



CHINA CAP RT1 SUMMARY OF Q&A

The following document summarizes questions from U.S. delegates and answers from the Certification and Accreditation Administration of China (CNCA) during the first roundtable session (RT1) under the U.S. – China Conformity Assessment Project (China CAP). Questions regarding this document may be directed to Ryan Ong (ryanong@uschina.org; +1.202.429.0340) or Elise Owen (eowen@ans.org; +1.202.331.3624)

SESSION ONE

Accessing information about changes to China's Compulsory Certification (CCC) Program

- If something is missing from the CNCA website, or as things evolve in the system, who is the authority who will decide that would decide what the official policy is? (CNCA, CQC, or someone else)

We must be clear about the type of information. PRC rules are responsible for regulatory issues, and have committed to keeping the website up to date. When there are changes to the regime, we will notify the WTO ([Click here](#) to access WTO notifications via NotifyUS, a service of the National Institute of Standards and Technology). When there are new requirements or changes, we will allow a transition period for companies to adjust.

- Is there a defined procedure for companies to apply for factory inspection before conducting testing? This is important for U.S. companies who may have a long lead time for factory inspection due to visa and other issues.

(Li Chunjiang) In principle, business can consult with the DCB to arrange factory inspection prior to type approval testing. It is worth noting that if the factory inspection is conducted by the product fails type approval, there is an unnecessary cost that would be incurred. (Shen Tao) We can begin arrangements for the factory inspection prior to receiving the test report, but typically would not conduct the inspection until we have the test report in hand. According to the CNCA rules, the cost for inspection is borne by the business, regardless of where the business is based. To save costs to the business we typically arrange multiple inspections on one trip. This saves cost, but does add some logistical headache.

- What is the role of the Technical Supervision Bureau (TSB, the local enforcement agency that ensures compliance at the local level) in China and how is this different than the CCC system? For example, after receiving CCC, we have been told by TSB that our product is not compliant. How do we handle this?

Certification is CNCA and CQC, but random inspection and market surveillance is conducted at the local level. The government's role is defined by the relevant regulations, which define CNCA as the overall management authority for any work related to certification in China, so we have full jurisdiction over CCC. I'm guessing that the problem you have encountered is related the labeling and marking of products, a rule published by AQSIQ that applies to all products, not just CCC. If you fail to meet CCC requirements, you may get a penalty based on CCC non-compliance. [...]

- Are there additional requirements based on local regulations and/or other agencies that would be checked by the TSB? If so, where can companies access these other requirements?

There are no CCC requirements at the provincial/local level. Local authorities do enforcement against national laws and regulations. The market surveillance is uniform throughout China and is based on national law.

- On the new CNCA website, will available English translations be posted? If not, where can companies find translations?

Historically, all of the CCC documents, rules and implementing regulations have been made available on our website, later we realized some problems – after publication of the English version of the implementation rules, we got a lot of phone calls from people who had different translations or interpretations, so we decided to take these documents off of the website. After the revised new rule was completed, we tried to make another English version [follow-up: can ANSI/USCBC get the English drafts for companies; how do companies verify their translations?]

- Will DCB requirements, procedures and policies be made available on the CNCA website? If not, where can companies get this information?

If you visit the CNCA website, you will find a link to the DCB websites, many of which make their procedures available in English – their English websites.

- One problem that we frequently encounter is that each DCB may have different translations or interpretations of the regulations that they are working from and this can cause confusion.

Regarding the translations, yes different translators are used so there may be small differences. However, the fundamental understanding is similar enough among the DCBs that there shouldn't be a big issue. However, when CNCA put the CCC in place, each DCB each operated under the framework of CCC but each was also somewhat independent and different in terms of their areas of expertise so they each have their own procedures. For example, CQC is separate from the labs, but other certification bodies may have labs as a part of their business. This would lead to slightly different procedures.

- There are 10 different organizations implementing CNCA rules – the farther you get from CNCA, the possibility for deviations or differing interpretations multiplies. Does CNCA monitor the DCBs? If so, how?

