

QUALITY PARTNERSHIPS contributed to the bulletin of the Swiss-Chinese Chamber of Commerce by writing the following article.

The article was prepared in May 2010, and afterwards some changes occurred in the official regulations regarding the CCC requirements for Information Security products.

Therefore, please note that now Information Security products for government procurement are required to obtain the CC-IS certification, and no longer the CCC certification.

For more info on CC-IS, please refer to our web-site: www.quality-partnerships.cn.

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For the whole issue and more information about the Chamber please visit www.sccc.ch.

Efficient Market Access in China: CCC

About the China Compulsory Certification (CCC)

Enterprises operating in very different fields may share the same issues in accessing the Chinese market. The China Compulsory Certification (CCC) could represent one of the steps they will have to undertake to operate successfully in this far-east country without delays and loss of money.

CCC – what is it?

Similar to the European mark CE, the Chinese CCC shows that a product conforms to the safety requirements established by specific laws and regulations, but unlike the CE mark, CCC is mandatory. CCC is based on the compulsory national Chinese standards (GB standards) and all products listed in the *Catalogue of Products subject to Compulsory Certification*, regardless of whether they are produced domestically or imported, must obtain the CCC approval if they are to be sold in the Chinese market.

CCC consists of a certificate issued by a government approved certification body – in most cases it is the *China Quality Certification Centre (CQC)* – and a mark to be labelled either on the product itself, the packaging, or both.

Products which are not placed on the market but that are, for example, meant to be for personal use or

for export only, do not require CCC. Exemptions from CCC regulations are possible for samples and very small series.

At present, there are 23 categories of items that must obtain CCC, covering a very broad range of products. The catalogue includes, among others, household appliances, IT equipment, electric and electronic products, welding machines, toys, motor vehicles and safety parts, condoms, and many additional categories of products.

The category number 23 entered into force in May 2010 and is for information security products purchased for the government.






Regarding the different categories for which CCC is required, we can say that in general the catalogue is extended whenever the competent authorities believe there is the need for it, that is (i) when a certain product becomes widely used and is considered to be a potential hazard for consumers; or (ii) when there are major political issues behind it.

CCC marks

The chart below shows the different CCC marks available. According to the class of products for which the certification is being obtained for, a different mark has to be used.



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CCC Mark	Refer particularly to:	Some of the products that may require this mark:
	Safety	Kitchen Hoods
	Electromagnetic Compatibility	Money Counters
	Safety and Electromagnetic Compatibility	TV Sets
	Firefighting	Fire Hoses
	Information Security	Routers

Who administers it

The CCC regulations are issued and implemented by the *General Administration of Quality Supervision, Inspection and Quarantine of the PRC* (AQSIQ) and the *Certification and Accreditation Administration of the PRC* (CNCA).

There are 11 certification bodies, each with a specified scope of products.

The *China Quality Certification Centre* (CQC), a professional certification body under the *China Certification & Inspection Group* (CCIC) approved by AQSIQ and CNCA, is probably the most well-known, as it can issue the certificate for a wide number of categories.

The laboratories where the tests are carried out are independent entities that have been appointed by the government for carrying out such evaluations.

There are more than 160 accredited labs by CNCA, each with a specified scope of products. Electrical products are covered in most of these labs. But each lab only tests authorized products from specified production areas.

Background

The CCC scheme was established in order to comply with WTO/TBT requirements on the conformity assessment system and to create a comprehensive regulation that would apply to both foreign imports and locally produced items.

The mandatory scheme has been implemented since 2002, together with the pre-existing CCIB and CCEE certifications. In 2003, the CCC became the sole certification applicable for both local and foreign produced products.

CCC at a glance

- CCC stands for *China Compulsory Certification*
- Needed for 23 categories of products, if placed on the Chinese market
- Based on Chinese National Standards (GB-Standards)
- Initial testing and factory inspection mandatory
- Annual follow-up inspection(s) required
- Officially, the process requires 90 days, but in practice, much longer.
- Costs vary greatly according to tested products and factory locations
- Implemented since 2002
- Certificates are now valid for 5 years

Process

In order to obtain the certification and mark, the product should follow a certain procedure that could be divided as follows:

1. Application
2. Testing
3. Factory inspection
4. Assessment of results and CCC issuing (if eligible)
5. CCC mark usage approval
6. Follow-up surveillance and inspections

Each stage is a delicate step itself, and going through each one of them without delays requires a certain amount of experience in the field.

According to current regulations, and under normal circumstances, the process for obtaining the CCC mark should not exceed 90 days.

