

Opinions of the State Council of the People's Republic of China on Implementing the Market
access Negative List System

GF [2015] No. 55

People's governments of all provinces, autonomous regions and municipalities directly under the Central Government, the ministries and commissions and directly affiliated institutions under the State Council:

According to the requirements of *The Decision of CPC Central Committee on Major Issues Concerning Comprehensively Deepening Reforms* and resolutions and deployment of the State Council, the following opinions are proposed to market access negative list system.

I. Significance

(I) Positioning of market access negative list system

Market access negative list system means a series of system arrangements for the State Council to clearly list the industries, fields and businesses prohibited or limited to invest or operate in the territory of the People's Republic of China, and governments at all levels to adopt corresponding management measures according to laws. The market players may enter the industries, fields and businesses beyond the market access negative list equally according to laws.

(II) The implementation of market access negative list system is an essential basis for the decisive role of market in resource allocation.

The implementation of market access negative list system will give more initiatives to the market players, which is beneficial to implement market player's decision-making power, stimulate market activation, form market environment where the different market players can use production factors equally and according to law, and compete openly, fairly and justly, form modern market system which is unified in opening with orderly competition, and act with decisive effect of the market in resource allocation.

(III) The implementation of market access negative list system meets the intrinsic requirements for the government's better play.

Through market access negative list system, the responsibility boundary of the government will be clearly defined, which is beneficial to further facilitate the reform of administrative approval system, lessen the government's approval scope to large extent, innovate government's supervision mode, promote a convenient investment and trade, continuously improve administrative efficiency and effectiveness, facilitate the government strengthening market supervision through legal thinking and lawful methods, and push forward the systematic, standard and procedural market supervision system to fundamentally change the government's functions.

(IV) The implementation of market access negative list system is a necessary measure to construct a new open economic system.

The implementation of market access negative list and foreign investment negative list system is good for accelerating the establishment of modern market system conforming to the common international rules, creating a legal commercial environment, facilitating the orderly and free flow of domestic and overseas factors, efficient allocation of resources, deep integration of market and continuously improving the international competitiveness of China. Therefore, it is an efficient way to promote reform by opening up and establish market economic system of a higher standard.

II. General requirements and applicable conditions

(V) General requirement:

We shall adhere to the reform direction of socialist market economy, unify the decisive role

of market in resource allocation with government's functions, combine the transformation of government's functions with innovative management, make overall planning in enlivening market and strengthening market supervision, expand and standardize market access, simplify and optimize administrative approval, enhance and innovate market supervision, and accelerate the construction of new market access management system which ensures open, fair, standard and orderly market, the enterprise's independent decision making and equal competition, clear government functions and effective regulation.

All departments at different regions shall carefully implement the market access negative list system. As for different market players' investment and operation based on voluntariness, in case of fields and aspects related to the market access, the negative list system shall be established and implemented; with mature conditions, the current market access matters under directory management will be included in the market access negative list.

(VI) Category

Market access negative list includes prohibited access and limited access, which is applicable for different market player's voluntary initial investment, investment expansion, investment in acquisition and other investment and operation as well as entry of other market. As for prohibited market matters, the market players may not enter, and the administrative department will not approve or check or handle relevant procedures; as for limited access matters, the market players may submit application for approval of the administrative department according to laws and regulations, or the market players enter the market according to the access conditions and patterns specified by the government. Different market players can legally and fairly enter industries, fields and businesses beyond the market access negative list.

(VII) Applicable conditions.

According to laws, administrative regulations and relevant provisions of the State Council, administrative measures, such as access prohibition and limits to market player's qualification, equity ratio, business scope, operation status, commercial mode, space layout and national space development protection, to different market players' investment and operation in the following fields and access of other markets, including people's life and property safety, political security, homeland security, military security, economic security, financial security, cultural security, social security, scientific and technological security, information security, ecological security, resource security, nuclear security, new field security and other industries, fields and businesses related to national security; industries, fields and businesses related to allocation of important productive forces, development of strategic resource and major public benefits throughout China; relevant industries, fields and businesses with administrative permit set according to law and related to investment and operation of market players; and other situations specified by laws, administrative regulations and the State Council.

