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Understanding China's Drug Marketing Authorization Holder (MAH) System

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The drug Marketing Authorization Holder (MAH) system is a highlight in China's revised *Drug Administration Law*. One of the breakthroughs the MAH system has brought to China's pharmaceutical industry is that drug MAHs no longer have to be manufacturers. Since the revised law took effect in 2019, it is necessary for pharma companies that pursue or hold marketing authorization to understand the MAH system.

1. MAH's Definition

According to China's *Drug Administration Law*, an MAH is a company or drug research institution which has obtained a drug registration certificate from the National Medical Products Administration (NMPA). Individuals are NOT yet permitted to be MAHs.

2. Requirements for Becoming an MAH

2.1. Three capabilities:

MAH must have three capabilities to ensure the drug's safety, effectiveness, and quality control.

(1) quality management throughout the drug's entire life cycle, including managing:

- clinical trials and sample products;
- manufacturing or outsourced manufacturing;
- selling product by itself or outsourced sales;
- monitoring adverse events.

(2) risk prevention and control

Pharmacovigilance management throughout the drug's entire life cycle, including:

- identifying risks;
- giving early alerts;
- eliminating risks;
- Handling deviations.

(3) liability for compensation

An MAH must have financial capabilities to compensate the damaged party during the drug's life cycle by insurance or other financial guarantees.

2.2 Two pathways to becoming a drug MAH:

(1) Applying for drug registration.
The registrant will automatically become the drug's MAH after getting the marketing authorization from NMPA.
(2) Receiving transferred marketing authorization.
This requires completing corresponding procedures for MAH change (explained in Part 6).

3. MAH's Rights

MAH's Rights
• Manufacturing and selling the registered drug (sales only allowed when the MAH has a drug distributor license); • Entrusting manufacture and sales to other companies; ***Notes**: For the limits on what products can an MAH entrust to manufacturers, please refer to part 5 on MAH entrusting manufacturing to others.* • Transferring the marketing authorization (MAH change); • Renewing the drug registration certificate; • Advertising the drug.

4. MAH's Responsibilities

According to *Administrative Rules on Supervising Drug Marketing Authorization Holder as the Main Entity to Fulfill Responsibilities Drug Quality*, MAHs shall fulfill the following responsibilities:

Main Aspects of MAH's Drug Quality Responsibilities in China	
MAH organization & departments	Key persons:
	- Legal representative, responsible person of the corporate
	- Responsible person for manufacture
	- Responsible person for quality
	- Qualified person (QP)
	- Responsible person for pharmacovigilance
MAH quality management requirements	Managing active pharmaceutical ingredients (APIs), excipients, and packaging materials
	Managing post-marketing changes
	Managing market release
	Managing entrusted manufacture
	Managing storage and transportation

	Managing drug traceability
	Managing drug recall
	Establishing pharmacovigilance system
	Conducting post-marketing study
	Handling drug safety events
	Reporting halted production
	Fulfilling legal liability
MAH quality management mechanism	Reviewing batch records
	Management analysis and review of drug manufacture and quality at least once every quarter
	Writing annual report
	Conducting internal review/audit
	Managing trainings

Notes: If the MAH is a foreign company, the company shall appoint a legal corporate entity in China to fulfill MAH's responsibilities. The foreign MAH and the Chinese agency shall take joint liability.

5. Regulations on MAH Entrusting Manufacture to Others

One of MAHs' rights is to entrust manufacture to a qualified company. But the entrustment shall be only for permitted products and legally feasible between different parties.

Regulations on Different Products in Terms of Entrustment	
Products	**Regulation**
Drugs	MAHs can entrust the manufacture of drugs to qualified pharmaceutical manufacturers.
Blood products, anesthesia, antipsychotics, toxic drugs for medical use, chemical precursors	MAHs shall NOT entrust the manufacture of these products UNLESS permitted by NMPA.
APIs that have been registered, approved independently, or approved in association with relevant drug products.	MAHs shall NOT entrust the manufacture of these products.
Vaccines	- The vaccine MAH shall have capabilities to manufacture vaccines. - If the demand exceeds the production capabilities, the MAH shall apply for NMPA's approval for entrusting the manufacture to others.

