



Implementing Partners



How to Enter Chinese Market

March 24, 2015,
Ljubljana



- EU SME Centre Services
- Overview of Opportunities
- Challenges with Focus on Legal Aspect
- Market Entry with focus on Food and Beverage



EU SME Center in China

A project financed by the European Union



Get Ready for China!

The EU SME Centre is an EU Commission funded project which helps EU SMEs prepare to do business in China by providing them with a range of information, advice, training and support services.

The Centre was established in October 2010 and will run until July 2018.



The Centre delivers its services primarily through three Service Centres and its Advocacy Platform.

Knowledge Centre

- Starter Kit
- Sector reports and Technical (Legal and Market Access) Guidelines
- Service Providers, Exhibitions, and Law Databases
- Infographics

Advice Centre

- Ask questions through 'ask-the-expert' function on Centre's website
- Questions answered within seven days
- Available to users registered on website only

Training Centre

- General Training workshops
- Technical and Capacity Building trainings
- Webinars

Advocacy Platform

- Inter Chambers SME Working Group
- Policy Exchange Meetings in the EU

Other Support Services

- Hot-desking
- Business Seminars
- B2B Matchmaking



Checking contracts and other legal documents

- Advice on **structure and content of major contracts** related to investment and exporting to China (including sales\purchase contract, service, lease and employment contracts, contract with agent etc.
- Advice on other **legal documents** including articles of association, joint venture contract, memorandum of understanding etc.



Market access – standards, labelling

- **Customs procedure** for import of goods
- **Standards requirements** for products to be imported to China
- **China compulsory certification mark** and on what types of product it applies to
- Products **labelling** requirements
- China **Entry-Exit Inspection and Quarantine Administration** requirements



Partner verification

- Based on documents provided by a client (such as business licence, organisational code, legal representative ID) **verify information about a Chinese company** using various sources and public databases
- Analyse gathered information and provide independent opinion as one of sources for client's business decision



Distributor/agent search

- Research on potential distributor\agent covering
 - **management and financial stability**
 - **product and service knowledge** including experience in handling the client's products
 - **knowledge of the local market**

What to Expect in 2015?

Knowledge Centre

5 new reports & 15 updates

Topics: wine, dairy, textiles & apparel, automotive, medical devices, smart cities, ICT, F&B, managing shops online, online payment, investing in China's free trade zones and 2nd/3rd tier cities.

Advice Centre

4 new Technical Solutions

Contracts checking, partner verification, distributor/agent search, market access guidance

Training Centre

Technical – Exporting, Setting Up, Attracting OFDI

Capacity – Skills for General Managers in China

Business development 35%

- **Looking for Chinese partners (26%)**
- **Market information (18%)**
- **Import tariffs (14%)**

Legal 35 %

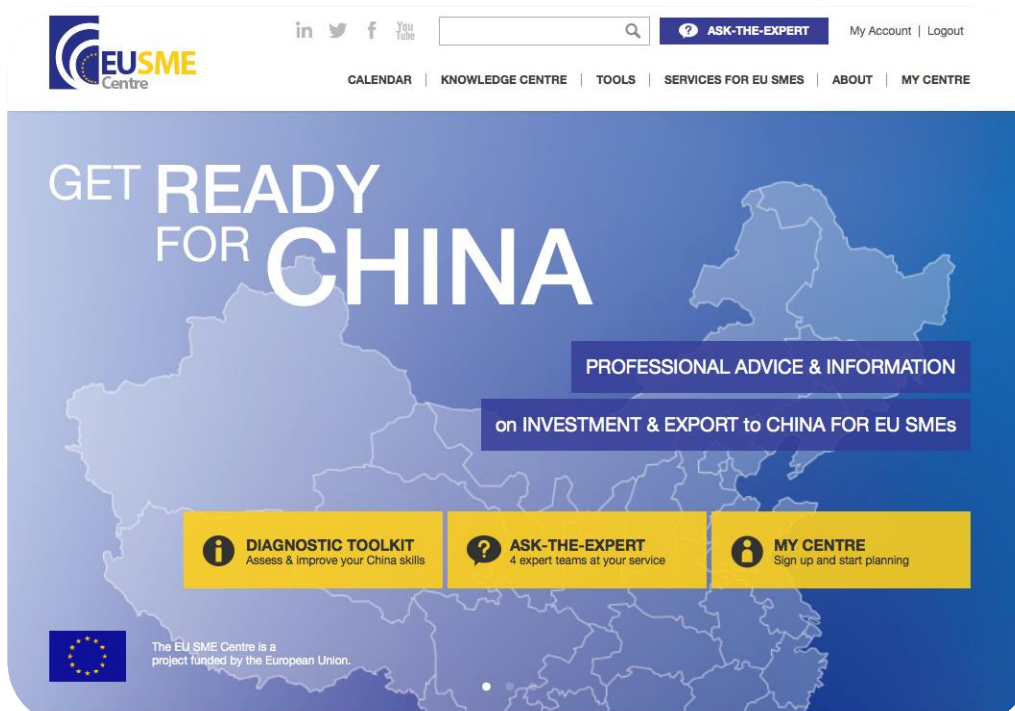
- **Due diligence (25%)**
- **Ways to enter the market (22%)**
- **Trade related advice (14%)**

Standards 25%

- **Customs clearance (19%)**
- **Wine standard (14%)**
- **Textile standard (12%)**

HR & Training 5%

- **Salary (40%)**
 - **Termination (18%)**
 - **Recruitment (12%)**
-



The screenshot shows the EUSME Centre website homepage. At the top left is the EUSME Centre logo. To its right are social media icons for LinkedIn, Twitter, Facebook, and YouTube, followed by a search bar and a button labeled 'ASK-THE-EXPERT'. Further right are links for 'My Account' and 'Logout'. Below this is a navigation menu with links for 'CALENDAR', 'KNOWLEDGE CENTRE', 'TOOLS', 'SERVICES FOR EU SMES', 'ABOUT', and 'MY CENTRE'. The main content area features a large blue banner with the text 'GET READY FOR CHINA' and a map of Europe. Below the banner, there are three yellow boxes: 'DIAGNOSTIC TOOLKIT' (Assess & improve your China skills), 'ASK-THE-EXPERT' (4 expert teams at your service), and 'MY CENTRE' (Sign up and start planning). At the bottom left, there is a small European Union flag and the text 'The EUSME Centre is a project funded by the European Union.'

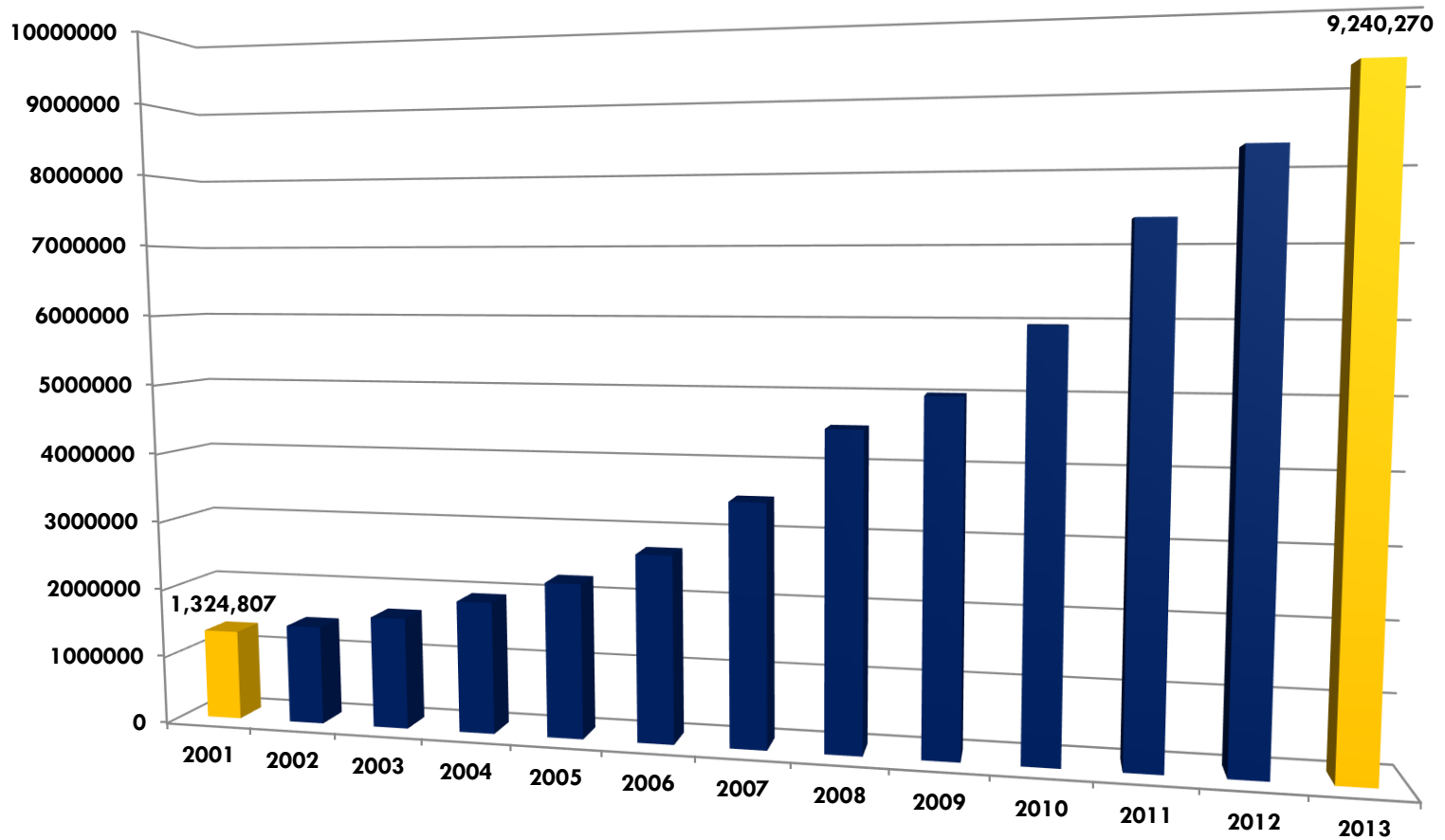
- All services available to users once they **register** on the website