(VIII) The main types and applicable objects of negative list.

The negative list mainly includes market access negative list and foreign investment negative list. Market access negative list applies to management measures for foreign investors' consistency in China, and it is the unified requirement of market access management for different market players; foreign investment negative list applies to the overseas investors' investment and operation in China, and it is a special management measure specific to foreign investment access. The preparation of foreign investment negative list shall take full account of foreign negotiation of investment agenda, and relevant works will be specified otherwise. Bilateral and multilateral agreements (treaties) signed by China which are specified otherwise shall be executed according to the relevant regulations thereof.

III Formulation, Implementation and Adjusting Procedures

(IX) Formulation Principle

Rule-of-law principle: Formulation of market access negative list should implement the basic strategy of governing the country by law in an all-round way. Unspecified new items by laws, administrative regulations or decisions of the State Council that should be brought into the market

access negative list should be reported for enactment or revision of laws, administrative regulations or decisions of the State Council on the basis of scientific assessment as per legal procedure. Major items concerned with the national economic and social development as well as items of strong specialty should be led to the decision-making procedure, including public participation, expert argumentation, risk assessment, validity review and group discussion and decision.

Safety principle: Formulation and implementation of market access negative list shall adhere to the overall national security concept, as well as follow and safeguard laws and regulations in relation to national security and institutional system referring to security of various fields of the country. It is required to highly emphasize guarantee of economic security, maintain the basic state economic system and the socialist market economy order, improve the institutional mechanisms of prevention and resolving of economic security risk, and safeguard security of important trades, key fields, important industries, major infrastructure, major construction projects and other vital economic interests affecting lifeline of the national economy.

Step by step principle: Formulation and implementation of market access negative list should be carried out step by step with an overall planning based on the national conditions, and experience worthy of repetition and promotion should be popularized in the general. New conditions arising in the market, such as new technologies, new products and new business models, should be provided with enhanced institutional supply and service based supervision in line with principle of encouraging innovation and decreasing the threshold of starting a business, and we should take our time to know them to determine if they should be brought into the market access negative list for further management.

Necessity principle: Items listed in the market access negative list should be simplified to the greatest extent, which should be of nature of necessity. The market access negative list should not only roughly list the items limited or prohibited by laws, administrative regulations or decisions of the State Council, or simply copy industries, fields, business that are currently under prohibition or limitation of investment by the market entity, which should not mix up adoption of items not included in market access or supervision measures after access with the market access management measures. In addition, the market entity generally under such management measures as registration, information collection and land use right granting should not be brought into the market access negative list. All in all, application conditions of the market access negative list should not be used indiscriminately to list items unfitting for management of the negative list in the market access negative list.

Openness principle: Formulation and adjustment of the market access negative list should reflect the principles of openness, fairness and justice, and form a stable, transparent and predictable institutional arrangement to protect the right to know and participation right of the general public. Formulation and adjustment of items, basis and result of the market access negative list other than the confidential in accordance with the law should be disclosed to the public for their convenient consultation.

(10) Formulation Procedure

The market access negative list should be concentratedly formulated and released by the State Council, which should be submitted to the State Council by the provincial people's government for approval in case any local government need to make adjustment. All departments and units responsible for market access management should comprehensively unscramble industries, fields and business that are under prohibition or limitation of investment by the market entity and propose its own draft of market access negative list in accordance with the unified classification criteria of *Classification of National Economic Industries* (applicable to multiple categories of *Classification of National Economic Industries* and new commercial activities not specified thereof and provided with otherwise description); the National Development and Reform Commission and the Ministry of Commerce should take the lead to summarize and review the formation to formulate a uniform market access negative list and submit to the State Council for approval.

