

Exporting via CBEC Channels: Opportunities and Policy Interpretation

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August 2, 2019





News



Alert



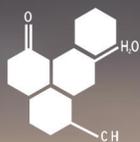
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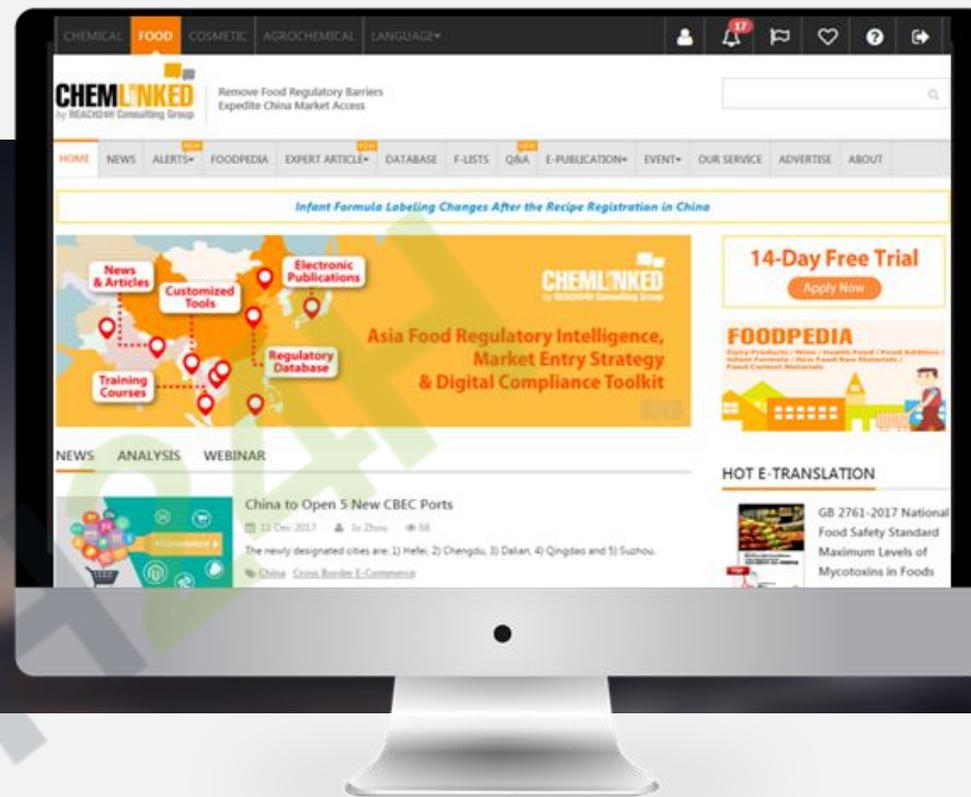
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Database



- A perfect blend of food regulatory information and compliance solutions backed up by the in-house food expert team of **REACH24H Consulting Group**.
- Help overseas enterprises remove **market access barriers** for food, cosmetic, chemical and agrochemical industry.
- Strategic partnerships with competent **authorities and industrial associations** in China

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Impacts & Strategy

Part 1: Market Overview

- How Big is CBEC Market?
- Who are the Buyers?

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Market Overview-The China Opportunity Today

