and intelligent terminals. We will set up a regional joint R&D and collaboration platform to improve equipment design, manufacturing and integration capability. We encourage the FTZ to co-establish innovative business development platform and business incubators with local universities and research institutes. We will improve the innovation and entrepreneurship service system in the FTZ and vigorously develop business counseling, information consultation, technical support, financing guarantees, inspection and certification and other public services.

t) To Increase the Influence of Port Services. In the spirit of hassle-free transit, we will strengthen the connectivity of water, rail, land and air transport between the FTZ and surrounding areas. We will increase port functions, expand water ports and improve the designated port for imported vehicles, fruits and meat. We will promote the FTZ to set up designated ports or agencies for imported food, plant seedlings, Kimberley Process International Certification Scheme according to its actual needs and exert greater influence on the surrounding regions. We encourage the development of port-based or port-related economy, strengthen and facilitate port services and functions, attract talents, develop logistics, gather capital and information flow and drive inland economy into international and domestic markets which will generate combined forces further deepening opening up.

4. The Safeguarding Mechanism

1) To Intensify Legal Protection.

If the FTZ needs to temporarily adjust the implementation of the relevant administrative regulation, the State Council documents and the departmental provisions approved by the State Council, please follow the prescribed procedures. All competent departments shall support the FTZ to deepen reform and opening up, increase the stress test, strengthen supervision, prevent and control risks, handle affairs concerning enacting, revising, abolishing and interpreting relevant laws and remove system hindrances promptly. Chongqing shall establish related management system for the FTZ through local legislation.

2) To Improve Relevant Tax Policy.

We will fully implement the existing fiscal policy and other policies to promote development. The pilot tax policy which has been implemented in China (Shanghai) Pilot Free Trade Zone, China (Guangdong) Pilot Free Trade Zone, China (Tianjin) Pilot Free Trade Zone and China (Fujian) Pilot Free Trade Zone can be implemented in the FTZ. The tax policy including selective trade tariffs and other related import and export policy shall be piloted in the SCSA. The scope and tax policy for the SCSA will remain unchanged. Also, in line with tax reform and international practice, under the premise of preventing profit shifting and tax base erosion, we will research and improve the fiscal policy concerning oversea income tax credit.

3) To Strengthen the Organization and Implementation.

According to the unified plan of the CPC Central Committee and the State Council and coordinated arrangement of the Joint Meeting of The State Council's Working Group on Pilot Free Trade Zones, Chongqing shall formulate safeguarding mechanism and implement the project from making the master plan, implementing the plan step by step to making breakthroughs and gradual improvement. Per the principle of promoting the joint development of the FTZ while maintaining independent operation of each area, we will establish an FTZ management system featuring streamlining government function, unified management and multi-level responsibilities. All competent departments shall support it and timely formulate related rules and detailed plans, enhance related guidance and services, jointly promote significant institutional innovation and build a leading FTZ with sound management. In the process of implementation, we must innovate ideas, identify stakeholders, resolve problems and accumulate experience. We shall actively mobilize local entities and departments, make sound plans with distinctive features according to local reality and carry out comparative tests and complementary tests. We will implement every reform to the full extend and promptly report major issues to the State Council.

4) To Summarize and Promote the Replicable Experience.

The FTZ shall sum up experience and achievement from its reform and innovation. The Office of the Joint Meeting of The State Council's Working Group on Pilot Free Trade Zones shall work

with Chongqing Municipal Government and other competent departments to summarize and evaluate reform, innovation and opening up of the FTZ, systematically sum up experience across multiple sectors and carry out independent third-party assessments. Good and replicable achievements with controllable risks can be promoted to other areas after due classification review procedures.