Market access management measures established based on laws, administrative regulations

and decisions of the State Council should be reviewed on the legality and assessed on the rationality, feasibility and controllability in accordance with the requirement that gives fully play of decisive effect of market in resource distribution. Market access management measures established based on departmental rules and normative documents should be brought into the market access negative list, if necessary, based on formulation or revision of laws or administrative regulations as per legal procedures or decision of the State Council after demonstrated carefully and reported in accordance with procedures stated in this Opinion.

Formulation of market access negative list should take a full account of regional development differentiation to enhance operability and pertinency. Provincial people's governments may propose suggestions on adjustment of market access negative list according local factors, including resource elemental endowment, major function orientation, industrial comparative advantages, cooperation relation in production, logistics marketing network and ecological environment influence, which should be implemented based on submitted to and approved by the State Council. All regions and departments shall not release their own market access negative lists, or increase/decrease clauses of the market access negative list without authorization of the State Council.

Departments involved in formulation of market access negative list should perfect the decision-making mechanism combining public participation, expert argumentation and government decision, which should organize experts to conduct argumentation of necessity and feasibility and publically ask advice of the general public in addition to adequately listen to opinions of respective region and department. Items concerned with the state security should be submitted to the National Security Council for examination before decided.

(XI) Implementation Steps

In accordance with the principle of pilot to carry and try and gradual promotion, the market access negative list should be put into trial implementation in part areas from December 1st, 2015 to December 31st, 2017 to accumulate and explore experience for gradually perfection and formation of unified national market access negative list and corresponding institutional mechanism, and the unified national market access negative system should be put into official implementation from 2018. The National Development and Reform Commission and the Ministry of Commerce should take the lead to work out draft of market access negative list and the pilot areas for the implementation, which should also organize the pilot work after the draft is submitted and approved by the CPC Central Committee and the State Council. The provincial people's government of the pilot area should work out the program for trying out the market access negative list based on the draft of market access negative list and submit to the State Council for approval and implementation. Implementation concerned with suspension of relevant laws, administrative regulations or the relevant provisions should follow the legal procedures.

The provincial people's government of the pilot area should strengthen organizational leadership, planning and coordination to perfect such working mechanisms as procedure management, warning and forecasting, information feedback and dynamic performance evaluation in accordance with requirement of Work Program about Implementation of Pilot Reform of Market Access Negative List (referring to the appendix), so as to ensure that the reform can achieve substantial progress. Departments involved should strengthen work cooperation with the pilot area and put the reform measures optimizing market access management into effect for pilot to carry and try. The National Development and Reform Commission, the Ministry of Commerce and other departments involved should strengthen guidance, supervision and inspection to timely discover and solve various problems in the reform process, and major items should be reported to the State Council in time.

(XII) Adjusting Procedure

The market access negative list should be adjusted in due time in line with the principle of streamline administration and institute decentralization, combination of decentralization and management and service optimization, which should be carried out according to the reform overall progress, economic structure adjustment, revision of laws and regulations and other actual conditions after the market access negative list system is implemented. Based on authorization of

the State Council, the National Development and Reform Commission and the Ministry of Commerce should take the lead to establish inter-departmental discussion and coordination mechanism, take charge of daily work of implementation of the market access negative list system, and organize the third party assessment. Conditions concerned with adjustment of major items and increase of market access management measures should be reported to the State Council for approval. Adjustment of market access management measures in accordance with laws, administrative regulations and decisions of the State Council or increase or decrease of market access management measures concerning non-substantial contents, such as technical and expressional words should be proposed by departments involved and determined by discussion and coordination mechanism, which should also be reported to the State Council for filing. Items concerned with the state security should be submitted to the National Security Council for examination before decided.

