

# DECODING THE CHINESE BEAUTY MARKET



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# Just The Numbers: The State of the China Beauty Market



# Fragmented supply & concentrated demand yield fierce market competition.

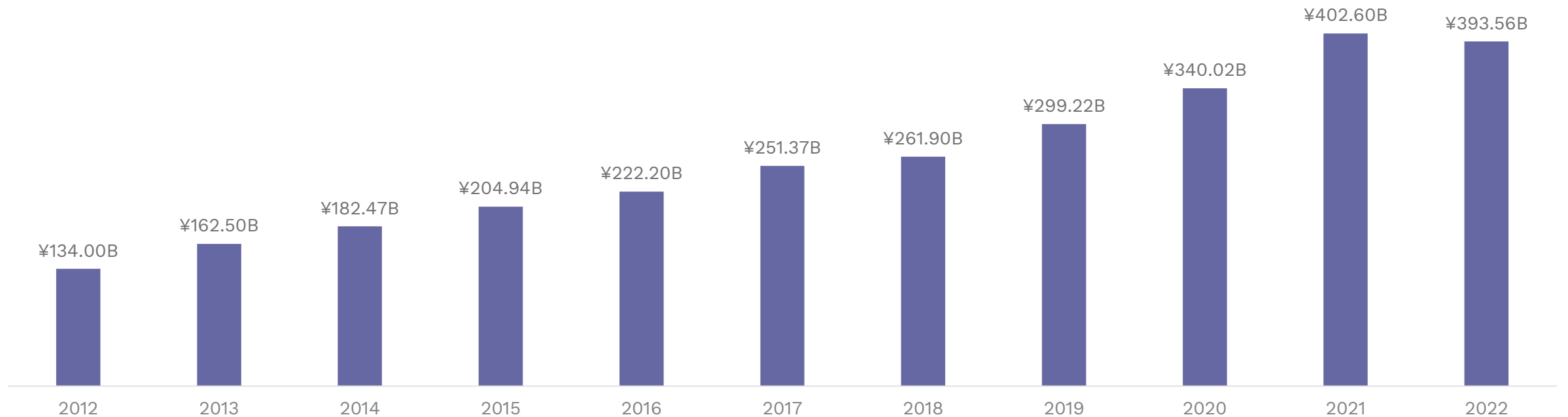
## Executive Summary

- Huge market growth that slightly stopped during 2022
- China did not pass before a covid economic crash, but it suffered less severely delayed on time (2022)
- Supply is fragmented while demand is rather concentrated, therefore competition is fierce
- Demand is concentrated geographically and in terms of distribution channels
- Market vibrancy level is high
- Branding is key and more specifically global branding
- There is a snowballing effect that benefits global-well known players, what further underlines the need for branding intensively
- Ecommerce dominates the Chinese market, but big numbers are often contradictory, we can rather control platform specific figures
- 2022 shopping festivals where softer than in 2021 both for double 11 and 618
- As market matures, less more valuable orders are taking place leading to probably more sustainable business
- Business models as well are progressing with Alibaba movement to promote Tmall supermarket (something that was previously done by JD.com from the beginning)

# Despite dipping -2% in 2022, the cosmetics market in China is substantial.

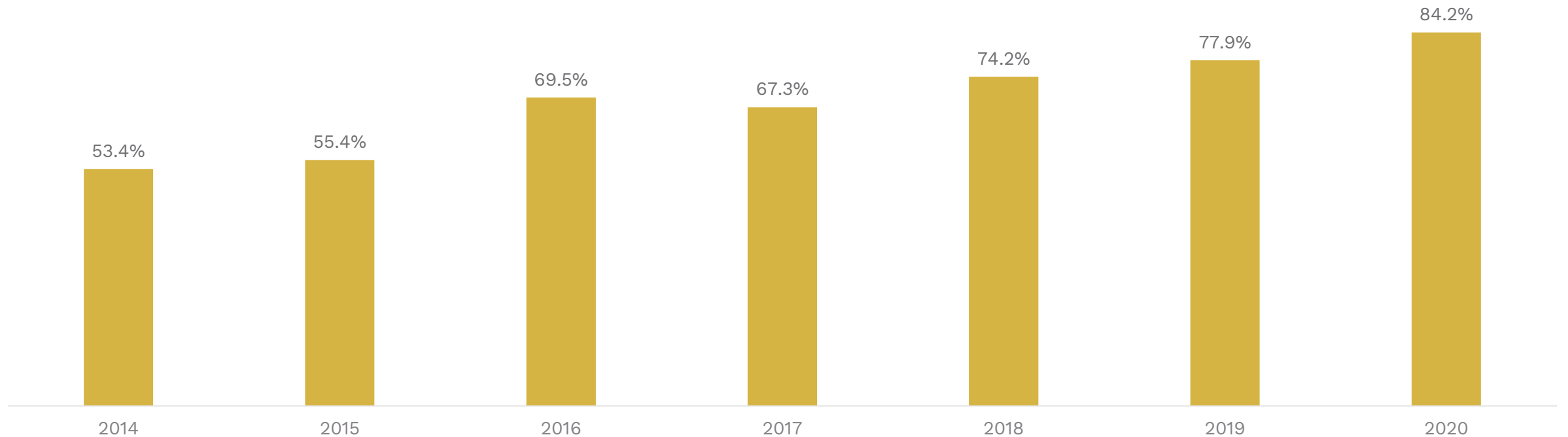
2022 Market Size: \$57 Billion

Retail sales value of cosmetics by wholesale and retail companies in China (¥billions)



# Ecommerce dominates the Chinese beauty market.

Share of online retail sales value of cosmetic products  
in China's whole cosmetics retail market

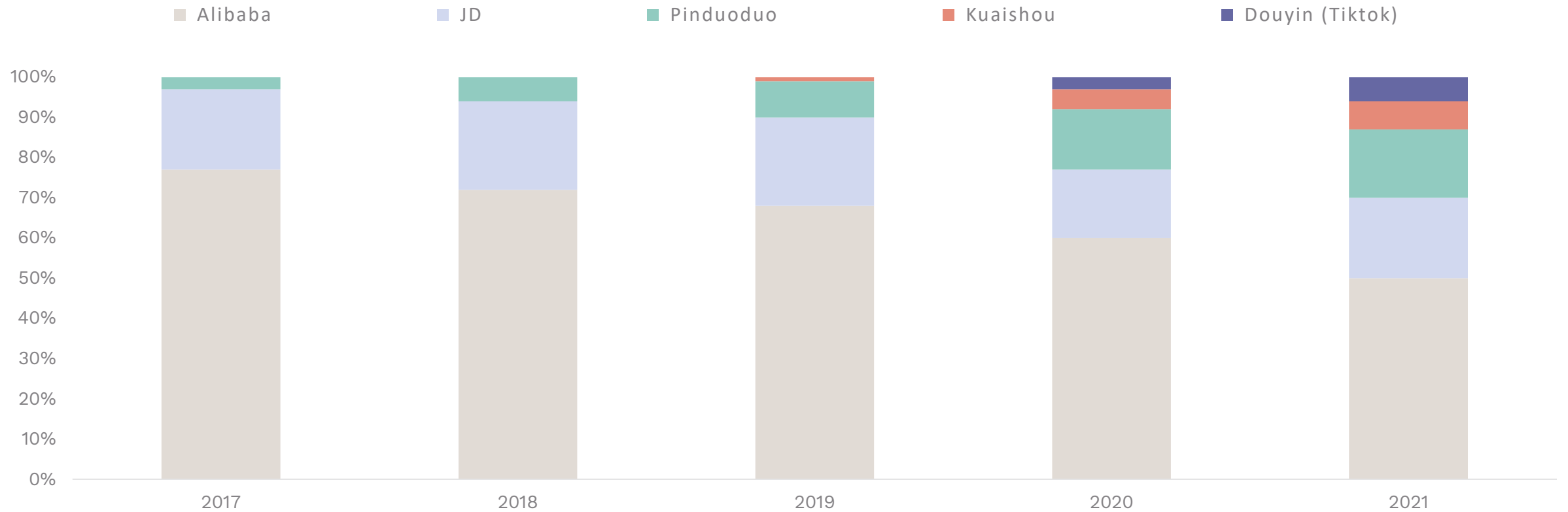


Source: Statista 2023

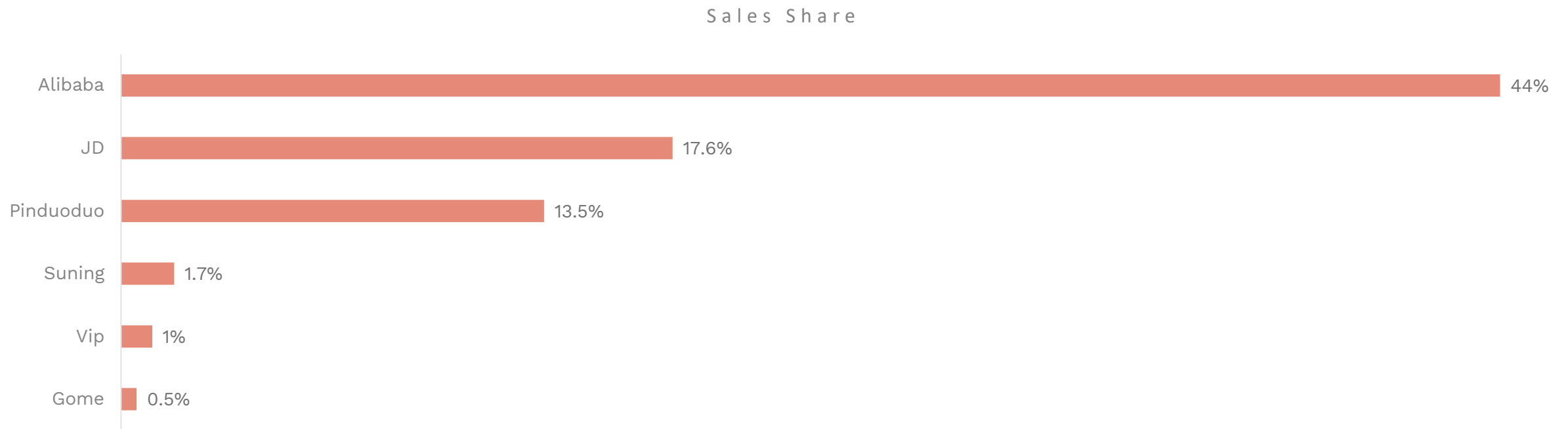
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# Short videos and livestreams gained market share.

Douyin & Kuaishou are driving sales at an increasing rate YoY.



# Alibaba dominates nearly half of the Chinese ecommerce market.



Macro figures are often misleading & contradictory. Douyin, Kuaishou, & Pinduoduo are not mentioned in other macro figures.

# The Alibaba ecosystem comprises 44% of ecommerce, 87% of the total Chinese market.

## Beauty CATEGORY: Beauty / Body / Oil

Facial Care Set

Facial essence (New)

Latex / Cream

Facial mask (New)

Cleansing

Eye care (New)

Make-up water / toner

Body care (New)

Remover

Sun protection (New)

Men's care (New)

Hand care (New)

Lip care (New)

Body cleaning

Essential oil aromatic therapy

Local nursing

Travel / experience

T district nursing (New)

Men's body care

Other maintenance

Neck care

foot care

Chest care (New)

Facial scrub / Scrub

Facial massage cream

Beauty services

淘宝网  
Taobao.com

天猫  
TMALL.COM

TMALL MART  
天猫超市

TMALL GLOBAL  
天猫国际

January 2023 (Last month)

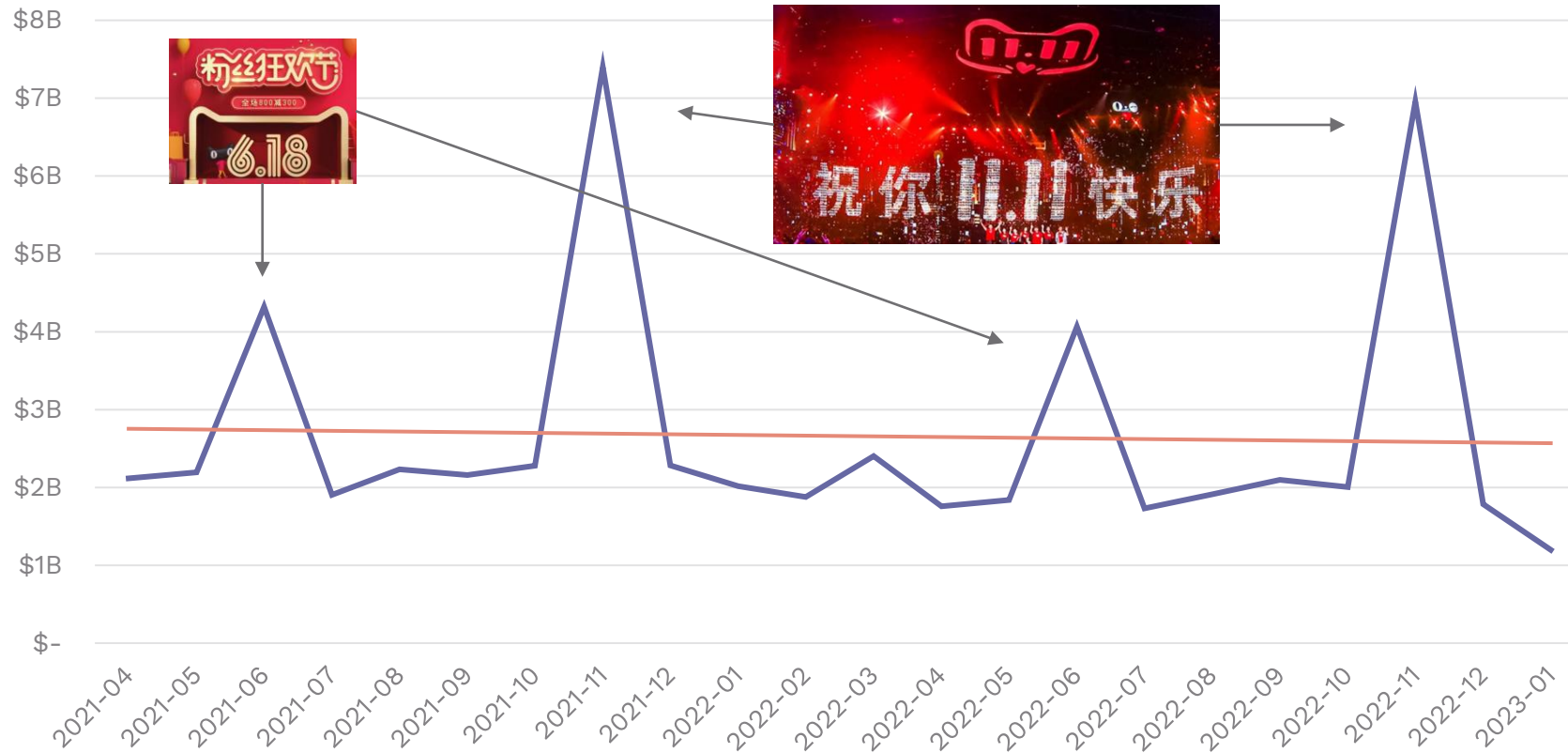
- \$1.2 billion in sales
- 62 million units sold
- 146 thousand stores
- 2 million products listed
- \$19 Average asking price (¥132)

The “Alibaba Ecosystem” refers to

- Taobao
- Tmall
- Tmall Supermarket
- Tmall Global
- Tmall Global Supermarket

# Alibaba B2C sales are flat, even declining slightly.

Alibaba B2C Ecosystem Sales Value (\$billions)



## Alibaba Beauty Category OVERVIEW & SALES TREND

January saw a negative short-term impact from the change in policy in China from Zero Covid to Opened policy.

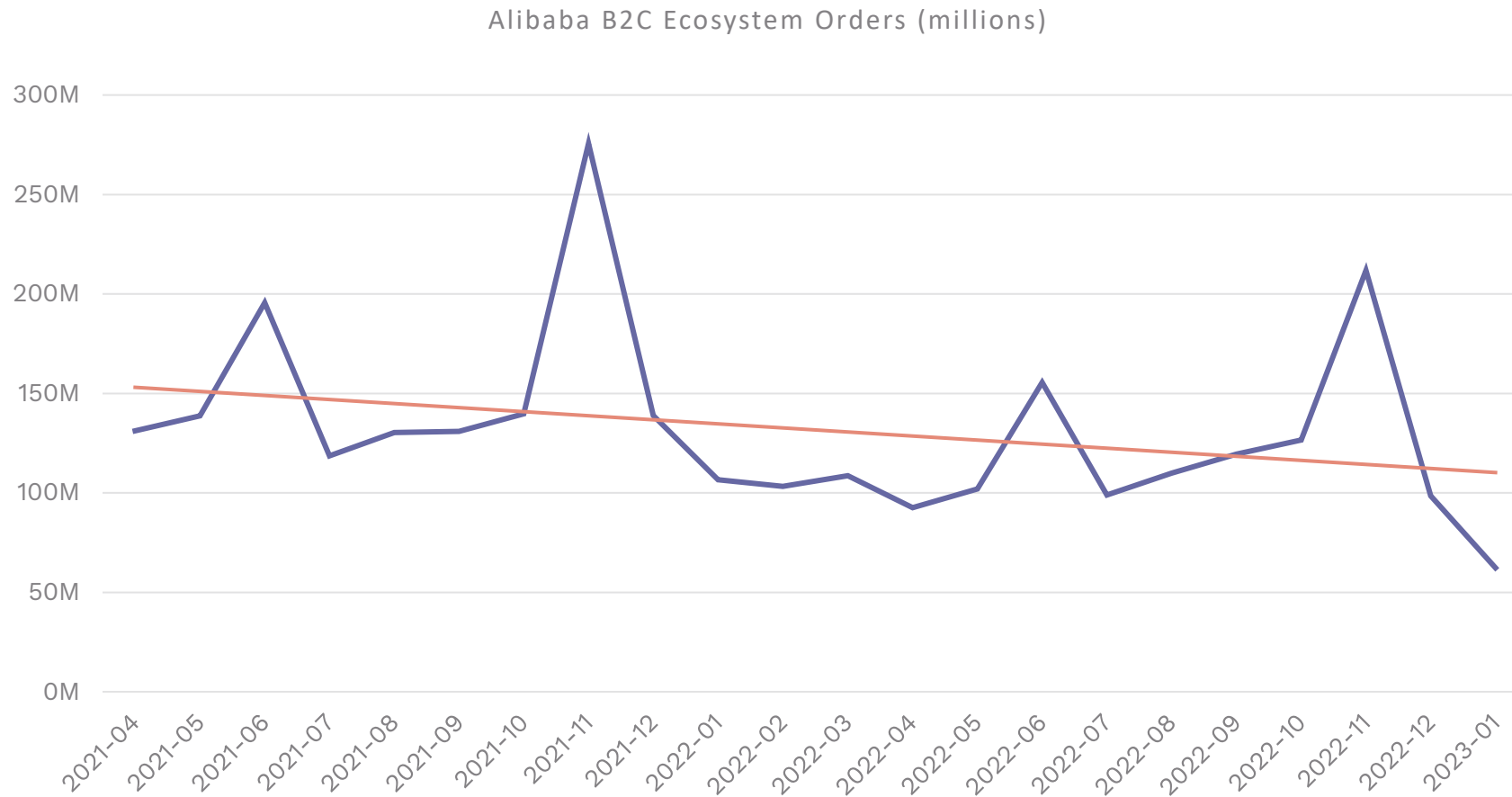
It is true that overall volume is rather flat.

