



CBEC Q&A with MPI

Ministry for Primary Industries
Manatū Ahu Matua



**F47/2 | China: Registration of Food Premises
Undertaking Final Processing**

CBEC Q&A with MPI Webinar

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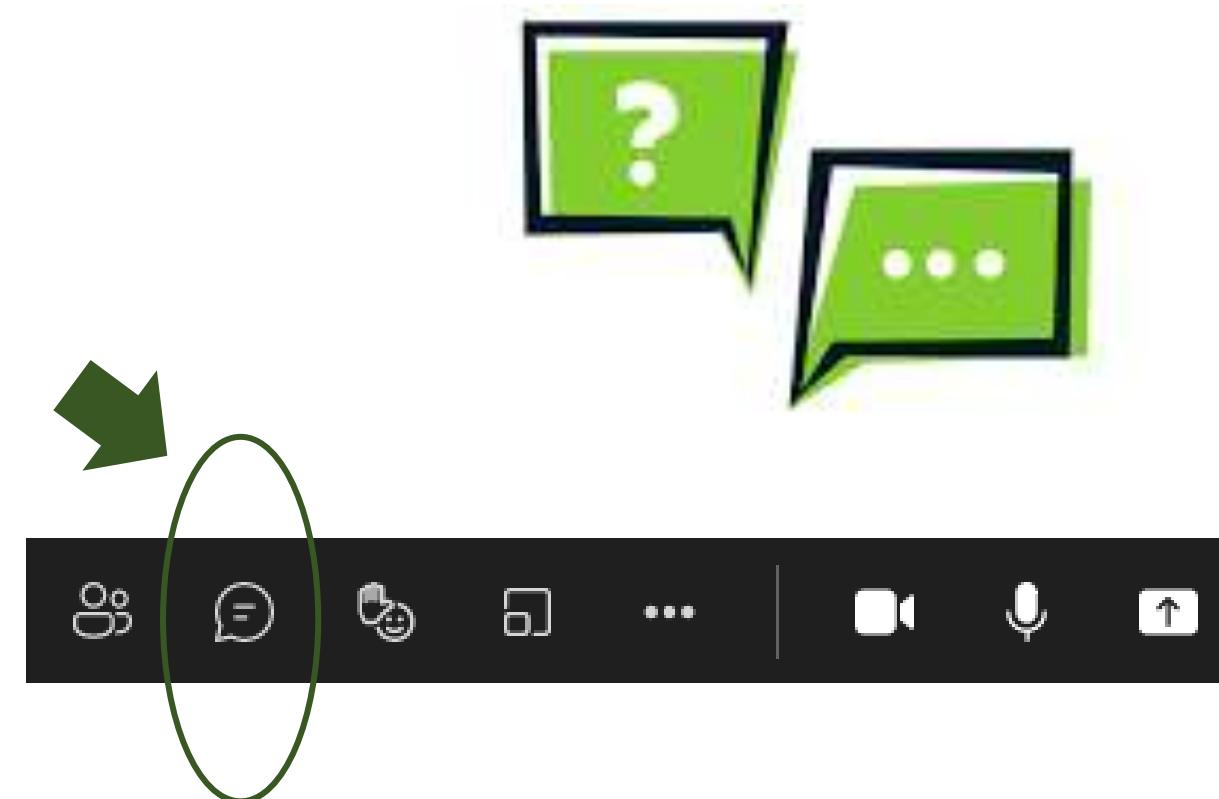
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Q&A Session

If you would like to submit a question, please open the Meeting chat window by clicking on the Show conversation button  and typing your question.