The Transaction Values of China's "618" Shopping Gala Hit a New High



18 DAYS

50 PLATFORMS

318 BILLION RMB

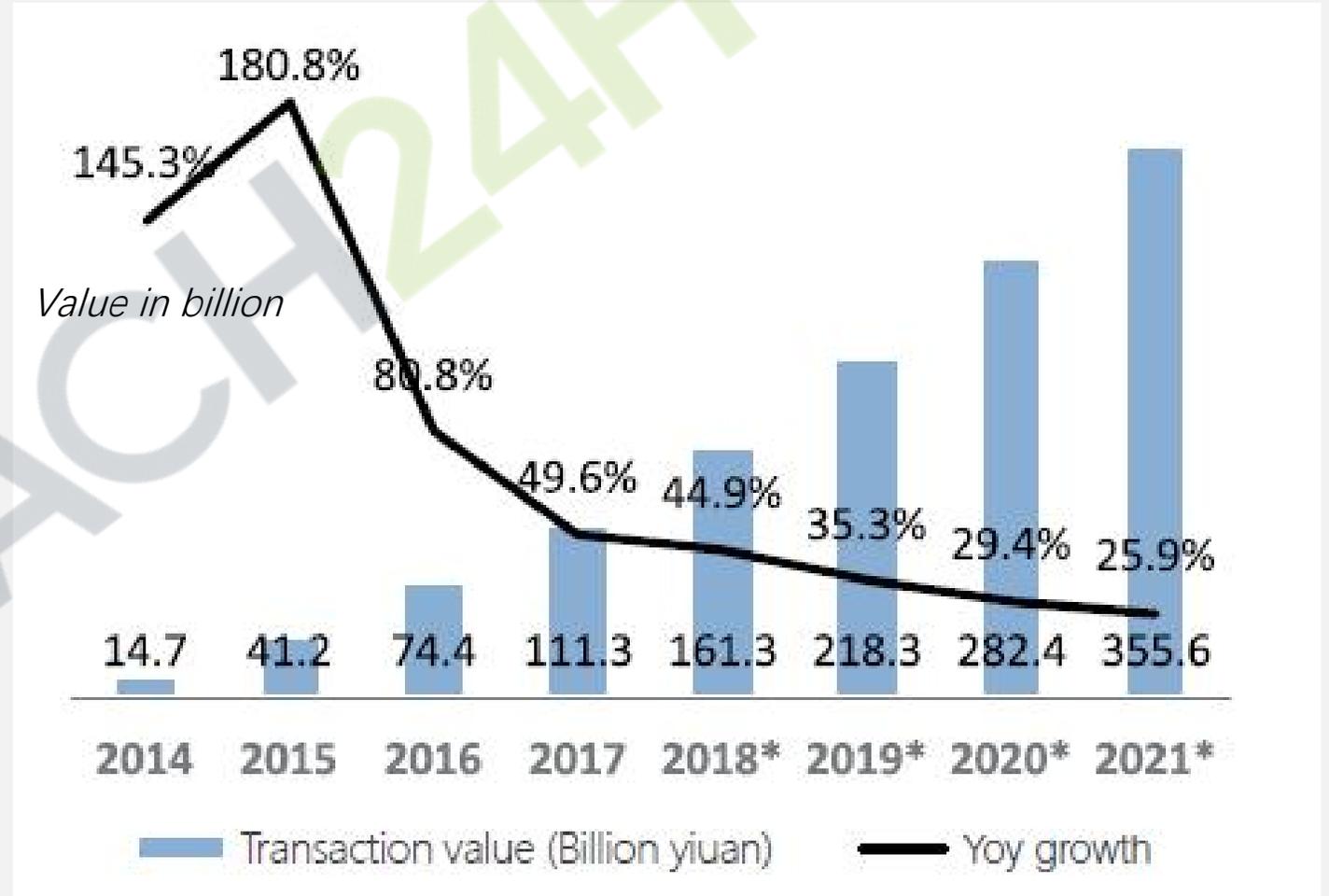
11.8% GROWTH

Market Overview-The China Opportunity Tomorrow

Number of CBEC shoppers in China, 2014 - 2020



Transaction Value of CBEC (import) , 2014-2021 (estimated)