In February (not yet reported) we are seeing clear signs of recovery and we are optimistic about 2023 performance, specially through the second half of the year.

Peaks are 618 and 11.11 promotional periods.

2022 11.11 was softer than 2021.

# This decrease is due to fewer order sales...



## Alibaba Beauty Category OVERVIEW & SALES TREND

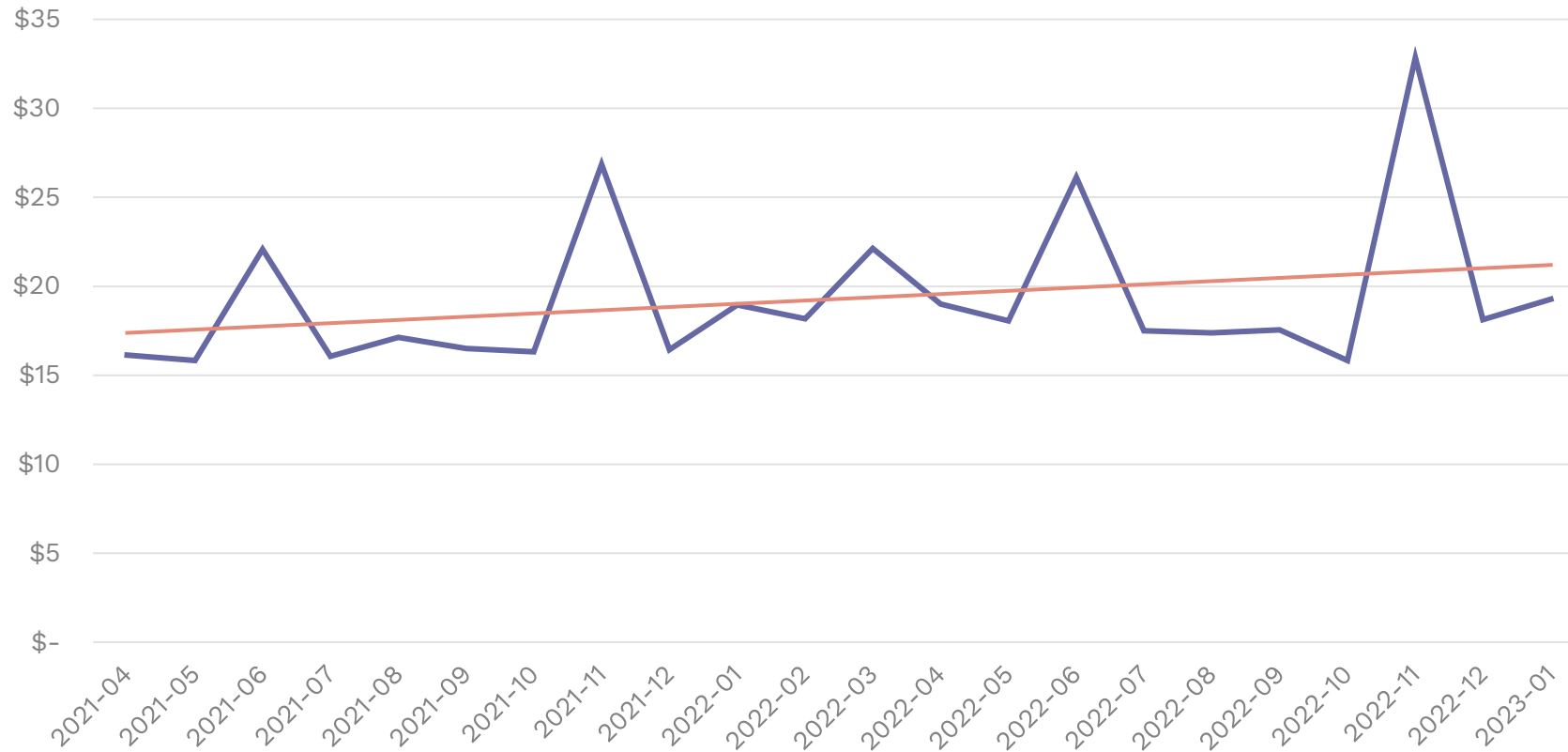
Brands are moving towards more financially sustainable sales by selling less more valuable items.

October 2022 had higher volume because last 11.11 promotion started at the end of October.

Logistics disruptions through covid zero do also explain partially the decline in units sold.

# ...despite an increasing average order value.

Alibaba B2C Ecosystem Average Order Price



## Alibaba Beauty Category OVERVIEW & SALES TREND

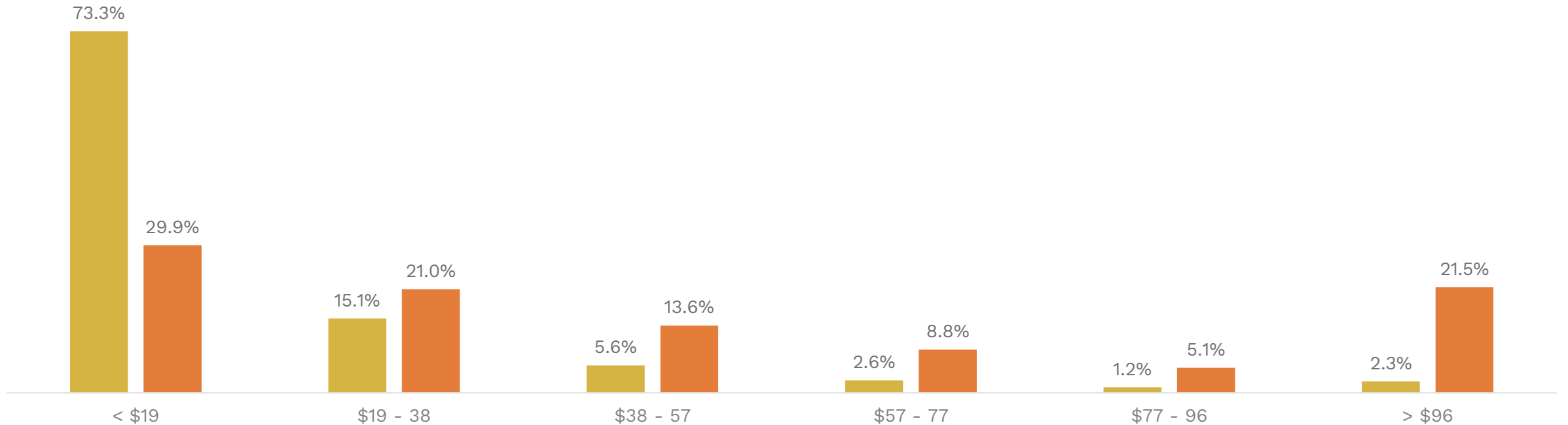
Brands are moving towards more financially sustainable sales by selling less more valuable items.

October 2022 had higher volume because last 11.11 promotion started at the end of October.

Logistics disruptions through covid zero do also explain partially the decline in units sold.

# Volume by value is distributed with a bias towards cheaper product volumes & higher price values.

% of Sales volume /value produced by unit price distribution



# Platform-level prices sales mix influences brands products mix management.

BRAND	< \$20	\$20 - 41	\$41 - 61	\$61 - 82	\$82 - 102	> \$102
Helena Rubinstein	3%	0%	0%	0%	0%	97%
LA MER/海蓝之谜	26%	13%	6%	5%	14%	36%
La Prairie/莱珀妮	19%	22%	9%	4%	4%	42%
Clarins/娇韵诗	25%	14%	13%	14%	13%	20%
Sisley/希思黎	47%	8%	7%	4%	4%	29%
Guerlain/娇兰	47%	5%	6%	15%	7%	20%
Erno Laszlo/奥伦纳素	47%	9%	7%	7%	3%	27%
Dermalogica/德美乐嘉	31%	16%	23%	26%	1%	3%
Kiehl ' s/科颜氏	35%	24%	29%	4%	6%	2%
Jurlique/茱莉蔻	40%	20%	26%	5%	5%	4%
Dr.Ci:Labo	40%	29%	12%	6%	11%	1%
Dior/迪奥	57%	10%	10%	9%	4%	10%
Lancome/兰蔻	61%	12%	3%	8%	2%	14%
EMPORIO ARMANI/阿玛尼	63%	16%	6%	1%	1%	14%
SHISEIDO	62%	12%	10%	4%	4%	8%
Clinique/倩碧	50%	17%	26%	3%	4%	1%
Laroche Posay/理肤泉	51%	44%	4%	1%	0%	0%

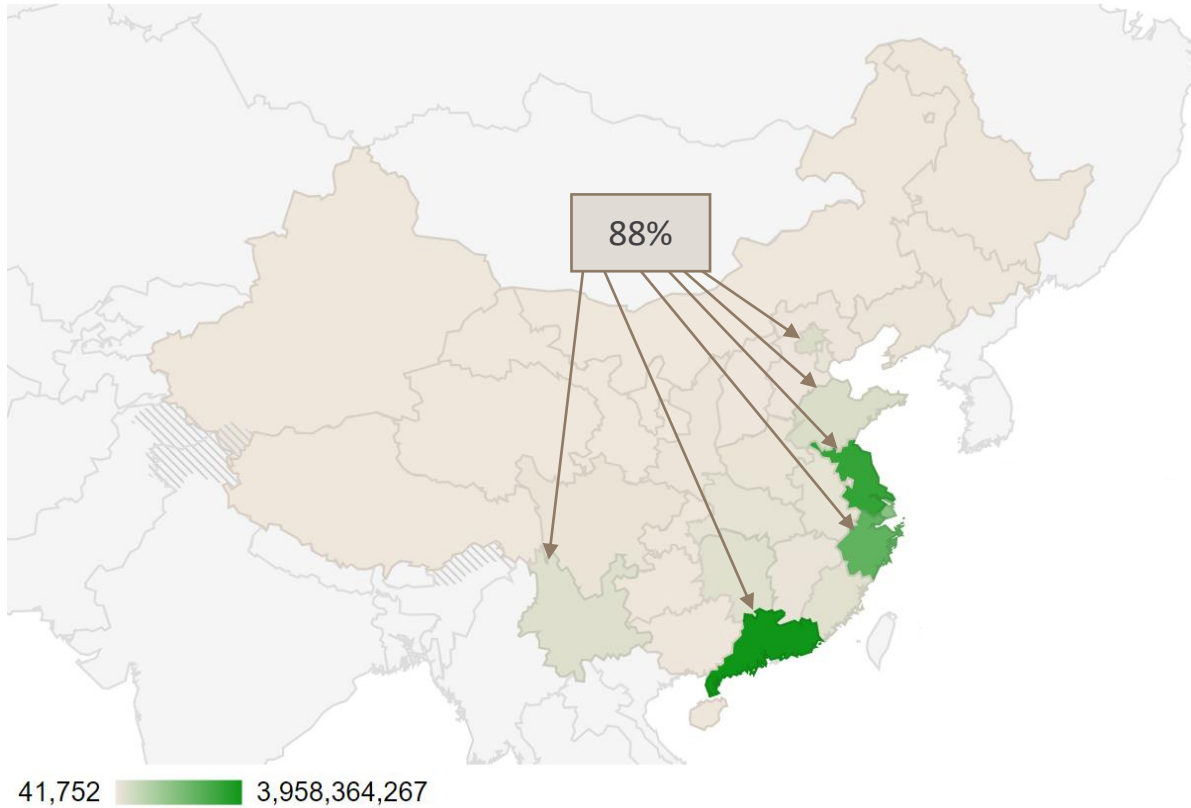
# Last six months' Alibaba subcategory ranking.

Aug 2022 – Jan 2023

CATEGORY	Sales Value USD	AVERAGE TAG PRICE USD	MARKET SHARE	CUMULATIVE
Facial Care Set	\$3,808,675,799	\$40.13	23.86%	23.86%
Facial essence (New)	\$2,625,607,070	\$40.93	16.45%	40.32%
Latex / Cream	\$2,131,533,483	\$23.55	13.36%	53.67%
Facial mask (New)	\$1,924,125,920	\$18.21	12.06%	65.73%
Cleansing	\$951,566,599	\$14.29	5.96%	71.69%
Eye care (New)	\$797,506,704	\$30.75	5.00%	76.69%
Make-up water / toner	\$689,724,845	\$20.53	4.32%	81.01%
Body care (New)	\$575,120,530	\$12.68	3.60%	84.61%
Remover	\$443,891,743	\$14.32	2.78%	87.39%
Sun protection (New)	\$390,827,601	\$20.07	2.45%	89.84%
Men's care (New)	\$315,914,805	\$15.12	1.98%	91.82%
Hand care (New)	\$311,850,443	\$7.14	1.95%	93.77%
Lip care (New)	\$178,135,942	\$7.44	1.12%	94.89%
Body cleaning	\$169,224,302	\$12.77	1.06%	95.95%
Essential oil aromatic therapy	\$146,871,707	\$13.98	0.92%	96.87%
Local nursing	\$137,721,839	\$13.26	0.86%	97.73%
Travel / experience	\$71,702,686	\$11.54	0.45%	98.18%
T district nursing (New)	\$68,590,002	\$12.21	0.43%	98.61%
Men's body care	\$54,772,252	\$15.64	0.34%	98.96%
Other maintenance	\$46,926,676	\$9.33	0.29%	99.25%
Neck care	\$39,466,759	\$22.06	0.25%	99.50%
foot care	\$26,515,965	\$8.13	0.17%	99.66%
Chest care (New)	\$25,610,732	\$32.83	0.16%	99.82%
Facial scrub / Scrub	\$20,384,778	\$9.31	0.13%	99.95%
Facial massage cream	\$6,950,522	\$13.10	0.04%	100.00%
Beauty services	\$688,222	\$30.92	0.00%	100.00%
	<b>\$15,959,907,926</b>			

# Seven-province mean reaches nearly 90% of GMV.

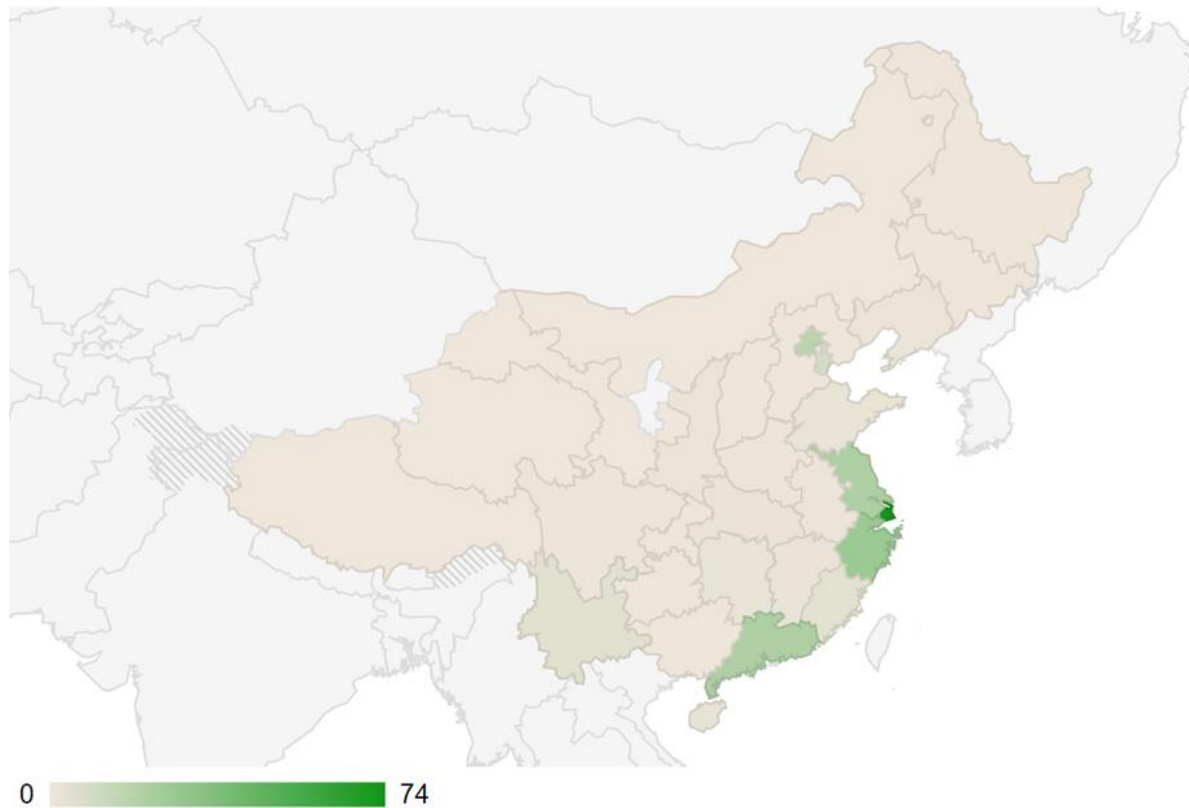
Aug 2022 – Jan 2023



PROVINCE	Sales Value	MARKET SHARE	CUMULATIVE
Guangdong	\$3,958,364,267	27.68%	27.68%
Jiangsu	\$3,321,701,506	23.23%	50.92%
zhejiang	\$2,512,372,382	17.57%	68.49%
Shanghai	\$1,791,597,164	12.53%	81.02%
Beijing	\$376,067,515	2.63%	83.65%
Shandong	\$376,062,895	2.63%	86.28%
Yunnan	\$302,061,510	2.11%	88.39%
Hunan	\$292,035,091	2.04%	90.43%
Fujian	\$236,076,382	1.65%	92.08%
Anhui	\$152,129,014	1.06%	93.15%
Hubei	\$151,087,398	1.06%	94.20%
Tianjin	\$142,714,868	1.00%	95.20%
Henan	\$113,615,983	0.79%	96.00%
Jiangxi	\$108,054,651	0.76%	96.75%
sichuan	\$96,078,237	0.67%	97.42%
liaoning	\$79,619,489	0.56%	97.98%
Shaanxi	\$67,014,891	0.47%	98.45%
Hongkong	\$57,794,211	0.40%	98.85%
Hebei	\$29,729,042	0.21%	99.06%
Hainan	\$25,121,316	0.18%	99.24%
Guangxi	\$23,421,243	0.16%	99.40%
Guizhou	\$22,691,093	0.16%	99.56%
Heilongjiang	\$19,330,277	0.14%	99.69%
chongqing	\$16,862,229	0.12%	99.81%
Jilin	\$10,682,444	0.07%	99.89%
Shanxi	\$9,921,921	0.07%	99.96%
Gansu	\$2,140,758	0.01%	99.97%
Xinjiang	\$1,108,312	0.01%	99.98%
Macao	\$1,026,790	0.01%	99.99%
Taiwan	\$906,064	0.01%	99.99%
Inner Mongolia	\$641,470	0.00%	100.00%
Ningxia	\$249,986	0.00%	100.00%
Qinghai	\$58,868	0.00%	100.00%
Tibet	\$41,752	0.00%	100.00%
		<b>\$14,298,381,021</b>	

# Geographic concentration level of per-capita expenditure is even higher than total value.

Aug 2022 – Jan 2023



PROVINCE	per capita
Shanghai	\$74.09
Zhejiang	\$27.14
Jiangsu	\$21.25
Guangdong	\$20.98
Beijing	\$17.32
Tianjin	\$9.17
Hong Kong	\$7.88
Yunnan	\$4.44
Fujian	\$4.06
Hainan	\$2.74
Hunan	\$2.29
Shandong	\$2.25
Jiangxi	\$1.66
Macao	\$1.59
Hubei	\$1.59
Anhui	\$1.28
Liaoning	\$1.25