IV. Confirmation Mode and Convergence with Current Systems

(XIII) Convergence of Market Access Negative List and Administrative Approval and Approval Item List

Formulation of the market access negative list should link with the Administrative Approval and approval item list, and measures of the Administrative Approval and approval item list concerned with limited industries, fields and businesses of investment of the market entity should be brought into the market access negative list by principle. Items not included in the *Summarized List of Administrative Approval and Approval Items of State Council Departments* or those removed from the market access limitation category shall not be brought into the market access negative list; items approved to be written in the market access negative list by review should be stated one after another. The market access negative list should direct link with items related to cancel, addition or adjustment of Administrative Approval and approval item list according to decisions of the State Council in the future.

(XIV) Convergence of Market Access Negative List and *Catalogy for Guiding Industrial Restructuring*

Items newly increased in the obsolescence and the limitation categories of the *Catalogy for Guiding Industrial restructuring* should be directly quoted in the access prohibition list according to requirements of *Industrial Restructuring Promotion Interim Provision* (GD (2005) No. 40) that prohibits investment on items of the obsolescence category and on newly established items of limitation category, which are not necessarily stated in details. Departments involved should adapt to the new situation that industrial restructuring, new products and new technologies emerge endlessly and change constantly and revise the *Catalogy for Guiding Industrial Restructuring* in time. The market access negative list should direct link with revision of the *Catalogy for Guiding Industrial Restructuring* in the future

(XV) Convergence of Market Access Negative List and the *Catalogy of Government Approved Investment Projects*

Projects clearly approved by the *Catalogy of Government Approved Investment Projects* (those specifically for foreign investment and overseas investment are not included and for otherwise provided) should be directly quoted in the access limitation list, which are not necessarily stated in details. Departments involved should facilitate decision of deepening reform of investment and financing system and formulation of management regulation of government approved and filed investment projects as well as adjust the *Catalogy of Government Approved Investment Projects* in due time in accordance with the overall deployment of comprehensively deepening reform. The market access negative list should direct link with new version of the *Catalogy of Government Approved Investment Projects* revised according to determination of the State Council in the future

(XVI) Convergence of Market Access Negative List and market access management items established in accordance with laws, administrative regulations and decisions of the State Council

Market access management measures established in accordance with laws, administrative

regulations and decisions of the State Council should be brought into the access prohibition list and the access limitation list based on classification and review. Departments involved should adjust the market access negative list correspondingly according to cleanup of laws, administrative regulations and the State Council documents. Conditions of laws, administrative regulations and determinations of the State Council that are not expressly established as preconditions should not be served as pre-approval conditions any longer; conditions of laws, administrative regulations and determinations of the State Council that are expressly established as preconditions should not be served as pre-approval conditions by revising laws, administrative regulations and determinations of the State Council except those are really necessary.

V. Guarantee Measures

(XVII) Establishment and Perfection of Access System Matching with Market Access Negative List

Industries, fields and business not included in the market access negative list should be fairly and equally open to all kinds of market entities by law, which are not subject to administrative approval any more. Governments should delegate necessary power to enterprises in full scale, achieving that issues not included in the market access negative list are independently determined by the market entities. Governments involved should insist combination of decentralization and management and consider various factors as a whole, such as the state security, ecological environment, interests of the general public and safety production, to perfect the assessment index system, work out enterprise primary responsibilities, strengthen supervision by law and establish the safety examination, supervision and accountability mechanism to eventually realize a new pattern of government supervision, enterprise autonomy, industry self-regulation and social surveillance. Items included in the market access negative list may adopt the commitment based access mode based on actual condition by exploration to further strengthen and implementation of supportive measures, such as informative filing and access information announcement. The commitment based access refers to that all kinds of market entities can access the market based on promise of fulfill legal obligations, undertake social responsibilities and fulfill social integrity and they should submit a letter of commitment to departments involved; the informative filing refers to that all kinds of market entities execute the information filing obligation to departments involved after occurrence of investment and operation activities; the access information announcement refers to that all types of market entities execute obligations specified by the *Provisional Regulations of Enterprise Information Announcement*.