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China Market Access for New Zealand Natural Health Products

October 2021

Leone Basher, Senior Market Access Counsellor
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Overview of Presentation

Part 1: Some Chinese definitions to consider

Part 2: Introduction to regulatory requirements
and which departments are responsible for these

Part 3: Introduction to Cross Border
E-commerce Requirements

Part 4: Implications to consider regarding China
manufacturer registration





Part 1: Some definitions to consider



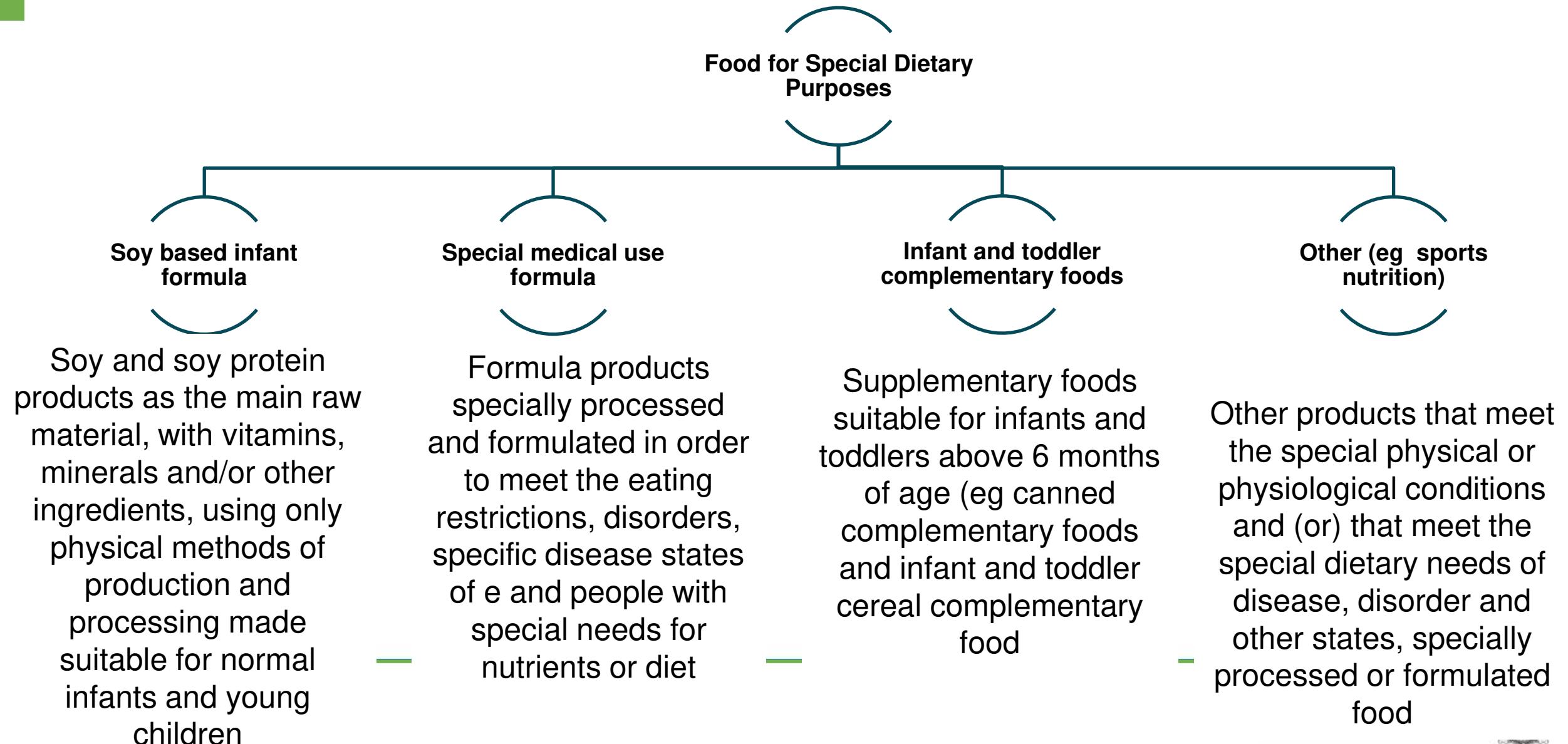
Foods for special dietary purposes

- The foods specially processed or formulated to meet the special dietary demand under special physical or physiologic conditions and (or) disease and disorder.
- The content of the nutrient and (or) other nutritional ingredients in such foods is significantly different from that in comparable ordinary foods.