www.eusmecentre.org.cn

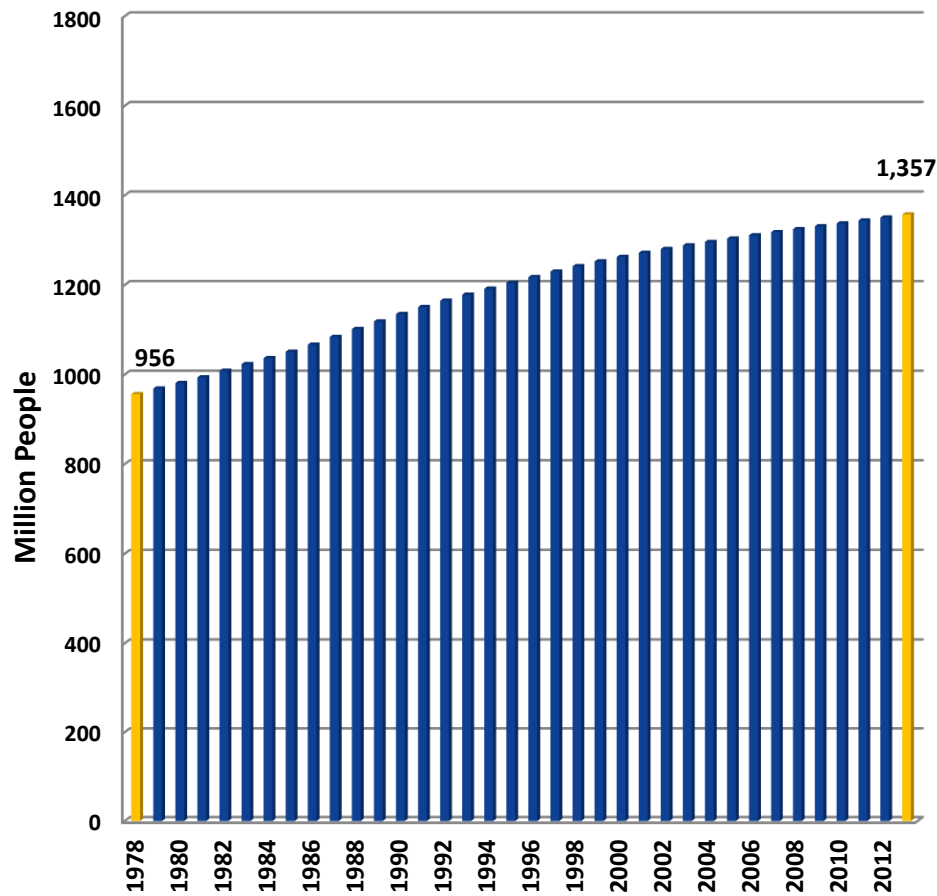


2. Opportunities in Chinese market

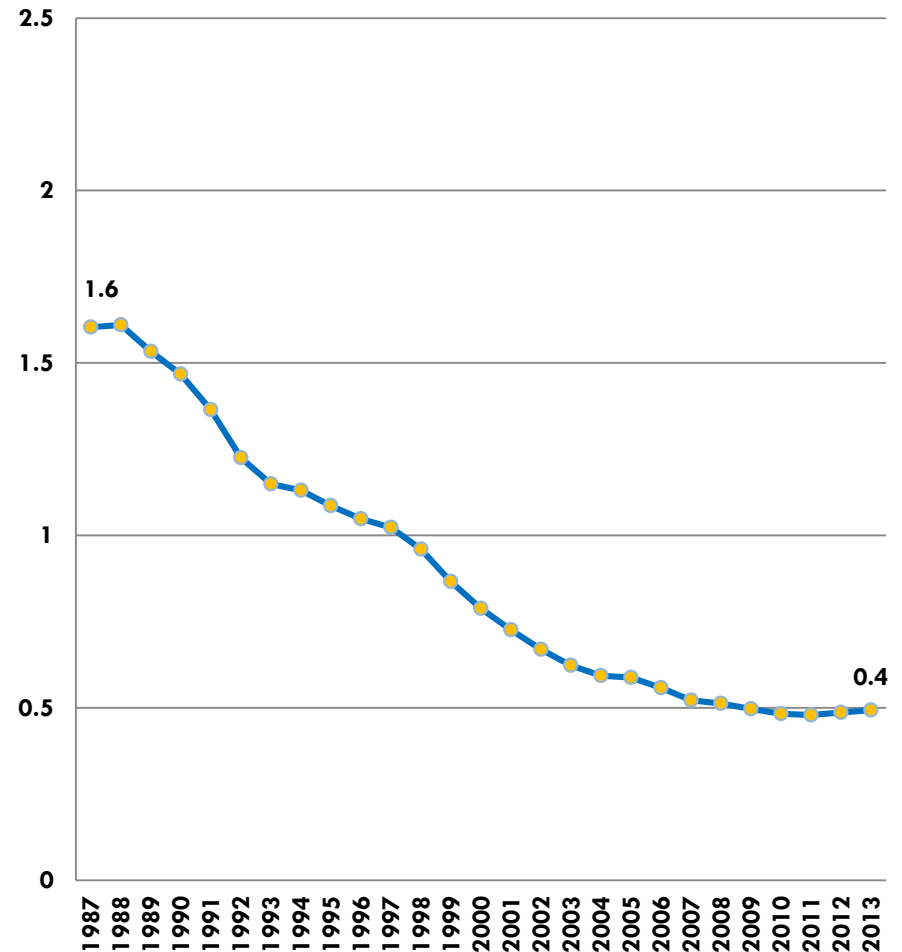
China GDP Growth (2001-2013)



China Population



China Population Growth Rate (%)