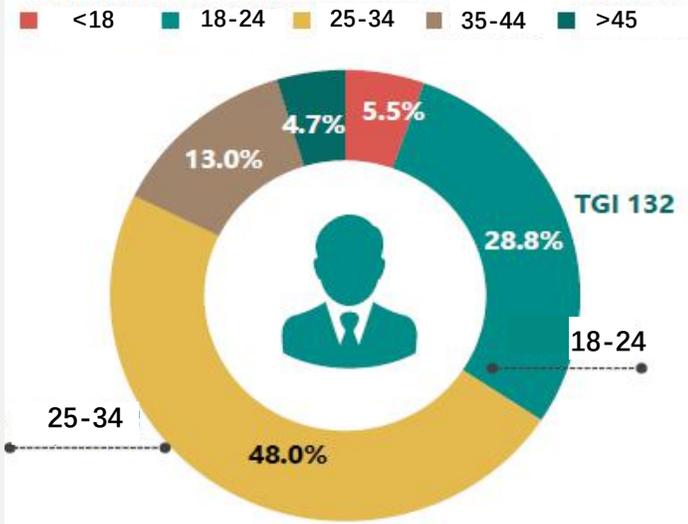


Influence factors:

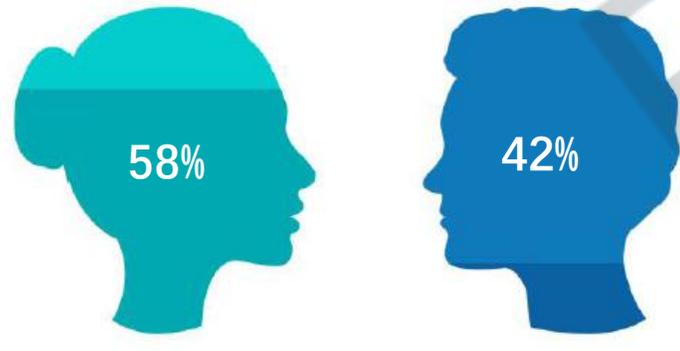
- Consumption upgrade
- Price gap btw overseas & domestic market
- Positive policy support
- Better logistic service
- Increase in investment
- Economic globalization

Market Overview (Age, Gender, Product Category)

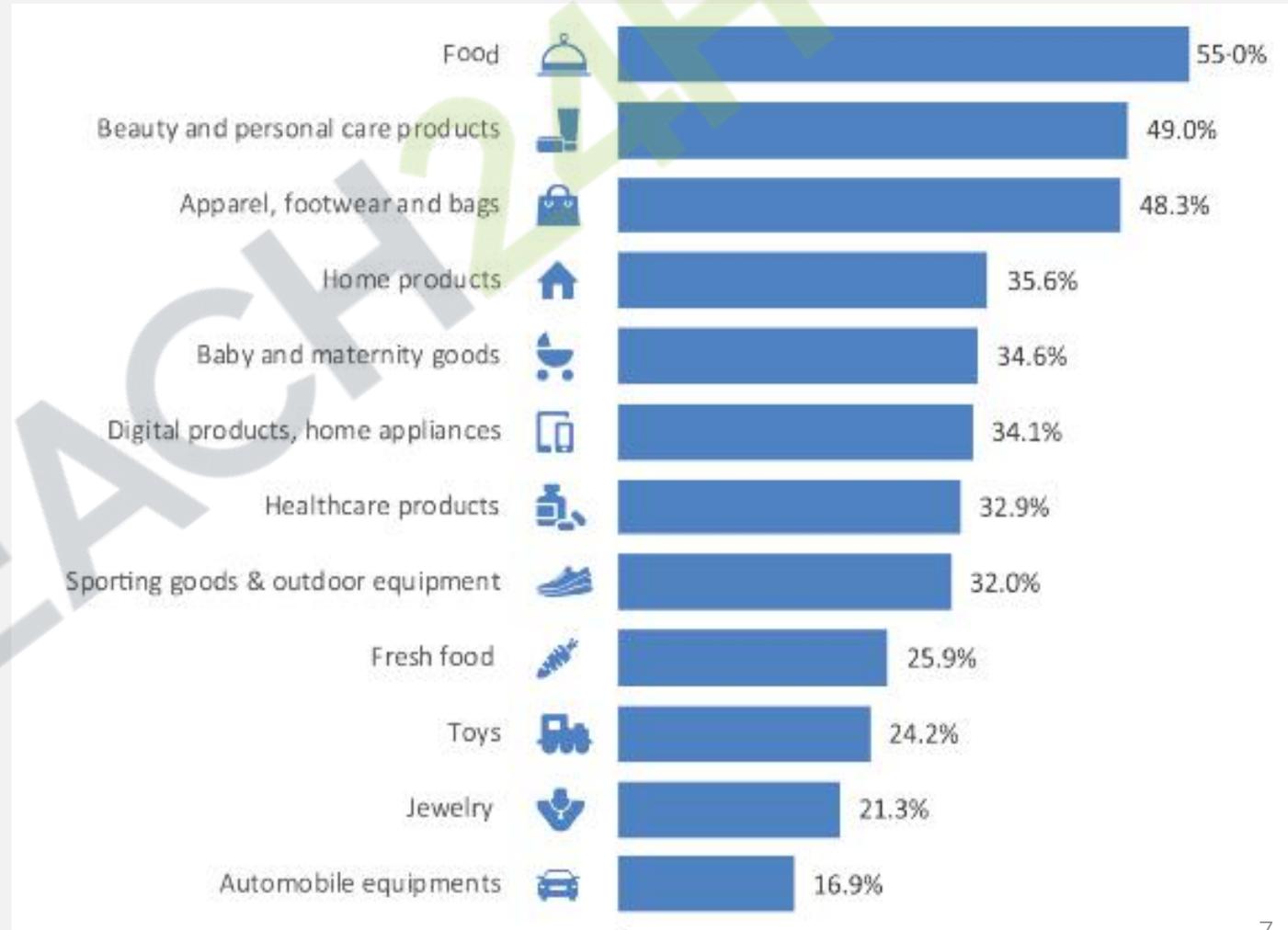
The first half year of 2019 - Age Distribution of China's CBEC Users