(Source GB 13432-2013 - National Food Safety Standard Food Labelling of Pre-packaged Foods for Special Dietary Supplies)



Foods for special dietary purposes



Different types of Health Food

Functional health food

- Such food, which shares common properties with general food and can regulate human body functions, help maintain homeostasis and modify physiological parameters which are generally considered risk factors in the development of diseases but is not used or does not make claims purporting to offer efficacy in the treatment of disease.



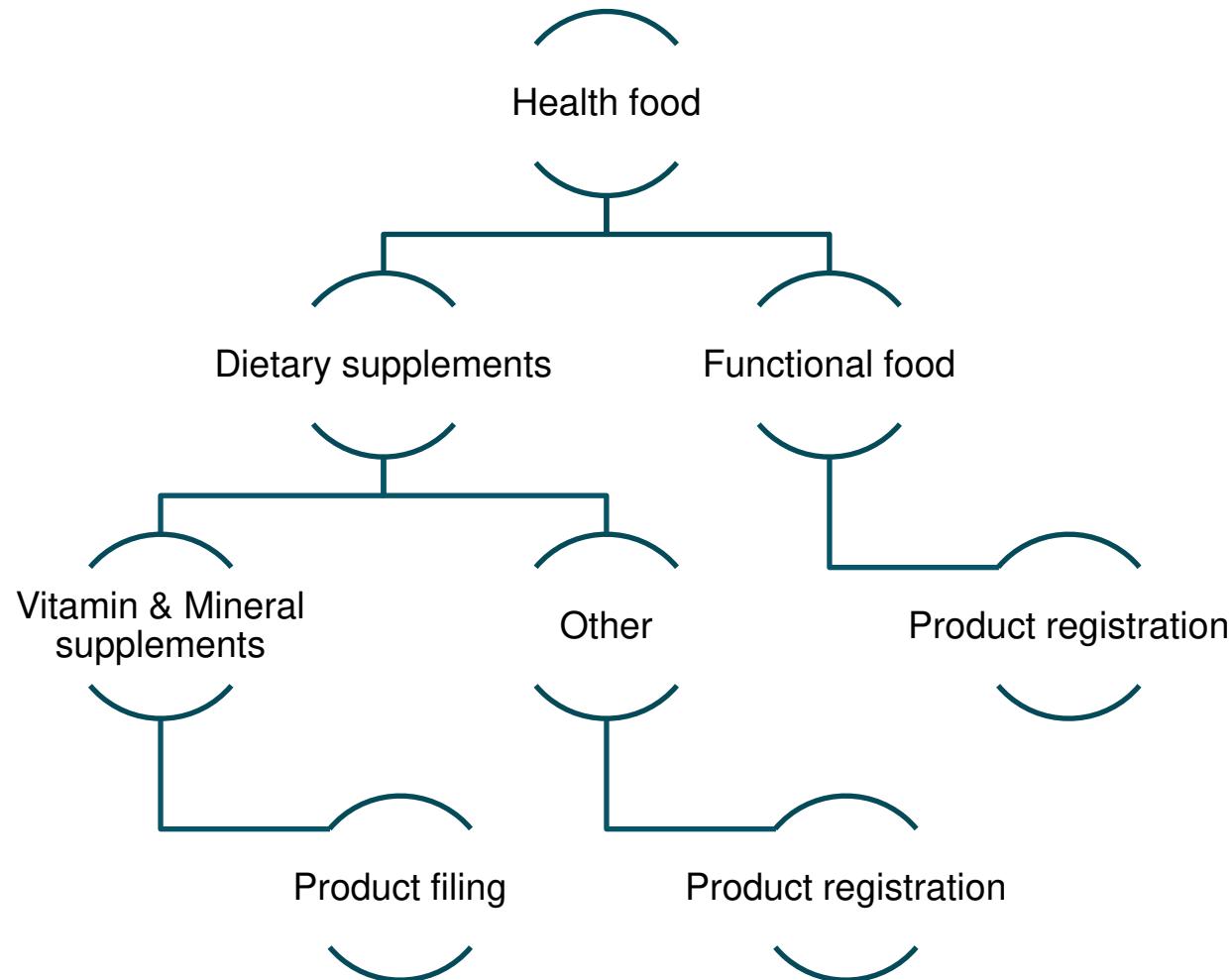
Different types of Health Food

Nutrition supplement

- These products, with vitamins and minerals as major ingredients, are used for the purpose of supplementing nutrients for the human body. There are single-ingredient and multi-ingredient nutritional supplements.