PROVINCE	per capita
Shaanxi	\$1.23
Henan	\$0.69
Sichuan	\$0.61
Chongqing	\$0.50
Guizhou	\$0.50
Jilin	\$0.39
Heilongjiang	\$0.36
Guangxi	\$0.27
Hebei	\$0.22
Shanxi	\$0.20
Gansu	\$0.08
Xinjiang	\$0.05
Taiwan	\$0.04
Ningxia	\$0.04
Inner Mongolia	\$0.03
Tibet	\$0.01
Qinghai	\$0.01

# Branding, specifically global branding, is a good predictor of Chinese market success.

Aug 2022 – Jan 2023

RANK	BRAND	Sales Value
1	L'OREAL /欧莱雅	\$83,684,719
2	Lancome/兰蔻	\$69,139,257
3	Estee Lauder/雅诗兰黛	\$66,977,167
4	PROYA/珀莱雅	\$60,145,495
5	Olay/玉兰油	\$53,911,718
6	Winona/薇诺娜	\$47,461,230
7	LA MER/海蓝之谜	\$40,030,220
8	SK-II	\$38,748,618
9	SHISEIDO	\$34,972,412
10	Kiehl ' s/科颜氏	\$29,411,199
11	HR/赫莲娜	\$27,823,209
12	SKINCEUTICALS/修丽可	\$26,766,511
13	Clarins/娇韵诗	\$25,327,520
14	CHANDO/自然堂	\$24,834,318
15	RSAS	\$22,212,191

RANK	BRAND	Sales Value
16	Freeplus/芙丽芳丝	\$21,605,827
17	QuadHA/夸迪	\$20,735,858
18	Guerlain/娇兰	\$20,066,554
19	Curel/珂润	\$18,715,927
20	The history of whoo/后	\$18,286,478
21	肌肤之钥 / cpb	\$16,757,249
22	Laroche Posay/理肤泉	\$16,400,822
23	PECHOIN/百雀羚	\$16,253,879
24	Cosme Decorte/黛珂	\$15,907,333
25	Elizabeth Arden/雅顿	\$14,433,320
26	Sisley/希思黎	\$14,372,301
27	Fresh/馥蕾诗	\$13,309,315
28	相宜本草	\$12,054,393
29	至本	\$11,991,652
30	L'occitane/欧舒丹	\$11,921,720

# Brand ranking with sales over \$2 million.

Aug 2022 – Jan 2023

BRANDS SORTED BY HIGHEST AVG PRICE	Sales Value
pofenne	\$3,358,800
KIBONCY	\$2,992,994
彤人秘	\$6,403,892
GALENIC/科兰黎	\$2,872,960
HR/赫莲娜	\$27,823,209
WAYLANDAYER	\$2,778,084
LA MER/海蓝之谜	\$40,030,220
Sisley/希思黎	\$14,372,301
La Prairie/莱珀妮	\$3,832,244
蔻丽贝儿	\$3,539,368
SK-II	\$38,748,618
Guerlain/娇兰	\$20,066,554
MZA	\$2,045,873
Valmont/法儿曼	\$2,128,433
Eve Lom	\$2,799,077
Murad	\$3,000,604
EMPORIO ARMANI/阿玛尼	\$2,880,853
肌肤之钥 / cpb	\$16,757,249
dermedic	\$2,498,237
SKINCEUTICALS/修丽可	\$26,766,511
Fresh/馥蕾诗	\$13,309,315
Erno Laszlo/奥伦纳素	\$2,292,852
Clarins/娇韵诗	\$25,327,520
香奈儿	\$6,498,676
圣罗兰/YSL	\$3,721,029
RSAS	\$22,212,191
Estee Lauder/雅诗兰黛	\$66,977,167
YUE-SAI/羽西	\$5,750,724
Farmacy/法沫溪	\$3,421,220
Lancome/兰蔻	\$69,139,257
Biotherm/碧欧泉	\$4,877,571

BRANDS SORTED BY HIGHEST AVG PRICE	Sales Value
Cosme Decorte/黛珂	\$15,907,333
麦吉利	\$2,795,741
POLA/宝丽	\$3,307,394
怡丽丝尔	\$7,922,065
QuadHA/夸迪	\$20,735,858
玛茵朵	\$9,438,943
Dr.Ci:Labo	\$10,093,968
EVE CHARM/伊肤泉	\$6,722,170
Forest Cabin/林清轩	\$2,793,515
梵贞	\$8,239,543
DR. WU/达尔肤	\$2,975,587
Shu-uemura/植村秀	\$3,273,129
Olay/玉兰油	\$53,911,718
凌博士	\$2,214,335
Elizabeth Arden/雅顿	\$14,433,320
SULWHASOO/雪花秀	\$11,231,039
Dr.Jart+/蒂佳婷	\$9,936,228
Filorga/菲洛嘉	\$4,147,103
SHISEIDO	\$34,972,412
IPSA/茵芙莎	\$6,578,648
Marubi/丸美	\$5,327,559
Kiehl ' s/科颜氏	\$29,411,199
CNP/希恩派	\$2,264,700
Bb LABORATORIES/苾莱宝	\$3,345,461
PROYA/珀莱雅	\$60,145,495
E'YEARN/依漾	\$5,004,949
Biophytogenesis/百植萃	\$2,715,887
CEMOY (美妆)	\$2,252,722
The history of whoo/后	\$18,286,478
BOBBI BROWN/芭比波朗	\$3,016,400
L'OREAL /欧莱雅	\$83,684,719

# Top 10 shop ranking.

Aug 2022 – Jan 2023



rank	store	Sales Value
1	L'Oreal official flagship store	\$454,302,364
2	Tmall Global self-operated import supermarket	\$362,694,732
3	Lancome official flagship store	\$342,708,121
4	Proya Official Flagship Store	\$321,213,916
5	Estee Lauder Estee Lauder Official Flagship Store	\$301,552,103
6	Tmall Supermarket	\$291,027,685
7	olay official flagship store	\$290,243,458
8	Winona official flagship store	\$278,414,379
9	LA MER Official Flagship Store	\$178,223,708
10	SK-II official flagship store	\$152,200,840



# Top 40 shop ranking.

Aug 2022 – Jan 2023

rank	store	Sales Value
11	SHISEIDO official flagship store	\$142,586,013
12	Quady flagship store	\$134,345,043
13	SkinCeutical Official Flagship Store	\$131,736,307
14	HR Helena official flagship store	\$129,186,856
15	KIEHL'S official flagship store	\$128,596,610
16	Nature Hall Flagship Store	\$127,665,939
17	Clarins official flagship store	\$99,623,682
18	Guerlain official flagship store	\$99,613,702
19	Clé de Skin Official Flagship Store	\$82,950,728
20	To this flagship store	\$81,103,499
21	Tmall Global Self-operated Miaoyan Club	\$79,780,073
22	HBN official flagship store	\$75,901,180
23	Freeplus official flagship store	\$74,186,834
24	Fresh Fresh Official Flagship Store	\$73,688,862
25	COSME Official Flagship Store	\$71,841,718
26	La Roche-Posay Official Flagship Store	\$69,038,970
27	SISLEY official flagship store	\$68,671,131
28	Xiangyi Materia Medica Official Flagship Store	\$67,384,384
29	Ximuyuan Flagship Store	\$67,263,335
30	Skin Future Flagship Store	\$65,360,430
31	pechoin flagship store	\$62,509,512
32	Curel Official Flagship Store	\$61,780,852
33	Youshiyan Flagship Store	\$54,473,284
34	fanzhen flagship store	\$53,818,453
35	Guyu official flagship store	\$53,512,750
36	L'OCCITANE official flagship store	\$52,807,707
37	Elizabeth Arden official flagship store	\$52,077,267
38	drcilabo flagship store	\$51,652,229
39	cetaphil flagship store	\$49,532,449
40	OSM Flagship Store	\$48,305,507

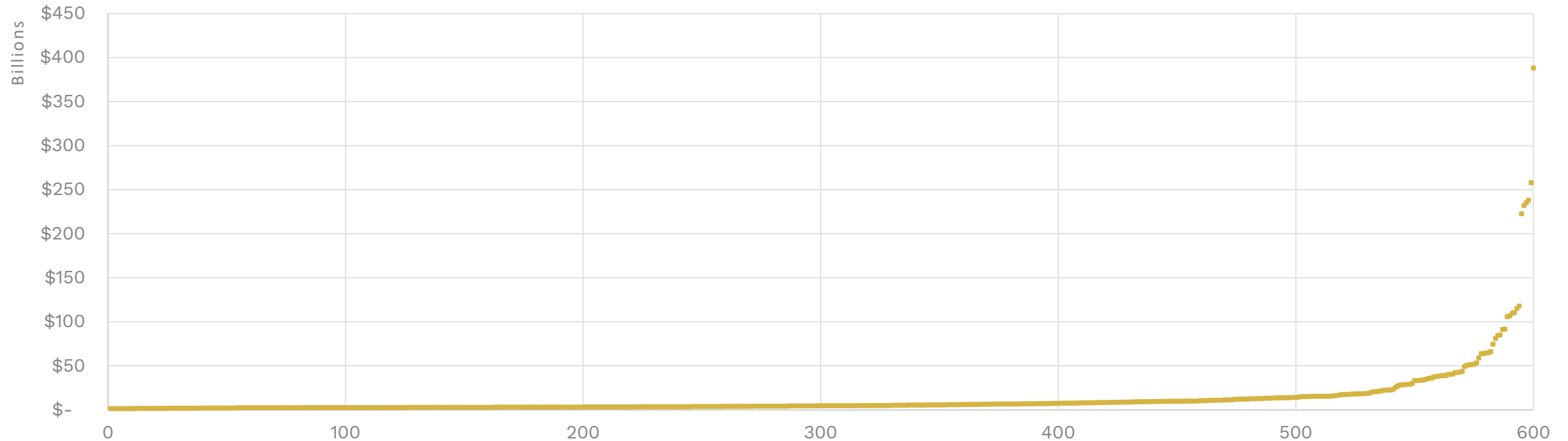
Source: Alibaba public data tracked by Market Defense & 2Open

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# The market is very fragmented with a snowball effect that benefits only a few leading brands.

Aug 2022 – Jan 2023

Distribution of Top 600 Products by Generated GMV (\$millions)

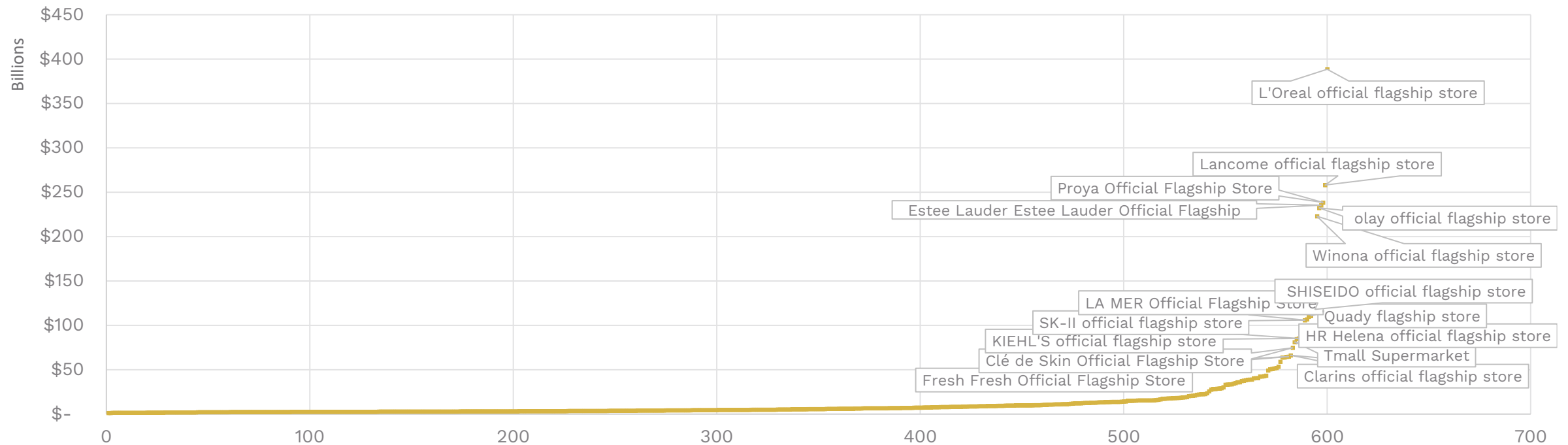


# Top global names dominate Alibaba's ecosystem.

Aug 2022 – Jan 2023

Shops with at least \$1.5 million GMV in six months.

600 top shops in Alibaba Ecosystem Revenue Last 6 months



# Fragmentation offers opportunity to niche players.

Aug 2022 – Jan 2023

## 600 TOP SHOPS IN ALIBABA ECOSYSTEM

Number of shops	Six-month sales	% of total revenue
353	< \$6 million	15%
148	\$6 – 15 million	18%
99	> \$15 million	67%

# Top 20 products sold.

Aug 2022 – Jan 2023

RANK	TITLE	min price	ORIGINAL PRICE	STORE	Sales Value
1	欧莱雅安瓶面膜玻尿酸精华补水保湿紧致修护舒缓淡化细纹护肤品	379	552	L'Oreal official flagship store	\$69,600,279
2	薇诺娜舒缓修护冻干面膜 贴片面膜补水保湿改善泛红	557	1314	Winona official flagship store	\$56,772,855
3	资生堂悦薇水乳套装亮肤紧致保湿补水	1440	1440	SHISEIDO official flagship store	\$53,296,607
4	<b>【直接拍】</b> 娇兰修护复原蜜精华液30ml*2保湿	1520	1520	Guerlain official flagship store	\$46,787,597
5	梵贞烟酰胺水乳霜7件套 补水保湿收缩毛孔控油滋润玻尿酸护肤品	552.2131	899	fanzhen flagship store	\$46,492,551
6	OLAY玉兰油抗糖小白瓶烟酰胺美白提亮补水保湿面部精华液 C	531	719	olay official flagship store	\$42,027,087
7	城野医生VC377美白淡斑精华提亮面部肤色精华温和淡斑祛痘印	310	550	drcilabo flagship store	\$40,869,788
8	彤人秘第二代红参精华60ml淡纹修护紧致	1250	1450	Tongrenbi Flagship Store	\$40,314,869
9	珀莱雅红宝石面霜2.0六胜肽紧致抗皱淡纹秋冬补水保湿滋润护肤品	275.67	380	Proya Official Flagship Store	\$36,297,186
10	<b>【24点下线】</b> 希思黎全能乳液250ml/125ml强韧	1800	2700	SISLEY official flagship store	\$35,044,029
11	欧莱雅第二代紫熨斗眼霜抗皱紧致补水保湿淡化细纹玻色因护肤品	276.09	370	L'Oreal official flagship store	\$33,917,842
12	OLAY玉兰油第2代淡斑小白瓶烟酰胺淡痘印美白精华液 C	376.72	544.75	olay official flagship store	\$32,237,828
13	HR赫莲娜赫莲娜黑绷带面霜修护舒缓滋养玻色因霜	3680	4019.52	HR Helena official flagship store	\$32,222,467
14	<b>【双11】</b> freeplus芙丽芳丝氨基酸系表活洁面乳敏弱肌温和洗面奶	396	396	Freeplus official flagship store	\$31,769,432
15	<b>【立即抢购】</b> 华熙生物夸迪5D玻尿酸焕颜保湿精华液30mlz	458	656	Quady flagship store	\$31,260,071
16	<b>【超品预售】</b> OLAY玉兰油抗糖小白瓶烟酰胺美白提亮保湿面部精华液	195.2	365.423	olay official flagship store	\$31,009,634
17	<b>【狂欢继续】</b> 兰蔻菁纯臻颜眼霜20ml 菁纯眼霜*	1150	1150	Lancome official flagship store	\$30,709,533
18	<b>【新年好礼】</b> 珀莱雅双抗精华液2.0抗氧化抗糖虾青素面部提亮补水	208.69	490	Proya Official Flagship Store	\$30,406,801
19	[顺丰速运]HR赫莲娜黑绷带玻色因面霜女紧致抗皱护肤品晚霜礼盒	1380	3745.71	HR Helena official flagship store	\$30,234,902
20	<b>【立即付定金】</b> 肌肤之钥CPB 钻光奢护日夜三件套装乳霜Q	2970	2970	Clé de Skin Official Flagship Store	\$30,000,035

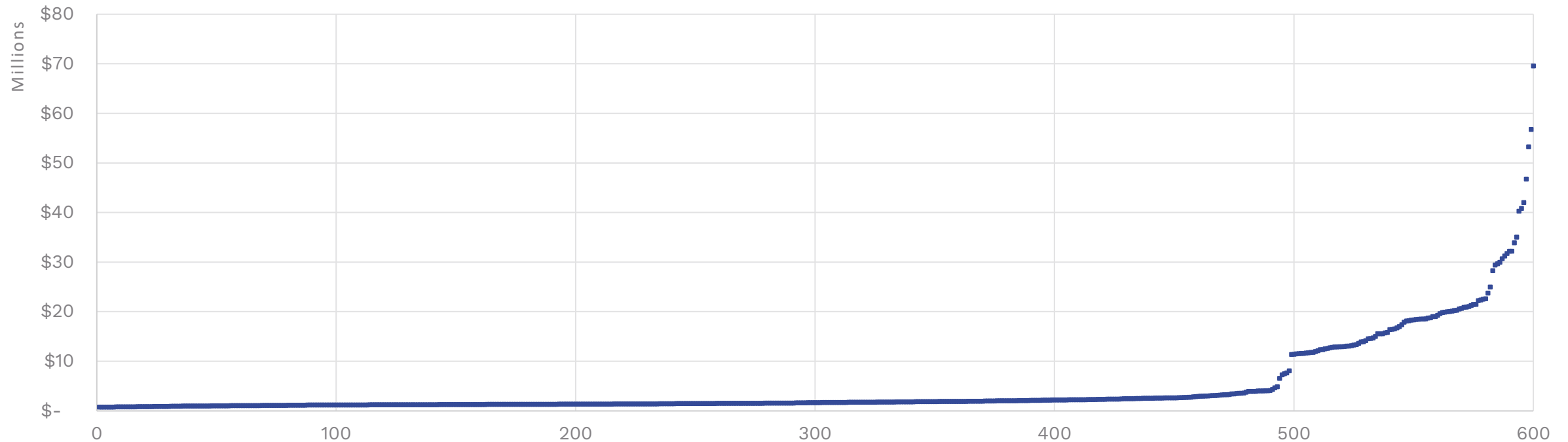
Source: Alibaba public data tracked by Market Defense & 2Open

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# Top products by GMV show a similar distribution with a similar snowball effect in leading products.