Rebalancing of the
Economy

Increase
Consumption

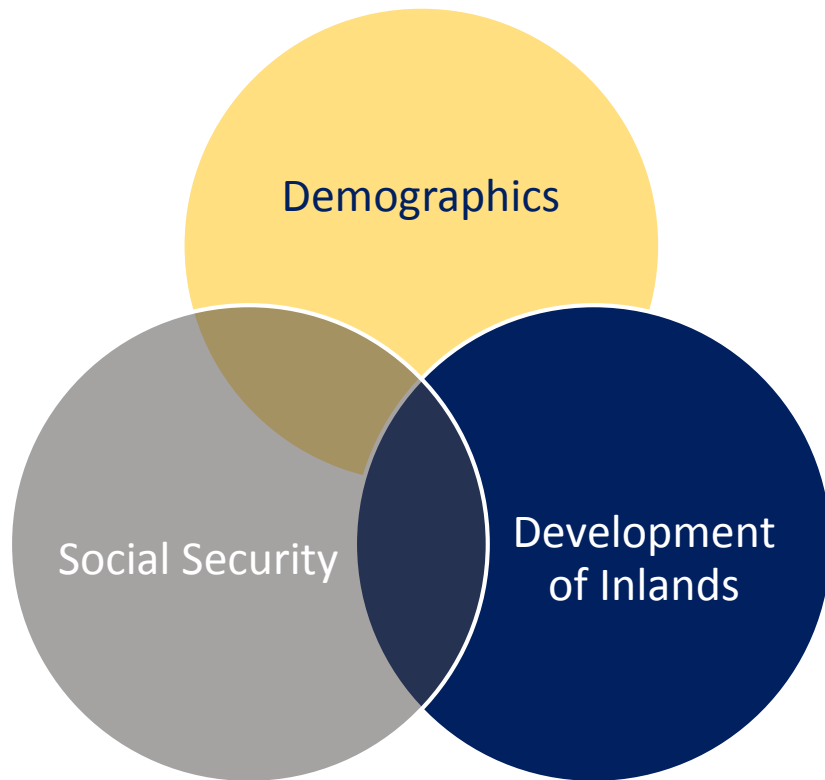
Development of
the Inlands

Social Safety Net

Environmental
Sustainability

Demographics

Market Sectors Where the Opportunities Lay



Healthcare



Construction



Green Building

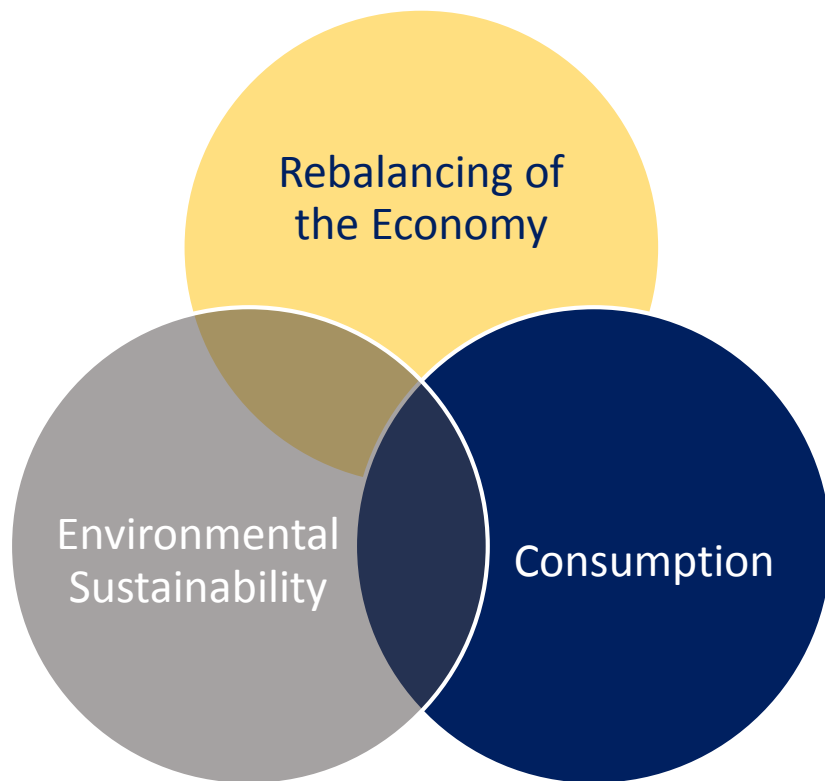


F&B



E/M Commerce

Market Sectors Where the Opportunities Lay



Service Sector



ICT



Green Tech



Water

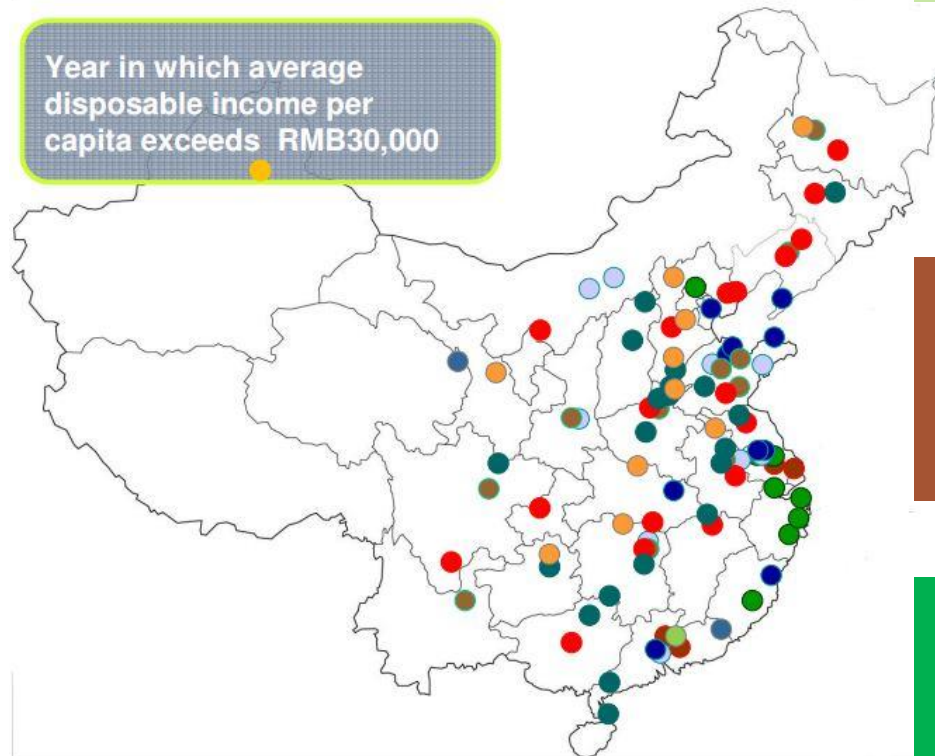


E/M Commerce



F&B

Year in which average disposable income per capita exceeds RMB30,000



2009
Dongguan

2012
Baotou
Changsha
Changzhou
Hohhot
Jinan
Maanshan
Qingdao
Xi'an
Zhuhai

2014
Chengdu
Daqing
Hefei
Kunming
Linyi
Shenyang
Tai'an
Weifang
Xianyang
Zhengzhou
Zhuzhou

2010
Guangzhou
Shenzhen
Shanghai
Suzhou

2013
Dalian
Dongying
Fuzhou
Tianjin
Wuhan
Yangzhou
Yantai
Zhenjiang
Zhongzhan
Zibo

2011
Beijing
Hangzhou
Nanjing
Ningbo
Taizhou
Wenzhou
Wuxi
Xiamen

2015
Anshan
Changchun
Chongqing
Fushun
Harbin
Huainan
Luoyang
Nanchang
Nanning
Panzhuhua
Qinhuangdao
Shijiazhuang
Tangshan
Wuhu
Xiangtan
Yueyang
Yinchuan
Zaozhuang
...

Source: "Front and Center, Growing prospects for emerging cities in China", The Economist Intelligence Unit

1995 first edition, revised 6 times, last update
2015

Two catalogues at the moment

- ▣ General
- ▣ Central and Western Regions – special advantages to encourage investment

Categories

- Prohibited
- Restricted
- Encouraged
- Permitted

Method of control

- Wholly Foreign Owned
Entreprise or Joint Venture
– (majority\minority)
- Special permits
- Easiness of set up and
running business

	2011	Draft
Finance companies, trust companies and money brokers	Restricted	Permitted
Beverage Manufacturing	Restricted	Permitted
Processing of green teas and specialty teas using traditional Chinese processes (famous tea, black tea)	Prohibited	Permitted
Cinema Chain companies Operation of golf courses and villas	Prohibited	Permitted
Production of certain selected medicine products such as vaccines included in the state immunization programme, blood products	Restricted	Permitted

	2011	Draft
Development of large tracts of land	Restricted (JV)	Permitted
Construction and operation of high-end hotels, high end office buildings and international conference centers	Restricted	Permitted
Direct sale, mail order and online sale (distribution)	Restricted	Permitted
Distribution of audio and video products (excluding motion pictures)	Restricted (JV)	Permitted

- Encouraged industries
 - ▣ More than half of existing industries could be now operated **by WOFE** comparing to 2011 Catalogue
 - ▣ Eg. Construction and operation of rail transit such as city metro, design and manufacture of transportation equipment such as aircraft engines and engine parts and components, airborne equipment for civil aviation and yachts

- Shift from Restricted to Permitted: 79 to 35

- Catalogue is main document, but there are other regulations issued by sector supervising authorities



Entering the Chinese Market Challenges

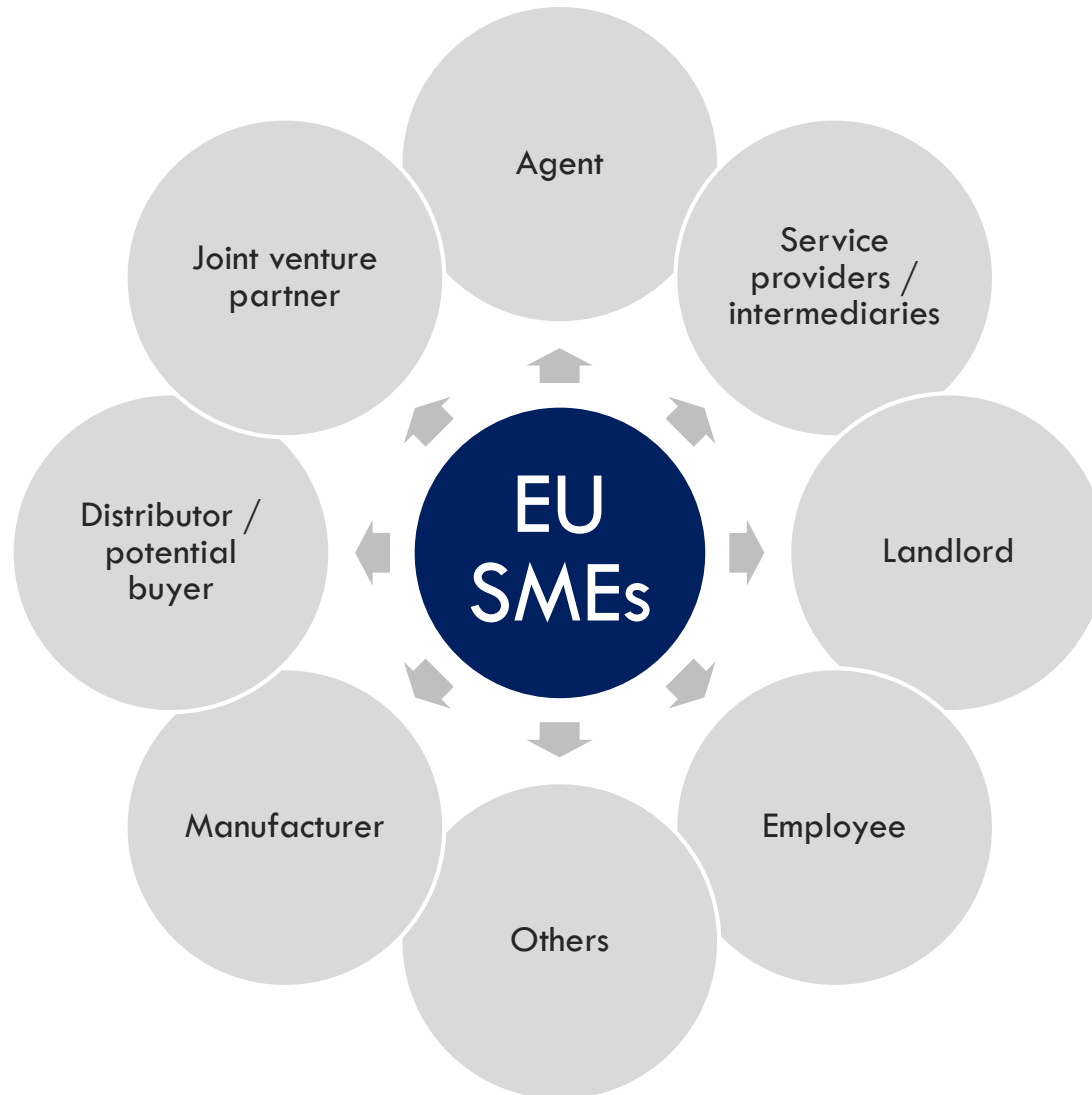
Entering the Chinese Market Challenges

EU SME Centre Business Service Survey 2014	EUCCC Business Confidence Survey 2014	German Chamber Business Confidence Survey 2013	French Chamber Business Climate Survey 2013	CBBC Business Climate Survey 2012
Language and culture	Chinese economic slowdown	Raising labour costs	Chinese economic slowdown	Labour shortages
Attracting and retaining talent	Raising labour costs	Finding qualified staff	Raising labour costs	Bureaucracy
Market access barriers	Attracting and retaining talent	Retaining qualified staff	Skill staff shortage	Increased Chinese competition
Ambiguous rules and regulations	Market access barriers	Bureaucracy	Delinquent payments from customers	Increased Chinese protectionism
Financing	Ambiguous rules and regulations	Corruption	Global economic slowdown	Rising labour costs



