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NEWSLETTER

LATEST NEWS FROM CHINA

TEN NEW FOOD ADDITIVES TO BE APPROVED IN CHINA



On September 14th 2016, an Announcement was made by the China National Center for Food Safety Risk Assessment (CFSA), releasing the preapproval of ten new food additives. One of new additives to be approved is Ammonium Carbonate, a leavening agent used in the biscuits food category, while the remaining nine are all flavoring additives. The Announcement has been opened for public comments until October 9th, 2016. Below is a list of the nine food additives:

1. 6-Methylheptanal
2. N-(2-Isopropyl-5-Methyl cyclohexyl) Cyclopropyl formamide
3. 4-hydroxy-4-methyl-5-hexanoic acid γ -lactone
4. Furfuryl 2-methyl-3-furyl disulfides
5. 4-caproic acid
6. 2-(4-methyl-5-thiazolyl) ethanol propionic ester
7. 4,5-octanedione
8. Ethyl 5-hydroxydecanoate
9. Dioctyl adipate

Upon approval, these additives are allowed to be used in any variety of food, other than those specifically listed in Table B.1 of the GB 2760-2014 National Food Safety/Standard for Uses of Food Additives. Additionally, the application scope of Glucono-Delta-Lactone has been extended, allowing the additive to be used in single cream.

INFANT FORMULA PRODUCTION SET TO SEE MAJOR CHANGES

As of October 1st 2016, both domestic and foreign infant formula milk powder (hereinafter, “IF”) producers, which export IF to China, are required to register their IF recipes at the China Food and Drug Administration (hereinafter referred as to “CFDA”). The production of IF has been under strict scrutiny in China, since the Sanlu milk scandal of 2008. On Sep. 30, 2016, CFDA officially confirmed the duration of the grace period for completing the formula registration of both domestically manufactured and imported IF, which will end on Jan. 1, 2018.

CFDA finalized the Administrative Measures for Registration of Infant and Young Children Milk Powder Formula Recipes in June and announced its formal implementation from Oct. 1st, 2016 with the simultaneous implementation of the grace period. IF products in China, whether produced domestically or imported, before Jan. 1, 2018 may be sold until the product’s expiration date.

Multiple new regulations have been implemented under the new registration format. Each IF producer may only register 3 recipe series (stage 1: 0-6 months, stage 2: 6-12 months and stage 3: 12-36 months) and up to 9 recipes. The new rule also requires the Certification and Accreditation Administration of the People’s Republic of China registration of foreign IF, relicensing of domestic IF manufacturers and the promotion of M&As of IF enterprises. The new rule allows the ability



to register those recipes under the same group name for wholly-owned subsidiaries, that have been previously approved for IF production.

Through the reform, IF product labeling will be held to a higher standard, including precise percentages, specific organization of ingredients and clear wording. Additionally, relevant registration numbers should be indicated on labels and usage instructions.

The registration is a lengthy process, between application review and testing, the product approval timeframe may be over 100 working days. Even more notably, there are currently around 2,000 IF recipe series sold in China and in theory, only around 510 recipes series will be allowed. This means a major reduction of recipes in the marketplace is expected, not to mention companies producing multiple recipes which will be greatly affected. Given the tight deadline and the extent of regulations, swift preparations are highly recommended.

ACCESS EXTENDED TO THE UNIFIED SYSTEM FOR CROSS-BORDER E-COMMERCE IMPORT



The General Administration of Customs recently issued the Announcement on Issues concerning Access to the Unified Information System for Cross-border E-commerce Import by Enterprises (hereinafter referred to as the “Announcement”) and will come into effect simultaneously with the promulgation date.

The Announcement specifically applies to E-commerce enterprises and third parties taking part in cross-border E-commerce business transactions, allowing these companies “to enter into, modify, declare and inquire” information manually through the Subsystem for Customs

Clearance under the Unified Information System for Cross-border E-commerce Import. Both E-commerce enterprises and third party platforms are required to develop the access service on their own or to purchase access service independently. The application also places a judicial burden on these vendors through legal liability of the electronic data processed through Customs.

Additionally, the Announcement temporarily allows digital signatures to be applied specifically to data filing for inventory, revision, cancellation or sales records in regards to the application form and the warehouse-in record.



ENHANCED E-COMMERCE PRODUCT QUALITY INSPECTION MEASURES FOR FOOD AND HEALTH PRODUCTS

The Department of Supervision on Product Quality of the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) has recently released the Administrative Measures for the Monitoring of Product Quality and Safety Risks (Draft for Comment) and the Administrative Measures for the Supervision and Spot Check of E-commerce Product Quality (Draft for Comment). a draft of new inspection measures for products relevant to health and safety sold via e-commerce channels. The Measures are designed to strengthen e-commerce supervision to ensure high-quality products are being sold.

According to the Drafts, departments organizing e-commerce spot checks shall develop a spot check program according to the spot check plan, and assign the e-commerce spot check tasks to designated departments or entrusted inspection agencies.

The program shall include the sampling method, the scope of products subject to the spot check, the inspection items, and a list or scope of e-commerce platform enterprises covered by the spot check.

The abovementioned departments shall timely inform enterprises concerned of the inspection results and the statutory rights of such enterprises under the spot check in writing, notify e-commerce platforms of the same in written form, and propose suggestions on the disposal of sub-quality products. If an enterprise under the spot check has any objection after the inspection results, it may file a written petition for re-inspection within 15 days upon receipt of the inspection results.

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