Aug 2022 – Jan 2023

Top 600 Products by Generated GMV (\$millions)



# Top 20 products sold.

Aug 2022 – Jan 2023



**珀莱雅官方旗舰店** 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

PROYA 珀莱雅双抗精华液2.0抗氧化抗糖虾青素面部提亮肤色补水保湿减黄

月销 5万+

优惠价 ¥259起

活动 保障 参数

配送: 浙江杭州 至 威海市 环翠区  
快递: 免运费  
24:00前付款, 预计02月20日送达

版本: 红宝石精华(采蜜流纹抗糖) 双抗精华(麦精双抗提亮)

净含量: 30ml 50ml (多数用户选择)

款式: 基本款

数量: 1 + 有货

立即购买 加入购物车

**彤人秘旗舰店** 宝贝描述 4.9 卖家服务 4.9 物流服务 4.9

彤人秘第二代红参精华60ml淡纹修护紧致

月销 1万+

¥1450

活动 保障 参数

配送: 上海 至 威海市 环翠区  
快递: 免运费  
现在下单, 预计2月20日送达

数量: 1 +

立即购买 加入购物车

**HR赫莲娜官方旗舰店** 宝贝描述 4.8 卖家服务 4.8 物流服务 4.9

【官方正品】HR赫莲娜黑绷带面霜女修护紧致抗皱护肤品晚霜礼盒

月销 6000+

¥1380起

活动 保障 参数

配送: 江苏苏州 至 威海市 环翠区  
快递: 免运费  
现在, 付款后48小时内发货

版本: 【传愈面霜】黑绷带-夜间抗皱修护 【传愈面霜】白绷带-日间舒缓修护  
【送礼精选】黑绷带礼盒-顺丰速发

净含量: 50ml 100ml 15ml 300g

适合肤质: 所有肤质

数量: 1 + 有货

立即购买 加入购物车

**OLAY官方旗舰店** 宝贝描述 4.7 卖家服务 4.7 物流服务 4.8

【顺丰速达】OLAY玉兰油抗糖小白瓶烟酰胺美白提亮抗氧化保湿精华

月销 4万+

优惠价 ¥279起 原价 ¥239起

优惠 活动 保障 参数

配送: 江苏苏州 至 威海市 环翠区  
快递: 免运费  
24:00前付款, 预计02月20日送达

净含量: 75ml 50ml 30ml

数量: 1 + 有货

立即购买 加入购物车

**梵贞旗舰店** 宝贝描述 4.7 卖家服务 4.8 物流服务 4.8

梵贞烟酰胺水乳霜7件套 补水保湿收缩毛孔控油润肤护肤品

月销 1万+

¥899

活动 保障 参数

配送: 广东广州 至 威海市 环翠区  
快递: 免运费  
现在, 付款后48小时内发货

颜色分类: 烟酰胺亮肤7件组合套装 烟酰胺亮肤7件水乳霜

数量: 1 + 有货

立即购买 加入购物车

**欧莱雅官方旗舰店** 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

欧莱雅安瓶面膜玻尿酸精华补水保湿紧致修护舒缓淡化细纹护肤品

月销 0

¥552 原价 ¥532

优惠 活动 保障 参数

配送: 江苏苏州 至 威海市 环翠区  
快递: 免运费  
现在下单, 预计2月20日送达

款式: 安瓶款

净含量: 30ml

数量: 1 +

立即购买 加入购物车

# Top 20 products sold.

Aug 2022 – Jan 2023



PROYA 珀莱雅官方旗舰店 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

珀莱雅双抗精华液2.0抗氧化抗糖虾青素面部提亮肤色补水保湿减黄

优惠价 ¥259起

配送: 浙江杭州 至 威海市 环翠区  
快速·免运费  
24:00前付款, 预计02月20日送达

版本: 红宝石精华(紧致淡纹抗皱) 双抗精华(双糖双抗提亮)

净含量: 30ml 50ml (多数用户选择)

款式: 基本款

数量: 1 + 有货

立即购买 加入购物车

LOREAL 欧莱雅官方旗舰店 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

欧莱雅第二代紫熨斗眼霜抗皱紧致补水保湿淡化细纹破色因护肤品

优惠价 ¥370 原价 ¥350

配送: 江苏苏州 至 威海市 环翠区  
快速·免运费  
现在下单, 预计2月20日送达

净含量: 30ml

数量: 1 + 有货

立即购买 加入购物车

PROYA 珀莱雅官方旗舰店 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

珀莱雅红宝石面霜2.0六胜肽紧致抗皱淡纹秋冬补水保湿滋润护肤品

优惠价 ¥339 原价 ¥309

配送: 浙江杭州 至 威海市 环翠区  
快速·免运费

版本: 深力面霜 红宝石霜

净含量: 30g【到手65g】

适合肤质: 油性肤质 敏感肌 干性肤质 混油肌

数量: 1 + 有货

立即购买 加入购物车

OLAY 玉兰油官方旗舰店 宝贝描述 4.7 卖家服务 4.7 物流服务 4.8

【顺丰速达】OLAY玉兰油抗糖小白瓶烟酰胺美白抗氧化提亮精华 A

优惠价 ¥629 原价 ¥529

配送: 江苏苏州 至 威海市 环翠区  
快速·免运费  
24:00前付款, 预计02月20日送达

颜色分类: 100ml

数量: 1 + 有货

立即购买 加入购物车

LANCÔME 兰蔻官方旗舰店 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

【狂欢继续】兰蔻菁纯臻颜眼霜20ml 菁纯眼霜+

优惠价 ¥1150

配送: 江苏苏州 至 威海市 环翠区  
快速·免运费

颜色分类: 菁纯眼霜20ml

数量: 1 + 有货

立即购买 加入购物车

SHISEIDO 资生堂官方旗舰店 宝贝描述 4.7 卖家服务 4.8 物流服务 4.8

资生堂悦薇水乳套装紧致保湿补水

优惠价 ¥1440

配送: 江苏苏州 至 威海市 环翠区  
快速·免运费  
现在下单, 预计2月20日送达

颜色分类: 悦薇水乳套装(清爽型) 悦薇水乳套装(滋润型)

数量: 1 + 有货

立即购买 加入购物车

# Top 20 products sold.

Aug 2022 – Jan 2023



**drcilabo旗舰店** 宝贝描述 4.8 卖家服务 4.9 物流服务 4.9

【直播专享】城野医生VC377美白淡斑精华液提亮祛斑送女友

直播间领券 立减130元

¥550 备注暗号赠更多! 拍1享6

净含量: 20g

数量: 1

立即购买 加入购物车

**薇诺娜官方旗舰店** 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

薇诺娜舒缓修护冻干面膜 贴片面膜补水保湿改善泛红

¥1314 券后¥1279

净含量: 30片 (30片\*10片装)

数量: 1

立即购买 加入购物车

**OLAY官方旗舰店** 宝贝描述 4.7 卖家服务 4.7 物流服务 4.8

OLAY玉兰油第2代淡斑小白瓶烟酰胺淡斑印美白精华液 C

稳住黑色素母体 28天淡斑淡痘印

¥510 券后¥440

净含量: 30ml

数量: 1

立即购买 加入购物车

**freeplus芙丽芳丝官方旗舰店** 宝贝描述 4.8 卖家服务 4.8 物流服务 4.8

【双11】freeplus芙丽芳丝氨基酸系洁面乳敏弱肌温和洗面奶

爆款氨基酸系洁面 不来一支吗?

¥396

净含量: 200g (4支合计)

数量: 1

立即购买 加入购物车

**GUERLAIN娇兰官方旗舰店** 宝贝描述 4.8 卖家服务 4.8 物流服务 4.9

【新年礼物】娇兰帝皇蜂复原蜜精华液100ml/60ml/50ml/30ml

¥760 券后

净含量: 100ml (100ml + 30ml + 30ml)

数量: 1

立即购买 加入购物车

**QUADHA夸迪官方旗舰店** 宝贝描述 4.8 卖家服务 4.9 物流服务 4.9

【立即抢购】华熙生物夸迪5D玻尿酸焕颜保湿精华液30mlz

¥656

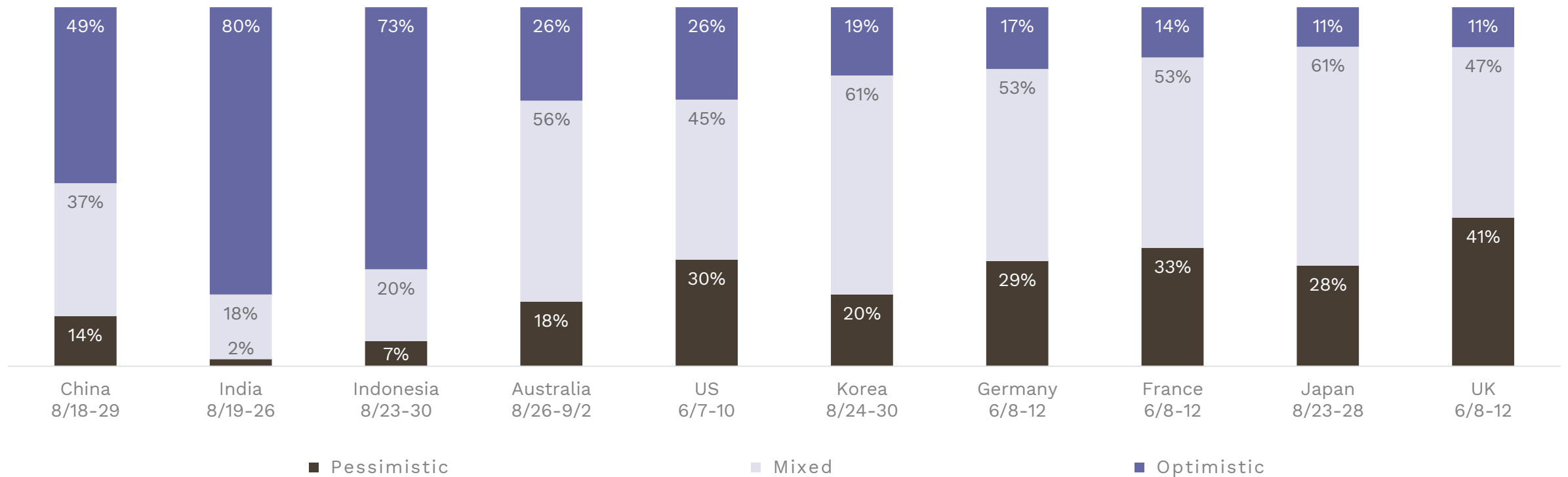
净含量: 30ml

数量: 1

立即购买 加入购物车

# Chinese consumers trust in the economic recovery of their country post-covid.

Consumer confidence in their country's economic recovery after covid-19



# Fragmented supply & concentrated demand yield fierce market competition.

## Executive Summary

- Huge market growth that slightly stopped during 2022
- China did not pass before a covid economic crash, but it suffered less severely delayed on time (2022)
- Supply is fragmented while demand is rather concentrated, therefore competition is fierce
- Demand is concentrated geographically and in terms of distribution channels
- Market vibrancy level is high
- Branding is key and more specifically global branding
- There is a snowballing effect that benefits global-well known players, what further underlines the need for branding intensively
- Ecommerce dominates the Chinese market, but big numbers are often contradictory, we can rather control platform specific figures
- 2022 shopping festivals where softer than in 2021 both for double 11 and 618
- As market matures, less more valuable orders are taking place leading to probably more sustainable business
- Business models as well are progressing with Alibaba movement to promote Tmall supermarket (something that was previously done by JD.com from the beginning)

# Now you also have a team in China!

Brandon Pemberton

✉ [brandon@marketdefense.com](mailto:brandon@marketdefense.com)

🌐 [www.marketdefense.com](http://www.marketdefense.com)

Luis S.Galán

✉ [luis@2open.biz](mailto:luis@2open.biz)

🌐 [www.2open.biz](http://www.2open.biz)



# Entering The China Market Profitably





## *Some Of The Common Myths Around China Launch*

1

The same growth method in the West can be applied compatibly to China.

2

Expect profit from day 1 is a common myth.

3

There is always a huge room for my brand.

# How China Can Be Profitable Business For Beauty Brands

The truth is Only a few beauty brands can achieve **long-term** profitability.



## Product-market fit

Identity & fulfill unmet customer demands.

Tease out the target groups.

Repurchase



## Efficiency in marketing & sales

Brand building and marketing on e-commerce and social media platforms.



## Commercial model

Find the best fit at the current stage.

Manage investment & costs.



## Embracing change

Market demand

Consumer behaviors

Platforms dynamics

Technology & Social needs

# Leverage The China Business Success Factors

## Trend

Market research  
Customer analysis  
Consumption scenarios  
Communication channel

## Traffic

Product exposure  
Information flow  
User flow  
Cash flow

## Product

Product value  
Comparative advantage  
Competition barriers

## Brand

Brand positioning  
Value communication  
Customer education

## Repurchase

Product market fit stage  
Channel expansion stage  
Brand mature stage

## Cost

Cost management  
Cost optimization

# How Beauty Brands Can Discover Product Market Fit In 2023?

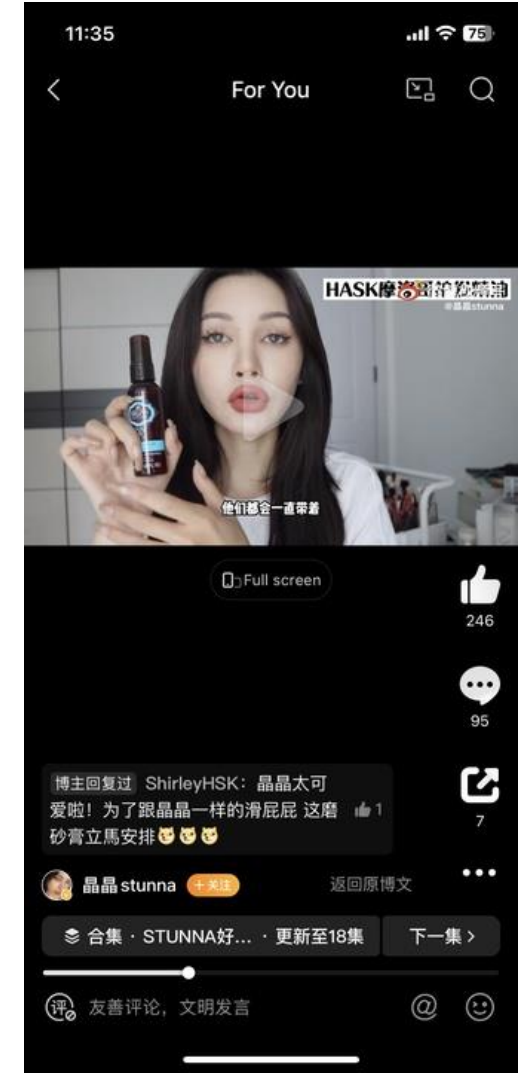


# Short Video Seeding On Little Red Book And Weibo

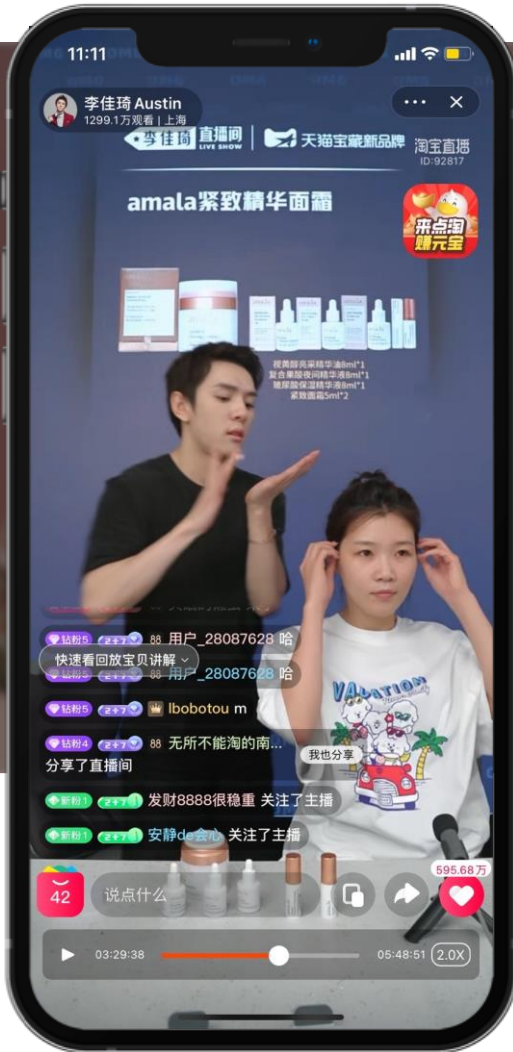
## Premium natural beauty: Amala Beauty



## Hair and skin kindness: HASK



# Livestreaming With Influencers To Amplify Amala's Presence



KOL influence: giving Amala a trusted voice

- ✓ Partnering with top anchor Austin Li to improve brand credibility.
- ✓ Amala recorded skyrocketing increase in searches, and sales compared to the daily average.

Influence goes further

- ✓ Co-create China brand assets & natural beauty assets.
- ✓ Enhance brand awareness to target consumers.
- ✓ Drive positive revenue growth.

# Livestreaming Engage High-potential Customers For HASK



Amplify exposure during the 618 event

- ✓ Develop a complete plan
- ✓ Filter appropriate livestream influencers
- ✓ Target audience analysis
- ✓ Merchandise strategy

Influence goes further

- ✓ Taobao Live: high-quality exposure towards over 4 million audiences, and the highest ROI reached 5.



**How Long Does It Take  
To Validate The  
Strategy?**

The answer is open and always happens differently.



## Don'ts

1. Inconsistent investment in strategy
2. Invest across multi-channels
3. Allocate a limited budget to all SKUs
4. Underestimate target customer analysis
5. Bet on the performance marketing, but less on seeding and brand building

## Must Dos

1. Consistent brand seeding
2. Plan thoroughly
3. Get involved
4. Be flexible & find a workaround
5. Find a suitable partner



“

# What Makes An Agile Partner For China Business?

Whether it's a service partner, a distributor, an agent, or a JV partnership.

## Adapt to market change



**Identify changes & issues**



**Analyze the changes**



**Develop suitable solutions**

# Must-have capabilities to empower brand growth



Market Research,  
Brand Audit &  
Strategy Development



Problem  
Identification &  
Solution Design

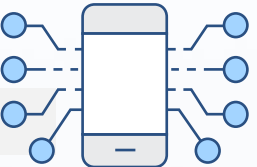


Sales Channel  
Developing & Solution  
Implementation



Digital Marketing,  
Brand Building, and  
Creative Content

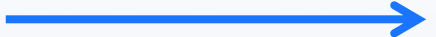
Multichannel  
Capabilities



Global Supply Chain  
Management



Business Planning,  
Consultation &  
Growing





**Cost-effective Ways For  
Brands To Go From 0-1  
in 2023?**

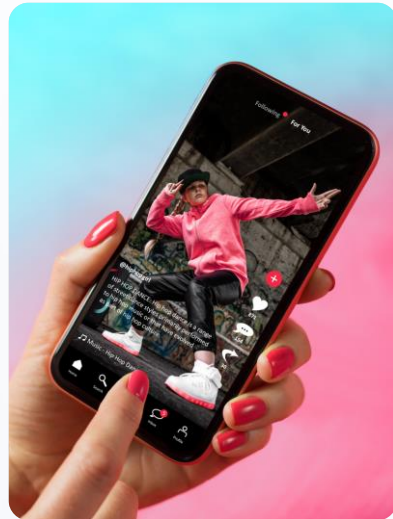
**01** —————

**Incubation  
program**



**02** —————

**Launch on  
Douyin**



**03** —————

**Shops-in-  
Shop**



**04** —————

**Expat  
marketing**



**05** —————

**Creative  
seeding**



# How To Attract Investment For Your China Business

1. Brand with strong awareness and impressive story
2. Great product with the competitive edge
3. Attract high-value customers/target group
4. Perform efficiently on current sales channel
5. Keep trendy and exploratory



# What Ultimately Lead To Profitability?

**Brand awareness**

**Solving customer demands**

**Customer loyalty**

**Large scale customer traffic**

**Offering an exciting experience**

**Demonstrated & consistent demands**

**Consistency in the long-term growth**

**A good revenue-share structure with partners in china**



Contact us: [info@azoyagroup.com](mailto:info@azoyagroup.com)

Azoya Group <https://www.azoyagroup.com/>

# Doing Business In China: An Update on UK GMPC Status



# Background

## Market Access Barrier

- Mandatory animal testing on imported cosmetic products to China.