(XVIII) Perfecting the approval system commensurate with market access negative list system.

As for access-restricted items, the governments at all levels and its departments concerned shall standardize the rights, obligations and standard of approval according to the limits of examination and approval authority and streamline the pre-approval so as to realize the optimized approval process and standard, open and transparent procedure with clear rights and obligations in accordance with the requirements in the Notice of the State Council on Regulating Administrative Approval by Departments of the State Council and Improving the Work Relating to Administrative Approval (No. 6 [2015], State Council) and Notice of the General Office of the State Council on Issuing the Work Plan of Reducing Examination and Approval Items, Standardizing Intermediary Services, and Implementing Online Parallel Approval for Enterprise Investment Projects (No. 59 [2014], the General Office of the State Council). Among them, the pre-approval of links relating to national security, production safety, etc. shall be standardized and strengthened according to law. The provincial, municipal and county governments in various regions shall be encouraged to promote the list of market access items (in access-restricted category) subject to administrative approval, so as to define the approval item, basis for setup, scope of application, implementation authority, handling requirements, list of application materials and requirements, handling procedures, duration, etc. The establishment of online joint approval supervision platform with “unified regulations, parallel running, information sharing, efficiency and convenience, transparent operation, whole-process supervision” shall be accelerated for realizing the “notification, acceptance, conclusion and supervision in one website” for all approval items.

(XIX) Establishing and perfecting the supervision mechanism commensurate with market access negative list system.

All regions and departments shall strengthen the interim and ex-post supervisions of investments and operations of market entities according to principles of performing own duties and executing supervisions legally, transform the supervision ideas, innovate the supervision mode, promote the supervision efficiency and optimize the supervision of market behaviors after approval for access, so as to ensure to the open-yet-managed control on items outside the market access negative list according to principles of streamlining administration and decentralizing powers, supervising according to law, ensuring fairness and transparency, guaranteeing consistency of power and responsibility and implementing social co-governance. The departments concerned shall strengthen the establishment, adjustment and management of development strategy, development planning, industrial policy, standard specification, etc., set the "red line" strictly according to law and strengthen the interim and ex-post supervisions. The provincial, municipal and county governments in various regions shall be encouraged to promote the supervision list, define supervision items, supervision basis, supervision authority, limits of authority for supervision, supervision contents, supervision method, supervision procedure and punitive measures, and create the supervision pattern organically integrating the legal restriction, administrative supervision, industrial specification, public participation and enterprise credit and self-discipline. The trade associations and chambers of commerce shall be driven to establish and perfect the industrial operation self-discipline regulations, self-discipline convention and codes of professional ethics, as well as self-discipline mechanism commensurate with market access negative list system.

(XX) Establishing and perfecting the social credit system and reward and punishment mechanism commensurate with market access negative list system.

To perfect the social credit system and improve the enterprise credit information publication system, the credit records of the market entities shall be included into the website CreditChina.GOV.CN and national unified credit information sharing and exchanging platform and used as the important basis for undertaking such economic activities as production, investment, circulation, consumption etc. by various market entities. The establishment of market entity's credit commitment system prior to market access shall be promoted to ask the market entity to make a public commitment to the society and accept voluntarily punishment and restriction in case of violating the law and breaking its own words. The credit commitment shall be brought into the market entity credit records. The system of incentive for keeping faith and punishment for breaking faith shall be perfected to classify and regulate the market entities dynamically according to their credit status, so as to support and encourage the keeping-faith entities and restrict the breaking-faith entities in aspects of investment and financing, land supply, bidding and tendering, financial capital arrangement, etc. The market entities seriously violating market competition principle, disturbing market economic order and infringing upon lawful rights and interests of consumers, laborers and operators shall be included into the "black list"; the market access-prohibited system shall be implemented to the entities seriously violating law and breaking faith.