The first half year of 2019 - Gender Distribution of China's CBEC Users



The first half year of 2018 - Categories of products purchased by CBEC shoppers on CBEC platforms



Part 2: Introduction of CBEC

- What is Cross Border E-commerce?
- Major CBEC Platforms

What is Cross-border E-commerce ?



CBEC: **Import CBEC** & Export CBEC

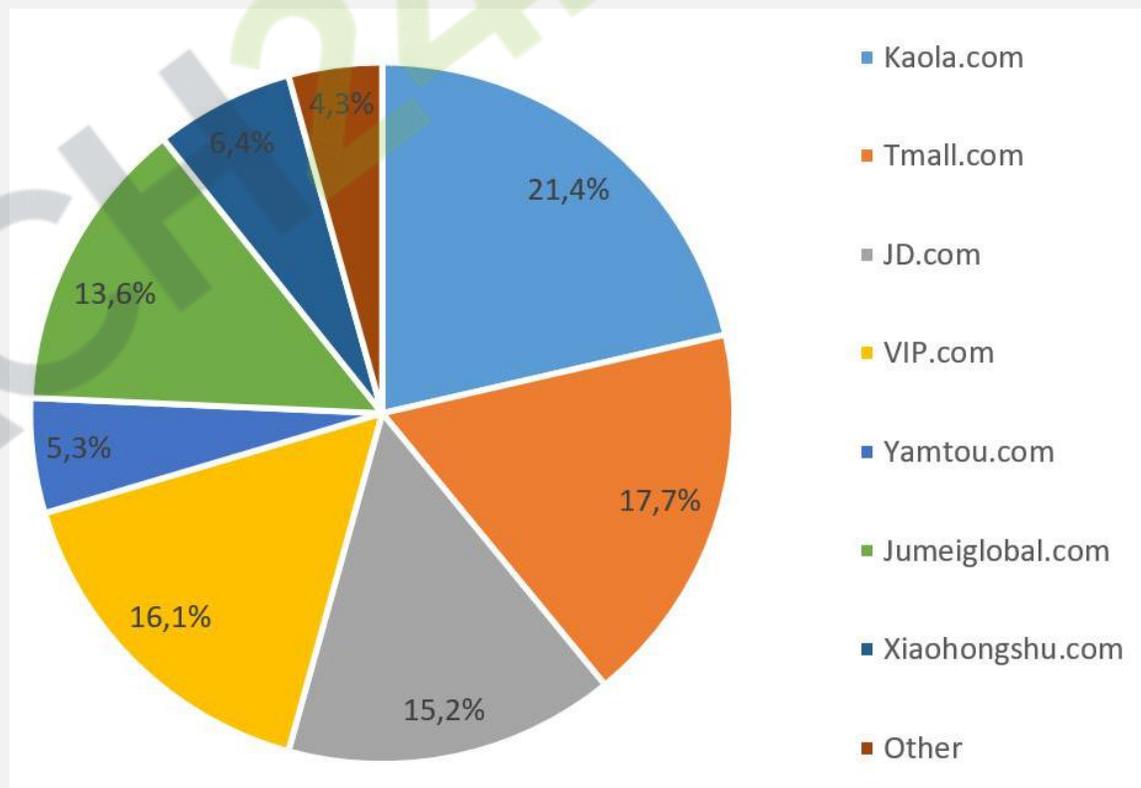
The online purchase of a select list of goods that are imported from overseas countries via China government sanctioned third-party ecommerce platforms such as Tmall Global, Vipshop, Koala, JD, using the bonded warehouse mode or the direct mail mode.



