Current Management System of Online Cosmetics in China and Future Trend

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Overview of Main Regulations about Management of Cross-Border E-Commerce Trading


- 16 Oct 2015, Bonded Mode of Cross-Border E-Commerce Imported Food Safety Supervision and Administration Rules (AQSIQ, draft version)

Overview of Main Regulations about Management of Cross-Border E-Commerce Trading

15 Jun 2015, Management Measures on Cross-Border E-Commerce Inspection and Quarantine (Shanghai CIQ Notice, available on 15 Jun 2015)
1) Record-keeping of enterprises and cosmetic products, quarantine and verification, product review, risk monitoring and oversight are required for cross-border e-commerce.
2) Products included in negative list are not available for cross-border e-commerce.
3) Product name, brand name, HS code, size, country of origin, supplier name, etc required for the record-keeping of products before sale of retail goods via cross-border e-commerce.

16 Oct 2015, Bonded Mode of Cross-Border E-Commerce Imported Food Safety Supervision and Administration Rules (AQSIQ, draft version)
1) Article 6: Requirements for online bonded imported food:
   - Pre-market approval and safety assessment required for food supplement, genetically modified food, new food ingredient, food containing new food material or other foods without national food safety standard
2) Available to the supervision of cross-border imported cosmetics
3) The products delivered into China via international courier or mail are not included in the scope of these Detailed Rules

24 Nov 2015, Standards for Record-Keeping Management of Cross-border E-Commerce Operators and Products (AQSIQ Notice 137, available on 1 Jan 2016)
1) Qualification info requested for the record-keeping of products includes:
   - Certification of authentication, registration or record-keeping of products or enterprises
Case Study

Jiangsu FDA asked for instructions to CFDA regarding the solution of unapproved imported cosmetics sold by personal shopper on the third-party platform of e-commerce.

Details: The flagship store named “Fashion Koreatown” sold 328 cosmetics between Nov 2014 and Apr 2015. 234 products are approved by CFDA. But 94 products are not approved.

15 Oct 2015, CFDA published a Reply Letter to Jiangsu FDA regarding the applicable regulation for unapproved imported cosmetics sold through on-line transaction platform (personal shopper)
## CIRS Comments

### CFDA attitude on cross-border cosmetics

Pre-market approval required for cross-border cosmetics as well.

Possible reasons:
- It is unfair for the traditional channels.
- Undertaking more responsibilities of safety issue of cosmetics placed in China market compared with AQSIQ.

### AQSIQ attitude on cross-border cosmetics

Pre-market approval not required for cross-border cosmetics.

Possible reasons:
- Conducive to Chinese economic development
- The import of bonded online-shopping products only available to specific areas
- Cross-border cosmetics could not enter the physical stores for secondary sale.

### Future trend on cross-border cosmetics

According to AQSIQ Notice 137, pre-market approval of cosmetics will be optional for the record-keeping of cross-border cosmetics in port CIQ.

### Future trend on other online cosmetics

Pre-market approval required as well. CFDA will strengthen the supervision of online cosmetics.
Thank You!