

**Proposal for China Compulsory Product Certificate (CCC) Regulations draft  
to WTO TBT version  
EuropElectro Industry POSITION PAPER**

**4<sup>th</sup> August, 2008**

*Through the cooperation with ORGALIME<sup>1</sup>, EuropElectro is the voice of our Electrical and Electronics member companies from all over Europe in China.*

*EuropElectro creates and drives a network of people communicating in the field of technical legislation, standardization and certification. In these fields we build up an exchange of experiences between European electrical and electronics manufactures and Chinese authorities, administration and organizations. We aim for supporting China authorities to use of international ISO and IEC standards in the Chinese standardization system. Our goal is to facilitate the trade of electrotechnical and electronic products in regard to technical requirements.*

EuropElectro and its partners and member companies thank CNCA spend effort to explain legislation background of this regulation draft to EuropElectro and listen our questions. Herewith EuropElectro provides its comments on this regulation draft after we internal study it article by article. We comment this regulation draft from industry interest vies point of view, We believe will that our local China industry partners and China manufactures will also agree and benefit from the following our industry comments.

It will be great appreciate if China regulators will stand the principle of prop up and guide industry development to foster China economic development.

**The structure of the paper**

- 1. Introduction:**
- 2. The proposals on conformity assessment technology**
  - 2.1 Compulsory requirements of industry standards corresponding to the applicable products in Certification rule of CCC.**
  - 2.2 FIVE years validity of CCC certificate**
  - 2.3 Provisions on Revoked, Suspended or Withdrawn Certificate. We think that the product stood in market legally before the certificates have been revoked or suspended shall be allowed to sales and use. The punishment regulated in Article 50 shall be revising accordingly.**
  - 2.4 Undertake classified administration and effective follow-up inspections of the certified products and manufacturers.**
  - 2.5 Certificate alteration caused by quality management system is not necessary.**
  - 2.6 Provisions on the Use of Certification Mark**
- 3. Proposals on reference upper level law**
  - 3.1 To delete the 'seal up, detain the relevant contracts, notes, books and other materials' from the article.**
  - 3.2 Recall management in CCC regulations**

## 1. Introduction:

CCC regulator AQSIQ and CNCA notified the CCC regulation draft to WTO TBT for comments on 24<sup>th</sup> June 2008. There are 6 chapters with 59 articles in this regulation draft.

We have taken notice that in this regulation draft, there are some articles have been improved to be transparency of CCC operation, for example exemption management in article 41. Some industry interest get to be considered, for example, certificate alteration procedure caused by place change is made simple, and business confidentiality get respected.

We are still worried some other articles. They will cause our industry more additional great operation risk and unreasonable risk. We would like submitted following proposals on this CCC regulation draft.

In general, there are 7 proposals focus on 2 kinds area. There are 6 proposals related conformity assessment technology and 1 proposal related in reference upper level law.

## 2. The proposals on conformity assessment technology

### 2.1 Compulsory requirements of industry standards corresponding to the applicable products in Certification rule of CCC.

The 2<sup>nd</sup> clause of Article 9, in this new CCC regulation draft, in addition, 'industry standard' has been used as one of compliance requirements in implementation rules. Because the national standard (GB standard) has been notified to WTO TBT, but industry standard is still NOT notified to WOT TBT, We hope CNCA is aware that if there is any industry standard will be used in CCC, CNCA shall NOT approve CCC implementation rule to adopt the industry standard until the industry standard has been notified to WTO TBT.

### 2.2 FIVE years validity of CCC certificate

In general, CCC is compulsory. It should suppose that if the products are still positing in market, the products certificates holders have to maintain the certificate for long term valid. This validity of certificate will make our industry have additional risk of business operation and unreadable cost. From Industry view point, we don't support this FIVE years validity of CCC certificate.

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However, we have analysis the relevant articles as following,

2.2.1 The 10<sup>th</sup> clause of Article 9, Article 22 and Article 26, it requires that CCC Certificate has a validity of 5 years. If the certificate holder fails to prolong the certificate, the certificate will be revoked. This requirement will cause manufacture some workload and big risk of business cost.

As we get explained from CNCA that the 5 years validity shall interpret that after 5 year's validity, if there are nothing changed, it just only need register and exchange a new certificate for next 5 years at certification body. It is just a concept of certification exchange, but NOT a new application for the next 5 years of validity. The cost of renew the certificate shall be limited to the cost of produce a new certificate.