In practice, the process often exceeds the three-month period, due to a combination of factors, including oversights/mistakes by the applicant, failure in testing, etc.

Notes about the process

The application can be submitted directly by any officially registered company or an agent on their behalf. Applying directly without external help allows an enterprise to keep costs down. Nevertheless, applying directly is advisable only for those enterprises that have a solid structure in China and know China and the CCC process very well. Otherwise, the whole procedure may turn out to be considerably more time and money consuming than expected.

If deciding to seek assistance by an intermediary, a company should spend some time looking for the right partner. This may sound obvious, but it could prevent problems that may arise later as a consequence of a wrong choice. Intermediaries could be both local Chinese agencies, as well as international enterprises working in the certification/market access field.

Preparing the application requires time and experience, and should be accompanied by relevant translations into the Chinese language. Having the original documentation in English may cut down on costs.

With very few exceptions, the testing process must be carried out in China in the officially appointed laboratories, and, therefore, the testing samples must be shipped to China for evaluation. Normally, the laboratory needs to receive 1/2 testing samples for each model that will later be either discarded or returned to client. ISO 9000 series and CB reports might be of use for reducing time and costs in testing and inspection, but that has to be confirmed on a case-by-case basis. Once the testing part is completed, a report is written and made available to relevant authorities; if the result is successful, the factory inspection will be ordered.



The factory inspection takes place in the factory/factories that produce the good(s) previously tested. If the production site is located abroad, selected Chinese inspectors will travel there to perform the audit.

If the three steps mentioned above are carried out successfully, the relevant authorities may grant the certification and issue one certificate for each of the inspected production sites. Once the process for obtaining the certificate has been successfully completed, it is possible to seek the approval for using the CCC mark. The mark should then be either printed, affixed or both, on the certified products before leaving the factory or before entering China.

After the certificate is granted and during the period of validity of the CCC certificate, there will be annual inspection(s) of the factory that produces the certified goods. There is also the possibility of inspections by the market surveillance authorities in China. Since September 2009, each CCC approval is valid for 5 years, but that depends also upon annual follow up inspections, validity of test standards etc. The renewal application should be initiated about 3 months before expiration. The costs for initial testing may vary significantly according to the product to be tested. Overall costs are affected also by the factory locations, especially if inspection has to be carried out abroad. After initial testing and inspection, there are annual fees to be paid.

CCC in combination with other schemes

Besides CCC, for many trades there are some other mandatory schemes. Those additional sector-specific

rules are mostly based on either *Chinese national standards* or *Chinese trade sector standards*. Some of the most important regulations are:

- A radio-transmission type approval, which applies to equipment transmitting electromagnetic wave signals;
- A network access license for telecom equipment, including cellular phones;
- A homologation process for vehicles to be used on public roads;
- An approval process for high risk equipment (“Special Equipment”) – particularly, pressure vessels, pipelines, elevators, cranes and lifts;
- A licensing scheme for heavy polluting equipment, such as vehicles exhausts;
- A registration scheme for Health Care Equipment (“HCE”) with the respective health authorities.

Many of these schemes are in addition to the CCC regulations; and depending on the specific type, combinations of two or even three of these licenses are needed before a product can be marketed in China. Depending on the case, it is possible to combine the respective testing and inspection requirements between different schemes. This has to be ascertained on a case-by-case basis.

Pay attention to...

On paper, the process for obtaining CCC it is not very complicated and requires only a limited amount of time. In practice, there are several problems that foreign companies have to face. Time and Intellectual Property are two of those issues:

Time – CCC should be obtained within three months from application, assuming that all the stages of the process run smoothly. But that it is not often the case. The [case studies](#) reported in this article may give you an idea of just two of the issues that may arise and affect the time requested for the whole procedure.

Time delays are also to be found in common mistakes, such as: incomplete documentation, failures in testing, missing reference to Chinese standards, missing Chinese translations, etc. How can you solve those problems? Entrust your application to someone who has solid experience in the field, either a team of your employees who dealt already with CCC or an external trustworthy agent/consultant.

Intellectual Property – It is sadly known that Intellectual Property Protection in China is a very delicate issue and represents a key topic in Swiss-China and EU-China dialogues. China has been taking significant steps for improving its legislation on this topic; however, the situation is still somewhat difficult, often due to the high economic interests involved.

It is very important to be aware of the IP-related risks your company may incur while entering the Chinese market and to take all the possible steps for protecting your rights. In relation to CCC, some companies have suspected that some of their trade secrets had been stolen in one phase or the other of the certification process. Despite this possibility, it represents an extreme and rare case, and as per our knowledge, no official complaint has been lodged in this regard. However, companies should be aware of the existence of this situation.