Business partner

Types of key business partners



Fake companies

A potential partner may not exist at all

Parasite companies

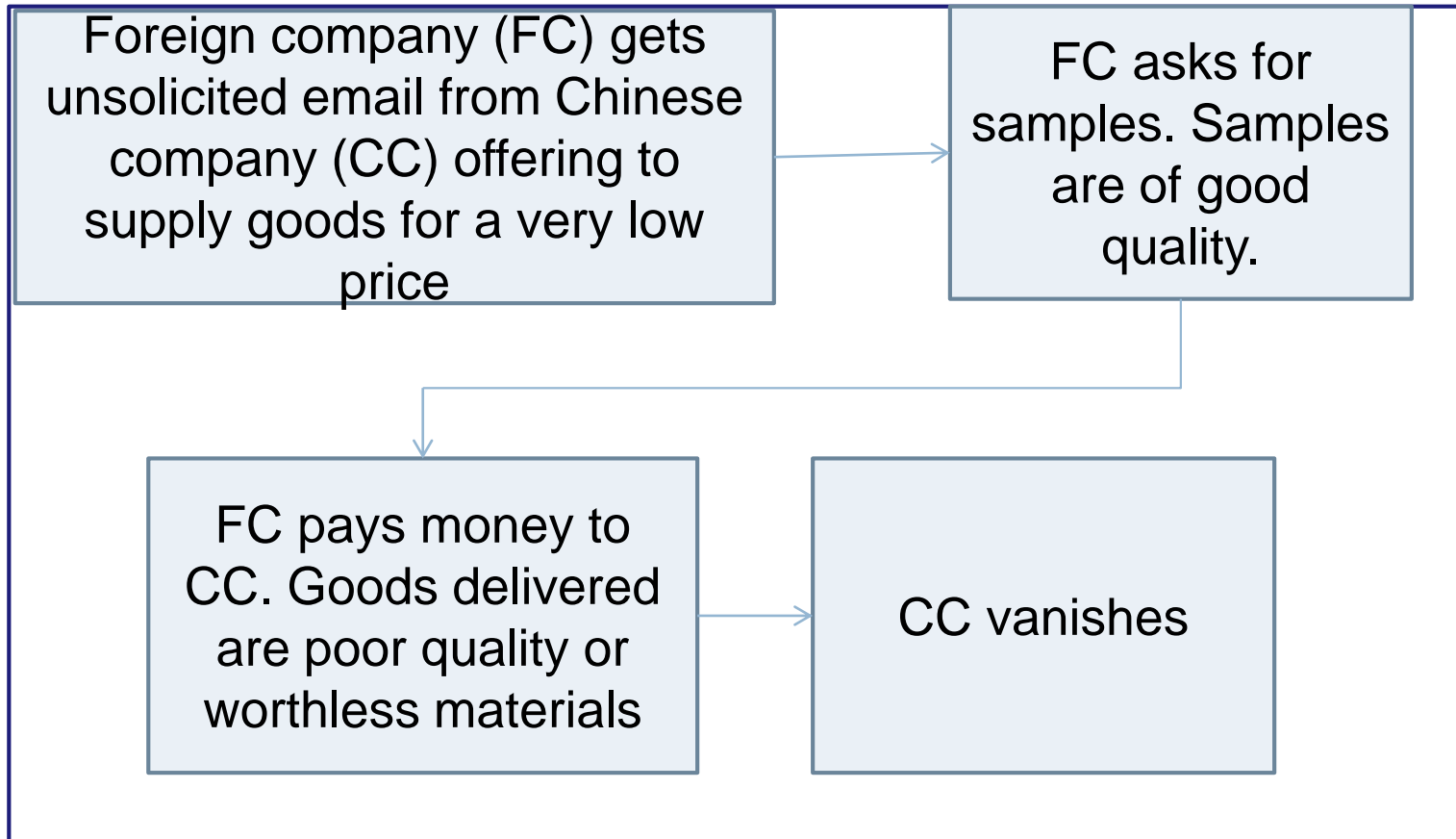
A potential partner may rely too heavily on its relationship with local government officials. This may mean the company is operating in a legal grey area and vulnerable to changes in government personnel

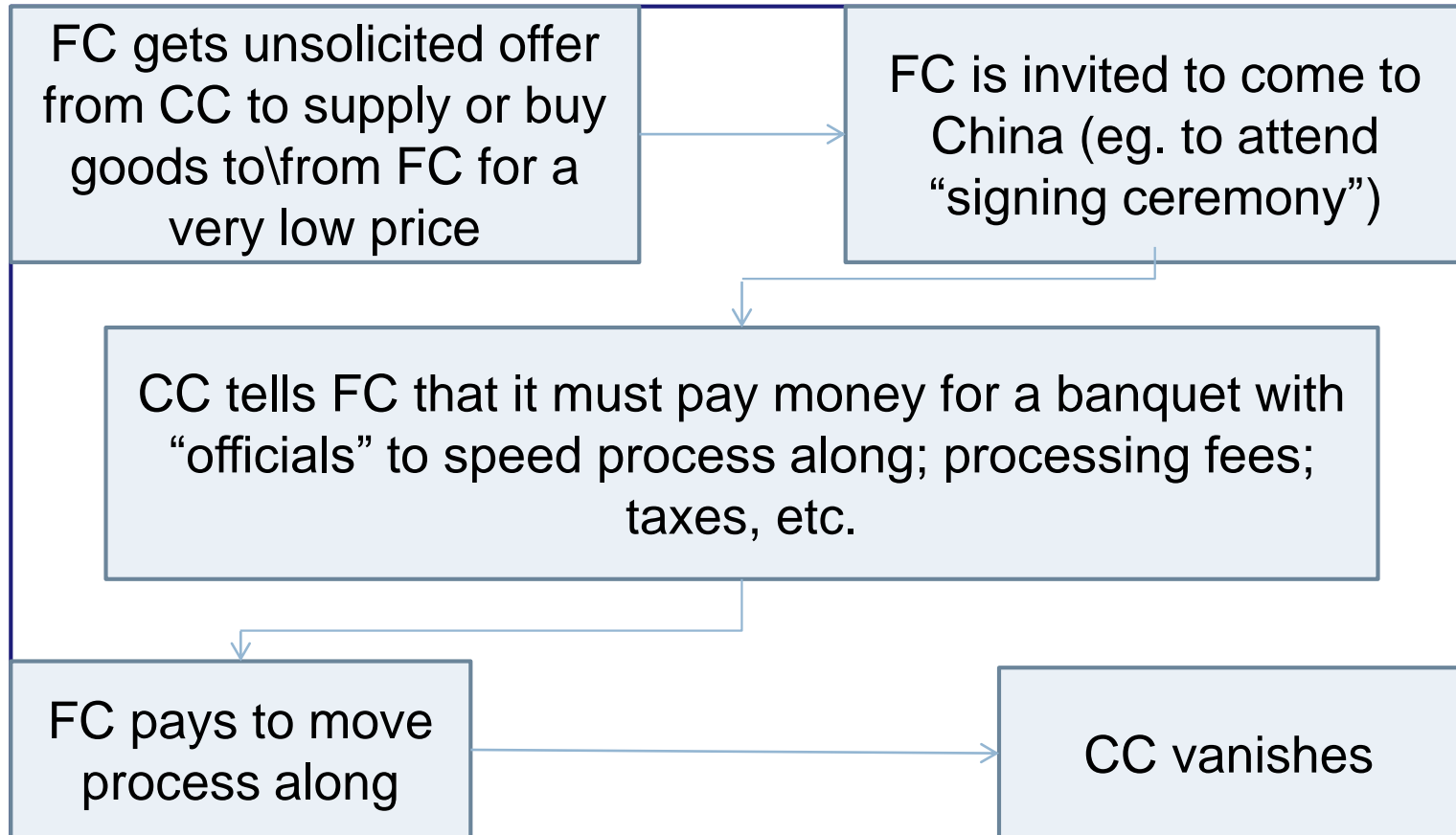
Paper tigers

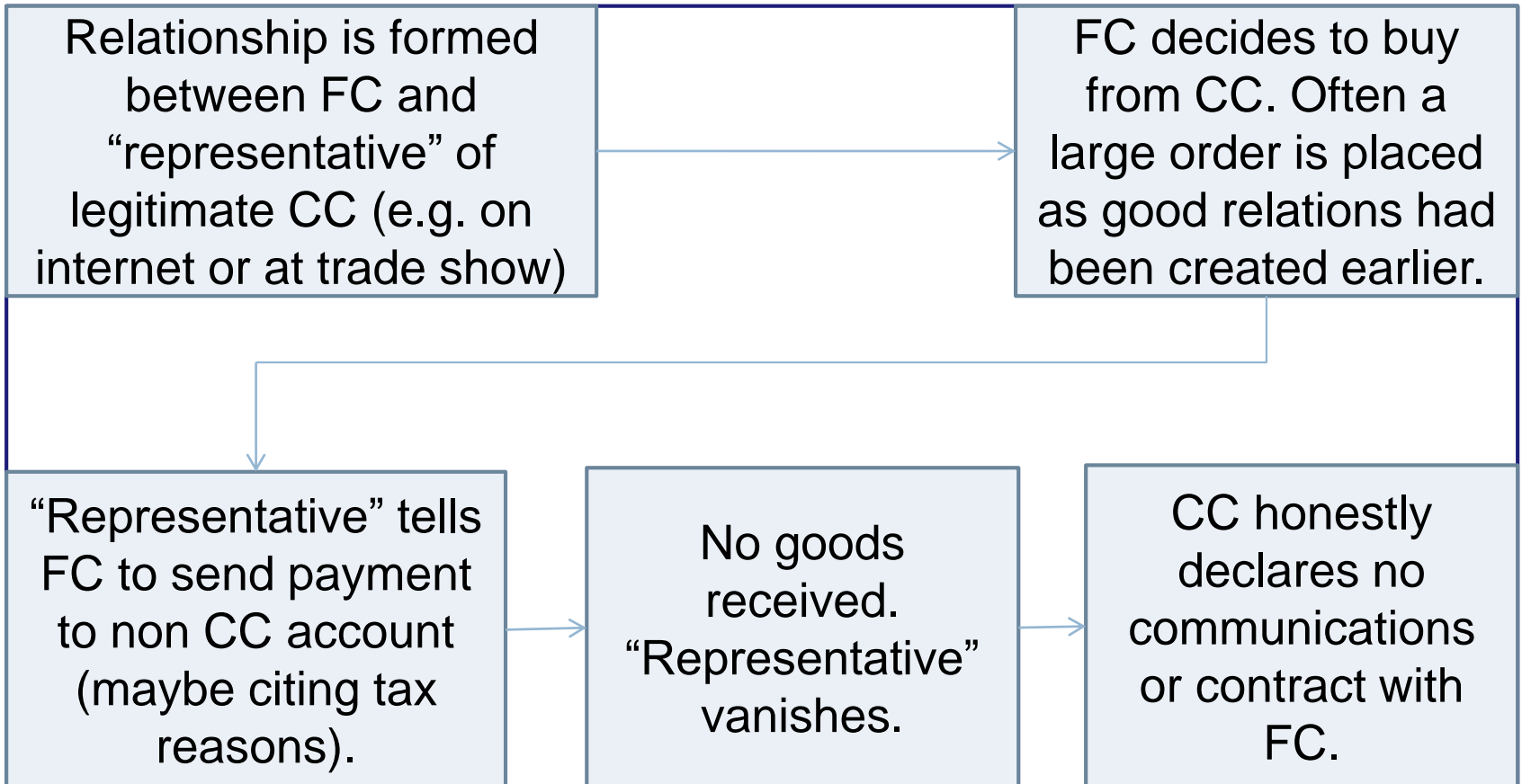
A potential partner may promote itself as a leading company in its industry but is in fact an imposter

