

# Transition period for the implementation of new supervision regulations on CBEC imports to extend to end-2017



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Asia Distribution and Retail

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## Highlights

According to the Ministry of Commerce (MOFCOM), the one-year transition period for the implementation of new supervision regulations on cross-border e-commerce (CBEC) imports which starts from 11 May, 2016 will be extended further to **the end of 2017**.

- Importers will not be required to provide CIQ Clearance Notice before importing CBEC goods into bonded warehouses of 10 pilot cities, including Tianjin, Shanghai, Hangzhou, Ningbo, Zhengzhou, Guangzhou, Shenzhen, Chongqing, Fuzhou, and Pingtan.
- Pre-market approvals for first-time imported goods such as cosmetics, infant formula, medical devices, and special food (e.g. certain nutritional products and foods for special medical purpose) via bonded area import or direct mail models will also be put on hold.

To recap, in May 2016, General Office of China Customs issued a notice regarding the transition period for the implementation of new supervision regulations on CBEC imports. The document stated that the transition period will last for one year until 11 May, 2017.

## Our views

The extension will give more time for CBEC importers and brands (especially cosmetics and nutritional brands) to adjust their business model. We believe that the extension is a compromise from the government to accommodate interests of different parties. It hopes to encourage customers buying from overseas, while striking a balance between general trade and CBEC. In the future, the government may further adjust the regulations to create a level playing field for different parties involved.

The announcements can be accessed at the website of the Ministry of Commerce (in Chinese):

<http://www.mofcom.gov.cn/article/ae/ag/201611/20161101760012.shtml>

Please also see our previous alerts on the new regulations for CBEC:

(1) New tax regulations for CBEC announced in April 2016

<https://www.fbicgroup.com/sites/default/files/New%20Regulations%20on%20Cross-Border%20E-Commerce%20%28Import%29.pdf>

(2) Positive lists for CBEC announced in April 2016

[https://www.fbicgroup.com/sites/default/files/Positive%20list\\_TL-APR.2016.pdf](https://www.fbicgroup.com/sites/default/files/Positive%20list_TL-APR.2016.pdf)

[https://www.fbicgroup.com/sites/default/files/20160418%20Positive%20list%20%282%29\\_TL.pdf](https://www.fbicgroup.com/sites/default/files/20160418%20Positive%20list%20%282%29_TL.pdf)

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