To have someone very experienced helping you with the whole process could help you identify the passages where you could be more at risk and provide you with solutions and useful suggestions.

CCC and its political dimension

On a political level, the CCC scheme is still an important point of discussions between the EU and China: a key point of these discussions is a more risk based approach to market access to China, resulting in low risk products eventually being excluded from the CCC scheme. The scope of CCC itself seems not to be a major topic.

Another important point is the transparency of the system – as in some cases, such as the Information Security category added in May 2010, companies are faced with voluntary standards being made quasi-compulsory via conformity assessment.

For products that require double or triple certification (e.g. network access equipment and medical devices), it could be possible that either CCC or the second/third license will be retracted. Nevertheless, no official notice has been issued on this yet. This is a repeating topic in the regulatory dialogue in various working groups.

Conclusions

CCC is one of the certifications you may need for entering the market and you should not be stopped by some of the issues related to it. [Entering the China market is possible](#), both for SMEs and larger enterprises. The secrets for achieving success and wellness in China are not out of reach: wise planning, careful preparation and attentive choice of your partners will allow you to attain success.

Case Studies


These case studies are brought to you for information purposes only. All the names have been changed for protecting the privacy of the people involved. The names used have no connection with real companies.

Case 1: Critical components and CCC

The joint-venture Shenzhen Pacific, a well-known scanner manufacturer, applied for CCC in 2005 for one of their models. After the application was lodged, the company was notified that one of the product's critical components, namely the power adaptor, had to undergo the CCC process itself.

The company most likely did not pay close attention to the *Catalogue of Products subject to Compulsory Certification* and did not realize the item had to be certified as well. Shenzhen Pacific had to quickly decide how to proceed: by either having the power adaptor undergo the CCC process, or by looking for a supplier of power adaptors who had already obtained the CCC certification. In order to save time and avoid paying additional government fees, Shenzhen Pacific decided to go for the second option. Nevertheless, they had to go through compatibility and applicability testing, and prepare the documentation again for the application.

As Shenzhen Pacific was able to deal with this issue within a certain time frame, the laboratory agreed to withhold their application. Thus, they did not have to re-initiate the process from the very beginning. The following year, Shenzhen Pacific submitted an application for a new model, but this time they made sure that all documentation was in order. By doing so, obtaining the CCC for the new scanner took half of the time spent the previous year.

 Make sure to provide the people who deal with your CCC application with as many details as possible about your critical component list. The more details, the less possibility of mistakes in defining which components require certification of their own.

Case 2: Products compliance after CCC

Several months after having obtained the CCC certification for one of its CRT monitors, Turtle Tech


Tips for Chamber Members for Dealing with CCC

1. If seeking external help for handling the CCC process, spend some time researching before making a choice.
2. Whenever possible, always have documentation in English, as this will speed up the translation time and cut down on costs.
3. Intellectual Property may be an issue. Have your rights registered and carefully consider whom you entrust your documentation and products.
4. To make sure your goods are not stopped at Customs while entering the country (either for testing or being placed on the market) ensure that your wooden pallets/crates obtained the relevant IPPC mark before being sent to China.
5. Previously obtained ISO 9000-series and CB reports might cut down costs and save time in testing and inspection.
6. Processing more than one application at a time could help cut costs of shipping samples, inspections etc.
7. Prepare a detailed critical component lists for the representative handling the application on your behalf, so that they can confirm what needs CCC of its own.
8. After obtaining CCC, if you would like to alter your critical components, you should contact the certificate authorities accordingly.

was contacted by the local surveillance authorities. During market sampling, it was discovered that the Turtle Tech monitors did not comply with the original specifications for the products that had previously been approved. Specifically, the products sold in the market had less critical component parts, and those parts were different from the ones originally tested. Moreover, the EMC testing after the sampling had failed.

The situation was very delicate and the authorities immediately ordered the goods to be withdrawn from the shelves and sealed, while a decision had to be taken on this case. At the same time, they summoned the factory's engineers. Turtle Tech suggested a solution in order to have the monitors modified. In this way, they would comply again with the initially tested products and have the goods back on the market.

Turtle Tech had to pay a very high fine for its misconduct. Authorities agreed with Turtle Tech's proposed solution and strictly controlled the changes made to the products. Eventually, the products were placed back in the market.

 After obtaining the certification, you must pay close attention to a few factors, such as: the materials you purchase for your products, the production process and quality control. Any change in any of those steps could have a great impact on your business, both in terms of time out of the market and money spent in fines.

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