## UK Government's engagement

- Improve pre-market safety assessment skills.
- Develop in-market control.
- Ministerial and official visits, roundtables, MoUs and technical exchanges.

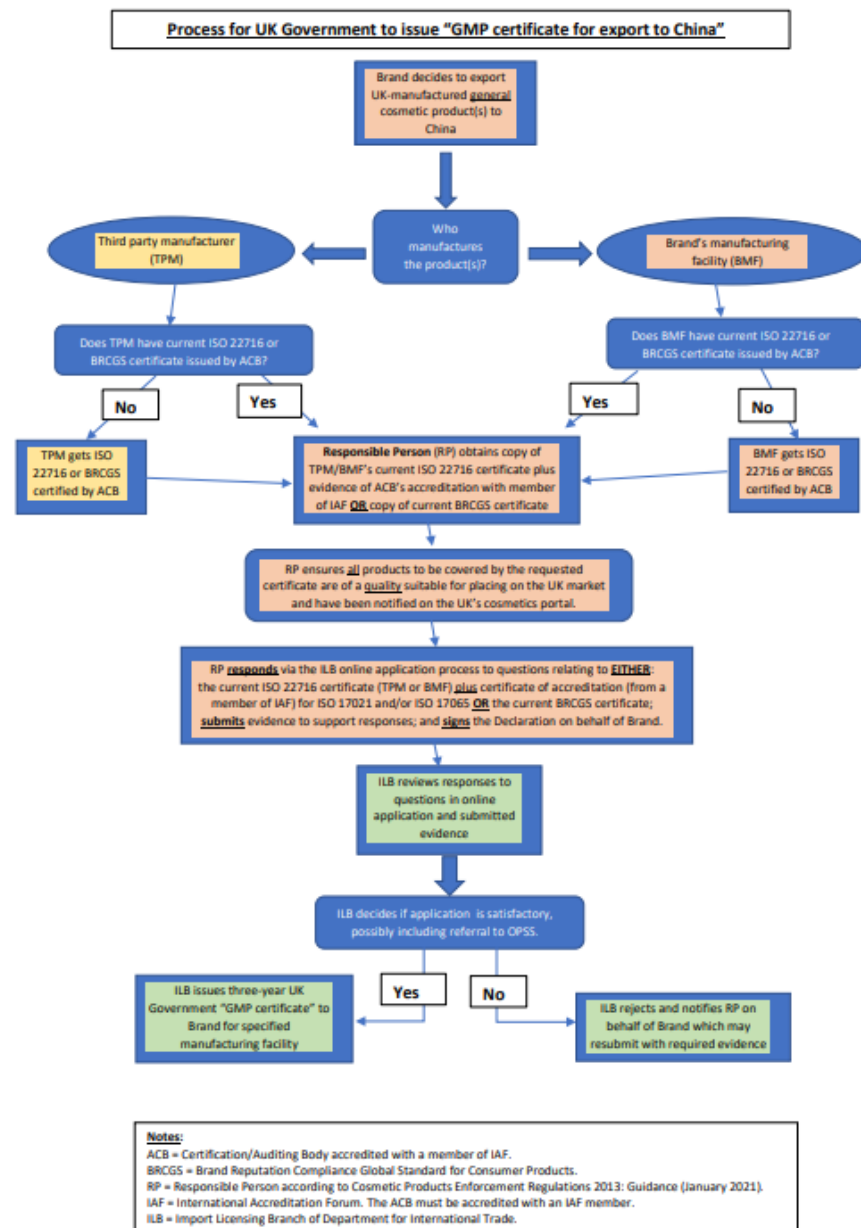
## Outcomes

- Upskilling of Chinese industry, toxicologists and regulators.
- Change of policy: ban lifted for general cosmetics exported to China.
- New Good Manufacturing Practice (GMP) certification developed.
- Hundreds of GMP certificates issued to brands and manufacturers.
- Many brands successfully exported to China without animal testing.

# Conditions for exemption of animal testing on General cosmetics

- The product does not claim to be used by infants & children.
- The product does not contain new cosmetic ingredients.
- The product's notifier / intermediary / manufacturer is not listed as a key supervision target according to the results of the quantitative rating system established by NMPA.
- Manufacturer submits, as part of the notification process with NMPA: (i) a **Good Manufacturing Practice (GMP)** certificate issued by direct Government regulator where the manufacturer is located; (ii) a **Safety assessment** report fully confirming safety of the product.
- Above applies only to General use, and not Special cosmetics ((i) Hair dyes (ii) Hair perming products (iii) Freckle-removing (Whitening) products (iv) Sunscreens (v) Anti-hair loss products (vi) Cosmetics with new efficacy)

# How to apply for a UK GMPC, flowchart and Q&A



For detailed guidance about GMPC, please **visit** our website

<https://eu.eventscloud.com/website/4613/>

## Contact us:

Doris Zhou: Deputy Head of Retail, Cosmetics lead  
 Department for Business & Trade, China

[Doris.zhou@fcdo.gov.uk](mailto:Doris.zhou@fcdo.gov.uk)

Scan the QR to access UK-China business connect platform



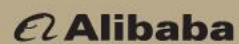
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# Doing Business In China: Legal Considerations



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# General considerations



# General considerations

## Establish own operations vs. work with local players

### Establish your own operations



#### Location choice

- Shanghai/Beijing or second tier cities (like Wuhan)?
- Preferential policies – talk to the local government!



#### Legal structure

- Most companies set up a wholly-owned subsidiary



#### Personnel

- Sending existing trusted staff from overseas may be costly and ineffective
- Hiring local talent brings potentials risks such as rogue management



#### Manufacturing activities

- Talk to the local government if you are looking to acquire land
- Various IP implications
- Contract manufacturing may be more plausible at initial stage

### Work with local distributors



#### Distribution structure

- Local distributors may be more familiar with marketing channels in the local market
- Margin is typically high for cosmetics industry

2

# IP issues



# Protecting your brand / products

Secure your rights early and enforce them



File your trademarks early



Classification of goods and services



Secondary marks



Chinese marks



Other IP registrations

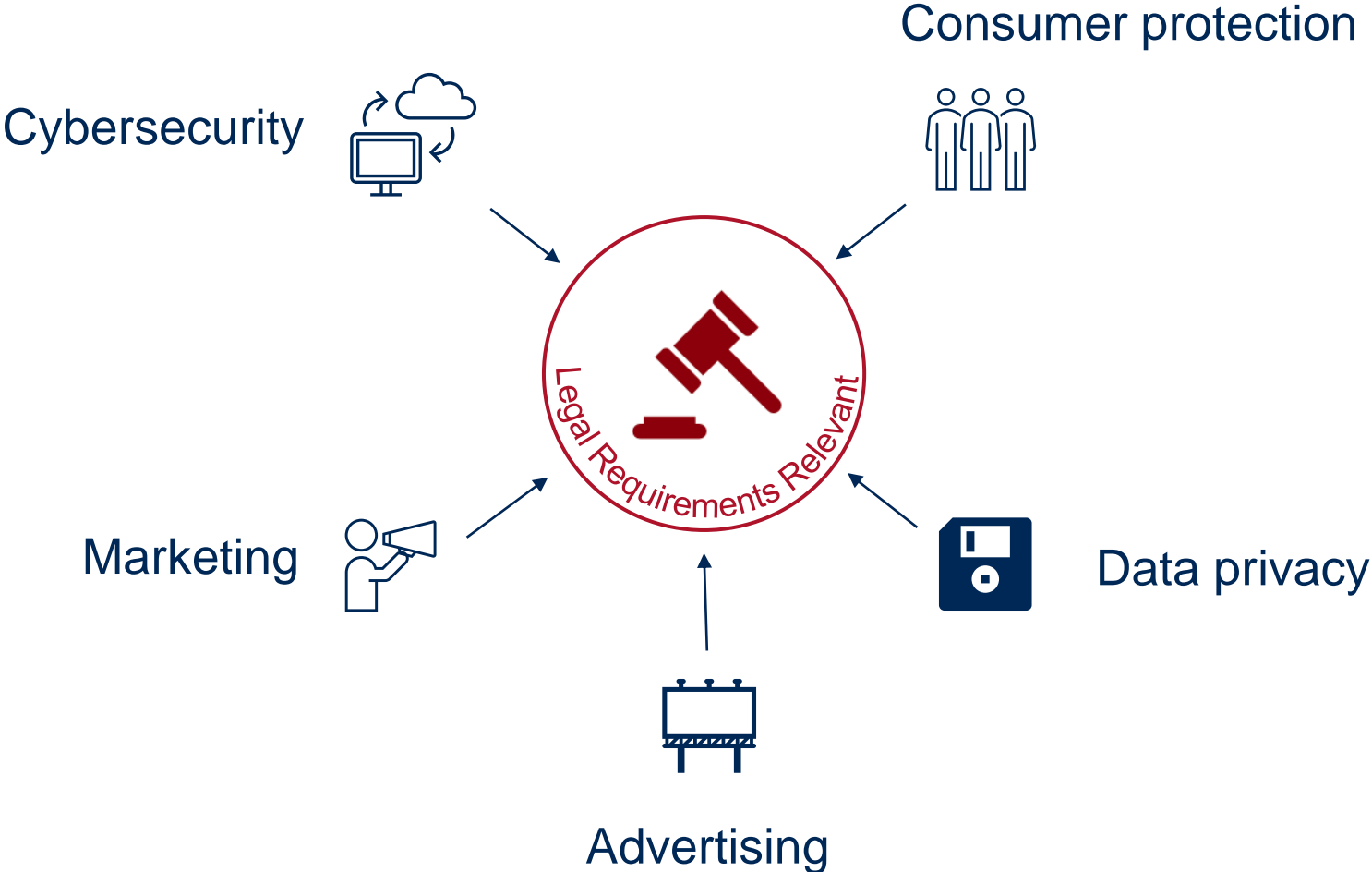


Monitoring and active enforcement



Trade Secrets and IP creations

# Other related legal issues



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# Our team



# London

## Corporate



**Peter Lu**  
Partner  
+44 20 7919 1300  
peter.lu  
@bakermckenzie.com



**David Scott**  
Partner  
+ 44 20 7919 1989  
david.s.scott  
@bakermckenzie.com



**Tina Hartwright**  
Senior Associate  
+ 44 20 7919 1355  
tina.hartwright  
@bakermckenzie.com



**Ennio Keyte**  
Associate  
+44 20 7919 1556  
ennio.keyte  
@bakermckenzie.com

## IP



**Julia S. Dickenson**  
Of Counsel  
+44 20 7919 1237  
Julia.Dickenson  
@bakermckenzie.com



# China

## Beijing



**Aggie Liu (BMFX)**  
Partner  
+86 10 6535 9027  
liuajie  
@fexunlaw.com



**Edward Yang (BMIP)**  
Managing Director  
+86 10 6535 2018  
edward.yang  
@bmip.cn



**Yilan Yang (BMFX)**  
Senior Counsel  
+86 10 6535 3906  
yilan.yang  
@bmip.cn

## Hong Kong



**Isabella Liu**  
AP Chair of IP &  
Technology Group  
+852 2846 1689  
isabella.liu  
@bakermckenzie.com



**Shih Yann Loo**  
Partner  
+852 2846 1727  
shihyann.loo  
@bakermckenzie.com



**Loke-Khoon Tan**  
Partner  
+852 2846 1970  
lkt  
@bakermckenzie.com



**Andrew Sim**  
Partner  
+86 10 6535 3916  
andrew.sim  
@bakermckenzie.com

## Shanghai



**Binxin Li (BMFX)**  
Partner  
+86 21 6105 8510  
binxin.li  
@bakermckenziefexun.com



**Zheng Zhou (BMFX)**  
Partner  
+86 21 6105 8554  
zhouzheng  
@fexunlaw.com



**Jeff Xu (BMFX)**  
Senior Counsel  
+86 21 6105 5991  
jeff.xu  
@bakermckenziefexun.com



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# Doing Business In China: The Regulatory Landscape



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## **PART 01**

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# **IECIC, ECI and Formulation in China**

# Part 1. IECIC, ECI and Formulation in China

## 1.1 Ingredient List Updates

No.	Cosmetic Ingredient List	Number	Type
1	<a href="#">Inventory of Existing Cosmetic Ingredients in China 2021</a> (IECIC 2021)	8,972	Existing Ingredient List
2	<a href="#">Inventory of Prohibited Ingredients Used in Cosmetics 2021</a>	1,284	Prohibited Ingredient Lists
3	<a href="#">Inventory of Prohibited Plant and Animal-Derived Cosmetic Ingredients 2021</a>	109	
4	<a href="#">List of Restricted Ingredients Used in Cosmetics 2015</a>	47	Restricted Ingredient List
5	<a href="#">List of Permitted Preservatives Used in Cosmetics 2015</a>	51	Permitted Ingredient Lists  (Ingredients in these lists are allowed to be used in cosmetics and shall comply with the specified restrictions, such as the application scope and the maximum allowable concentration in cosmetics.)
6	<a href="#">List of Permitted Sunscreens Used in Cosmetics 2015</a>	27	
7	<a href="#">List of Permitted Colorants Used in Cosmetics 2015</a>	157	
8	<a href="#">List of Permitted Hair Dyes Used in Cosmetics 2015</a>	75	

## 1.1 Ingredient List Updates in 2021 – IECIC 2021



### 8,972 Existing Ingredients

The total number of existing cosmetic ingredients increases from the original 8783 to 8972.



### Highest Historical Use Concentration

The highest historical use concentration can be used as recognized evidence in the simplified safety assessment report to provide a reference for cosmetic safety assessment.



### Notes Related to Ingredient Safety Reviews

The notes are divided into five types:

1. Prohibited ingredients,
2. To be adjusted as prohibited ingredients,
3. Used in accordance with the requirements of Safety and Technical Standards for Cosmetics,
4. Former name,
5. Blank.

# Part 1. IECIC, ECI and Formulation in China

## 1.1 Ingredient List Updates in 2021 – IECIC 2021

No.	Chinese Name	INCI Name/English Name	Highest Historical Use Concentration in Rinse-off Products (%)	Highest Historical Use Concentration in Leave-on Products (%)	Note
00001	1- (3,4-二甲氧基苯基) -4,4-二甲基-1,3-戊二酮	1-(3,4-DIMETHOXYPHENYL)-4,4-DIMETHYL-1,3-PENTANEDIONE			
00002	1,10-癸二醇	1,10-DECANEDIOL	0.375	0.125	
00003	1,2-丁二醇	1,2-BUTANEDIOL	8	6	
00004	1,2-己二醇	1,2-HEXANEDIOL		66.05	
00005	1,2-戊二醇	PENTYLENE GLYCOL		21.29	
00006	1,3-丙二醇	PROPANEDIOL		47.929	
00007	1,3-双- (2,4-二氨基苯氧基) 丙烷	1,3-BIS-(2,4-DIAMINOPHENOXY)PROPANE	/	/	Used in accordance with the requirements of "Safety and Technical Standards for Cosmetics"
00008	1,3-双- (2,4-二氨基苯氧基) 丙烷盐酸盐	1,3-BIS-(2,4-DIAMINOPHENOXY)PROPANE HCL	/	/	Used in accordance with the requirements of "Safety and Technical Standards for Cosmetics"

ChemLinked News: [China Releases the Inventory of Existing Cosmetic Ingredients in China 2021 \(IECIC 2021\)](#)

## 1.1 Ingredient List Updates in 2021 – Prohibited Ingredients



**Inventory of Prohibited Ingredients for Cosmetics**  
**Inventory of Prohibited Plant (Animal) Ingredients for Cosmetics**

**ChemLinked News:** [China Implements Amended Cosmetic Prohibited Ingredient Inventories: 24 Newly Prohibited Ingredients Including Cannabidiol \(CBD\)](#)

## 1.1 Ingredient List Updates in 2022 – Safety Risk Substance Benzene

**Benzene**  
(CAS No. 71-43-2)  
Human Carcinogen



On Mar. 10, 2022, China National Institutes for Food and Drug Control (NIFDC) released an announcement seeking public comments on benzene limitation requirements, to strengthen the management of safety risk substances in cosmetics.

According to the risk assessment results,  
**the limit of benzene in cosmetics is proposed to be 2mg/kg.**

## 1.1 Ingredient List Updates in 2022 – STSC 2022

On Mar. 31, 2022, China NIFDC released a draft of the [Safety and Technical Standard for Cosmetics 2022](#) (“draft STSC 2022”) for public comments until Apr. 30, 2022. STSC 2022 is designed to supersede the existing STSC 2015, which is the overarching technical standard for cosmetics’ safety supervision and testing in China.

	STSC 2015	Draft STSC 2022
Chapter 1. Overview	It specifies the scope, terms and definitions, general safety standards of cosmetics.	<ul style="list-style-type: none"> <li>• Adds general requirements for pH value of cosmetics, which shall be higher than 2.0 and lower than 11.5.</li> <li>• Removes the remark of the hazardous substance mercury.</li> </ul>
Chapter 2. Prohibited/Restricted Ingredients Used in Cosmetics	<ul style="list-style-type: none"> <li>• 1290 prohibited ingredients</li> <li>• 98 prohibited plant (animal) ingredients</li> <li>• 47 restricted ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• 1284 prohibited ingredients</li> <li>• 109 prohibited plant (animal) ingredients</li> <li>• 44 restricted ingredients (e.g. toluene)</li> </ul>
Chapter 3. Permitted Ingredients Used in Cosmetics	<ul style="list-style-type: none"> <li>• 51 permitted preservatives</li> <li>• 27 permitted sunscreens</li> <li>• 157 permitted colorants</li> <li>• 75 permitted hair dyes</li> </ul>	<ul style="list-style-type: none"> <li>• 48 permitted preservatives</li> <li>• 26 permitted sunscreens</li> <li>• 156 permitted colorants</li> <li>• 73 permitted hair dyes</li> </ul>
Chapter 4. Physical and Chemical Test Methods	77 methods	67 methods
Chapter 5. Microbiological Test Methods	5 methods	5 methods
Chapter 6. Toxicological Test Methods	16 methods	24 methods
Chapter 7. Human Body Safety Test Method	2 methods	2 methods
Chapter 8. Human Body Efficacy Evaluation Test Method	3 methods	5 methods

## 1.2 Ingredient Submission Code

### *Provisions for Management of Cosmetic Registration and Notification Dossiers*

- The registrant, notifier or domestic responsible person shall fill in the manufacturer information of ingredients used in the product and upload the ingredient safety information document issued by the ingredient manufacturer.



Ingredient Safety Information
1. Trade name, basic information, production process
2. Quality control requirements
3. Assessment conclusions of international authoritative organizations
4. Brief description of requirements for other industries
5. Limitation requirements for risk substances



Ingredient Submission Code	
Jan. 1, 2022	Provide safety-related information of preservative, sunscreen, colorant, hair dye, freckle removing and whitening ingredients.
Jan. 1, 2023	Provide safety-related information of all ingredients.

## 1.2 Ingredient Submission Code

- **Ingredient Submission Code:** An ingredient code - a manufacturer code - an ingredient quality specification code
- Automatically generated after the cosmetic ingredient manufacturer submits the ingredient safety information through the **online platform designated by NMPA** (<http://ciip.nifdc.org.cn/hzpYL/ylgsInfo>).
- After submission, the ingredient code will be disclosed by the NMPA together with the ingredient trade name and manufacturer information.

