

Guangdong-Macao Intensive Co-operation Zone in Hengqin

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Mutual discussion, joint construction, joint administration and shared benefits

The “Master Plan of the Development of the Guangdong-Macao Intensive Co-operation Zone in Hengqin” promulgated on 5 September 2021 marks the significant deployment of the central government in supporting the moderate economic diversification of Macao and enriching the practices of the “One Country, Two Systems” policy, which will inject new impetus into the long-term development of Macao.

The development of the Guangdong-Macao Intensive Co-operation Zone in Hengqin is a key initiative in the in-depth implementation of the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”, which will inject a new impetus into the long-term development of Macao, and provide it with a new space and create new opportunities. It will also be conducive to the improvement of Macao residents’ livelihoods, long-term prosperity and stability of the Macao SAR, and the city’s integration into the overall national development.

Delineation of the Co-operation Zone

- The Co-operation Zone encompasses the area under the jurisdiction of the customs between the “first boundary” and “second boundary” of Hengqin Island. The “first boundary” refers to the border between Hengqin and

Macao; the “second boundary” refers to that between Hengqin and the mainland.

- In the Co-operation Zone, special policies are implemented for eligible market entities through an electronic fence monitoring system and a policy list.

Strategic Positioning

- A new platform to promote Macao’s moderate economic diversification.
- A new space to improve Macao residents’ quality of life and employment.
- A demonstration base to enrich the practices of the “One Country, Two Systems” policy.
- A new frontier to facilitate the construction of the Guangdong-Hong Kong-Macao Greater Bay Area.

Development Goals

- By 2024: Mutual discussion, joint construction, joint administration and shared benefits mechanism will be in smooth operation in the Co-operation Zone; the integrated development paradigm of Hengqin and Macao will be preliminarily established; the supporting effect on Macao’s moderate economic diversification will start to be manifested.
- By 2029: A regime that allows for the highly Co-ordinated economies and regulations between the Co-operation Zone and Macao will be fully established; featured industries will have undergone large-scale development; the integrated development of Hengqin and Macao will be further improved; more evident results will be seen from the promotion of Macao’s moderate economic diversification.
- By 2035: The strong vitality and ascendancy of the “One

Country, Two Systems" policy will be fully manifested; the economic strength and technological competitiveness of the Co-operation Zone will be boosted drastically; the integrated development system and mechanism of Hengqin and Macao will be more mature; the development goals for Macao's moderate economic diversification will be basically achieved.

Development of New Industries for Promoting Macao's Moderate Economic Diversification

1. Foster scientific and technological research and development and high-tech manufacturing industries

- Establish demonstration bases for collaborations among Macao's industry, academic and research sectors, as well as technological innovation and transformation centres.
- Vigorously promote the development of industries covering integrated circuits, electronic components, new materials, new energy, big data, artificial intelligence, the Internet of Things, and biomedicine.
- Accelerate the construction of a microelectronics industry chain featuring chip design, testing and inspection.
- Construct a Co-ordinated innovation ecosystem featuring artificial intelligence.

2. Development of Macao-branded industries, such as traditional Chinese medicine (TCM)

- Utilise the National TCM Service Export Bases to develop trade in TCM services and to establish a platform for the innovative research, development, and transformation of pharmaceuticals with independent intellectual property rights and Chinese characteristics.
- Allow the use of labels such as “Macao Supervised Manufacturing”, “Macao Supervised Production” or “Macao Design” for traditional Chinese medicines, foods and health products approved and registered in Macao and manufactured in the Co-operation Zone.
- Study the feasibility of streamlining the approval process for the launch of Macao’s proprietary Chinese medicines for external use in the mainland market of the Guangdong-Hong Kong-Macao Greater Bay Area.
- Explore the viability of allowing Macao’s Chinese medicines that have been approved to be launched in the mainland to be manufactured in the mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area.
- Prioritise the assessment and approval process for eligible new medicines developed in Macao.
- Develop rough diamond processing.

3. Propel culture, tourism, MICE, business and trade industries

- Vigorously promote the development of tourism in regard to leisure vacations, conferences and exhibitions, sports events and sight-seeing, and the development of the big health industry in regard to health preservation, rehabilitation and medical care.
- Develop and utilise the tourism resources of the surrounding islands.
- Establish an internationally influential platform for exhibitions and conventions and facilitate relevant personnel involved in cross-regional events, including staff, participants, and visitors from home and abroad

holding event tickets, to commute between the Intensive Co-operation Zone and Macao repeatedly through the Hengqin Port.

- Construct a Sino-Lusophone international trade centre and an international hub port for digital trade.