(XXI) Establishing and perfecting the information disclosure system and information sharing system commensurate with market access negative list system.

The enterprise credit information publication system shall be used to perfect the systems as enterprise annual report and instant information disclosure, random inspection of disclosed information, list of enterprises with abnormal operations and list of enterprises with serious illegal acts, etc. The information formed during the period when an enterprise is engaged in any production and operating activity and information generated in the process of a government department's performance of its functions that can reflect the status of the enterprise shall be disclosed in a timely manner according to *Interim Regulations on Enterprise Information Disclosure*, etc. The enterprises which fail to disclose the information timely or hide the facts and employ the trickery shall be subject to the credit constraint measures and restricted or prohibited to access according to law in aspects of government procurements, project bidding and tendering, state-owned land grant, etc. All regions and departments shall promote the establishment of credit

information system in their corresponding administrative regions and fields according to the national general requirements and realize the intercommunication and sharing of information by use of the national unified credit information sharing and exchanging platform.

(XXII) Improving the system of laws and regulations corresponding to market access negative list system

The market access negative list system shall be implemented by adhering to the principles of changing “old law” and establishing “new law” simultaneously. The departments concerned shall carry out the complete checkup of laws, regulations, rules, normative documents and all kinds of administrative approvals relating to the market access, investments and operations according to the legal procedures, and modify and abolish the items subject to modification and abolishment in a timely manner or put forward the suggestions for modification and abolishment. As for items which are not brought into the market access negative list, the basis for setup shall be abolished or modified in a timely manner. The items relating to breakthrough of the existing laws shall be submitted by the State Council to the National People’s Congress or its Standing Committee to modification or published to the public after stopping the implementation of relevant laws; the items relating to breakthrough of the current administrative regulations shall be published to the public after the State Council has modified or stopped the implementation of the relevant administrative regulations. At the same time, the relevant legislation commensurate with market access negative list system shall be accelerated to ensure that the authority of market access management measures is ruled by the law and there are laws to follow by interim and ex-post supervisions.

VI. Accelerating the relevant structural reforms and system construction

(XXIII) Establishing the investment system commensurate with market access negative list system.

In addition to projects relating to national security and ecological security and involving allocation of national important productive forces, strategic resources development, important public advantages, etc., the enterprise investment projects shall be carried out by the enterprise’s independent decision-making according to laws and regulations and not be subject to the approval by the government. The National Development and Reform Commission shall reform the approval system of enterprise investment projects according to the requirements of the State Council, revise, publish and implement *the Catalogue of Investment Projects Subject to Government Approval* according to relevant procedures in a good time, so as to maximally reduce the scope of approval of enterprise investment projects and realize the online parallel approval for the projects. The joint supervision of departments in aspects of planning, land and resources, environmental protection, technology, safety supervision, etc. shall be strengthened, so as to implement the access control by use of standards in environmental protection, resource-saving, technology, safety, etc. The fixed assets investment projects under investment and construction by the foreign-funded enterprises shall be subject to the same approval or recording procedures as those of domestically-funded enterprises according to the principle of national treatment.

(XXIV) Establishing the commercial registration system commensurate with market access negative list system.

The commercial affair system reform shall be deepened to accelerate the implementation of “three in one” and “one code for one license” and promote the uniform social credit code system for legal persons and other organizations. The pre-approval items shall be streamlined and the qualification affirmation items shall be reduced. The market access will not be restricted for all investment and operation activities, so long as such investment and operation activities are conducted at the free will of market entities in the relevant industries not in the prohibited or restricted fields according to laws, regulations and the State Council’s decision. The current management measures relating to market access shall be cleaned up and all measures without basis in laws, administrative regulations and the State Council’s decision shall be cancelled.

(XXV) Establishing the foreign investment management system commensurate with market access negative list system.