Regulations on MAH Entrusting a Manufacturer		
MAH	**Manufacturer**	**Regulation**
Chinese	Another Chinese company	• The entrustment is regulated by provincial medial products administrations; • The MAH and the manufacturer shall obtain drug manufacturing licenses first. • *Drug manufacturing license has three different types: - **License A** is for an MAH that manufactures products by itself; - **License B** is for an MAH that entrusts manufacture to contract manufacturers; - **License C** is for a contract manufacturing organization (CMO) that manufactures products for MAHs.
Overseas	Another overseas company	• The entrustment is regulated by NMPA; • The drug shall have overseas marketing authorization; • The overseas MAH shall appoint a Chinese legal person as its local agent.
Chinese	Overseas	Lack of legal basis.
Overseas	Chinese	Lack of legal basis.
*MAHs in China's Hong Kong or Macao special administrative regions can entrust manufacturing to qualified companies in nine cities in the Greater Bay Area, including Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing.		

6. Transfer of Marketing Authorization (MAH Change)

If a currently approved MAH intends to transfer the marketing authorization to a new holder, which means the registered drug's MAH will change, the current and new holders need to follow corresponding procedures.

Regulations on Transfer of Marketing Authorization (MAH Change)			
MAH Transfer	**Details of Changes**	**Procedures**	**Review Time**
Between Chinese MAHs	**-** Only changing the MAH entity; and **-** NO technical changes involved.	**Step 1**: The new MAH shall obtain the drug manufacturing license within the corresponding manufacturing scope.	**20 workdays**

	- Changing the MAH entity; and - Changing the manufacturing site; and - NO technical changes involved.	**Step 2**: The new MAH shall submit supplemental application to NMPA's Center for Drug Evaluation (CDE).	
	- Changing the MAH entity; and - Changing the manufacturing site; and - Changing the manufacturing process, including manufacturing facilities, APIs, excipients, packaging materials, technical parameters, and quality standards.	**Step 1:** The new MAH shall first submit the supplemental application to CDE. **Step 2**: After the MAH transfer is approved, the new MAH shall conduct research, evaluation and necessary verification according to relevant technical guidelines. **Step 3**: The new MAH shall submit supplemental application, file a record, or send a report to the competent provincial medical products administration.	**(1)** For supplemental application: **60 workdays**; **(2)** For supplemental application together with other application items: **80 workdays**; if the application items involve clinical data review or verification & inspection for drug registration, the review will be completed within **200 workdays**.
Between overseas MAHs	- Only changing the MAH entity; and - NO technical changes involved.	**Step 1**: The new MAH shall obtain the drug manufacturing license within the corresponding manufacturing scope **Step 2**: The new MAH shall submit a supplemental application to CDE. *In principle, the new MAH shall obtain overseas marketing authorization documents before submitting the supplemental application to CDE.	**60 workdays**
	- Changing the MAH entity; and - Changing the manufacturing site; and - NO technical changes involved.		
	- Changing the MAH entity; and - Changing the manufacturing site **(still overseas)**; and - Changing the manufacturing process, including	**Step 1**: The new MAH shall conduct research, evaluation and necessary verification according to relevant technical guidelines. **Step 2**: The new MAH shall submit supplemental application or file a record to CDE. *In principle, the new MAH shall	**(1)** For supplemental application: **60 workdays**; **(2)** For supplemental application together with other application items: **80 workdays**; if the application items involve

	manufacturing facilities, APIs, excipients, packaging materials, technical parameters, and quality standards.	obtain overseas marketing authorization documents before submitting the supplemental application to CDE.	clinical data review or verification & inspection for drug registration, the review will be completed within **200 workdays**.

7. Documentation Requirements for MAH Change

To change the MAH of an approved drug, the new MAH shall submit the following documents to CDE.

Documents for MAH Change			
Marketing authorization documents and their copies	(1) Drug registration certificate; (2) Approval documents for the supplemental application; (3) Approval documents for renewing the drug registration certificate.		
Evidence documents	Change of MAH's name or registered address	Chinese	(1) The previous MAH's and the new MAH's drug manufacturing licenses; (2) The change records on the licenses; (3) A copy of both MAHs' business licenses.
		Overseas	For MAHs that appointed a Chinese agent for drug registration: (1) Letter of authorization from the MAH to the agent; (2) The notarization document; (3) The accreditation document; (4) Chinese translation of the three documents above; (5) A copy of the Chinese agent's business license. (6) Evidence documents of the competent overseas authority approving the MAH change, and the notarization and accreditation documents with their Chinese translation.
	Change of MAH entity	Chinese	(1) The previous MAH's and the new MAH's drug manufacturing licenses; (2) The change records on the licenses; (3) A copy of both MAHs' business licenses; (4) The original document of the MAH

			transfer agreement (with trade secrets concealed).
		Overseas	Same as the documents for changing MAH's name and address.
Applicant's commitment	The new MAH shall promise that it will not change the drug's new manufacturing site, formulation, manufacturing techniques, and quality standards.		
Others	Other documents required by NMPA.		