Major CBEC Platform



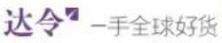
CBEC (Import) Platforms by Market Share, 2018



Source: iResearch

Major CBEC Platform

The Competitiveness of TOP 10 CBEC Platform in China in 2017

Ranking	Platform	Competitiveness Index
1	 Kaola	97.6
2	 Tmall Global	95.3
3	 VIP International	92.4
4	 JD Worldwide	90.8
5	 YMT	87.6
6	 Red Book	86.2
7	 Daling	82.6
8	 Bolo.me	80.3
9	 Fengqu	70.8
10	 Higo	76.6



- High quality
- Middle Class, White-collar citizens (20-40)
- Fashion & Apparel, Jewelry & Accessories, Sports & Outdoors, Children's Wear & Shoes, Home & Personal Care and Nutrition and Health Food



- 20,000 international brands, across 77 countries/regions
- Special application process
- Logistics: Cainiao Express
- Cosmetics, Maternity & Baby, Food & Health Care, Apparel & Luggage, Digital Appliance



- Online sharing community
- More informative and detailed content -build trust with Chinese users
- Beauty, fashion, food, traveling and lifestyle



- Online discount sales
- Sell excess inventory at discounted price
- Cosmetics & Beauty, Maternity & Baby, Food & Nutrition, Home & Personal Care, Fashion & Apparel

Part 3: Interpretation of the Latest CBEC Policy

- A Chronology of CBEC policy
- Positive List
- Pilot Cities
- Taxation Management

A Chronology of CBEC policy

Phase 1 Groping Stage

- Regarded as personal goods
- exempted from tariff, VAT and consumption tax

Phase 3 Transitional Policies

- 2-year buffer period (scheduled to expired by the end of 2018)
- “temporarily” exempted pre-market approval for cosmetics, infant formula, special foods in 15 pilot cities



Phase 2 “4.8 New Policies” – 2016.04.08

- Regulatory reform
 - Taxation
 - Positive list
 - Supervision method

Phase 4 “2018 New Policies”

- Further extend the transitional policies of CBEC retails beyond **January 1st, 2019.**
- E-commerce law