The departments concerned shall quickly formulate the foreign investment negative list based on the pre-access national treatment and negative list management mode, gradually streamline the licensing procedures in the field of foreign investment according to requirements of normalization and facilitation, and explore the “one-stop” approval to reduce the licensing links, quickly improve the strictly standardized security review system for foreign investment according to needs of safeguarding national security, carry out the security review for the foreign investment relating to the national security according to national security review system and relevant methods, strengthen the interim and ex-post supervision and establish the foreign investment information reporting system and foreign investment information disclosure system, so as to form the whole-process supervision system for foreign investment, in which the information is shared among the government departments, the joint supervision is carried out and the public participates in the supervision.

(XXVI) Building the market environment with fair trade and equal competition commensurate with market access negative list system.

The departments concerned shall clean up and abolish various provisions and practices restricting market to play the decisive role in resource allocation and obstructing the national single market and fair competition according to relevant requirements, strictly forbid and punish various behaviors of implementing preferential policies in non-compliance with laws and regulations, oppose the local protection, monopolization and unfair competition, prevent relevant policies from obstructing the national single market and fair competition, perfect a series of systems and mechanisms, such as property rights definition, operation and protection, protect various property rights according to law, such as right in rem, obligatory right, entity, intellectual property rights, etc. Insist on the equality of rights, equality of opportunity and equality of rules, abolish all forms of unreasonable regulations on the non-public economy, eliminate the hidden barriers and formulate the specific measures for protecting various market entities to equally enter the fields of natural monopoly and franchising according to law.

All regions and departments shall fully understand the importance and urgency of implementation of market access negative list system from a point of view of promoting modernization of the country's governance system and capability, carry out well the formulation and implementation of market access negative list, quickly facilitate relevant reform and supporting system construction, detect timely and solve the emerging, tendentious and potential problems to ensure that the reform obtains the actual effects.

Appendix: Work Plan for the Implementation of the Pilot Reform of the Market Access Negative List System

The State Council

October 2, 2015

Appendix

Work Plan for the Implementation of the Pilot Reform of the Market Access Negative List System

Article 1 According to requirement of “implementing the unified market access system and allowing various market entities equally enter the fields outside the list according to law on the basis of establishment of negative list” in the *Decision of CPC Central Committee on Major Issues Concerning Comprehensively Deepening Reforms* and requirement of reforming market access system in *Opinions of the State Council on Promoting Fair Market Competition and Maintaining the Normal Market Order* (No. 20 [2014], the State Council), the State Council decides to select some regions to carry out the pilot reform of market access negative list system. The Work Plan is formulated in order to promote this pilot reform accurately, orderly and

coordinative.

Article II The market access negative list system is a series of systemic arrangements where government authorities at all levels adopt administrative measures in accordance with a list issued by the State Council that designates the industries, sectors and businesses that are prohibited from investing and operating within the territory of People's Republic of China. The market players may enter the industries, fields and businesses beyond the market access negative list equally according to laws.

Article III The Work Plan is applied to the regions approved by the State Council to carry out the pilot reform of market access negative list system. The regions not involved in the pilot reform shall be subject to the current management mode.

Article IV The pilot reform shall be carried out according to principles of streamlining the administration and decentralizing powers, supervising according to law, ensuring the fairness and transparency, guaranteeing the consistency of power and responsibility and implementing the social co-governance, handle well the relationship between government and market, so as to make the market play the decisive role in resource allocation and the government play its role more effectively. The market access negative list shall be formulated according to the principles of rule of law, safety, gradualness, necessity and openness.

The pilot areas shall regard the institutional innovation as a core task and take the reproducible and prop gable institutional experiences as the basic requirements.

Article V The provincial people's governments in the pilot areas shall put forward plans for the proposed pilot market access negative list system pursuant to the draft market access negative list (trial version) which is to be initiated, summarized, developed and examined by the National Development and Reform Commission and MOFCOM. Such a list will be implemented upon approval by the State Council.