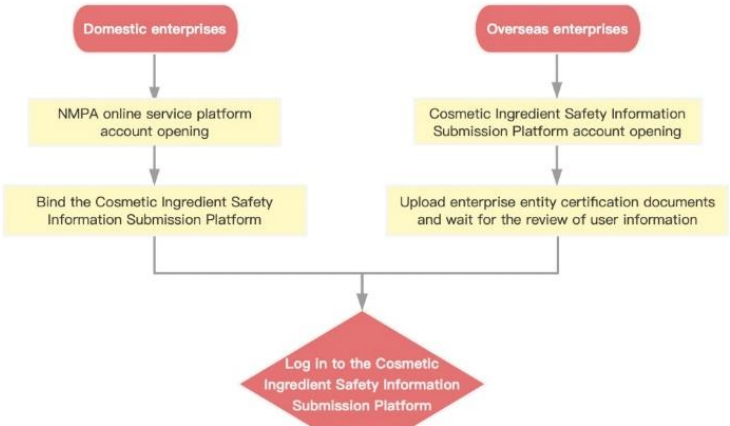
化妆品原料安全信息登记平台		Cosmetic Ingredients Safety Information Submission Platform	
序号	原料组成	Ingredient Composition	Ingredient Submission Code
1	铁皮石斛 (DENDROBIUM OFFICINALE) 提取物 丙二醇 .....		100003*****
2	二裂酵母发酵产物溶胞产物		002162*****
3	羟基频哪酮视黄酸酯 异山梨醇酐二甲醚		100006*****
4	金钗石斛 (DENDROBIUM NOBILE) 提取物 丁二醇 .....		100007*****
5	甜菜碱水杨酸盐		006666*****
6	抗坏血酸四异棕榈酸酯		004106*****

### Cosmetic Ingredient Manufacturer

- The actual production enterprise of the ingredient,
- The affiliated enterprise belonging to the same group company as the actual production enterprise of the ingredient,
- The entrusting enterprise in the activity of entrusted production of the ingredient.

## 1.2 Ingredient Submission Code - Cosmetic Ingredient Safety Information Submission Platform

- Since 9 a.m. on December 31, 2021, the Cosmetic Ingredients Safety Information Submission Platform (<http://ciip.nifdc.org.cn>) has been in service.
- Cosmetic ingredient manufacturers or their authorized enterprises can log on to the platform to submit ingredient safety information.



原料报送码信息					
原料报送码 Ingredient Submission Code	102622-01098-4059	原料商品名 Ingredient Trade Name	Hydantol 55K C	生产商名称 Manufacturer Name	KCI LIMITE D
化妆品原料安全信息公示平台 Cosmetic Ingredients Safety Information Publicity Platform	<a href="http://ciip.nifdc.org.cn/hzpYL/ylgsInfo">http://ciip.nifdc.org.cn/hzpYL/ylgsInfo</a>				

## 1.2 Ingredient Submission Code - Required Application Documents

Requirements		Documents	
Enterprise Information		<ul style="list-style-type: none"> <li>Scanned copy of the stamped Enterprise Information Form,</li> <li>Enterprise entity certification documents of the ingredient manufacturer (For overseas manufactures, it shall be notarized by the Chinese notary public or certified by the Chinese embassy),</li> <li>Authorization letter issued by the ingredient manufacturer (in the case of authorized submission).</li> </ul>	
Ingredient Safety Information	General Requirements	Basic information and manufacturing process	
		Quality control requirements and characteristic indicators	
		Limit requirements for risky substances (if applicable)	
		Assessment conclusions of international authorities (if applicable)	
		Brief description of the requirements for use in other industries (if applicable)	
		Other issues to be explained (if applicable)	
	Special Requirements	Plant source	Pesticide residue report (if applicable)
		Polymer ingredient	Please provide the degree of polymerization and average molecular weight (if any)
		Oligopeptide ingredient	Please provide amino acid sequence
		Biotechnology sources	Microbial contamination, host pathogenicity, and control of toxic components (if applicable)
Fragrance		IFRA certification	
		Fragrance allergen	

## 1.2 Ingredient Submis

3. Microbiological indicators (if applicable)

[Assessment conclusion of international authoritative organization]

### 化妆品原料安全信息登记平台 Cosmetic Ingredients Safety Information Submission Platform

■ F

序号	原料组成 Ingredient Composition	原料报送码 Ingredient Submission Code
1	铁皮石斛 (DENDROBIUM OFFICINALE) 提取物 丙二醇 .....	100003*****
2	二裂酵母发酵产物溶胞产物	002162*****
3	羟基频哪酮视黄酸酯 异山梨醇酐二甲醚	100006*****
4	金钗石斛 (DENDROBIUM NOBILE) 提取物 丁二醇 .....	100007*****
5	甜菜碱水杨酸盐	006666*****
6	抗坏血酸四异棕榈酸酯	004106*****

■ Th

For compound ingre

sources, if applicable)

[Other issues that need explanation]

The registrant, notifier or domestic responsible person (specific company name) is authorized by the ingredient manufacturer (specific company name) to fill in the relevant content in Annex 14, and the content is true, complete and accurate, hereby explained.

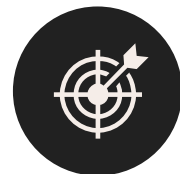
## 1.3 Existing Cosmetic Ingredient Regulation Forecast



IECIC 2021 will be dynamically updated.



The “List of Permitted Cosmetic Whitening Ingredients” is being drafted.



China to release the *Safety and Technical Standard for Cosmetics 2022* (STSC 2022).



## 1.4 Self-Updating the Notified Ingredient Safety Information

On December 8, 2022, China Cosmetics Notification System announced that a new function of "**Ingredient Safety Information Self-Update**" had been added to the **general cosmetics notification information system**. The function can be utilized under the following conditions:

### ■ Conditions

- For ▲ The general cosmetics that has completed notification for the first time(cosmetics with no change history) and,  
▲ The general cosmetics that have applied for information change(cosmetics with a history of change application)

1

If the content of raw materials used and the composition ratio and type of specific ingredients are the same, but the manufacturer of raw materials and quality matters of raw materials are changed

2

When missing raw material safety information needs to be added

## 1.4 Self-Updating the Notified Ingredient Safety Information

- Companies can update information such as raw material code information and raw material manufacturers with the [Self-update of raw material safety information] function, or write raw material safety information on their own.
- In case of any changes in the types or contents of trace stabilizers, antioxidants, preservatives, and other components added to ensure the ingredients' quality, but the content of the ingredients in the formula and the content of main functional components and solvents in the ingredients have not been changed, the enterprise shall apply for notification change





## PART 02

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# NCI Regulation and how to put new ingredients in China

## 2.1 Definition and Classification of NCI

### ■ Definition

Natural or artificial ingredients used for cosmetics for the first time in China are new cosmetic ingredients (NCIs).

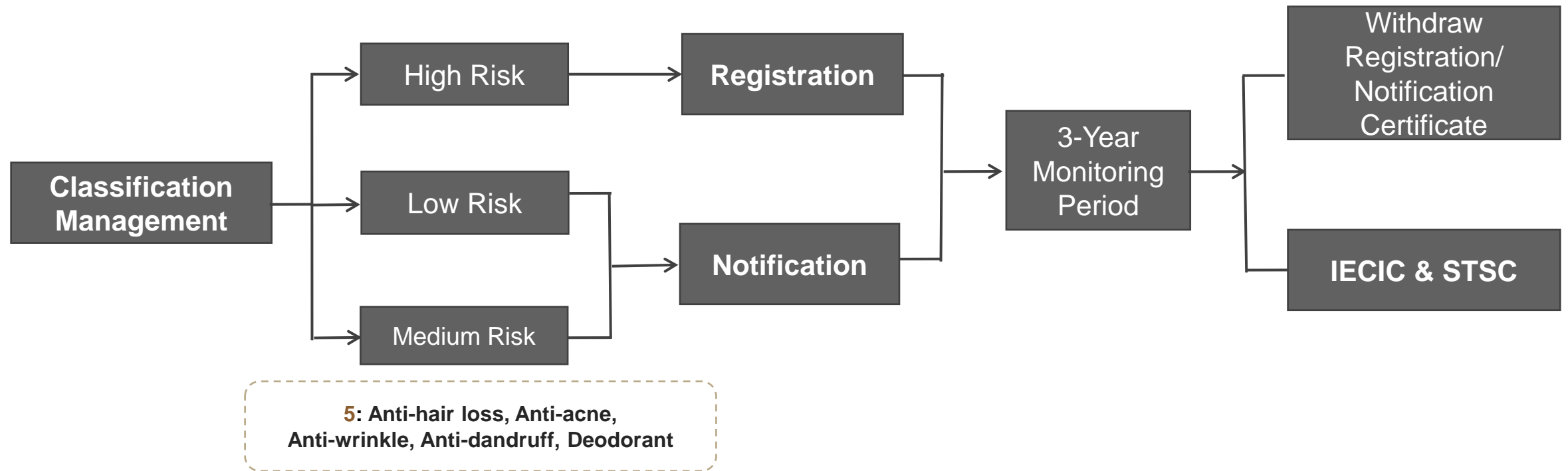
*\*All ingredients excluded from the Inventory of Existing Cosmetic Ingredients in China (IECIC)*

### ■ Classification

Classification	Ingredients
High Risk	Preservatives, sunscreens, colorants, hair-dyes, freckle removing and whitening agents
Low Risk	Other NCIs except for the high-risk NCIs

## 2.2 NCI Management

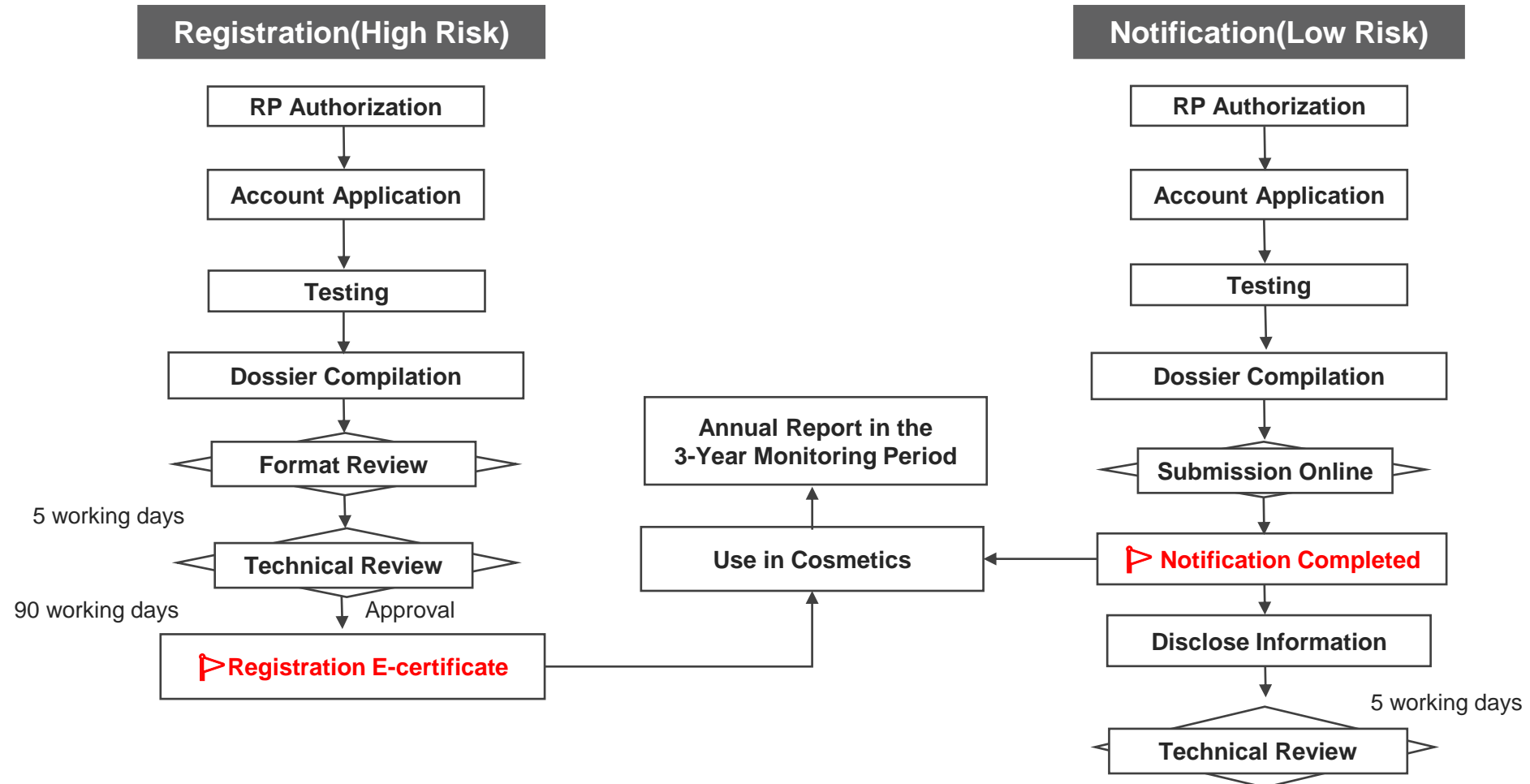
New cosmetic ingredients are subject to mandatory pre-market registration or notification with the NMPA.



*Notes: The medium-risk ingredients follow the notification process, but the safety requirements are the same with high-risk ingredients.*

## 2.2 NCI Management

### Registration and Notification Procedures under New Regulations (Simplified)



## 2.2 NCI Management

Dossier Requirements for NCI Registration & Notification	
<b>Account Application</b>	<ul style="list-style-type: none"><li>• Information form of registrant and notifier;</li><li>• Safety risk monitoring and evaluation system overview of registrant and notifier;</li><li>• Original authorization letter of the domestic responsible person, and the original notarial certificate (for oversea registrant and notifier).</li></ul>
<b>NCI Registration / Notification</b>	<ul style="list-style-type: none"><li>• Basic information of registrant, notifier and the domestic responsible person;</li><li>• Research and development report;</li><li>• Research documents on preparation process, stability and quality control standards;</li><li>• Safety assessment documents;</li><li>• Technical requirement documents (open to public).</li></ul>

## 2.2 NCI Management

### Monitoring Period

#### ■ Length

**3 years** from the date when the cosmetics using a new ingredient are notified or registered for the first time.

#### ■ Annual Report

The registrant, notifier or domestic responsible person of NCI shall submit an annual safety monitoring report to NMPA **within 30 working** days before the expiration of the annual safety monitoring period.



## 2.3 New Cosmetic Ingredient VS. Ingredient Submission Code

	<b>NCI Application</b>	<b>Ingredient Submission Code Application</b>
<b>Applicable Objects</b>	Only for ingredients which are not listed in IECIC	For all cosmetic ingredients in IECIC
<b>Applicant</b>	Companies that want to use new cosmetic ingredients in China and could take the main responsibility as an applicant	Cosmetic ingredient manufacturers
<b>Purpose</b>	Get the approval to market the ingredient in China and include it in IECIC	Get the ingredient submission code and deliver it to cosmetic companies

## 2.4 Current Situation of NCIs

### ■ In 2021: 6 Notified NCIs

序号	标准中文名称	备案号	备案人中文	状态	详情
1	β-丙氨酸羟脯氨酸二氨基丁酸苄...	国妆原备字20210003	深圳市维琪医药研发有限公司	监测期	<a href="#">详情</a>
2	月桂酰甲基羟乙基磺酸钠	国妆原备字20210006	英诺斯派化工（北京）有限公司	监测期	<a href="#">详情</a>
3	四氟丙烯	国妆原备字20210005	霍尼韦尔国际公司	监测期	<a href="#">详情</a>
4	雪莲培养物	国妆原备字20210004	大连普瑞康生物技术有限公司	监测期	<a href="#">详情</a>
5	月桂酰丙氨酸	国妆原备字20210002	苏州维美生物科技有限公司	监测期	<a href="#">详情</a>
6	N-乙酰神经氨酸	国妆原备字20210001	武汉中科光谷绿色生物技术有限公...	监测期	<a href="#">详情</a>

INCI Name	CAS No.	Notified Date
Acetylneuraminic Acid	131-48-6	2021/06/28
Lauroyl Alanine	52558-74-4	2021/06/28
β-Alanyl Hydroxypropyldiaminobutyroyl Benzylamide	/	2021/08/06
Tissue Culture of Saussurea Involucrata	/	2021/08/13
Tetrafluoropropene	29118-24-9	2021/12/02
Sodium Lauroyl Methyl Isethionate	928663-45-0	2021/12/08

## 2.4 Current Situation of NCIs

- In 2022: 42 Notified NCIs (Duplicate filings included)

INCI Name	CAS No.	Notified Date
Cetyl Diglyceryl Tris (Trimethylsiloxy) silylethyl Dimethicone	1466529-58-7	2022/01/17
Nicotinamide Mononucleotide	1094-61-7	2022/01/24
Polymethylsilsesquioxane / trimethylsiloxysilicate	1402155-47-8	2022/01/25
Sodium Acryloyldimethyltaurate / VP Crosspolymer	1176663-96-9	2022/02/16
Bis-Cetearyl Amodimethicone	1126942-72-0	2022/02/23
Chenopodium formosanum Extract	/	2022/03/07
β-Nicotinamide Mononucleotide	1094-61-7	2022/03/29
Zinc Hydrolyzed Hyaluronate	/	2022/04/20
β-Nicotinamide Mononucleotide	1094-61-7	2022/04/29
Dendrobium Officinale Protocorm	/	2022/05/18
Acetylneuraminic Acid	131-48-6	2022/05/31
Oligopeptide-215	/	2022/06/14

## 2.4 Current Situation of NCIs

- In 2022: 42 Notified NCIs (Duplicate filings included)

INCI Name	CAS No.	Notified Date
Nicotinamide Mononucleotide	1094-61-7	2022/06/29
Amidinobenzyl Benzylsulfonyl D-Seryl Homophenylalaninamide Acetate	1393815-16-1	2022/07/05
Lard	61789-99-9	2022/07/06
Hydrolyzed Calcium Hyaluronate	/	2022/07/12
Chlorotrifluoropropene	102687-65-0	2022/07/18
Silicone Ouaternium-20	280569-78-0	2022/07/20
Dimethicone / Bis-Isobutyl PPG-20 Crosspolymer	1043538-34-6	2022/07/28
Hydroxyethyl Imidazolidinone	3699-54-5	2022/07/28
PIPERIDINEPROPIONIC ACID	26371-07-3	2022/07/28
TMP Lauryl Dimethicone	1961223-88-0	2022/08/02
Cyclohexylglycerin	/	2022/08/18
Polyurethane-34	/	2022/08/19

## 2.4 Current Situation of NCIs

- In 2022: 42 Notified NCIs (Duplicate filings included)

INCI Name	CAS No.	Notified Date
Polyurethane-48	/	2022/08/19
Acetylneuraminic Acid	131-48-6	2022/08/19
Bakuchiol	10309-37-2	2022/08/26
Polylactic Acid	9051-89-2	2022/09/05
Saccharomyces / Pearl Ferment Lysate Filtrate	/	2022/09/13
Acetobacter / Lactobacillus / Saccharomyces / Camellia Sinensis Leaf Extract / Sucrose Fermet Filtrate	/	2022/09/13
Silicone Quaternium-26	1551351-87-1	2022/09/15
Palmitoyl Dipeptide-18	1206591-87-8	2022/09/15
Bis-diisopropanolamine-PG-Propyl Dimethicone/Bis-Isobutyl PEG-14 Copolymer	1253692-80-6	2022/09/20
Lauroyl / Myristoyl Methyl Glucamide	287735-50-6	2022/10/09
Sodium Hydrolyzed Potato Starch Dodecenylsuccinate	1218992-20-1	2022/10/13
Hibiscus taiwanensis root/stem extract	/	2022/10/17