All of the certification bodies are located in Beijing. Our intention is to make the rules as precise as possible, but still it is possible to encounter differing interpretations among DCBs, but the main points should be common. If you look at AQSIQ Decree #117, you will see the monitoring structure – every year CNCA conducts oversight of the DCBs each year. We would address DCBs when we find them.

SESSION TWO

Understanding which elements of the CCC implementation fall under CNCA's jurisdiction, and which are delegated to DCBs

- We encounter a situation where we have a product that can go by two separate names/descriptions (in this case, AC adapters vs. mobile chargers). Depending on how it

is classified, it may or may not need the CCC certification. How can we get clarity in this situation? Obviously can be confusing to consumers.

CQC determines what falls under the scope of the CCC based on product type, not based on the scope of the standard as is the case in other countries. In your case, it is clear that neither AC adapters nor mobile chargers are part of the CCC catalog unless it is a fundamental part of a product that does fall within the catalogue (e.g. chargers ICT products). [...]

- What is the typical lead time for CCC as defined by CNCA? Are there requirements from CNCA that are imposed on DCBs for lead time?

Decree #117 indicates that the lead time should be less than 90 days. If the process is smooth, then it should be completed within this timeframe. However if there is an issue during the process (e.g processing visas for overseas factory inspection, problems with the type test that require product reconfiguration, forms with errors, etc.) then this can add to the timeframe.

- Are there defined procedures for product changes? In some cases we are asked for product samples, and in some cases we are not.

Each product category has a differing procedure. For example electronic products, motor vehicles, [...] or agricultural products. For motor vehicles, CNCA issued a directive in 2008 allowing inspectors to make their own judgments on whether a key component has been changed or not and whether additional testing is needed. In 2008 CNCA provided an overall guideline on whether there is a change in the product structure and key components or not. However, the decision must be taken in light of the real world circumstances and judgment must be exercised. The decision would be made by the certification body, but it must be consistent with the CNCA guideline.

- For follow-up inspection, which agencies in the U.S. can conduct these inspections?

We have signed specific agreements with our overseas counterparts. Currently in the North America, UL can conduct follow-up inspection. Basically, after the first factory inspection you can get follow-up inspections from UL, but as the DCB we reserve the right to conduct our own follow-up inspection if needed.

- How can companies best engage the decision makers related to their products so that the unique characteristics or innovations in their products can be considered in the development of policies and so that conflicts or burdens can be avoided? For example, many recent product innovations create gray areas where it's unclear whether a product is covered or is not covered under CCC. This uncertainty can create hardship and burden for companies.

When there is a need to develop a new rule or policy, it is based on the common issues encountered by businesses with products on the market, but inevitably there will be situations where products do not fit well within the product categories of CCC. In these situations we leave the decision in the hands of the technical experts' panel or technical committee which is comprised of representatives of business, policy makers and other policy makers. When we encounter problems, we always consult with these experts and ask them to make decisions.

- Is there a table to compare the CCC category number against HS codes?

The CCC certification is based on the product function rather than based on the relevant standards. The HS system helps the port authorities determine whether products need

CCC. When there is a conflict between the HS and CCC classifications, the CCC classification will prevail. We understand that about 90% of the CNCA classifications fit well with the HS system, but about 10% may fall within the HS classification. There is a need to better define those areas. However, classification is not simple because our classification is really focused on the function and application of the product, not the title or inherent attributes.

SESSION THREE

Assisting industry to better understand which organization(s) will be responsible for carrying out conformity assessment work for their products

Discussion Questions:

- For the field replacement units are used can they be eligible for an exemption? If so, is the application processed through CNCA or through the local authority where the product will be imported?

Yes. The application would be made through the local CIQ.

- How do you determine whether a product is an award or a gift for a CCC waiver?

The four scenarios in which CCC is not needed are defined by CNCA. In these cases [...]. According to the CNCA Notice #47 there are four provisions that can satisfy the requirements to [...].

