



F09/22: Guidance for Cross-border E-commerce Trade to China

Food Products

22/03/2022

1 Application

- (1) This FYI provides guidance for those seeking to export food and animal products such as infant formula, bee products (including honey), health food, beverages, and other primary products via cross-border e-commerce channels (CBEC) to China.

2 Cross-border e-commerce (CBEC)

- (1) For this FYI, **CBEC** refers to selling or trading of goods direct to overseas consumers through online platforms or websites.

3 Meeting New Zealand requirements

- (1) Anyone intending to send food and other animal or primary products overseas via CBEC should be aware that New Zealand standards and regulations for export still apply, regardless of the quantity or volume of product intended to be exported through CBEC (including via postal, courier, and express freight channels).
- (2) New Zealand standards and regulations include Overseas Market Access Requirements (OMARs), MPI issued export certification (for sanitary and phytosanitary purposes), product labelling and other relevant requirements relating to the export of food and animal products.
- (3) Information on meeting New Zealand requirements for export is available on the [MPI website](#) or through contacting MPI's [Export Regulatory Advice Service](#).

4 What CBEC channels are recognised in China?

- (1) China recognises two import channels for CBEC, including:
 - a) The import of goods via a **bonded warehouse** in China. Through this channel, goods are shipped in bulk to China prior to being ordered or sold online, and temporarily stored in an approved warehouse within a designated zone specifically established for CBEC trade in China. The bulk goods are then broken down individually or selectively picked and packed for each online sale or order that comes in, and delivered direct-to-consumers from the bonded warehouse.
 - b) The import of goods through **direct shipment** to consumers in China. This is where goods are purchased online and sent directly to individual consumers via post, express freight, or courier. Under this model, goods are often stored in the country of production or overseas warehouses and delivered by international post, express freight, or courier services to customers directly after they make their order online.

5 What can be imported into China via CBEC?

- (1) China has developed a **CBEC retail import goods list** (also known as the '**positive**' list), which sets out the types of goods that are allowed imported into China via CBEC, including shelf-stable food and primary products. Only goods listed on the positive list are permitted to be imported via the two recognised CBEC channels to China.
- (2) The positive list also specifies the type of CBEC channel that can be used to import certain products. For example, trade in some products has been restricted to import through the bonded warehouse model. Where there is no CBEC channel specified for a product, it is assumed that products can be traded via bonded warehouse or direct shipment to consumers.
- (3) It is important to note that some food and primary products listed on the positive list may not have formal or negotiated access from New Zealand to China, therefore trade via CBEC in such products is at the commercial risk of the exporter.
- (4) China's Ministry of Finance publishes updates to the positive list. The **2019 positive list** was amended on 1 March 2022 through an **announcement** published on 21 February 2022. Further updates to the positive list for CBEC are likely, exporters are advised to liaise with an importer or in-market agent for up-to-date information. Updates to the list usually come into effect upon publication. There is not usually a transition period.
- (5) One of the most significant changes to the positive list from the 2022 update relates to bee products. In the 2019 list honey and other bee products could be sent via the bonded warehouse and direct to consumer channels. The 2022 update specifies that these products can no longer be sent direct to consumer and the only CBEC channel that can be used is the bonded warehouse channel.

6 What can't be imported into China via CBEC?

- (1) MPI understands that China's CBEC requirements do not exempt products from having to be listed in the General Administration of China Customs 'Catalogue of Foods that have been Assessed, Reviewed and have Traditional Trade' (the **GACC Food Catalogue**) or being granted quarantine approval if the product is considered by GACC to be a high food safety or animal health risk.
- (2) Listing on the GACC Food Catalogue is specific for each exporting country. Exporters can consider that each product listed on the GACC Food Catalogue is specified by GACC as requiring its assessment. Therefore, if a product is listed for another country but not for New Zealand, exports of that commodity from New Zealand are not eligible for import into China or sending via CBEC channels.
- (3) In addition, China maintains a **list of plant and animal products** that are prohibited from being carried in person or mailed into the country (also known as the '**negative**' list). The list includes animal and plant products known to have quarantine risks such as live animals; non-shelf stable products including fresh meat, dairy, seafood, and eggs; fresh fruit and vegetables; seeds; wool; animal-derived feed, and other primary products that may require sanitary and phytosanitary checks at the border. An unofficial translation of the prohibited list is [available here](#).
- (4) Products on the negative list are not permitted to be imported into China via CBEC in the form of direct shipment to consumers (including via postal, courier and express freight channels), or brought in as personal carry items when travelling to China. Personal carry is understood to mean any accompanied baggage or item being taken into China in person, such as carry-on or checked-in baggage for travel.
- (5) It is unclear whether products on the negative list can be imported into China via CBEC using the bonded warehouse model. Exporters are advised to liaise with an importer or in market agent for up-to-date information.
- (6) Goods that have approved access (including those on the negative list) can continue to be imported via conventional trade channels subject to the normal import rules and regulations. Once imported into China, such goods may be sold in-market through traditional retailers or online websites and e-commerce platforms.