4. Development of the modern financial industry

- Construct a financial service platform between China and Portuguese-speaking countries.
- Develop cross-border RMB settlement business.
- Support Macao in developing a modern financial industry in the Co-operation Zone in regard to bond market, wealth management and financial leasing.
- Lower the thresholds for Macao-funded financial institutions to open banks and insurance agencies in Hengqin.

5. Implementation of tax incentive policies

- Reduce the corporate income tax rate to 15% for eligible industries and enterprises in the Co-operation Zone.
- High-end talent and scarce talent from home and abroad who are working in the Co-operation Zone will be exempt from paying individual income tax for the part of their income that exceeds 15% of the payable amount.
- Macao residents working in the Co-operation Zone will be exempt from paying individual income tax for the part that exceeds the amount of the tax that would be payable in Macao.

6. Attract talent from home and abroad

- Vigorously attract “high-end, specialised, leading and

scarce" talent and provide international talent with a highly convenient access to the Co-operation Zone.

Construction of a new open system for the integration between the Co-operation Zone and Macao

1. Relaxed control over goods crossing the "first boundary" and tightened control over goods crossing the "second boundary"

- Relaxed control over goods crossing the "first boundary": customs clearance policies regarding the list of items not exempt from tax (not bonded) in Hengqin will be adjusted for goods crossing the "first boundary". Except for goods and articles clearly stipulated by the State as items not exempt from tax (not bonded), all other goods and articles can enter the Co-operation Zone from Macao free from tax (bonded).
- Tightened control over goods crossing the "second boundary": duty-free (bonded) goods entering the mainland from the Co-operation Zone through the "second boundary" will be subject to tariff and import linkage tax.
- Goods that are manufactured by enterprises in the Co-operation Zone without using imported materials, or that are processed in the zone with 30% or above value added to the original value of the imported materials, can be exempt from tariffs when being imported into the mainland through the "second boundary".
- Goods entering the Co-operation Zone from the mainland through the "second boundary" will be deemed as exports.

2. Highly convenient access for personnel

- “Integrated Inspection” customs clearance system is adopted for the “first boundary”
- No restrictions are imposed on personnel access through the “second boundary”.

3. Innovative cross-border financial management

- Explore the free inflow and outflow of cross-border capital and promote capital account convertibility.
- Explore convenient cross-border investment and financing management with a focus on serving the investment and financing demands of the real economy, and on supporting the development of featured and competitive industries in the Co-operation Zone.

4. Establishment of a highly convenient market access system

- Adopt a “pledge-and-approval” market access system to ease market access.
- Gradually lift restrictions on trade investment, such as qualification requirements, shareholding ratio and industry access.
- Establish regulatory standards and normative systems that are compatible with Macao’s and international counterparts.

5. Promotion of safe and orderly cross-border Internet data exchange

- Study the construction of a green channel for connecting fixed networks with the Internet.

- Support tertiary and scientific research institutions to achieve cross-border interconnectivity of scientific and research data while ensuring the safety of personal information and important data.

Difference between setting up factories in the MSAR and in the Guangdong-Macao Intensive Co-operation Zone in Hengqin

Macao Special Administrative Region	Guangdong-Macao Intensive Co-operation Zone
<p>Except for products that are banned from entering Mainland China, products that are manufactured in Macao and have fulfilled the CEPA (Closer Economic Partnership Arrangement) rules of origin, and accredited by the certificate of origin as “Made-in-Macao” can enter Mainland China with zero tariff.</p>	<p>Traditional Chinese medicine, food and health-care products approved and registered in Macao and manufactured in the Intensive Co-operation Zone are allowed to use the “Macao Supervised Manufacturing”, “Macao Supervised Production” or “Macao Design” marks.</p>

<p style="text-align: center;">Taxation</p> <ul style="list-style-type: none"> Profits tax is capped at 12% Tax Relief Measures included in the Government Budget of Financial Year 2024 Allowance for profits tax assessment in fiscal year 2023 was MOP 600,000. 	<p style="text-align: center;">Taxation</p> <ul style="list-style-type: none"> Reduce the corporate income tax to 15% for eligible industries and enterprises. This policy will cover most of the industries conducive to the moderate diversification of Macao's economic development. Regarding eligible capital expenditure, one-off pre-tax deduction, accelerated depreciation and amortisation are allowed. Regarding companies founded in the Intensive Co-operation Zone engaged in tourism, modern service, high and new technology, profit tax will not be imposed on the revenue derived from new outbound direct investment.
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Official website of the Guangdong-Macao Intensive Co-operation Zone in Hengqin:

http://www.hengqin.gov.cn/macao_zh_hant/

Contact information of the Executive Committee of the Guangdong-Macao Intensive Co-operation Zone in Hengqin:

1. Administrative Affairs Bureau

Address: 7/F, Building 1, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8938789