Can my product can be shipped to China by CBEC?--Positive list

- Two lists (2016)→ one list (2018.11)
- 63 commodities are newly included in 2018 version, Currently **1321 items** are listed.
- **Preferential tax rate**
- **No need for special licenses or filings**



health food



Infant formula



Dried and
preserved fruits



Honey



Dairy products



Olive oils



Wine

Pilot Cities



No.	Pilot zone	No.	Pilot zone	No.	Pilot zone
1	Beijing	13	Hangzhou	25	Guangzhou
2	Tianjin	14	Ningbo	26	Shenzhen
3	Shanghai	15	Yiwu	27	Zhuhai
4	Tangshan	16	Hefei	28	Dongguan
5	Hohhot	17	Fuzhou	29	Nanning
6	Shenyang	18	Xiamen	30	Haikou
7	Dalian	19	Nanchang	31	Chongqing
8	Changchun	20	Qingdao	32	Chengdu
9	Ha'erbin	21	Weihai	33	Guiyang
10	Nanjing	22	Zhengzhou	34	Kunming
11	Suzhou	23	Wuhan	35	Xi'an
12	Wuxi	24	Changsha	36	Lanzhou
				37	Pingtian

Taxation management

New tax scheme (released in 2016) : CBEC Comprehensive Tax



Import tariffs
(Depends on HS Code)



VAT
(Value-added tax)



Consumption tax
(Depends on HS Code)

Taxation management

- In 2018, transaction limit of CBEC retail products was raised from 2000 RMB to **5000 RMB** per transaction and from 20,000 RMB to **26,000 RMB** per person per year.

① Within the limits

- 5000 RMB** per transaction
- 26,000 RMB** per person per year

$$\text{Tax Payable} = \text{CBEC Comprehensive Tax Rate} = \frac{\text{VAT rate} + \text{Consumption tax rate}}{1 - \text{Consumption tax rate}} \times 70\%$$

Example:



Comparison:

Import Tariff Rate	VAT	Consumption tax rate
0	From 16% to 13%	0

	Before	After
CBEC Comprehensive Tax Rate	11.2 %	9.1%

- VAT Reduction → significant cut on CBEC comprehensive tax → CBEC Buyers: lower cost

Updated CBEC comprehensive tax rate for food

Category	Updated VAT	Consumption tax	Updated CBEC comprehensive tax rate
Infant formula, adult milk powder	From 16% to 13%	0%	From 11.2% to 9.1%
Health food	From 16% to 13%	0%	From 11.2% to 9.1%
cereal-based snacks, dried fruits, nuts, coffee, mineral water, soft drink, chewing gum, flavorings, beer, ready-to-eat bird nest, etc.	From 16% to 13%	0%	From 11.2% to 9.1%
Chocolate	From 16% to 13%	0%	From 11.2% to 9.1%
seed oil, olive oil, linseed oil, natural honey	From 10% to 9%	0%	From 7% to 6.3%
wine and sparkling wine	From 16% to 13%	10%	From 20.2% to 17.9%

Conclusion

Conclusion of CBEC New Policies	
Supervision Methods	<ul style="list-style-type: none">• Expedited customs clearance times• Circumvent animal testing, special food registration• Fast time to market
Pilot Cities	Promotes the development of CBEC
Positive List	Provides more varieties of goods to be sold via CBEC
Taxation (Transaction limit)	<ul style="list-style-type: none">• Benefits the entry of more high value products including some affordable luxuries, electronics and beauty apparatus;• Promotes the expansion of the CBEC market.
...	...