- Can you describe the steps of the exemption process and the timeframe?

Under the provisions [...] there is an online registration and approval system. If everything goes smoothly and if everything completed is complete and correct, the process typically would take 3-5 business days to issue an exemption.

- As an applicant, should I wait until my exemption is approved before shipping a product to China, or should I go ahead and ship my product while the exemption is being processed? What is your advice?

One of three documents is needed to process the exemption: a shipping document, a contract between buyer and seller, or [...]. So my suggestion is that the earlier the application is made the better. Companies should calculate the time when the shipment is delivered so that the time goods are kept at port can be minimized.

- If one product is not listed in the catalogue, but it has components listed in the catalogue, are the components eligible for exemption? For example, GPS equipment as part of construction equipment.

Exemption eligibility is not determined on the basis of the product, but on the basis of the application. If the GPS will be used on its own, then it would need CCC. However, if it is going to be incorporated into a larger piece of equipment such as construction equipment that is not on the catalogue, then it can be exempted.

- In most cases, the question of exemption is pretty clear based on the CNCA guidance, but there are some unique situations where this can be more difficult to decipher. In these cases, where can companies turn to gain clarification?

Companies should consult with the relevant DCB and if that fails, companies can approach CNCA directly. If companies follow this guidance, there is no room for gray areas. One other point, for products on the catalog must get CCC approval but there is an option to get [low volume exemption?] by sending a product to the local CIQ lab [...]. Three components: CCC in general; exemptions and waivers; low volume exemptions.

- Some U.S. companies have no local connections, partners or dealers who can handle exemptions and waivers on their behalf. In this case, these companies have a challenge using the online system in Chinese – do you have any suggestions?

We have encountered this problem. For six of the eight scenarios of exemption, the applicant must be a local body. For the other two (No.5 and 6) (goods for commercial display or marketing services), the companies should ask their local distributor, trade show or whoever they are working with to assist them.

- Regarding jurisdiction over exemptions. For example, If something is exempted by the Beijing authority, and the products be used outside Beijing?

That depends on which of the eight scenarios are used for the exemption. Under CNCA's requirements, the principle jurisdiction applies for the benefit of follow-up inspections even if there was an exemption based on import. We require the applicant to secure exemption approvals for their product in the region where the final use will take place. [...]

SESSION FOUR

Helping industry better understand/verify whether their products are covered by the CCC and whether their products are eligible for an exemption

- [ANSI] Do companies have to use a local DCB in their region or can they select any DCB they wish to use?

85% of CCC certifications are conducted by CQC, and 15% to the other DCBs. In most cases there are two or more DCBs that can undertake the work, so if there is a back log, in most cases a manufacturer can select which DCB they wish to use. One thing to note, though, is that the DCBs do not do lab testing, but they rely on CIQ and other organizations to do the testing. For each testing scope, there are at least eight labs that manufacturers can choose from.

For example, for auto parts it would be CQC and China certification centre for automotive products. Fire control products should be certificated in the CCCF. And tires could be certificated in CQC and Beijing Zhonghua Combination Certification Co.,Ltd.

- Factory inspection, who are the inspectors that come to the factories? Are they employees of the DCB?

In China, the factory inspectors must meet qualifications before they can conduct factory inspections. They must register with CCCAA. After they obtain the qualifications, the certification bodies would hire the inspectors (e.g. code 23 for motor vehicles). Under CNCA's requirements, while the DCB has the authority to select the inspectors, they must make sure that they have no linkages with the company. The DCB will make a random selection from the pool of qualified inspectors

- Regarding documentation for factory inspection,

First, before the CB and factory inspectors conduct work, they promise not to disclose information to a third party. [...]. The factory inspection is primarily intended to look at the company's quality assurance capability. Different companies across different industries have different ways of ensuring quality control. Also, some companies conduct testing in-house, while others go to a third party. These differences dictate the type of documentation that is required.