While exploring the procedures for establishment, implementation and adjustment of market access negative list, the pilot areas shall continue deepening the reform, establish and perfect the access mechanism, approval mechanism, supervision mechanism, social credit system and reward and punishment mechanism, information disclosure system and information sharing system, investment system, commercial registration system and foreign investment management system, which are commensurate with market access negative list system, build the market environment with fair trade and equal competition, and put forward the suggestions of improving the system of laws and regulations corresponding to market access negative list system.

During pilot period, various market entities shall not make investment and conduct operations in the industries, fields, businesses, etc. in the list in access-prohibited category; the various market entities shall make investment and conduct operations in the industries, fields, businesses, etc. in the list in access-restricted category only after approval or other administrative affirmation according to relevant provisions in the law, administrative regulations and the State Council's decision. Various market entities may access the industries, fields and businesses which are not listed on the market access negative list equally in accordance with the law and not be subject to the approval by the government. While delegating power and strengthening regulation, the departments concerned shall fully consider the factors in various fields, such as national security, ecological environment, benefit of the masses, production safety, etc., perfect the comprehensive measurement indicator system, implement the primary responsibility to be borne by the enterprise, strengthen the supervision according to law, establish the responsibility investigation mechanism for security review and supervision, so as to form a new pattern with government supervision, enterprise self-governance, industrial self-discipline and social surveillance. Items included in the market access negative list may adopt the commitment based access mode based on actual condition by exploration to further strengthen and implementation of supportive measures, such as informative filing and access information announcement.

During pilot period, the provincial people's governments in the pilot areas shall put forward the suggestions of adjusting market access negative list according to reform progress and outstanding problems reflected by various market entities, submit these suggestions to the State

Council and implement them after approval by the State Council.

Article VI During pilot period, the provincial people's governments in the pilot areas may temporarily adjust the relevant provisions in *Guiding Category for Adjustment of Industrial Structure* and *Catalogue of Investment Projects Subject to Government Approval* according to needs of implementing market access negative list system after authorization or content by the State Council. Implementation concerned with suspension of relevant laws, administrative regulations or the relevant provisions should follow the legal procedures.

Article VII The provincial people's governments in the pilot areas shall strengthen the organizational leadership and overall arrangement, create the working mechanisms, such as process management, warning and forecasting, information feedback, dynamic performance assessment, etc. and perfect the supporting policies & measures, so as to ensure the substantial progress of reform.

Article VIII The National Development and Reform Commission and MOFCOM shall take the lead to be responsible for guiding, coordinating, supervising, urging and assessing the pilot reform of market access negative list system, and report the major events and important issues to the State Council in a timely manner. Departments involved should strengthen work cooperation with the pilot area and put the reform measures optimizing market access management into effect for prior to carry and try.

Article IX The pilot areas shall summarize the experiences in a timely manner, be good at finding the emerging, tendentious and potential problems, correct the deviations without delay, perfect the policies, and firmly promote the works so as to ensure the completion of reform tasks on schedule.

The provincial people's governments in the pilot areas shall submit the report on pilot reform to the State Council periodically. The interim assessment report shall be submitted within one month following one year from the day when the pilot reform is expired; the summary report shall be submitted within two months from the date of expiry of pilot reform.

During pilot period, the National Development and Reform Commission and MOFCOM shall take the lead to organize the implementation of a third-party assessment so as to carry out investigation and comprehensive assessment of reforming conditions, implementation effects, acquired experiences, open problems, influencing factor, etc. and put forward opinions of perfecting and improvement. In case of interim assessment and summary assessment of pilot areas, the third-party assessment method shall be used preferentially.

Article X The National Development and Reform Commission and MOFCOM shall be responsible for interpretation of this Work Plan.

Article XI This Work Plan shall be implemented since December 1 of 2015 and valid until December 31, 2017.