## 2.4 Current Situation of NCIs

### ■ In 2022: 42 Notified NCIs (Duplicate filings included)

INCI Name	CAS No.	Notified Date
Perfluorobutylethyl Stearyl Dimethicone	915223-67-5	2022/10/28
Cordyceps cicada mycelium extract	/	2022/11/04
Euphausia Superba Oil	/	2022/11/04

序号	标准中文名称	备案号	备案人中文	状态	详情
1	月桂酰/肉豆蔻酰甲基葡萄糖酰胺	国妆原备字20220034	科莱恩国际有限公司	监测期	<a href="#">详情</a>
2	β-烟酰胺单核苷酸	国妆原备字20220007	康盈红莓(中山)生物科技有限公司...	监测期	<a href="#">详情</a>
3	南极磷虾油	国妆原备字20220039	中冠生物科技(珲春)有限公司	监测期	<a href="#">详情</a>
...					
41	丙烯酰基二甲基牛磺酸钠/VP ...	国妆原备字20220004	科莱恩国际有限公司	监测期	<a href="#">详情</a>
42	鲸蜡基二甘油三(三甲基硅氧基) ...	国妆原备字20220001	陶氏(张家港)投资有限公司	监测期	<a href="#">详情</a>

## 2.4 Current Situation of NCIs

### ■ In 2023: 5 Notified NCIs (by mid-February)

序号	标准中文名称	备案号	备案人中文	状态	详情
1	壬二酸单酰胺丙基二甲胺	国妆原备字20230002	新钰生科技股份有限公司	监测期	<a href="#">详情</a>
2	驴油	国妆原备字20230001	东阿阿胶股份有限公司	监测期	<a href="#">详情</a>
3	β-烟酰胺单核苷酸	国妆原备字20230005	音芙医药科技（上海）有限公司	监测期	<a href="#">详情</a>
4	水解α-葡聚糖多糖	国妆原备字20230004	国际香料集团公司	监测期	<a href="#">详情</a>
5	二氢燕麦生物碱D钾	国妆原备字20230003	福州碧昂缇生物科技有限公司	监测期	<a href="#">详情</a>

INCI Name	CAS No.	Notified Date
Azelamidopropyl Dimethyl Amine	1272659-40-1	2023/01/04
Donkey Oil	/	2023/01/04
二氢燕麦生物碱D钾	/	2023/01/06
水解α-葡聚糖多糖	/	2023/02/07
β-烟酰胺单核苷酸	/	2023/02/08

## 2.4 Current Situation of NCIs

### Indications

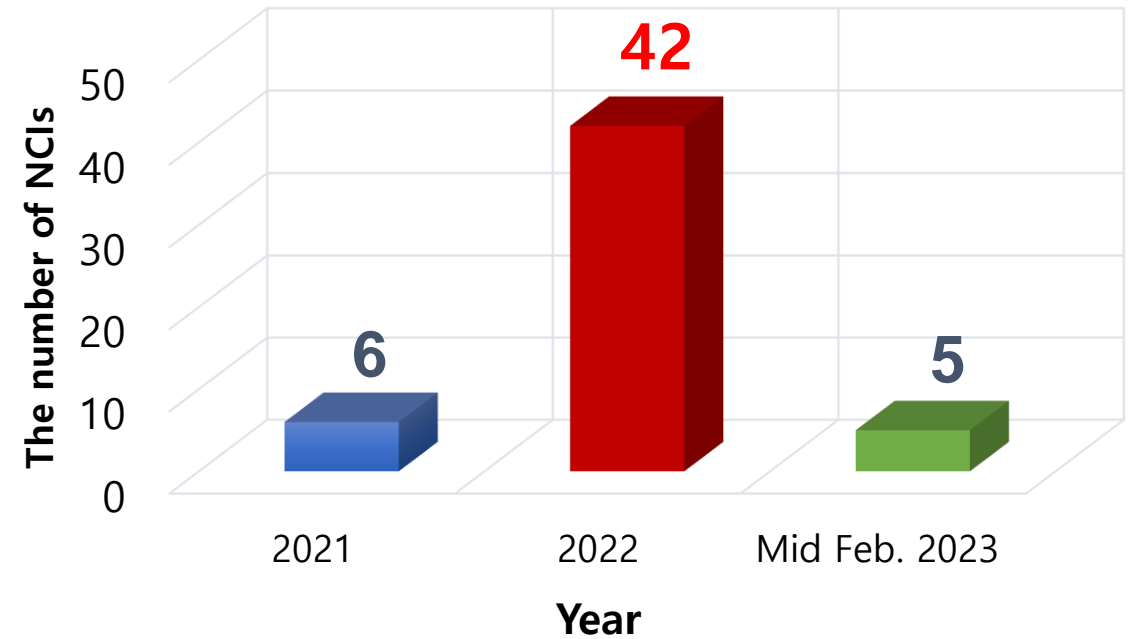


Attentions on NCIs have been growing among cosmetic industries and stakeholders



It can be estimated that the industry will see a greater increase in the number of notified NCIs

### Notified NCIs in China



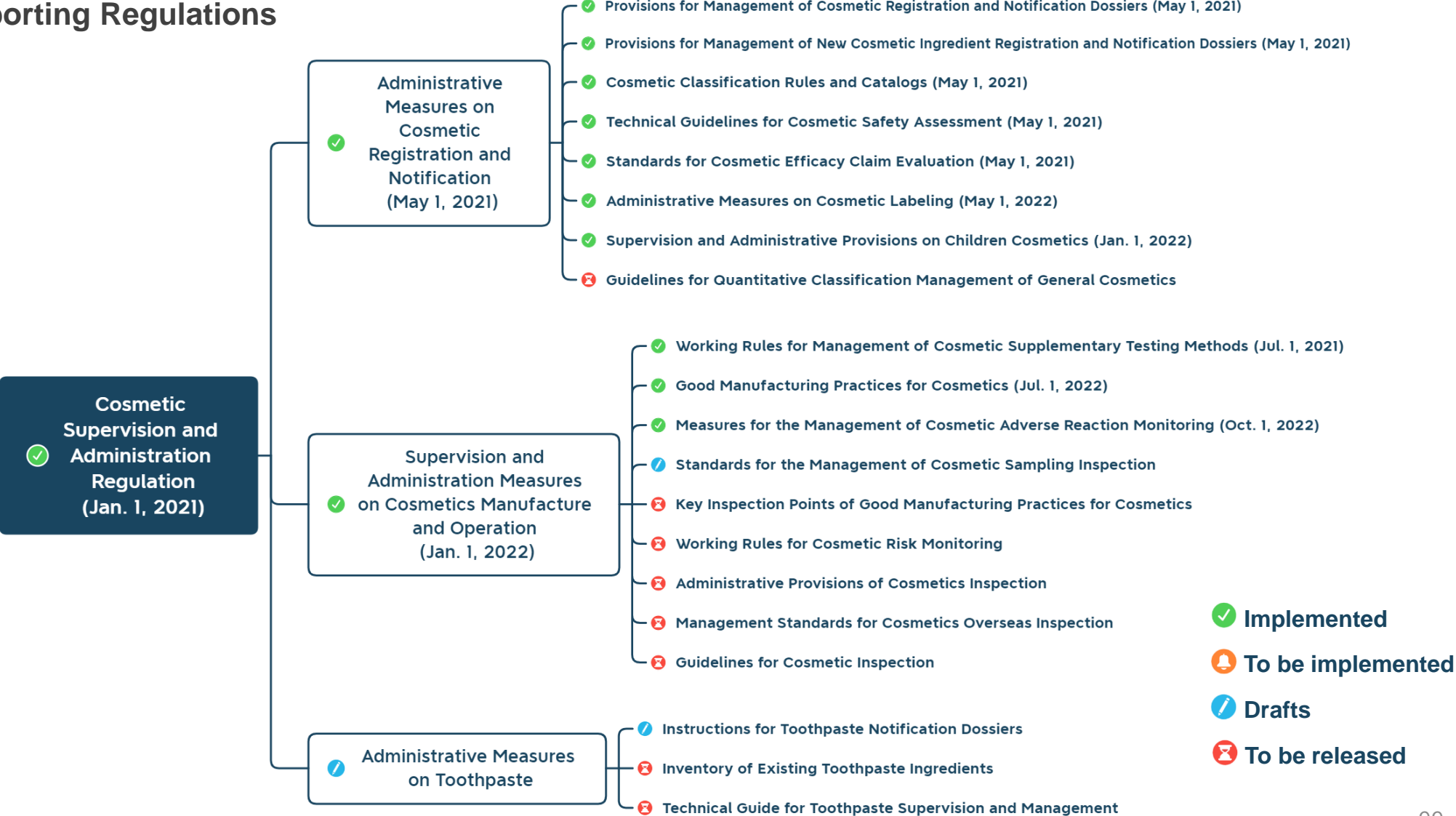
The background features a dark grey diamond shape on the left side, overlapping a light grey background with faint floral patterns. The right side of the slide is a solid light beige color.

## **PART 03**

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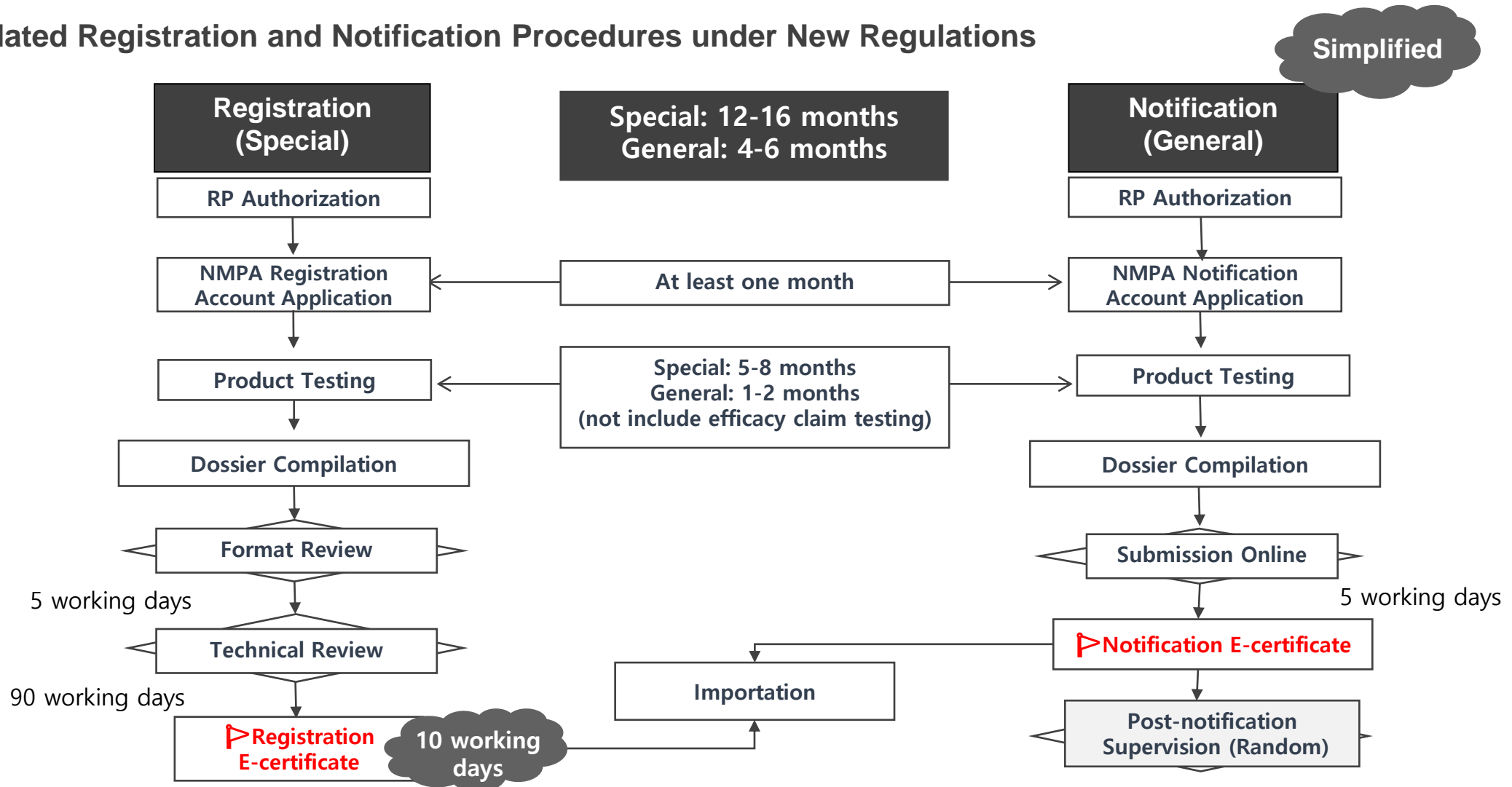
# **Finished Product Registration**

## 3.1 CSAR Supporting Regulations



# Part 3. Finished Product Registration

## 3.2 Updated Registration and Notification Procedures under New Regulations



## 3.3 Updated Registration and Notification Dossiers under New Regulations

<p><b>Account Application</b></p>	<ol style="list-style-type: none"><li>1. Registrant and notifier information form and <b>resume of the person in charge of quality and safety</b></li><li>2. <b>Quality management system overview of registrants and notifiers</b></li><li>3. <b>Adverse reaction monitoring and evaluation system overview form of registrants and notifiers</b></li><li>4. Domestic responsible person information form (applicable to overseas registrants and notifiers)</li><li>5. The original authorization letter of domestic responsible person and its original notarial certificate</li><li>6. Production enterprise information form and the information of person in charge of quality and safety (applicable to registrants and notifiers who have self-production or entrust overseas production enterprises to produce)</li><li>7. The original certification documents of overseas manufacturing practices (applicable to overseas production enterprise)</li></ol>
<p><b>Registration and Notification Application</b></p>	<ol style="list-style-type: none"><li>1. Cosmetics registration and notification information form and related documents (<b>classification code</b>)</li><li>2. Product name information</li><li>3. <b>Product formula (ingredient submission code)</b></li><li>4. <b>Product executive standards</b></li><li>5. Product label sample manuscript</li><li>6. Product testing report</li><li>7. <b>Product safety assessment documents</b></li></ol>

## 3.4 Allows Low-risk General Cosmetics Stakeholders to Submit Self-testing Reports When Applying for Notification

On January 18, 2023, China's National Medical Products Administration (NMPA) issued a notice, further optimizing the management measures for the notification testing of general cosmetics. Notifiers or entrusted manufacturers of Chinese domestic low-risk cosmetics are allowed to conduct self-testing and submit the product self-testing reports as part of notification dossiers

- **Cosmetics notifiers who meet the following prerequisites can conduct self-testing per relevant requirements for cosmetics technical specifications, and submit the self-testing reports issued by themselves or the entrusted manufacturers when applying for notification**
  - 1) For general cosmetics, the company adopts testing methods as the quality control measures, rather than non-testing methods;
  - 2) The general cosmetics' production process has been included in the scope of daily supervision of provincial medical products administration authorities;
  - 3) The product safety risk assessment results can fully confirm the product's safety.
- **NMPA's relaxation of the restrictions on notification testing aims to delegate the right of notification testing to enterprises, let enterprises more deeply involved in the supervision of cosmetics, and promote enterprises to improve self-discipline**

## 3.4 Allows Low-risk General Cosmetics Stakeholders to Submit Self-testing Reports When Applying for Notification

- **The self-testing reports will not be accepted at the time of notification for cosmetics with the following circumstances**
  - 1) The product claims to be used by infants and children;
  - 2) The product contains new cosmetic ingredients that are still under safety monitoring;
  - 3) The product claims to have the efficacies of acne-removing, nourishing, repairing, anti-wrinkle, anti-dandruff, deodorant, etc.;
  - 4) Other circumstances where the product may have relatively high safety risks.
  
- **Cosmetic notifiers or entrusted manufacturers carrying out self-inspection shall:**
  - 1) Obtain a cosmetics production license in accordance with the law, have corresponding testing capabilities, have and continue to implement the testing management system and laboratory management system, and carry out testing and issue reports per the testing items and relevant testing requirements stipulated in the Working Rules;
  - 2) Incorporate the self-testing work into the cosmetics quality management system, be equipped with testing equipment and facilities that meet product testing requirements, have corresponding quality testing departments or full-time testing personnel, and strictly control the testing process.

# Part 3. Finished Product Registration

## 3.5 Animal Testing Exemption

On May 1, 2021, China implemented the finalized [Provisions for Management of Cosmetics](#). As per the finalized Provisions, imported general cosmetics were exempted from animal testing.

### ※ 4 Exceptions

- Special cosmetics categories; **Be sure to check if your products fall into general cosmetics(excl. whitening, hair perming, hair dyes, sunscreen)**
- Infant and children cosmetics
- Cosmetics using new ingredients during the monitoring period
- Cosmetics whose notifier/RP/manufacture is listed as a key supervision target

NMPA

### ※ 2 Preliminary Requirements

- **GMP certificate issued by the government of the country of origin : GMP certified by UK authority → Good to go without animal testing / cf. Republic of Korea**
- Safety assessment report can fully confirm product safety



Example of GMP Certificate

# Part 3. Finished Product Registration

## 3.5 Animal Testing Exemption

An example of imported cosmetic product exempted from animal testing:

<b>Product Name</b>	THE BODY SHOP SHAMPOO GINGER
<b>Product Type</b>	Shampoo
<b>Notifier</b>	The Body Shop International Limited
<b>Country of Origin</b>	The United Kingdom
<b>Competent Authority</b>	Shanghai Municipal Medical Products Administration
<b>Notification Date</b>	Dec 10, 2021



Source: NMPA Website

## 3.6 Safety Assessment

Starting from Jan. 1, 2022, cosmetic registrants and notifiers shall **conduct cosmetic safety assessments** in accordance with the [Technical Guidelines for Cosmetics Safety Assessment](#) and submit product safety assessment report. Cosmetic product safety assessment should be based on the assessment of **all the ingredients and possible risk substances**. If there are chemical or biological interactions between certain ingredients, **the risk substances** or **potential safety risks** arising from the interactions should also be assessed.

Content Necessary for Cosmetic Product Safety Assessment Report	Content Necessary for Cosmetic Ingredient Safety Assessment Report
<ol style="list-style-type: none"> <li>1. Abstract</li> <li>2. Product introduction</li> <li>3. Product formula (list all the ingredients and their percentages in descending order)</li> <li>4. Formula design principles (only for children cosmetics)</li> <li>5. Safety assessment of each ingredient in the formula: hazard identification, dose-response assessment, exposure assessment, risk characterization</li> <li>6. Assessment of possible risk substances</li> <li>7. Risk control measures or recommendations (such as warning, application methods, target users)</li> <li>8. Safety assessment conclusions, generally including product physical and chemical stability assessment conclusions; product microbiological stability assessment conclusions; human safety data, including clinical data, consumer use research, adverse reaction records; testing conclusions, assessment conclusions of each ingredient)</li> <li>9. Signature of the safety assessor</li> <li>10. Resume of the safety assessor, including the assessor’s educational experience, cosmetic industry experience, professional training experience, etc.</li> <li>11. References</li> <li>12. Annexes, including testing reports, proof of involved ingredients quality specifications, etc.</li> </ol>	<ol style="list-style-type: none"> <li>1. Abstract</li> <li>2. Ingredient physical and chemical properties</li> <li>3. Safety assessment process: hazard identification, dose-response assessment, exposure assessment, risk characterization</li> <li>4. Analysis of assessment results, including the analysis of the completeness, reliability, and scientificity of the documents in the assessment process and data uncertainty analysis.</li> <li>5. Risk control measures or recommendations</li> <li>6. Conclusion of safety assessment</li> <li>7. Signature of the safety assessor</li> <li>8. Resume of the safety assessor, including the assessor’s educational experience, cosmetic industry experience, professional training experience, etc.</li> <li>9. References</li> <li>10. Annexes, including testing reports, proof of involved ingredients specifications. If there is a risk substance, the risk substance assessment conclusion and documents or the risk substance testing report shall be provided.</li> </ol>

*\*The safety assessment documents shall be updated in time as needed, and the storage period should be at least ten years after the shelf life of the last batch of products on the market.*

## 3.6 Safety Assessment

Before May 1, 2024, companies are allowed to submit a **simplified version of safety assessment report**. The simplified report does not require preservative challenge testing, stability testing or packaging material compatibility testing, and can adopt one of these four types of evidence.