Defined in terms of product registration or filing



Other types of dietary supplements include co-enzyme Q10, fish oil, reishi spore powder, spirulina, melatonin



Part 2: Introduction to China Regulatory Requirements



China's Regulators

State Council of PRC

General Administration of China Customs (GACC)

- Supervision of imports and exports (national level)
- Overseas manufacturer registration

Port Authorities

- Local supervision of imports and exports
- Import testing

State Administration for Market Regulation (SAMR)

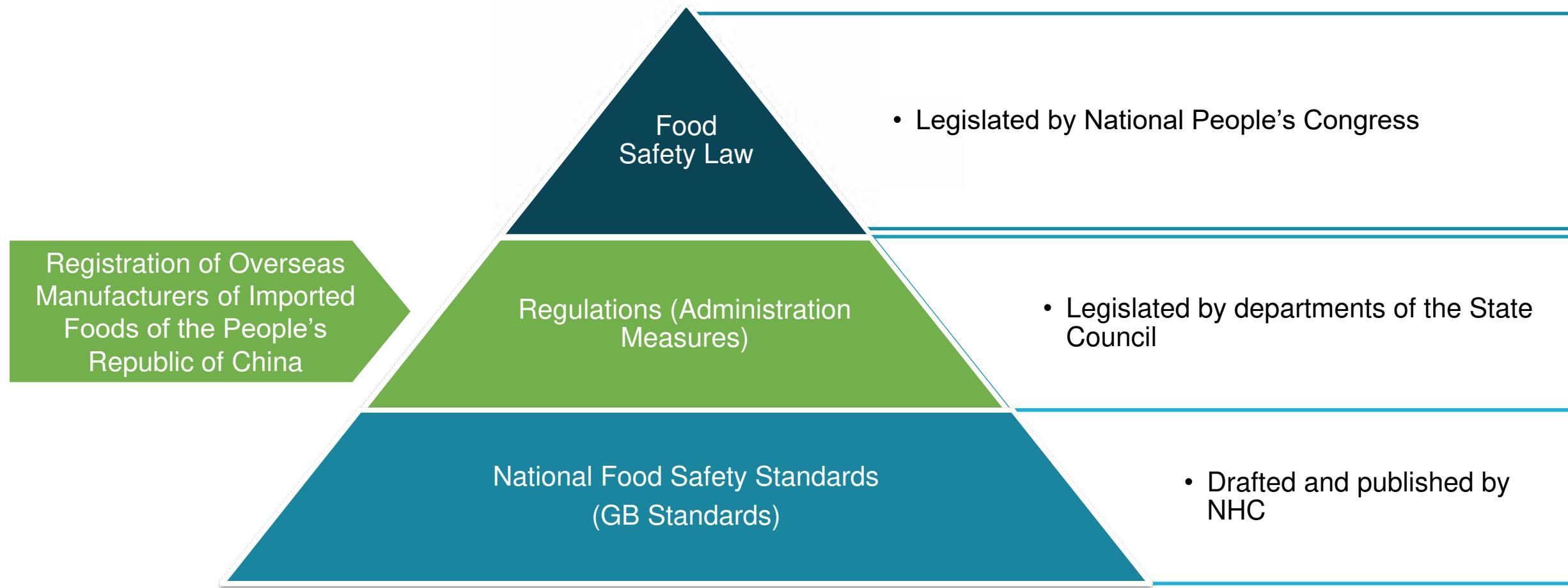
- Domestic food manufacture and sale
- Sampling and testing of product on the market
- Registration and supervision of special foods (e.g. health food, dietary supplements, food for special medical purposes, infant formula)