Shell companies

A potential partner may possess all the required registration information but no significant assets or active business records







- Business licence
- Legal representative
- Company stamps

Companies in China are registered under their **Chinese name written in Chinese characters**

- 中文名字 - full Chinese name
- 北京市，朝阳区，麦子店西街5号，盛福大厦910，邮编100012 - complete address in Chinese characters
- 王兰 - legal representative's name in Chinese characters
- Authorised representative's name, ID number
- Business licence number
- Fixed line phone number

Always ask for a duplicate business licence with affixed company stamp

企业法人营业执照

(副 本)

注册号

副本编号: 3-1

名 称
住 所

法定代表人姓名

林一中

注 册 资 本
实 收 资 本

壹仟伍佰万圆整

壹仟伍佰万圆整

公 司 类 型

有限责任公司(自然人投资或控股)

经 营 范 围

七彩片、云母粉、珠光颜料、涂料、铜金粉、铝银浆、夜光粉生产、销售。(以上经营范围涉及许可经营项目的,应在取得有关部门的许可后方可经营)

成 立 日 期

二〇〇二年十二月二十五日

营 业 期 限

自 二〇〇二年十二月二十五日
至 二〇一二年十二月二十四日

须 知

1. 《企业法人营业执照》是企业法人资格和合法经营的凭证。
2. 《企业法人营业执照》分为正本和副本,正本和副本具有同等法律效力。
3. 《企业法人营业执照》正本应当置于住所的醒目位置。
4. 《企业法人营业执照》不得伪造、涂改、出租、出借、转让。
5. 登记事项发生变化,应当向公司登记机关申请变更登记,换领《企业法人营业执照》。
6. 每年三月一日至六月三十日,应当参加年度检验。
7. 《企业法人营业执照》被吊销后,不得开展与清算无关的经营活动。
8. 办理注销登记,应当交回《企业法人营业执照》正本和副本。
9. 《企业法人营业执照》丢失或者毁坏的,应当在公司登记机关指定的报刊上声明作废,申请补领。

年度检验情况

			
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二〇〇八年九月一日

Business Licence for Corporation Legal Person

Registered No.:	4xxxxxxxxxxxxx2
Name:	Yong He Consulting Service Co., Ltd.
Address:	Unit 2-8, 10/F xx Building, Fuhua Road, Haidian District, Guangzhou, Guangdong
Legal Representative:	Lao Wang
Registered Capital:	RMB 2,000,000
Paid-up Capital:	RMB 2,000,000
Type of Incorporation:	Limited liability company
Scope of Business:	Commercial consultancy and corporate management consultancy; services such information settlement, Information and business process, sub-contracting as system application management and maintenance, technology support and management, financial software development
Term of Business:	January 18, 2007 to January 18, 2057
Date of Establishment:	January 18, 2007
Passed 2012 Annual Inspection	Date of issuance: August 10 2011
	Registrar: Guangdong Administration for Industry&Commerce (Seal)

- **Without a business licence**
 - you have no idea whom you are dealing with and you cannot verify anything
- **With a business licence**
 - Either it is an authentic one or it is fake\stolen one
 - In both cases it is a piece of “information” and you can verify it against
 - official online register of companies or
 - call and investigate directly with company itself or with third parties

Signed by Authorised Person

- Get to know who is the legal representative of the company
 - Chinese name on business licence
- Ask for position of authorised person within the company
- Meet the person or at least suggest a video call
- Ask for written authorisation letter signed by legal representative with affixed company stamp
- Verify with a third person
- Ask for ID copy

- Equals to signature
- Know what the right stamp looks like
- Chinese name on the stamp must be SAME as on
 - business licence and as
 - in the identification of the Parties at the beginning of the contract

Mainland China company stamps



Hong Kong stamps examples



For and on behalf of
PROFIT SAMPLE LIMITED
盈大樣本有限公司

.....
Authorized Signature(s)

- Visit **company's premises** – go a few times, sometimes unannounced
 - Organisation
 - Cleanliness
 - Employee conditions
 - Location
- Visit the distribution network
- **Talk with employees** and pay attention whether they understand their business
- **Talk to** suppliers, neighbours, competitors
- Check if it is a member of any official association and contact the association for reference

- **Bank account** – is the name **same** as in the **contract**? Is the account number same in all **invoices**?
- Websites?
- Fixed phone line? Try call a few times.
- Use Skype to have visual contact
- Email address company one or is it @163.com, @yahoo.com?
- Communication style, contact person is it changing?

What to do when things go wrong

- Both Parties intend/intended to fulfil the contract
 - regular contract and regular commercial dispute
- One Party planned fraud
 - Contract is not valid from the very beginning since good faith is missing
 - Liability exists
 - Unjustified enrichment
 - Criminal liability

- Contact person cannot be contacted anymore
- Contracting party does not exist at all – name is made up, business licence is stolen, faked
- No goods are provided, or something of a minimum value so the scam is obvious
- Payment to the account which does not belong to the company on the contract\licence
- Samples of goods are asked but not followed by promised large purchase
- Administration fees are asked to pay without any legal basis
- Others

- **Collect information about**
 - Contact person (pictures, phone numbers, addresses)
 - Companies involved
 - Make English\Chinese summary of your case including loss calculation and all evidence you can submit
 - Consider hiring external assistance*
- **Report to competent authorities**
 - Administration of Industry and Commerce – administrative offence
 - Public security bureau – criminal offence
 - If evidence is sufficient and damage substantial - file a lawsuit at local court

- Delay in delivery
- Delay in payment, partial payment
- Quality of products
- Increase of price
- Impossibility to fulfil contract at all

- Identification of business partner normally does not make substantial problems
- Challenge is to recover the loss
- Negotiation first
 - Get some discount, another product
 - Chinese companies do not like disputes
 - Will not go without personal presence

When friendly negotiation fails

- Calculate your loss
- Compare it with costs for dispute settlement
 - Arbitration/court fee
 - Lawyers (mostly covered by you even if you win)
 - Notarisation, translation, travelling...
- Ask law firm to send “legal letter”
- Investigate whether there are any assets available for future enforcement

Where Dispute Will Be Settled?

- Depends on what you said in your contract
- If nothing said then the court of
 - place of defendant residence or
 - place where the contract was\should be performed are usually competent
- It is always helpful to include dispute settlement clause into your contract

- Less flexible and may take longer (appeal is possible)
- Opt for litigation in China
 - most foreign court awards are not enforceable in China
 - If defendant is a Chinese person\company it is more likely they have assets in China – important for enforcement

Recommended option

- Arbitration awards are enforceable in China
- Flexible
- Arbitrators are used to decide commercial cases with foreign element
- Can choose international (Hong Kong, Singapore, Stockholm, any other country which is party to NY Convention) or Chinese arbitration (e.g., CIETAC in Beijing) commission

Stipulate clearly **in the contract**

- Arbitration body
- Matters for arbitration
- Language
- Place
- Set up of the arbitration tribunal

- Ideally bilingual
 - Translated\drafted by lawyer
- When both versions are equally binding
 - Chinese court will look at Chinese version primarily
- When English version prevails
 - Chinese court will engage official translator

- Conclude a valid contract is neither difficult nor time consuming
- Crucial is to verify your business partner
- Level of your protection will depend on what evidence you can submit

- Why papers? I have guanxi
- It is “China”, it is different, you have to accept their rules
- Go via Hong Kong
- If you do not give exclusivity, partner will not cooperate
with you

- You do not need a contract, it will be breached anyhow
- You cannot win at Chinese court
- If you can choose, opt for your national law
-and your national court
- Do not need to spend money for local advice

Food and Beverage

- 1. EU Foodstuffs Exports to China – General Overview**
- 2. Process Map from the Origin to China**
- 3. Steps to Export to China**
- 4. Rules and Regulations**

Top 10 EU Foodstuffs and Beverages Exported to China

Product	Total EU Exports (Million Dollars)	Leading Country
Spirits	881	France
Meat	413	Denmark
<i>Pork meat</i>	<i>33.17%</i>	
<i>Meat offals</i>	<i>17.38%</i>	
<i>Rest of meat products</i>	<i>49.45%</i>	
Wine	708	France
Pastries	570	Holland
Fish	419	Holland
Dairies	264	France
<i>Milk and cream</i>	<i>54%</i>	
<i>Lactoserums</i>	<i>18.35%</i>	
<i>Rest of dairy products</i>	<i>27.65%</i>	
Olive oil	110	Spain
Cocoa	175	Italy
Sugar	46	Germany
Livestock (horses)	26	Holland

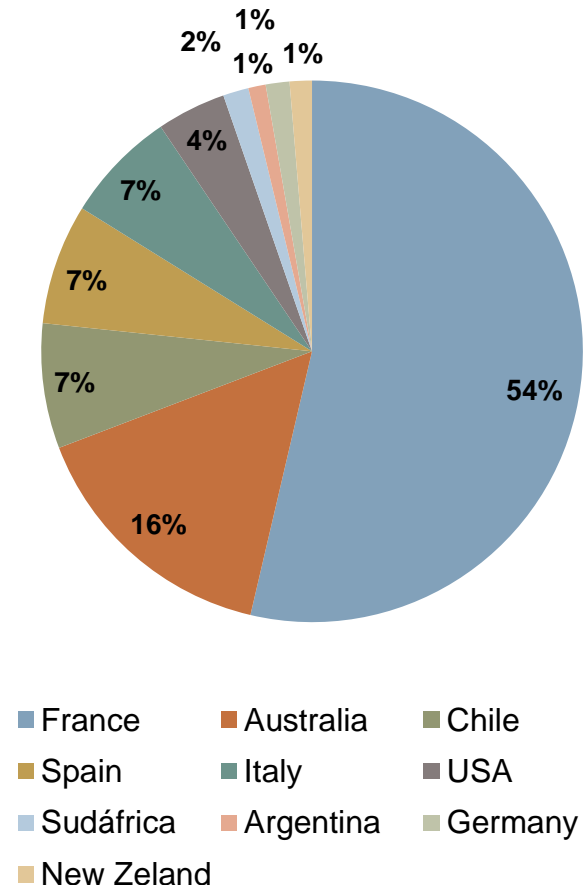


Wine

- France main wine exporter
- Fast growing sales and market share for the EU after the signing of standards
- Other main exporter countries are Australia, Chile, USA and South Africa