2. Legal Affairs Bureau

(1) Administrative appeal service

Address: Counter 95, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8937792

(2) Public legal service

Address: Counter 94, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8937793

3. Economic Development Bureau

(1) Services for filing of technological transformation projects
Address: Counter 33-34, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin
Tel: (86) 756-8841073、8938949

(2) Technology contract notary services

Address: Counter 33-34, Government Affairs Service Centre,
Building 2, 868 Gang'ao Avenue, Hengqin Tel: (86) 756-
8841073、8938949

(3) Trademark services of the State Intellectual Property
Office – Hengqin centre

Address: Counter 33-34, Government Affairs Service Centre,
Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756- 8841073、8938949

(4) Comprehensive services for outbound investment, auction
businesses, and foreign investment

Address: Counter 35, Government Affairs Service Centre,
Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8935978、8938949

(5) Services for travel agencies

Address: Room 310, 3/F, Building 1, 868 Gang'ao Avenue,
Hengqin

Tel: (86) 756-8935969、8938949

(6) Service for Macao automobiles to enter/exit Hengqin

Address: Declaration Hall for Macao Automobiles to Enter/Exit
Hengqin, east end of Gang'ao Avenue, Hengqin, Zhuhai

Tel: (86) 756-8841835、8841875、8938949

(7) Hengqin investment services and policy consultation

Address: Room 315-306, 3/F, Building 1, 868 Gang'ao Avenue, Hengqin

Tel: (86) 4008917917

4. Financial Development Bureau

Address: 1-2/F, East Annex Building, Building 1, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8937254

5. Commercial Services Bureau

(1) Services for registration and filing of establishment, change, and cancellation of various market entities

Address: Counter 54-63, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841721

(2) Services for food, drug, and medical equipment licensing

Address: Counter 44, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990168

(3) Services for enterprise supervision and businesses related to corporate credit Address: Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8813323

(4) Services for special equipment licensing and metrology certification

Address: Counter 45, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990157

(5) Services for agricultural business licensingAddress: Counter 46, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin Tel: (86) 756-2990170

(6)Services for application of non-violation certificate of various law enforcement businesses

Address: Building 2, 868 Gang'ao Avenue, Hengqin (Integrated Information Desk of Government Affairs Service Centre)

Tel: (86) 756-8820280

6. Finance Bureau

Address: 4/F, Building 1, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8842897

7. Statistics Bureau

Services for social investment project approval and filing, government investment project launching and approval, and businesses related to the statistics bureau

Address: Counter 131, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8688715

8. Urban Planning & Construction Bureau

(1) Services for the approval of national territory planning

Address: Counter 132, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8935981

(2) Services for the approval of land and mineral resource development

Address: Counter 133, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841667

(3) Services for the approval of real estate and housing security

Address: Counter 135, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841167

(4) Services for property management

Address: Counter 136, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990191

(5) Services for the approval of construction project permits

Address: Counter 137, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990184

(6) Services for filing of construction enterprise qualification, businesses and professionals from Hong Kong and Macao Counter 138, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756- 8841879

(7) Services for fire protection examination and acceptance, civil air defence projects, nighttime construction, and unfreezing of dedicated salary accounts Address: Counter 139, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841858

(8) Services for quality and safety report and inspection, completion acceptance and filing, safety production licences, and hoisting machinery Address: Counter 140, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue,

Hengqin

Tel: (86) 756-2990185

(9) Services for the approval of businesses related to ecological environment, sea, and forestry

Address: Counter 141, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990180

(10) Services for the approval of road transportation

Address: Counter 142, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990195

(11) Services for the approval of water transportation and operational parking lots

Address: Counter 143, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990195

(12) Comprehensive counselling for city planning and construction

Address: Counter 144, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2992144

(13) Services for the approval of municipal projects and water affairs

Address: Counter 146, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990193

(14) Services for work injury identification

Address: Counter 79, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-2990174、8935977

9. Livelihood Affairs Bureau

(1) Hengqin one-stop service window for Guangdong-Macao social security

Address: Counter 80-81, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8935975

(2) Services for employment registration and subsidy

Address: Counter 82, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841154

(3) Services for talent introduction and personnel file management

Address: Counter 83, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841168

(4) Enrolment and examination

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8841168

(5) Approval of institutions of education with record of formal schooling and without record of formal schooling

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8936530

(6) Approval of medical institutions and personnel

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8937937

(7) Businesses related to fertility services

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8936540

(8) Approval of occupational health, public health, and radiation work permits

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8842103

(9) Businesses related to culture and sport

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8933108

(10) Businesses related to labour dispatching and vocational training

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8935805

(11) Services for the approval of human resources service permits

Address: Counter 84, Government Affairs Service Centre, Building 2, 868 Gang'ao Avenue, Hengqin

Tel: (86) 756-8688035

Macao Office of the Guangdong-Macao Intensive Co-operation Zone in Hengqin

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