National Health Commission (NHC)

- National food safety standards
- Pre-market approval
- China National Centre for Food Safety Risk Assessment (CFSA)



China's Law, Regulations and Standards



National Food Safety Standards



Product standards

- 16740 Health food
- 22570 Complementary Food Supplements



Production standards

- Good Manufacturing Practice for Health Foods



Testing standards

- GB standards
- GB/T standards



Other standards

- Nutrition Labelling
- Food additives
- Nutritional fortifiers
- Limits of pathogenic bacteria



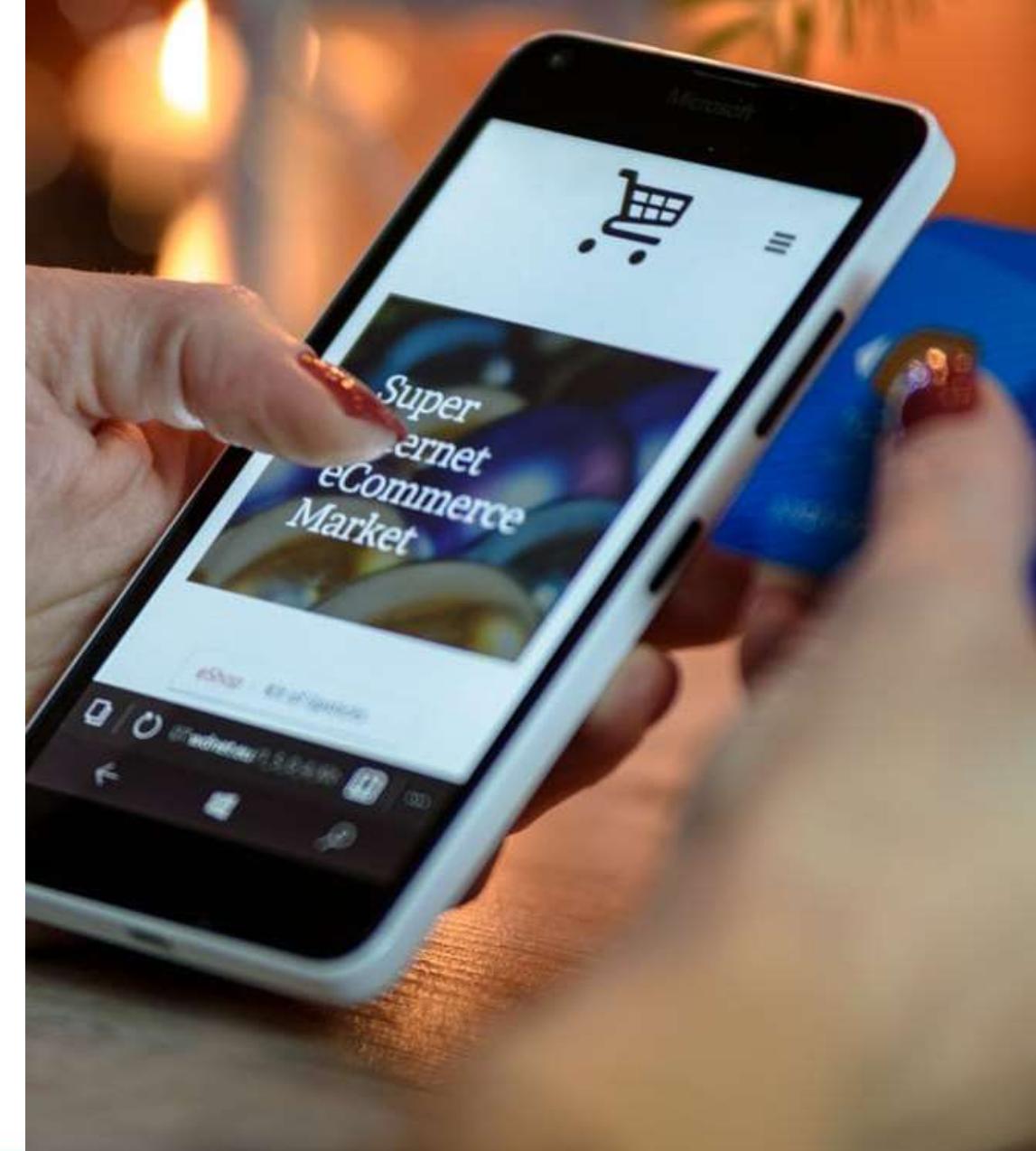


Part 3: Introduction to Cross Border E-commerce Requirements



E-commerce opportunities

- 1) **Direct to consumer** - Chinese consumers place orders while the goods remain overseas, then the goods are sent as packages directly to Chinese consumers via post or courier, and
- 2) **Bonded warehouse** - Products exported in bulk to China are held in bonded warehouses under the supervision of GACC and released to end consumer once an order is placed (products must be sold to end-consumer and cannot be sold to a retailer)



CBEC direct to consumer model

Export from New Zealand



Chinese port (air or sea port)



Distribution to consumers in China

Chinese
online
platforms

- Goods are packaged for the consumer in the country of production

- In addition to being included in the positive list of products able to be sold via CBEC, these products **must not** be on China's **negative list** of products that cannot be sent by mail
- If on the positive list and not on the negative list, port authorities can issue **customs exemption** from product registration, manufacturer registration etc

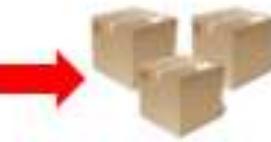
- Goods are sent directly to individual consumers via post, express freight or courier and duty is paid prior to the customer receiving the product
- Consumers bear the risk associated with purchasing overseas products outside of Chinese regulatory control