Export Country	Million Dollars		
	2011	2012	2013
Worldwide	1,437,573	1,580,362	1,554,972
France	746,524	787,361	708,168
Australia	216,271	227,242	236,289
Chile	103,833	147,795	166,839
Spain	100,060	112,030	107,062
Italy	93,352	96,230	105,288
USA	57,450	70,986	79,216
Sudáfrica	21,259	22,477	24,357
Argentina	14,438	18,508	23,158
Germany	19,721	17,565	20,526
New Zeland	18,454	23,704	20,097

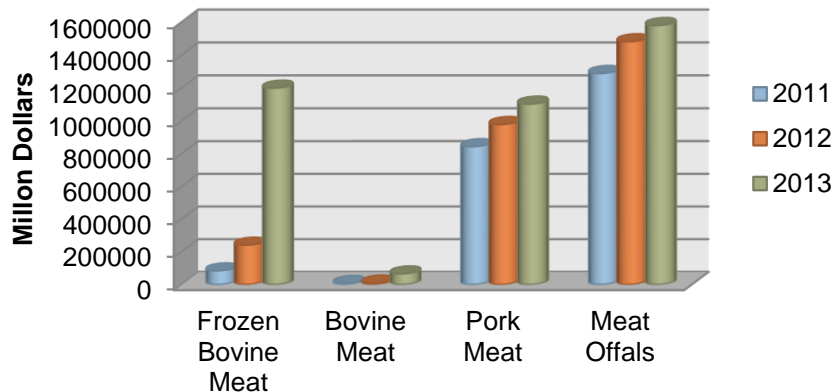
1,554,972 Million Dollars



Meat

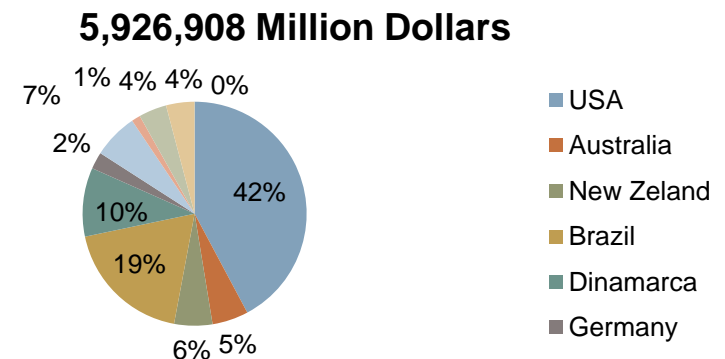
- USA main meat exporter
- Fast growing sales and market share for the EU after the signing of standards
- Parts least demanded in Europe

Meat Products



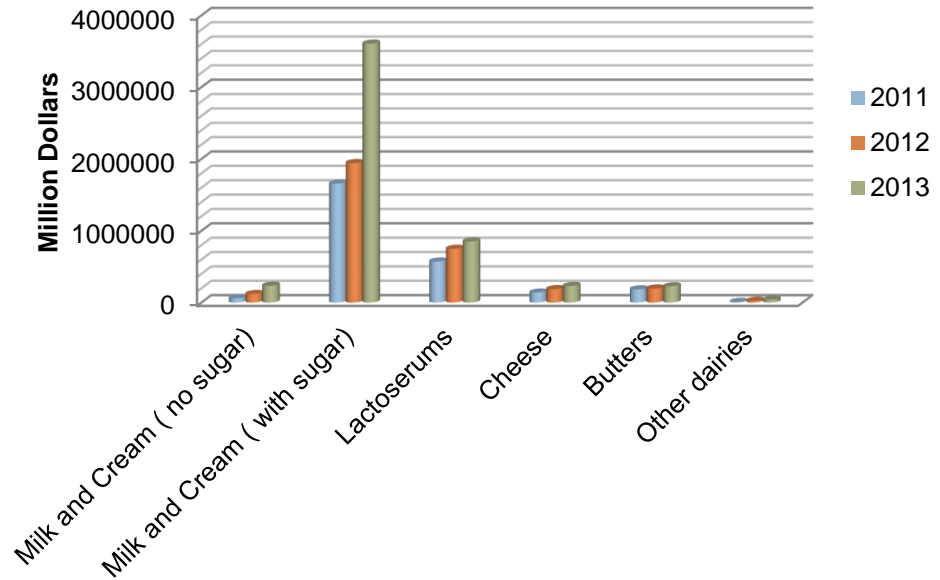
Export Country	Million Dollars		
	2011	2012	2013
Worldwide	3,405,881	4,106,091	5,926,908
USA	1,357,173	1,340,567	1,176,992
Australia	168,035	300,794	1,131,244
New Zeland	177,253	297,667	716,216
Brazil	603,783	593,795	490,367
Denmark	319,463	363,844	413,591
Germany	78,473	287,395	410,269
Canadá	209,035	251,551	377,942
Uruguay	41,109	67,186	331,580
Spain	129,536	187,081	218,844
France	131,864	129,734	193,531
Poland	158	31,122	141,198

Source: China Customs



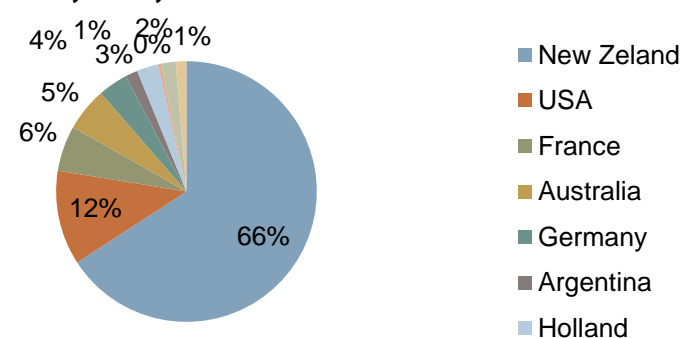
Dairy Products

- Important growth
- Difficult to access but with an image of competitive advantage
- Facing upcoming regulations



Export Country	Million Dollars		
	2011	2012	2013
Worldwide	2,658,344	3,254,484	5,244,621
New Zeland	1,647,246	2,036,578	3,299,218
USA	293,746	314,530	545,025
France	141,158	203,766	264,430
Australia	135,274	141,205	231,516
Germany	91,754	144,793	205,343
Argentina	38,700	63,354	118,163
Holland	66,904	75,495	112,439
Uruguay	9,459	10,700	64,987
Ireland	45,253	45,879	64,229
Finland	32,927	51,591	58,473

5,244,621 Million Dollars














Fruit & Vegetables

- Fragmented market but important growth
- United Kingdom is the main vegetable exporter
- Sweden is the main fruit exporter

Export Country (Vegetables)	Million Dollars	Million Dollars	Million Dollars
	2011	2012	2013
Worldwide	1,823,773	2,407,766	2,548,539
Tailand	957,773	1,248,244	1,446,961
Canadá	280,488	274,320	409,827
Vietnam	402,743	526,027	341,905
India	78,357	217,132	196,459
USA	30,259	31,378	48,496
Indonesia	27,855	9,227	28,066
Pakistán	3,588	42,895	18,850
Burma	17,567	21,772	17,021
Camboya	0	5,343	12,846
New Zeland	2,782	7,048	6,760
North Korea	2,779	4,226	5,831
UK	3,163	3,254	5,711

Export Country (Fruit)	Million Dollars	Million Dollars	Million Dollars
	2011	2012	2013
Worldwide	3,034,858	3,803,386	4,088,034
Tailand	748,863	1,056,358	1,292,304
Chile	452,449	597,409	627,583
Vietnam	421,555	526,548	608,202
USA	500,714	533,017	457,394
Filipinas	408,680	327,310	333,183
New Zeland	65,023	118,644	110,813
Perú	44,659	68,760	99,848
Southáfrica	41,574	66,070	91,677
Australia	18,795	47,007	73,101
Taiwán	24,525	28,973	47,963
North Korea	27,392	19,122	32,417
Sweden	27,562	24,542	27,096



-  **Wine DNP**
-  **Olive oil DNP**
-  **Coffee & tea DNP**
-  **Sweets DNP**
-  **Pastries DNP**
-  **Liquor DNP***
-  **Fish EBA**
-  **Dairies DNP***
-  **Fruit & vegetables NP**
-  **Meat NP***
-  **Livestock NP****

Legend:

DNP: Doesn't need a protocol

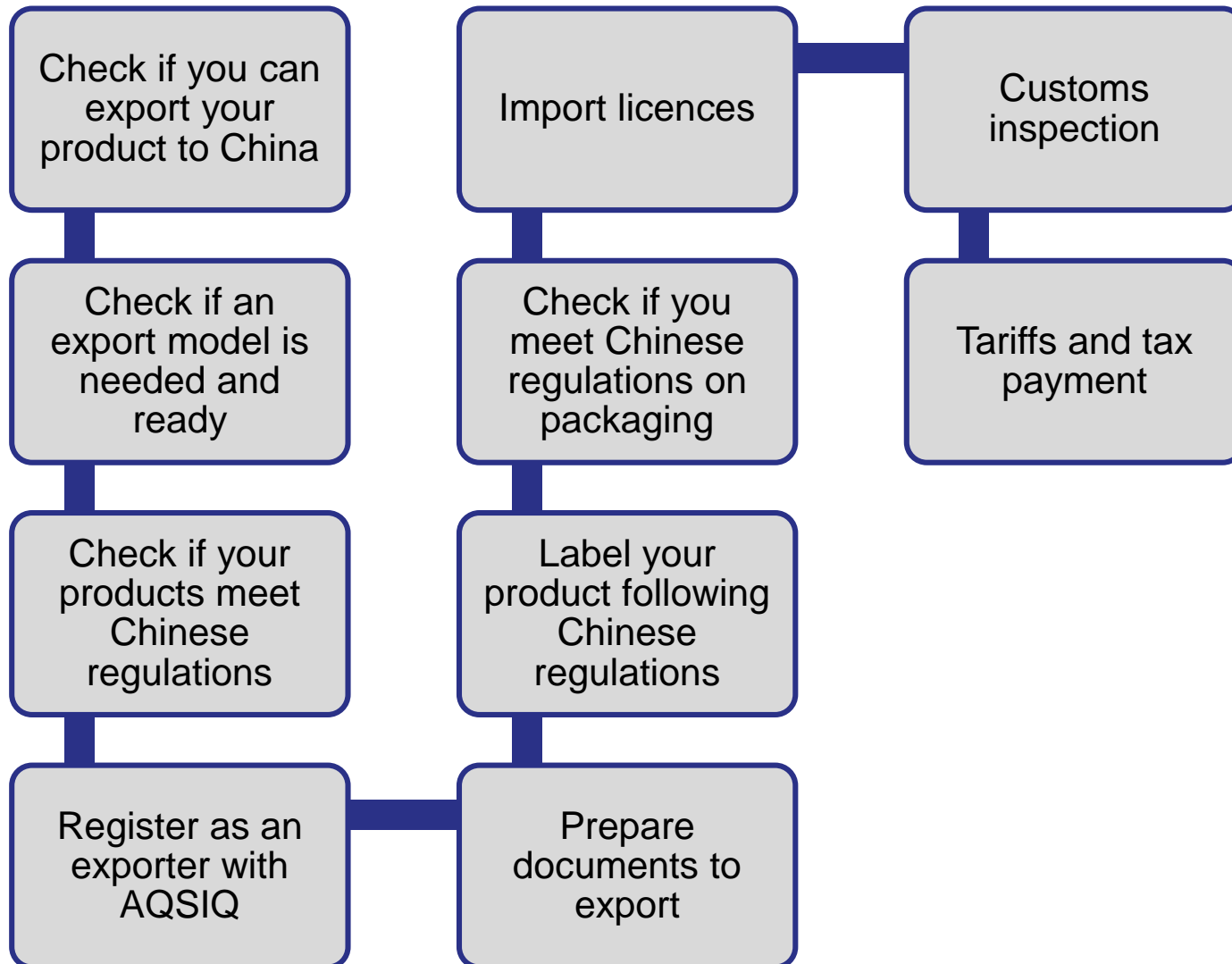
NP: Needs a protocol

EBA: Easy bilateral agreement

*: Has a special license or export certificate

**:
Needs a protocol and needs to stay in quarantine

Products are in order from the least easy (Livestock) to the easiest (wine)



Step 1: Check if You can Export Your Product to China

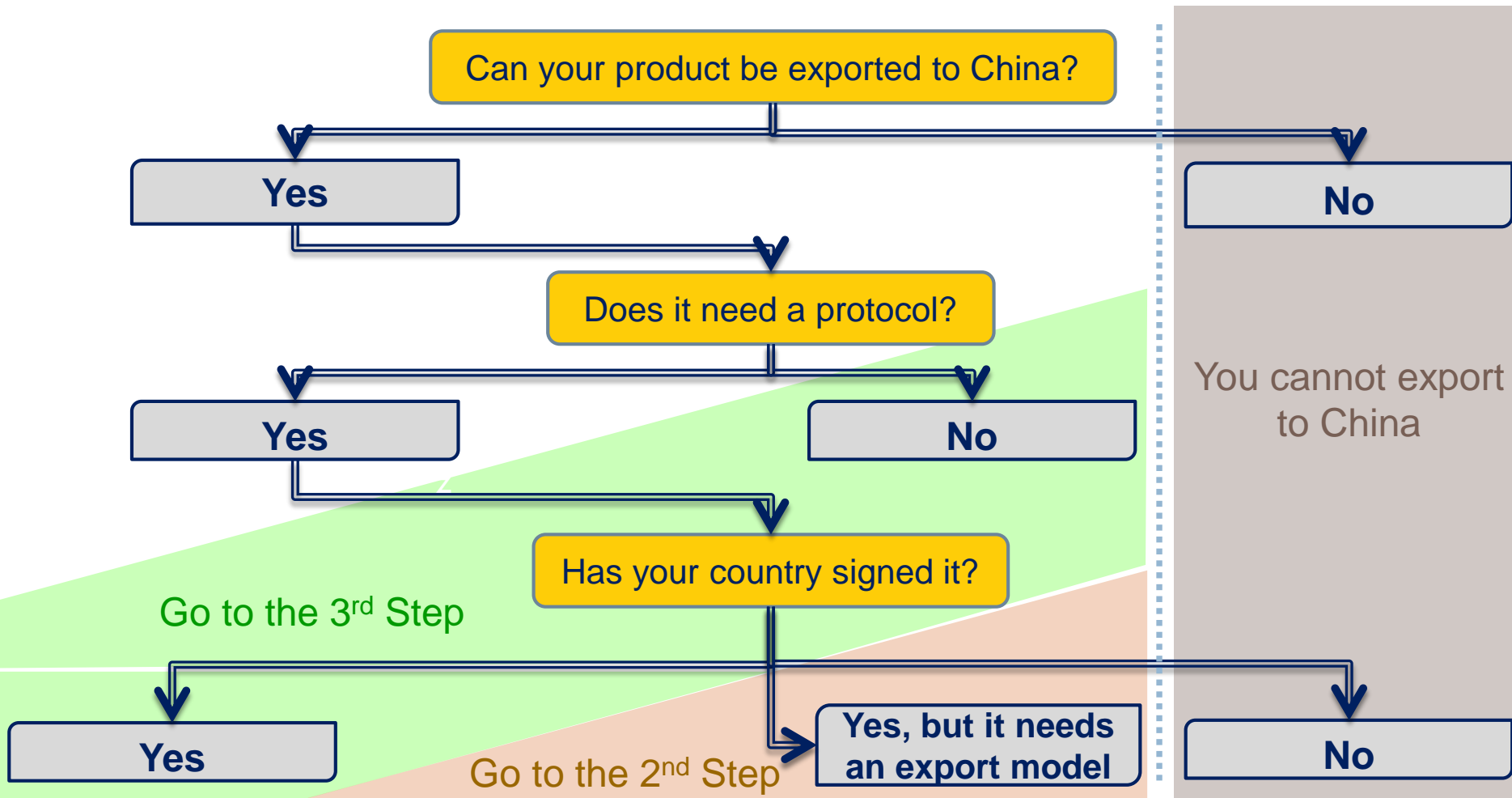
Regarding import of goods, China establishes 3 product categories:

1. Allowed (wine or chocolate)
2. Restricted (rice or corn)
3. Prohibited (poisons or drugs)

Goods that belong to the first two categories are imported into China by two procedures:

- Meeting the general requirements established by the Chinese government, such as labelling, additives, quality, etc. e.g. wine, olive oil, sweets
- Signing of bilateral protocol between export country and China. Requirements are specified. e.g. meat, livestock, fruits, vegetables
- Also consider export models and special licenses.

Step 1: Check if You can Export Your Product to China



Step 1: Check if You can Export Your Product to China

Can your product be exported to China?

Does it need a protocol?

- Check some relevant links from the Chinese Authorities (see next slide).
- Get support from a Chinese speaking person who can ask the Chinese Authorities
- Ask the expert

Has your country signed it?

Is the export model prepared?

- Check some relevant links from the Chinese Authorities.
- Ask the economic department or trade office of your embassy.

Step 1: Check if You can Export Your Product to China

Application to the AQSIQ indicating product info

AQSIQ sends back questionnaire to perform risk assessment (ARI)

After receiving questionnaire, AQSIQ assembles a group of specialists to begin ARI process. May send expert group to check the facilities