7 How does China manage CBEC goods at the border?

- (1) Since 2016, China has issued several measures to facilitate border clearance of CBEC goods. Products imported via CBEC channels are considered to be for personal consumption, and are therefore subject to different import measures, clearance procedures and exemptions. For instance, goods are likely to be inspected on the basis that they are intended for personal use and therefore may not need to be accompanied by traditional import documentation (such as first time import permits or licenses).
- (2) Furthermore, China's State Council (the highest administrative body) has set directives to enable the growth of CBEC, through the establishment of specific areas or 'CBEC pilot zones', which have enabled local border authorities to apply different import measures and border clearance procedures to CBEC goods. It is important to note that border clearance procedures are likely to differ between each of the CBEC pilot zones.
- (3) China requires that there is a "responsible party" in China for all online purchases of products that are sourced using the bonded warehouse channel. The responsible party, which can be a company or individual trader, will be accountable to Chinese authorities for consumer complaints, product recall and other product quality or safety obligations. These parties in conjunction with the exporter are responsible for implementing a product information traceability system, which can at the minimum, trace each product back to the port of departure in New Zealand, and within New Zealand to the manufacturer and if possible the day of manufacture.
- (4) Exporters are advised to seek further guidance from an importer or in-market agent for information about China's CBEC pilot zones, and alternative import measures and border clearance procedures. Exporters should expect some confusion and conflicting advice during the implementation of the new requirements.

8 China's CBEC laws and regulations

- (1) Anyone seeking to trade food and animal products via CBEC to China should be aware of the relevant laws and regulations in China that pertain to such trade. These include:
 - a) **China's E-commerce Law**¹, which was passed on 31 August 2018 and effective from 1 January 2019. The law is aimed at strengthening regulations to facilitate CBEC trade, as well as protecting consumers online through stipulating obligations and responsibilities of e-commerce operators.
 - b) **Notice (No. 486) of the six departments on improving the supervision of CBEC imports**, came into force from 1 January 2019 with a transition period until 31 March 2019. The notice defines and sets out the responsibilities of various parties involved in CBEC trade, including overseas companies who own and sell products direct to Chinese consumers via CBEC (referred to as CBEC enterprises). In particular, the notice indicates that:
 - i) From 1 April 2019, all CBEC enterprises should be registered with GACC and China's State Administration of Market Regulation (SAMR) via a domestic Chinese entity. It is yet to be clear what exactly registration would look like or how it would be implemented.
 - ii) CBEC enterprises are responsible for notifying consumers, such as providing an online disclaimer (eg on the retail website) that products comply with requirements of the place of origin, which may be different to Chinese requirements, and that consumers bear the risk.
 - iii) Products directly sourced overseas do not need to have Chinese labels but consumers must be able to access the Chinese label information online (eg on the retail website).
 - iv) Products purchased should only be for end use and not for further sale.

¹ Unofficial translation available here: <https://www.izvoznookno.si/Dokumenti/E-commerce%20Law%20of%20the%20People%E2%80%99s%20Republic%20of%20China.pdf>

- c) **GAC Announcement (No. 194 of 2018) regulatory issues concerning cross-border e-commerce retail import and export commodities.** The announcement details border clearance related requirements for CBEC including those relating to inspection and quarantine.
 - d) **GAC Announcement (No. 219 of 2019) on matters relating to customs registration management of cross-border e-commerce enterprises.** The announcement provides further information on CBEC 31 March 2019.
- (2) Exporters should seek further advice and guidance from an importer or in-market agent on the laws and regulations pertaining to CBEC trade to China.

Contact for further information

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