CBEC bonded warehouse model

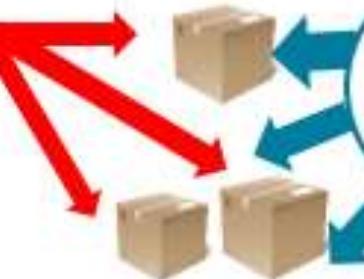
Export from New Zealand



Chinese port - Bonded area in CBEC Pilot Zone



Distribution to consumers in China

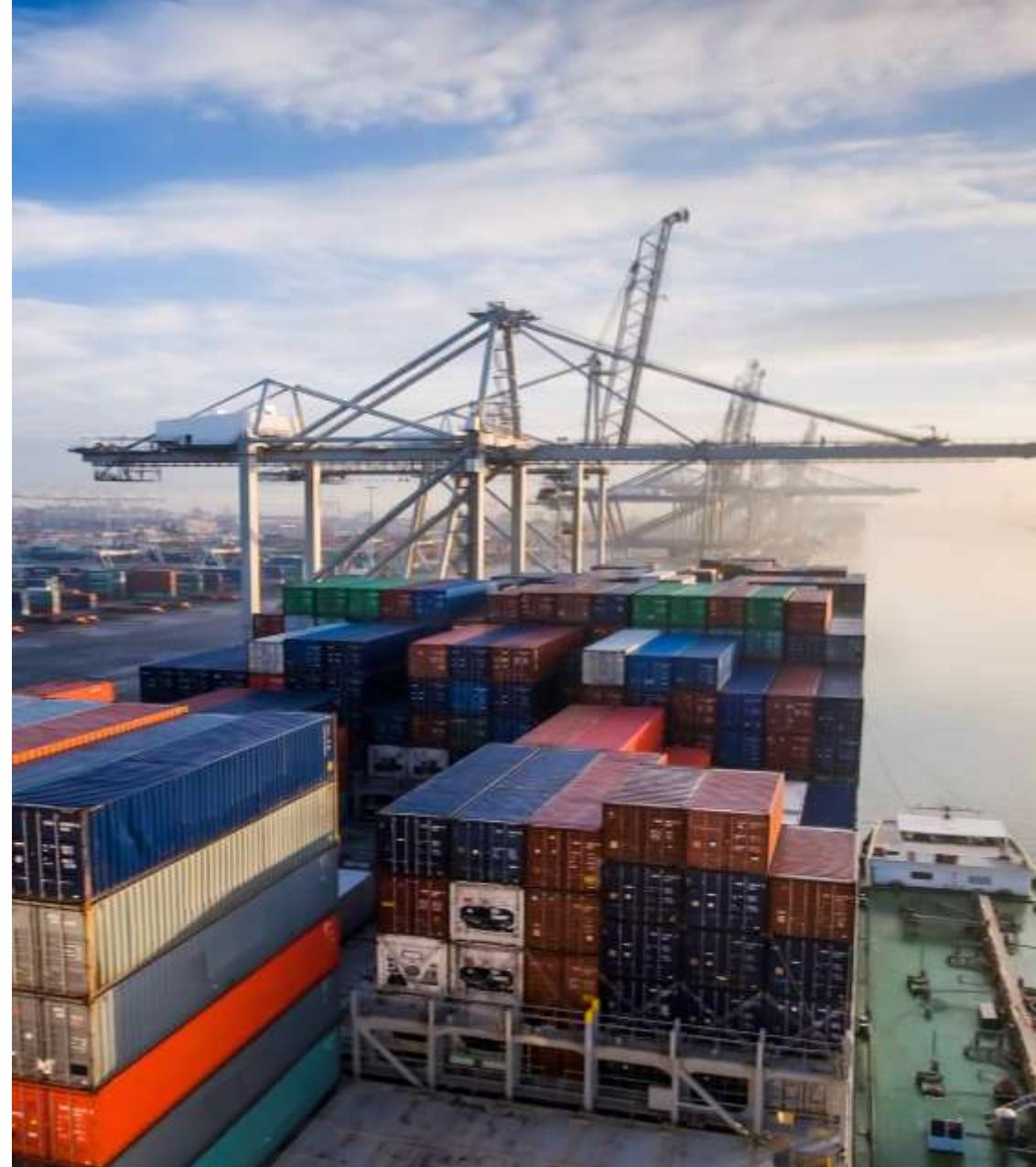


Chinese online platforms

- Goods are shipped in bulk to China prior to being ordered or sold online
- Products are registered on arrival (or before) and if on the positive list, port authorities can issue **customs exemption** from product registration, manufacturer registration etc
- The products are temporarily stored
- Bulk goods are broken down individually or selectively picked and packed for each customer order
- Products are delivered from the bonded warehouse and duty is paid when the customer orders the product
- If the product has a **customs exemption code**, the consumer bears the risk associated with purchasing overseas products outside of Chinese regulatory control

Bonded warehouses

- **Bonded warehouses are in ‘CBEC pilot zones’** across numerous ports and cities
- **China’s favoured model**, as bonded warehouses are buildings or other secured areas where dutiable goods may be stored, manipulated, or undergo manufacturing operations under the control of port authorities
- There is a **more uncertainty** as it relies on GACC issuing **customs exemption codes**, as there are individual **port-level variations**



General trade

Export from New Zealand



Chinese port (air or sea port)



Distribution to storage facilities in China



Distribution to retail outlets



Distribution to consumers

Chinese online platforms



- Goods are shipped in bulk to China via air-freight or sea freight
 - GACC issues a **customs clearance** certificate on the basis of compliance with China's import requirements
 - Duty is paid on goods and products are temporarily stored
- Products are delivered to storage facilities, including those for online platforms
- Products can be distributed to consumers via online platforms or to physical retail outlets
 - SAMR and provincial departments check that distributors and retail outlets comply with market requirements



Part 4: Implications to consider regarding China manufacturer registration for products sent via CBEC



Customs exemptions

These may include

- **GACC manufacturer registration**
- **SAMR product registration** where this is required
- GB standard **product standards** (eg composition)
- **GB standards for labelling** (eg Chinese labels)
- **Health certificates**, (note exemptions not given for product requiring quarantine clearance)

MPI is aware that some online platforms require some of these requirements to still be met even for products given customs exemptions



