

# **Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)**

## ***Information Technology Services***

### **1. How can the Information Technology (IT) industry benefit from CEPA?**

CEPA not only facilitates HK IT industry's access to the Mainland market, but also provides third-party accreditation of the SI capability of local service suppliers.

According to the regulations of the Mainland Government, IT companies conducting business in IT system integration have to undergo Computer Information System Integration Qualification Certification (hereinafter referred as **Qualification Certification**), and to obtain Computer Information System Integration Qualification Certificate (hereinafter referred as **Qualification Certificate**). Under the original system, only companies registered in the Mainland are eligible to apply for Qualification Certification.

Under CEPA II, Hong Kong service suppliers are allowed to apply for the Qualification Certification in accordance with the provisions of the relevant regulations and rules of the Mainland.

In consideration of the differences in business environment between Hong Kong and the Mainland, we have agreed with the Mainland on some special arrangements to facilitate the application of Qualification Certification by service suppliers in Hong Kong. The special arrangements include the setting up of a transitional period from 1 January 2005 to 31 December 2006 during which application requirements in seven areas are specially arranged for Hong Kong service suppliers. The arrangements also include the appointment of an intermediary organization in Hong Kong to help assess Level 3 and Level 4 Qualification Certification applications of local service suppliers.

By virtue of the further liberalization measures under CEPA in 2006, the assessment criteria applicable to Hong Kong (including requirements in respect of professional job title, business turnover, number of personnel and quality management system) are confirmed. These latest liberalization measures have been taken effect on 1 January 2007.

## 2. **What is Computer Information System Integration Qualification Certification (Qualification Certification) ?**

**Computer Information System Integration** (hereinafter referred as **SI**) refers to the overall planning, design, development, implementation and maintenance of computer application system and network system projects.

**Computer Information System Integration Qualification** (hereinafter referred as **SI Qualification**) refers to the overall capability to handle computer information system integration, including factors such as technical competence, management capability, service level, quality assurance capability, technical set-up, project performance, composition and quality of staff, business turnover, assets profile etc.

**Computer Information System Integration Qualification Certification** (Qualification Certification) refers to the scheme through which a company in the business of SI would, by undergoing a Qualification Certification process, be recognized as having the **SI Qualification** and be awarded with **Qualification Certificate** at the appropriate levels. According to the regulations of the Mainland Government, all departments who want to implement IT system should choose companies with the appropriate Qualification Certificate for doing the job.

## 3. **How does the Qualification Certification scheme operate ?**

For details about the operations of the Qualification Certification scheme, please refer to the following documents issued by the Ministry of Information Industry (MII) :

(N.B. the documents are in Chinese)

- Computer Information System Integration Qualification Management Method (Pilot) (Xinbu Gui (1999) No. 1047)
- Computer Information System Integration Qualification Assessment Criteria (Revised Version) (Xinbu Gui (2003) No. 440)

- Computer Information System Integration Project Manager Qualification Management Method (Pilot) (Xinbu Gui (2002) No. 382)
- Application Procedures for Computer Information System Integration Qualification Certification (Pilot) (Xingui Han (2001) No. 2)

The relevant documents can be found in the web-site :

<http://www.ceecm.gov.cn>

**4. What are the arrangements applicable to Hong Kong enterprises for applying SI qualification certification?**

In consideration of the implementation of the two-year transitional period, both the OGCIO and MII agreed to effect the following arrangements on 1 January 2007-

- (a) For enterprises applying SI qualification certification, there is no assessment on the “Professional Title”;
- (b) Projects undertaken in both the Mainland and Hong Kong can be taken into account in counting the business turnover in SI;
- (c) For enterprises applying for Level 3 qualification certification, personnel involved in software development and system integration should not be less than 40; and
- (d) The quality management system of enterprises applying for levels one to three of the SI qualification certification is required to be certified by a third-party assessment body only.

**5. How to apply for Qualification Certification ?**

Detailed procedures for applying Qualification Certification and relevant Project Manager qualification are provided in the Office of the Government Chief Information Officer (OGCIO) Notice to Local IT Service Suppliers No. 3/2006 & 2/2007.

The Notice can be found in the web-site :

<http://www.ogcio.gov.hk/eng/pubpress/eogciosic.htm>

**6. How much does it cost for applying SI Certification ?**

Different Assessment Centres may charge different assessment fee depending on the assessment services they provide. The Assessment Centre in Hong Kong is Hong Kong Productivity Council (HKPC), and it can process applications for Level 3 and 4 SI Certification. The assessment fee set by HKPC for both levels can be found in HKPC's web-site :

<http://www.hkpc.org/sqa/page4.htm>

**7. How long does it take for the whole SI Certification process ?**

The whole SI Certification process consists of 3 main parts : assessment by Assessment Centre, vetting and recommendation by the OGCIO, and approval by the MII. According to the estimate of HKPC, the assessment period for each application is about 10 weeks. In normal circumstances, the processing in the OGCIO can be completed within 7 clear working days. In summary, the whole process in Hong Kong would take about three months. The MII will process the applications by batch.