
China Issues Updated Telecommunications Services Catalogue

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China has for the first time in 12 years issued a new edition of the Telecommunications Services Catalogue to replace the badly outdated 2003 version issued shortly after China's WTO accession. The texts of the Catalogue and a helpful Q&A are available [here](#) and [here](#).

The new 2015 edition, issued by the Ministry of Industry and Information Technology in its capacity as industry regulator on December 28, 2015, is to enter into effect on March 1, 2016. The Catalogue remains the basis for China's implementation of a licensing system for telecommunications business in accordance with the classification of telecommunications businesses under the Telecommunications Regulations of the PRC (2014 rev.). It constitutes an effort to modernize the classification system and encourage private investment, but it is unclear to what extent foreign investors will be allowed to participate more widely in dynamic telecoms services.

Compared to the 2013 draft version, the 2015 edition makes several revisions, including the further clarification of 'IP telephone services'; the reclassification of 'internet resource collaboration services' under the IDC subcategory instead of a separate parallel subcategory; and removal of several detailed descriptions or definitions under 'online data processing and transaction processing services' as well as 'information services' to more flexibly respond to rapidly expanding e-commerce needs and provide other industry services now and in the future.

In the Basic Telecommunications Services category, the two categories of services, Category I (nationwide, broader service with higher security protections) and Category II (less stringent, more flexible), have been retained while subcategories for IP telephone services, cellular mobile communication services, Internet data transport services, and network access facility services have been reclassified and segmented.

IP telephone services, a longtime industry spotlight, has been redefined as telephone service jointly provided via fixed-line or mobile networks and the Internet and removed from the fixed-line communications category and separately listed as a new subcategory further divided into domestic IP telephone services and international IP telephone services. Voice services provided entirely through the Internet has been reclassified as Information Instant Interaction Services under Information Services, a value-added category.

Subcategories under value-added telecommunications services Category I and Category II have been reclassified and consolidated, with Category I services defined as services based on facilities and resources and Category II services defined as services based on public application platforms. In addition, content distribution network (CDN) services, code and protocol conversion services (referring specifically to 'Domain name resolution services' in the 2015 edition) have been clarified, and Internet data center (IDC) services, call center services and information services have been segmented.

With respect to fast-growing Internet-based multimedia video service and Internet TV, CDN is a new network transmission architecture that considerably improves the efficiency of content and app services transmission such as Internet video transmission. CDN is now separately listed with a defined scope of services in the new edition to encourage entry by qualified and innovative businesses in this sector.

The new edition adds 'Internet resource collaboration services' within IDC services under value-added telecoms services Category I. With the rapid development of cloud computing and other technologies, new types of services based on data center facilities and conducted through the Internet have emerged to bring about flexible resources configuration, sharing and collaboration. Addition of these services is intended to better adapt to market development trends.

Information Services, the most dynamic sector developed in the past decade, is also a key area for market regulation. The existing classification by network technology no longer meets the needs of market development so the new edition, based on the form of services and the technological characteristics in organization and delivery of information services, expands and divides information services into 1) information release platforms and delivery service, 2) information search and query service, 3) information community service, 4) information instant interaction service, and 5) information protection and processing service.

Outmoded telegraphic services, analog trunking communication services and wireless data transport services have been removed from the new edition. The new edition paves the way for broader private investment in basic telecoms services, including allowing cellular mobile communications services provided by means of resale, and network hosting services to be managed like value-added services. As stated earlier, however, it is unclear to what extent foreign investors will benefit.

Authors



Lester Ross

PARTNER

Partner-in-Charge, Beijing
Office

✉ lester.ross@wilmerhale.com

☎ +86 10 5901 6588