Because the certification body will be responsible for exchange new certificate after its validity, **we suggest that** CNCA shall issue provision to regulate the process and cost to avoid confusion in this process.

2.2.2 **We suggest that** in article 26, the certificate holder failed to prolong the certificate, **the certificate will be suspended to replace 'to be revoked'**.

Because certificate cannot be recovered after revoked, if the certificate has been revoked because of mistake but the products are still in sales, we have to spend whole cost to apply for new certificate. In this kind of case,

Because CCC is compulsory, it shall be supposed that certificate holder make mistake to forget to prolong it. Because of this suppose, **we suggest that the certificate holder failed to prolong the certificate, the certificate will be suspended to replace 'to be revoked'**.

**2.3 Provisions on Revoked, Suspended or Withdrawn Certificate. We think that the product stood in market legally before the certificates have been revoked or suspended shall be allowed to sales and use. The punishment regulated in Article 50 shall be revising accordingly.**

Before the certificate has been revoked or suspended, the products have been marketed legally. We think that the product stood in market legally before the certificates have been revoked or suspended shall be allowed to sales and use. Otherwise, the products in market will stop sale and use without significant mistake as described terms in certification withdrawal. **The punishment regulated in Article 50 shall be revising accordingly.**

**We suggest that** this article should be change into following wording in the 2<sup>nd</sup> clause of Article 29,

*'From the day the certificate is revoked, or during the suspension of the certificate, the products may not be left factory, imported. The products which are produced before and already in market can be still sold and used.'*

*'From the day the certificate is withdraw, , the products not complying with certification requirements may not be left factory, imported and not be sold or used for any other commercial purpose.'*

**2.4 Undertake classified administration and effective follow-up inspections of the certified products and manufacturers.**

In Article 17, this article authorizes that certification body can decide to have more frequent follow up inspection in one year for low performance manufactures.

Considering avoiding unreasonable competition in this classified administration, **we want to suggest that** In general, the follow up inspection shall not less than one follow up inspection per year. For low performance manufactures, certification body should make decision to carry out more follow up inspection.

### **2.5 Certificate alteration caused by quality management system is not necessary.**

the 4th clause of Article 24, in case quality management system change, the certificate be altered after passing new factory inspection by certification bodies.

Because Quality management system change is always caused by documentation changed, e.g. ISO9000 documentation handbook. It is only need documentation audit in annual follow up inspection, not necessary pass new factory inspection. The 10 quality assurance requirements regulated in 3C product implementation rules have been controlled by articles of certificate Revoke, Suspend or Withdrawn of this regulation draft.

**We suggest deleting 'quality management system' in this clause.**

### **2.6 Provisions on the Use of Certification Mark**

In **Article 32**, **we suggest that** after getting issued certificate, manufacture shall design pattern according to standard and print on product/package **without** approval by CNCA. Because this printed mark will also be supervised in market surveillance.

### **3. Proposals on reference upper level law**

#### **3.1 To delete the 'seal up, detain the relevant contracts, notes, books and other materials' from the article.**

Article 38, for all CCC product scope, when conducting supervision and inspection of compulsory product certification, local certification supervision and administration authorities seal up, detain the relevant contracts, notes, books and other materials.

From industry view point, we are highly worried about the execution of this clause. Once it executed, the punished company have to stop operation even further to bankrupt.

We get to understand that his article refers to state council order No. 503. - <Special Provisions of the State Council on Strengthening Safety Supervision and Administration of Foodstuff and Other Products>. According to upper law `Product Quality Law of P.R.C', We want suggest,

1. To delete the 'seal up, detain the relevant contracts, notes, books and other materials' from the article.

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2. CCC certificate scope regulated in article 2 is much wider than product scope required from state council order No. 503. This article shall be limited in application. We pay highly attention to the 'special product list' as CNCA explained. .

### **3.2 Recall management in CCC regulations**

We get to understand that AQSIQ is responsible for product recall management due to serious potential product safety trouble. The Recall procedure will follow AQSIQ relevant regulations. We suggest deleting Article 39 article from the CCC regulations draft. This article has not any direct relation with CCC. If it is withdrawal from CCC, the recall management will not get any influenced and be executed according to AQSIQ relevant recall regulations.

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*1. ORGALIME speaks for 35trade federations representing some 130,000 companies in the mechanical, electrical, electronic and metalworking industries of 24 European countries. These industries employ some 7 million people and account for 1175 billion euros of annual output, which is a quarter ofthe EU's output of manufactured products and a third of the manufactured exports of the European Union..*

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