When ARI is completed, AQSIQ may send draft to be discussed by both parties

If agreement, protocol is signed including all requirements

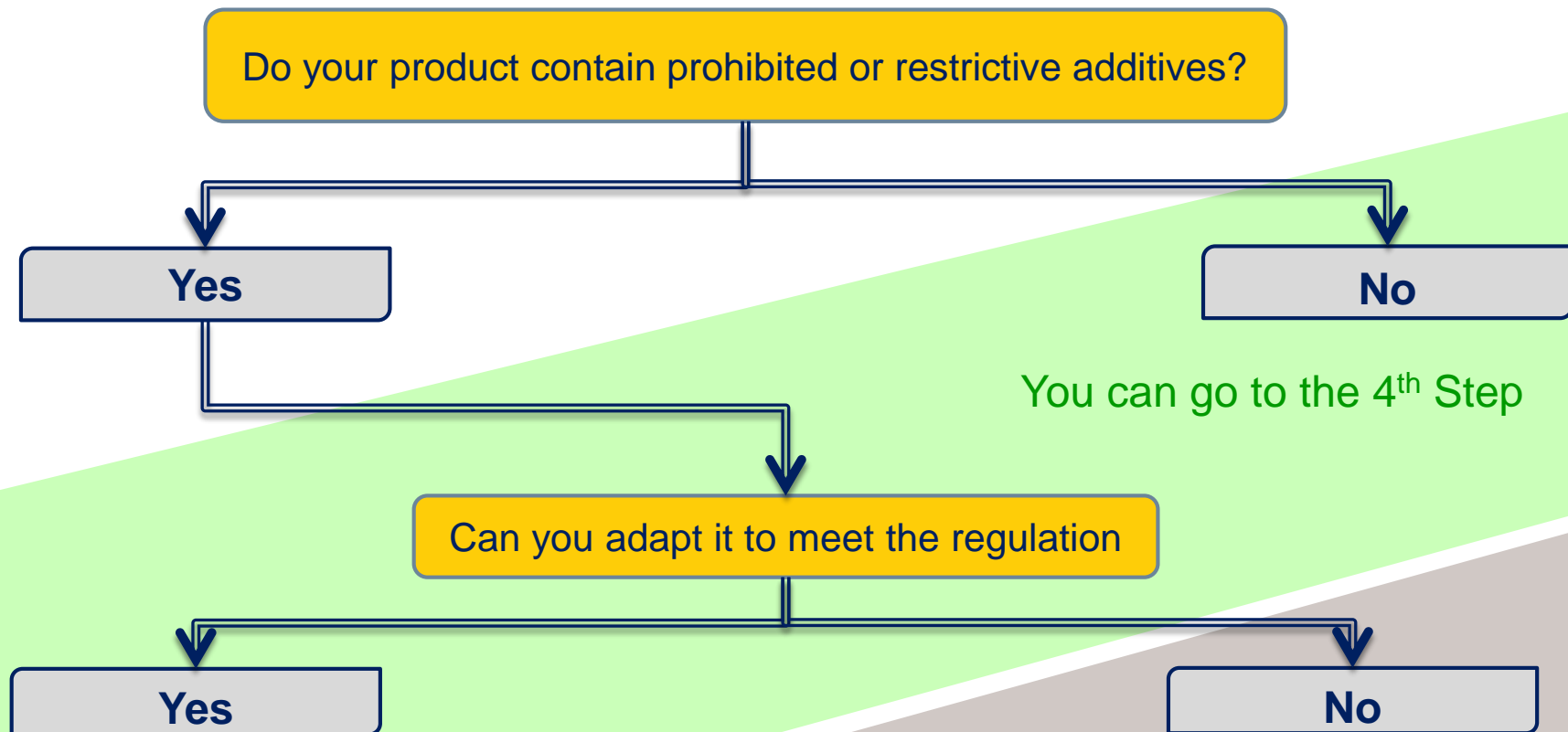
Negotiation of the export certificate



Step 2: Check if an Export Model is Needed and Ready

- It is a Special Health Certificate issued by the Local Authority in Origin (f.e., a veterinary).
- It is needed every time we want to export.
- Identifies the exporter and the products with their origin.
- It is different for each country and product. Even the same product has a different model in a different country.

Step 3: Check if Your Products Meet Chinese Regulations



You can go to the 4th Step

You cannot export to China

Step 4: Register as an Exporter at AQSIQ

- Click the following link (It has an English version):
<http://ire.eciq.cn/>
- Click in “Initial Registration” and fill the form with your company information.
- Once completed, click in “Commit” (submit).
- You will receive a system message with the filling and query number. These two numbers are used to login, in order to record change, cancel your registration, enquiries, etc.
- When exporting, make sure you have include your importer information in the system (log in and add it).

Step 5: Prepare Documents to Export

General documents for all the products exported to China

- Commercial invoice
- Packing List
- Bill of lading
- Commodity inspection certificate
- Phytosanitary certificate

+

Some specific documents depending on the product

- Check them on Market Access DB
- Ask the expert (see examples next slide)

PROPER LABELLING

VERY IMPORTANT!

Step 5: Prepare Documents to Export

Some examples of specific documents to export, on top of the general

Wine 220421	Swine Meat 02032110	Citrus 080510
Registration of Foreign Exporters of Foodstuffs	Registration of Foreign Exporters of Foodstuffs	Registration of Foreign Exporters of Foodstuffs
Commodity Inspection	Automatic Import Licence	Permit to Import Live Animals and Plants Subjects to Quarantine
Certificate of Analysis	Permit to import Endangered Species and Products Thereof Quarantine	Commodity Inspection Certificate
	Commodity Inspection Certificate	Phytosanitary Certificate
	Veterinary Health Certificate for Animal Products	

Step 6: Label Your Product Following Chinese Regulations

- Government has set up labelling standards to be met by any foodstuffs imported into China.

Examples

- **GB 7718-2011**: enumerates the required items displayed on the label in general
- **GB 10344-2005**: specific to alcoholic drinks
- **GB 15037-2006**: specific to wines

Step 6: Label Your Product Following Chinese Regulations

GB 7718-2011

In general, any foodstuffs must include on its label the following information, in Chinese language:

- Name of the product
- List of ingredients
- Net content
- Name and address of the exporter
- Name and address of the distributor
- Issue and expiration date
- Minimum height of characters

Step 6: Label Your Product Following Chinese Regulations

GB 15037-2006

Specific information regarding wine labelling

- Name and type of wine
- Alcohol percentage
- Bottling date (YY/MM/DD)
- Country of origin
- Sugar content (grams per litre)
- Expiration date (those with an alcohol percentage above 10% are exempted)
- According to the GB2760-2011 (Food Additives Standard), labels must also include the names and quantities of all additives that are present in the wine, not excluded or voluntary in the labelling of the wine standard 15037-2006.
- Regarding wine there are also phytosanitary requirements involving SO₂. There is a maximum level of residual SO₂ of 400 mg/l for sweet wines and 250 mg/l for the rest.

Step 7: Check If You Meet Chinese Regulations on Packaging

- Make sure your pallet supplier provides you with a type of pallet meeting Chinese regulations.

END OF THE PROCESS IN ORIGIN

**NEXT STEPS ARE USUALLY
CARRIED OUT BY THE IMPORTER**

Step 8: Import Documents and Licences

- **Customs import declaration.**
- **General foodstuffs importer license:** it is the counterpart of the exporter license and it's done by the same means, it just an online registration.
- **Specific import license:** some products require the importer to be approved and have a specific import license for that product
- **Specific permission for import operation:** in addition to the previous, a permission for each import operation can be asked in Chinese Customs, only for specific products.

Step 9: Customs Inspection

Once your products have arrived at the Chinese Customs, different kinds of inspections will take place.

- Labeling inspection. If the labelling has some mistake or missing information the shipment will remain in customs until is relabeld with the problem solved. In this case, ask for help from your importer.
- Quarantine. It is not needed for all the products.
- Quality inspection.

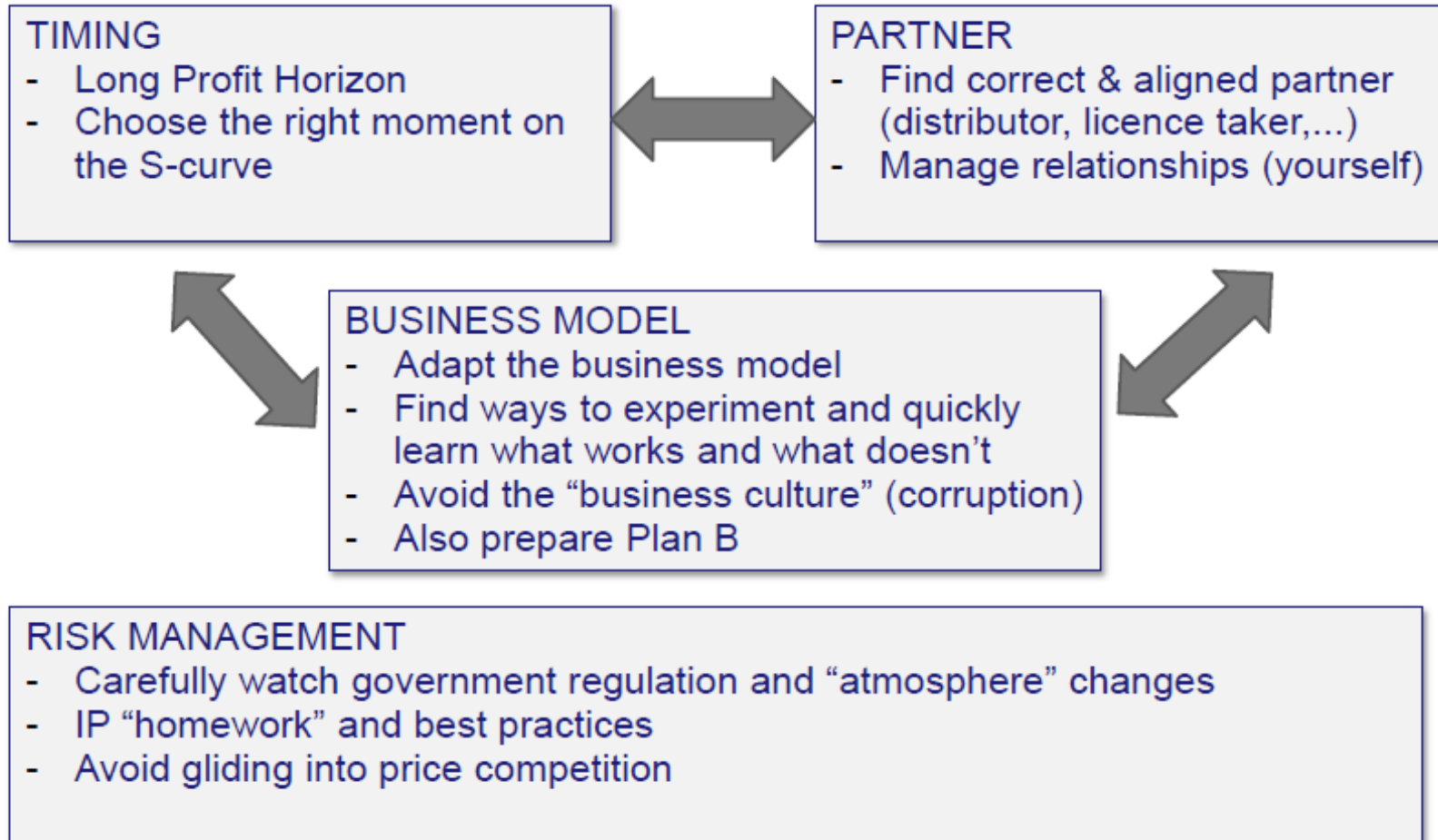
Step 10: Tariffs and Tax Payment

After the Customs Inspection is concluded, the import tariffs and taxes will be applied, first the Import Duties and then, VAT and Consumption Tax, if applicable.

You can check the Chinese tariffs on the following link (China Customs, only available in Chinese):



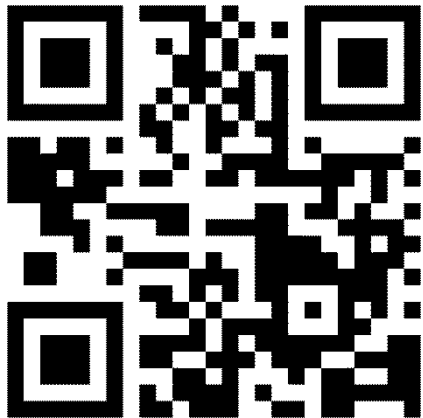
<http://www.customs.gov.cn/publish/portal0/tab9409/>





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