Customs exemptions

- Only provided for product listed on the China **positive list** of products that can be given a customs exemption
- GACC gives the authority to port authorities to apply a **customs exemption code to specific products** in this list
- Customs exemptions are up to GACC, but MPI's understanding is that customs codes are not issued for products that:
 - Are sourced from countries that do not have market access to export that product
 - Require quarantine approval (eg fresh fruits, milk, meat etc)
 - Not under the control of a Chinese CBEC enterprise that complies with China's CBEC Law



Declarations of compliance

- Capable and prepared to meet all Chinese requirements including:
 - the Food Safety Law
 - Administrative Measures / Regulations
 - GB standards, such as
 - *product standards*
 - *production standards, and*
 - *labelling standards*
- Capable of producing a product that would get a customs clearance, even if you send products which get a CBEC customs exemption



Questions?

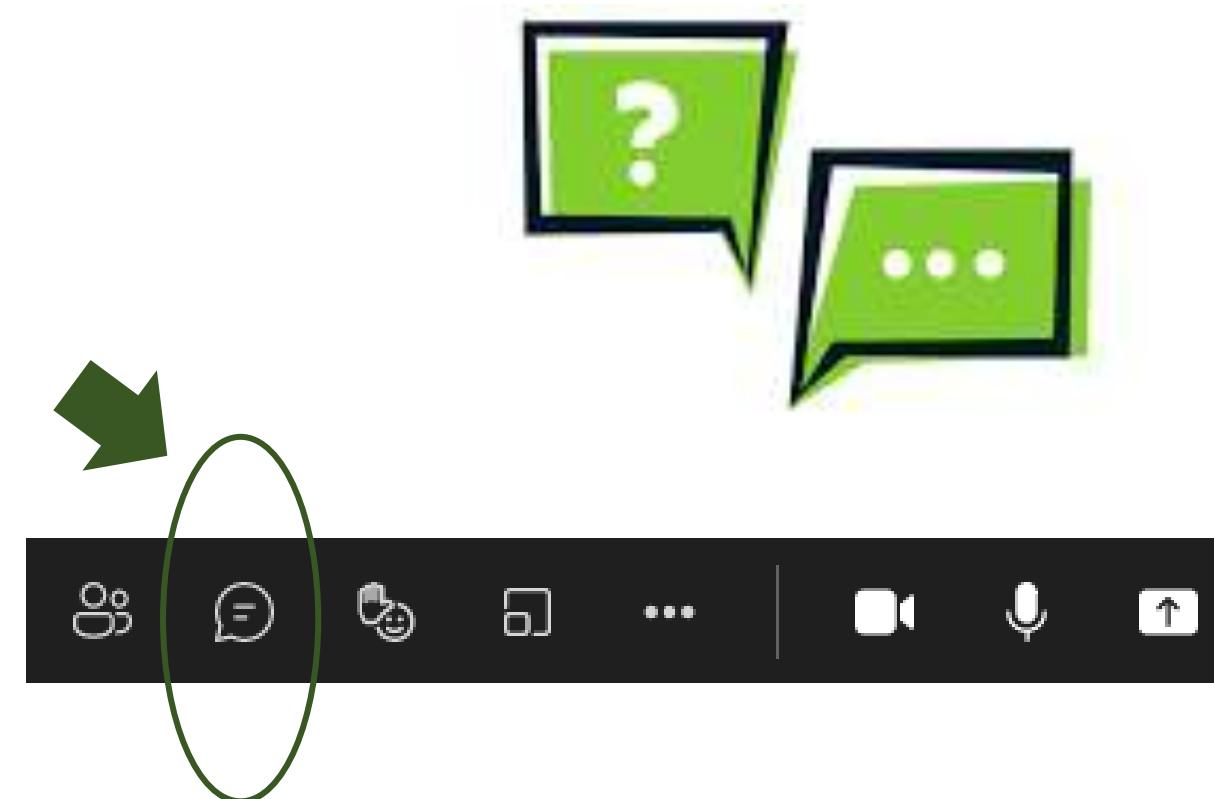
Contact us for more information:
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Thank you!

<https://www.naturalhealthproducts.nz/category/regulatory/>

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