8. Impacts of MAH System on International Companies in the Chinese market

Company	Development Prospects
R&D company without production or sales lines	The company can be an MAH itself, entrust Chinese manufacturers to produce drugs, sell the drugs by itself or entrust Chinese suppliers for sales.
Giant listed company with abundant R&D investments	The company can choose to cooperate with Chinese original equipment manufacturers (OEM) to reduce the costs for building manufacturing sites.
Small-sized company with production lines for its own drugs	The company can choose to cooperate with Chinese OEMs to better practice GMP compliance and optimize the production.
Sales company	The company can be an MAH by collaborating with R&D companies & drug manufacturers and establishing corresponding quality management system.

9. BaiPharm Offers MAH Agency Service

According to the consultation draft of *Interim Administrative Rules on Domestic Agencies for Overseas Drug MAHs*, Chinese agencies shall perform the following responsibilities:

1) Establishing a drug **quality assurance system** and ensuring its sustainable quality assurance and risk control capabilities;
2) Establishing and implementing a **drug traceability system**; providing traceability information and ensuring the traceability of the relevant marketed drug during its entire life cycle;
3) Establishing and implementing the **annual drug report system**; annually reporting on behalf of the overseas MAH about the relevant drug's manufacturing, sales, post-marketing research & evaluation, and risk management in China after all the information is confirmed by the overseas MAH; submitting the report to the provincial

medical products administration of the provincial-level administrative region where the agency was registered;

4) Establishing the **management system for post-marketing changes**; carrying out matters related to drug changes according to regulations;
5) In the post-marketing stage, undertaking **product recall, quality complaint handling, quality compensation, etc.,** and reporting to the provincial medical products administration of the provincial-level administrative region where the agency was registered;
6) Establishing a **pharmacovigilance system**; formulating post-marketing risk management plans; monitoring, identifying, assessing and controlling post-marketing adverse drug reactions and other adverse reactions related to drug use;
7) **Submitting reference substances** to the China National Institutes for Food and Drug Control; **accepting random inspection** by medical products administrations;
8) Liaising with the overseas MAH; coordinating with the medical products administration to inspect and investigate overseas manufacturing site, as well as deal with possible violations of laws and regulations.

BaiPharm is capable of fulfilling the obligations as a Chinese agency of overseas MAHs. BaiPharm also provides Good Supply Practice (GSP) audit and pharmacovigilance audit. Contact BaiPharm if you need professional regulatory services supported by experienced experts.

About BaiPharm

BaiPharm offers a full portfolio of China NMPA compliance consulting services and cross-border e-commerce (CBEC) marketing solutions. With our senior expert team, we ensure professional response and full support for clients.

Our experts have a thorough understanding of pharmaceutical regulations and profound knowledge of CMC research, pharmacodynamic evaluation, clinical trial, quality assurance & control, and facility validation. We are fully qualified to engage in China market entry projects for finished drugs, APIs, excipients, and packaging materials.

Our Services

Drug Application

Preparing and submitting drug applications, including clinical trial applications (CTA), new drug applications (NDAs), abbreviated new drug applications (ANDAs), and DMF Filing

Local Agency Support

Serving as overseas drug marketing authorization holder (MAH)'s local agency in China, and fulfilling obligations throughout the entire lifecycle of the drug product

Pharmacopoeia Translation

Translating Chinese Pharmacopoeia standards, covering chemical drugs, biological products, active ingredients, excipients, packaging materials, testing methods, and guidelines

Pharmacovigilance

Offering pharmacovigilance services, including making safety & risk management plans, collecting, entering and evaluating data, following up safety cases, and preparing safety reports

Consulting and Training

Interpreting regulatory requirements for NDA, ANDA, DMF filing, post-market change management, and GMP compliance

Cross-border E-commerce

Establishing online stores to sell OTC drugs, conducting digital marketing campaigns, and running businesses as a local agency

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