No.	Recognized Evidence for Simplified Safety Assessment Report	Notes
1	The restricted ingredients, permitted preservatives, permitted sunscreens, permitted colorants, and permitted hair dyes listed in the <i>Safety and Technical Standards for Cosmetics (STSC)</i> .	They must meet the use requirements in STSC.
2	Safety limits or conclusions published by domestic or foreign authoritative organizations.	Frequently-used websites or standards: <ul style="list-style-type: none"> <li>• CIR: <a href="https://www.cir-safety.org/ingredients">https://www.cir-safety.org/ingredients</a></li> <li>• Standards of flavors: GB/T 22731-2017, IFRA standards</li> <li>• SCC: <a href="https://ec.europa.eu/health/scientific_committees/consumer_safety_en">https://ec.europa.eu/health/scientific_committees/consumer_safety_en</a></li> </ul>
3	The ingredient concentration in the enterprise's marketed product (has been on the market for at least three years) of the same application method and application area.	Ancillary information needs to be provided, as follows: <ul style="list-style-type: none"> <li>• Domestic special products and imported products: registered or notified formula (must be consistent with the formula submitted at the time of application), product registration license/notification certificate, and the product sale certificate</li> <li>• Domestic general products: the production records, technique sheets, ingredient lists which include the contents of ingredients or from which the contents can be calculated, hygiene permit and the product sale certificate</li> <li>• Description of adverse reaction monitoring situations</li> <li>• Other supporting documents</li> </ul>
4	Ingredient highest historical use concentration announced by the regulatory authority.	The ingredient concentration in the products to be assessed should not be higher than the highest historical use concentration announced by the regulatory authority.

## 3.6 Safety Assessment

On August 1, 2022, China National Institutes for Food and Drug Control (NIFDC) released the draft [Technical Guidelines for Special Cosmetics with Freckle-removing and Whitening Efficacy](#) (*Guidelines*) for public consultation.

***“Recognized evidence for a simplified safety assessment report does not apply to freckle-removing and whitening agents.”***

When assessing the safety of freckle-removing and whitening agents in the formula, registrants can choose to,

- a. adopt the safety limits announced by regulations or approved by the regulatory authorities in other countries/ regions to prove the ingredient safety;
- b. fully assess the ingredient safety according to the risk assessment procedures specified in [Technical Guidelines for Cosmetics Safety Assessment](#).

## 3.6 Safety Assessment

### Qualification Requirements for Safety Assessors

Have professional knowledge of cosmetics quality and safety such as medicine, pharmacy, biology, chemistry, or toxicology, understand the cosmetic or ingredient production process and quality and safety control requirements, and have more than **five years** of relevant professional experience

Be able to consult and analyze chemistry, toxicology, and other related literature information, analyze, assess, and interpret relevant data



Be able to analyze cosmetics' safety fairly and objectively and conduct safety assessments based on a comprehensive analysis of all available data and exposure conditions, and be responsible for the scientificity, accuracy, authenticity, and reliability of the assessment report

Be able to **regularly receive corresponding professional training, learn relevant knowledge of safety assessment, understand and master new safety assessment theories,** techniques and method and use them in practice.

## 3.7 Cosmetic Labeling

On June 3, 2021, China released the finalized [Administrative Measures on Cosmetics Labeling](#) and implemented it on May 1, 2022. The Measures spells out the requirements for the labeling and prohibited claims of cosmetics under China's new cosmetic regulations.

1. **Product name**, and  
2. The name and address  
shall also be labeled  
3. The name and address  
4. **The product execu**  
5. **Full ingredients list**  
6. Net content  
7. **Durability**  
8. Application method  
9. Safety warnings  
10. Other content presc

Notes:

- For products with packa
- For products with a net
- packaging. The items 1

product executive standard number

产品执行的标准编号: 粤G妆网备字2022000009

备案人地址:

生产许可证编号: 粤核20190009

responsible person

An example of executive standard number generated by the system

the panel of the sales  
be indicated in the leaflet.

# Part 3. Finished Product Registration

## 3.7 Cosmetic Labeling

An example of imported cosmetic product label:

## 3.8 Children Cosmetics

On Oct. 8, 2021, China NMPA promulgated the finalized version of *Supervision and Administration Provisions on Children Cosmetics* and implemented it on Jan.1, 2022. Compared with adult cosmetics, the *Provisions* stipulated additional and stricter requirements for children cosmetics, including ingredient use, safety assessment, labeling, registration and notification, etc. Then on Apr. 11, 2022, China consulted on the draft of [Technical Guidelines for Children Cosmetics](#), which further clarified the specific requirements for children cosmetics.



### Children Cosmetics Scope

Children cosmetics refer to cosmetics for children aged 12 and under. In addition to age restrictions, the following two products are also regulated as children cosmetics:

- Product labeling "applicable to the whole population," "for the whole family," etc.; or
- Product using trademarks, patterns, homophones, letters, Pinyin, numbers, symbols, packaging, etc. to imply that the target users include children.



### Formula Design Principles

- Ingredients with a long history of safe use shall be selected. New ingredients in the monitoring period, ingredients prepared by new technologies such as genetic technology or nanotechnology shall not be used;
- Functional ingredients for freckle-removing, whitening, anti-acne, depilating, deodorant, anti-dandruff, anti-hair loss, hair dyeing, and hair perming are not allowed for use;
- The scientificity and necessity of ingredients used in formulas of children cosmetics should be assessed.



### Safety Assessment

- During children cosmetics safety assessment, the physiological characteristics of children shall be considered in aspects such as hazard identification and exposure calculation;
- Stakeholders are required to submit both toxicological testing report and safety assessment report during registration and notification, meaning that animal testing is still mandatory for children cosmetics.

## 3.8 Children Cosmetics

On Oct. 8, 2021, China NMPA promulgated the finalized version of *Supervision and Administration Provisions on Children Cosmetics* and implemented it on Jan.1, 2022. Compared with adult cosmetics, the *Provisions* stipulated additional and stricter requirements for children cosmetics, including ingredient use, safety assessment, labeling, registration and notification, etc. Then on Apr. 11, 2022, China issued *Administrative Provisions for Children Cosmetics*, which further clarified the specific requirements for children cosmetics.



# Part 3. Finished Product Registration

## 3.9 Key Points in Time for Cosmetic Registration and Notification

- A: Products registered/notified **before Apr. 30, 2021**
- B: Products registered/notified **from May 1, 2021 to Dec. 31, 2021**
- C: Products registered/notified **from Jan. 1, 2022 to Apr. 30, 2022**
- D: Products registered/notified **from May 1, 2022 to Dec. 31, 2022**
- E: Products registered/notified **after Jan. 1, 2023**

### 2021.05.01

- > *Administrative Measures on Cosmetic Registration and Notification* and its supporting rules came into force.
- > [Cosmetics registration and notification service platform](#) put into service. Special cosmetics with applications submitted on the previous online platform but without gaining review decision will continue to be reviewed on the previous online platform.
- > Except for A, the registration and notification of a new product should fill in the product classification code, the source of the product ingredient and the product name information.

### 2022.05.01

- > B have been uploaded the abstract of efficacy evaluation basis (some provincial MPA have extended the deadline to Dec. 31, 2022).
- > B have been submitted human body efficacy evaluation testing report of registered whitening and freckle-removing and anti-hair loss cosmetics.
- > D and E shall label cosmetics according to new requirements.

### 2023.05.01

- > A have been supplemented with the abstract of efficacy evaluation basis and human body efficacy evaluation testing report (for registered whitening and freckle-removing and anti-hair loss cosmetics).
- > A, B, C and D have been supplemented with the safety information of all the ingredients in the product formula.
- > A, B and C have been updated the labels according to new requirements.

- > All general cosmetics began to submit annual reports.
- > For the registration and notification of C containing functional ingredients such as preservatives, sunscreens, colorants, hair dyeing, freckle-removing and whitening agents, the corresponding ingredient safety information should be submitted.
- > C, D and E began to upload the abstract of efficacy evaluation basis.
- > All products began to submit a simplified version of the safety assessment report.
- > Registrants and notifiers who have opened temporary user permissions have supplemented the overview of the quality control system and the adverse reaction monitoring and evaluation system.
- > Cosmetics registrants and notifiers shall keep the samples and records of each batch of cosmetics.
- > Children cosmetics regulation came into effect.

### 2022.01.01

### 2023.01.01

- > A have been supplemented with product classification codes, executive standards, label samples, formulas of domestic general cosmetics, and label pictures of special cosmetics sales packages.
- > E begin to submit safety-related information of all the ingredients.

- > Newly registered/notified products should submit the full version of safety assessment reports.

### 2024.05.01

A grayscale photograph of a scientist in a laboratory. The scientist is wearing a white lab coat and a face mask, and is focused on adjusting a microscope. The background shows various laboratory glassware and equipment. A large, dark, semi-transparent geometric shape is overlaid on the left side of the image.

## PART 04

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# Efficacy Claims regulation

## 4.1 Regulatory Changes

### ■ Implementation Date

January 1, 2022

### ■ Regulatory Requirement

- a. Efficacy claims of cosmetics shall be supported by sufficient scientific basis, which includes literature documents, research data, or test reports of efficacy evaluation test;
- b. The abstract of the efficacy evaluation basis shall be uploaded to the website designated by NMPA.



# Part 4. Efficacy Claims regulation

## 4.2 Efficacy Claims Requiring Evaluation

Efficacy Claims	Evaluation Basis	Evaluation Methods	Evaluation Institutions
Anti-hair loss, freckle-removing / whitening, sunscreens	Human trial	Methods prescribed in mandatory national standards and technical norms	NMPA accredited labs in China
Anti-acne, repairing, nourishing			
For sensitive skin, tear-free formula	<ul style="list-style-type: none"> <li>• Human trial</li> <li>• Consumer use test</li> </ul>	<ul style="list-style-type: none"> <li>• Methods prescribed in mandatory national standards and technical norms for cosmetics in China;</li> <li>• Methods specified in other relevant regulations, national standards and industry standards in China;</li> <li>• Methods prescribed in relevant foreign regulations or technical standards;</li> <li>• Methods released by domestic or international authoritative organizations, technical institutions and industry associations, methods published in professional academic journals and magazines, or self-drafted and developed methods (method transfer, confirmation or validation is required)</li> </ul>	Both Chinese and international institutions are acceptable
Anti-wrinkle, firming, oil-control, exfoliator (not physical form), prevent hair breakage, anti-dandruff, mild (no irritation), any specific quantitative indicators	<ul style="list-style-type: none"> <li>• Human trial</li> <li>• Consumer use test</li> <li>• Lab test</li> <li>• Literature or research data (supportive)</li> </ul>		
Moisturizing, haircare, special claims on the raw material	<ul style="list-style-type: none"> <li>• Literature or research data</li> <li>• Human trial</li> <li>• Consumer use test</li> <li>• Lab test</li> </ul>		
Any other new efficacy claims	The evaluation method should be selected according to the specific efficacy claim		

# Part 4. Efficacy Claims regulation

## 4.3 Efficacy Evaluation Report and Abstract

Documents	Necessary Contents	Submission Requirements
<p><b>Efficacy Evaluation Report</b></p>	<ul style="list-style-type: none"> <li>✓ Name and address of the cosmetic registrant, notifier or domestic responsible person and other related information</li> <li>✓ Name and address of the efficacy evaluation institution and other related information</li> <li>✓ Product name, quantity and specification, production date or batch number, color and physical state and other related information</li> <li>✓ Test items and basis, test start and end dates, materials and methods*, test results, test conclusion and other related information</li> </ul>	<ul style="list-style-type: none"> <li>• The human efficacy evaluation test report of sunscreen, freckle-removing (whitening) and anti-hair loss products must be submitted to the review department together with the registration documents;</li> <li>• The reports of other efficacies effects can be archived by companies for future inspection.</li> </ul>
<p><b>Efficacy Evaluation Abstract</b></p>	<ul style="list-style-type: none"> <li>✓ Product basic information</li> <li>✓ Efficacy claim evaluation items and evaluation institution</li> <li>✓ An overview of evaluation method and result</li> <li>✓ Evaluation conclusion</li> </ul>	<ul style="list-style-type: none"> <li>• The evaluation abstract of all efficacies must be uploaded to the NMPA designated website for disclosure;</li> <li>• Evaluation abstracts shall be archived for future inspection together with the efficacy evaluation basis. If the efficacy evaluation basis is in a foreign language, it shall be translated into standard Chinese. The product formula for the efficacy evaluation shall be consistent with that for cosmetic registration and notification, the documents proving the consistency shall be archived together with the efficacy evaluation basis.</li> </ul>

## 4.3 Efficacy Evaluation Report and Abstract

### 进口普通化妆品备案信息

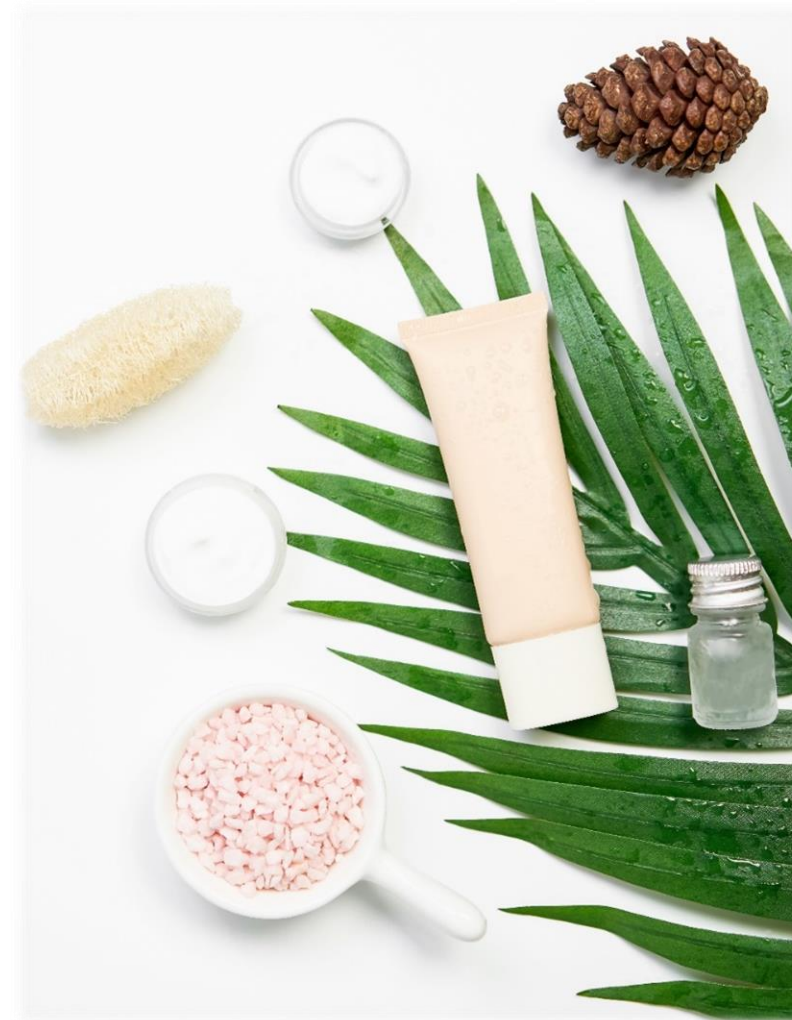
#### 数据查看

##### 【基本信息】

产品名称: Product Name		备案编号: Notification No.	国妆网备进字
功效宣称: Efficacy Claim	09 清洁,18 控油	作用部位: Application Area	05 面部
产品剂型: Dosage Form	02 液体	使用人群: Target Users	03 普通人群
使用方法: Use Method	02 驻留	备注说明: Remarks	
功效评价结论: Efficacy Evaluation Conclusion	总的来说, (配方参考: B000724) 是一种有效的控油产品, 通过对油性和混合性皮肤类型的测试参与者进行为期2周的用户试验, 得到了正面答复 (> 70%的正面答复), 符合以下要求。控油爽肤水 混合性/油性皮肤 爽肤水可以清洁妆面, 净化毛孔。让皮肤更清洁和清新。		

## 4.4 Efficacy Evaluation Exemption

- **Product with efficacy that can be directly recognized by vision, smell or other senses**
  - Cleansing
  - Makeup removing
  - Beautifying and embellishing
  - Fragrant
  - Body refreshing
  - Hair dyeing
  - Hair perming
  - Hair color maintaining
  - Depilating
  - Deodorizing
  - Shaving and barbering
  
- **Product with efficacy that is achieved through the simple physical application, adhesion, friction, etc., and is clearly indicated "physical effects only" on the label**
  - Whitening through the physical application
  - Physical exfoliation
  - Physical removal of blackheads



## 4.5 Transitional Measures

1

**Starting from January 1, 2022**, cosmetics registrants and notifiers shall evaluate the cosmetic efficacy claims in accordance with the *Standards* and upload the evaluation abstracts on the website specified by the NMPA.

---

2

For cosmetics registered or notified **before May 1, 2021**, the cosmetics registrants or notifiers shall evaluate the cosmetic efficacy claims in accordance with the *Standards* and upload the evaluation abstracts before May 1, 2023. If the efficacy claim cannot be supported by the evaluation result, a change application can be filed before May 1, 2023.

---

3

For cosmetics registered or notified **between May 1, 2021, and December 31, 2021**, the cosmetic registrants or notifiers shall evaluate the cosmetic efficacy claims in accordance with the *Standards* and upload the evaluation abstracts before May 1, 2022.

## 4.6 Existing Challenges



### Weak evaluation capabilities and shortage of talents

- a. Current evaluation capabilities of the industry especially the SMEs in China are relatively weak;
- b. Talents for efficacy evaluation is not enough;
- c. Data collection and accumulation is not that easy.



### Long evaluation cycle and expensive quotation

- a. The evaluation period can range from several months to more than one year;
- b. The human trial must be done in Chinese testing institutions, while currently the number of the qualified testing institutions is limited;
- c. Evaluation of some efficacies are very expensive.



### Inconsistent evaluation standards

- a. The current industry's efficacy evaluation standards are not uniform. Only several efficacies have clear standards released by NMPA;
- b. Some testing institutions are still confused about which method is more objective and effective.

# BeautyMatter

BRITISH  
BEAUTY  
COUNCIL

# REACH24H



+82-2-6245-1610



korea@reach24h.com



www.reach24h.com/en



LINKEDIN



WECHAT

# THAT'S A WRAP.

## ABOUT

BeautyMatter is a media and consultancy company that informs and connects the beauty industry and beyond.

## CONTACT

Kelly Kovack  
CEO and Founder  
[kelly.kovack@beautymatter.com](mailto:kelly.kovack@beautymatter.com)

John Cafarelli  
COO  
[john.cafarelli@beautymatter.com](mailto:john.cafarelli@beautymatter.com)