Part 4: Impacts & Strategy

- CBEC VS General trade
- Impacts & Strategy

CBEC VS General Trade

CBEC

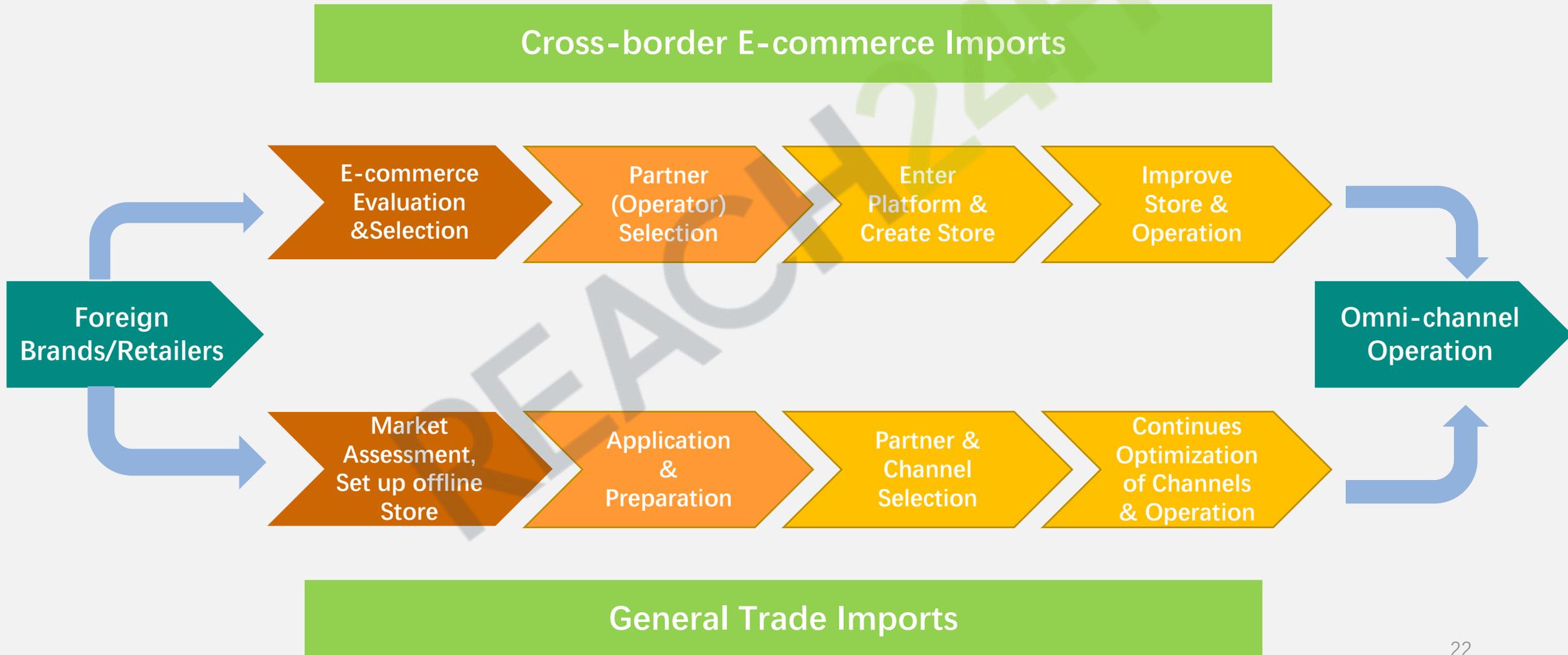
- Free from regulatory compliance obligation
 - Access Chinese market rapidly
 - Preferential tax policy
 - Efficiently test the market size and consumer interests
-
- Limited product category
 - Restricted sales channel & market expansion

General trade

- Sound and well-regulated procedures
 - A huge varieties of goods
-
- Time and money-consuming
 - More stringent requirements for special food

CBEC VS General Trade

CBEC Helps Foreign Brands Integrate into Digitalization Process of China's retail Industry



Impacts & Strategy

STRATEGY FOR OVERSEAS BRANDS

- Streamlining cross-border supply chains, improving sourcing capability and increasing the variety and quality
- Due diligence in selecting its Chinese business partners
- Develop effective social media (KOL) – Wechat, Weibo
- Internal compliance program to closely monitor and control the supply chain and compliance risks



An Exclusive
Interpretation of
China's Cross-border
E-commerce Policy

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REGISTER TODAY- ChemLinked offline events:



The 2nd ChemLinked Food Regulatory Conference

Venue: Sydney, Australia

Date: Nov.20, 2019



Cosmetic Regulation Workshop in Pairs

Venue: Pairs, France

Date: Oct.18, 2019

2019 跨境电商政策讲解

Kallen Chen

BD Manager from ChemLinked

August 2, 2019





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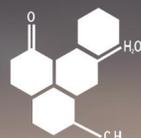
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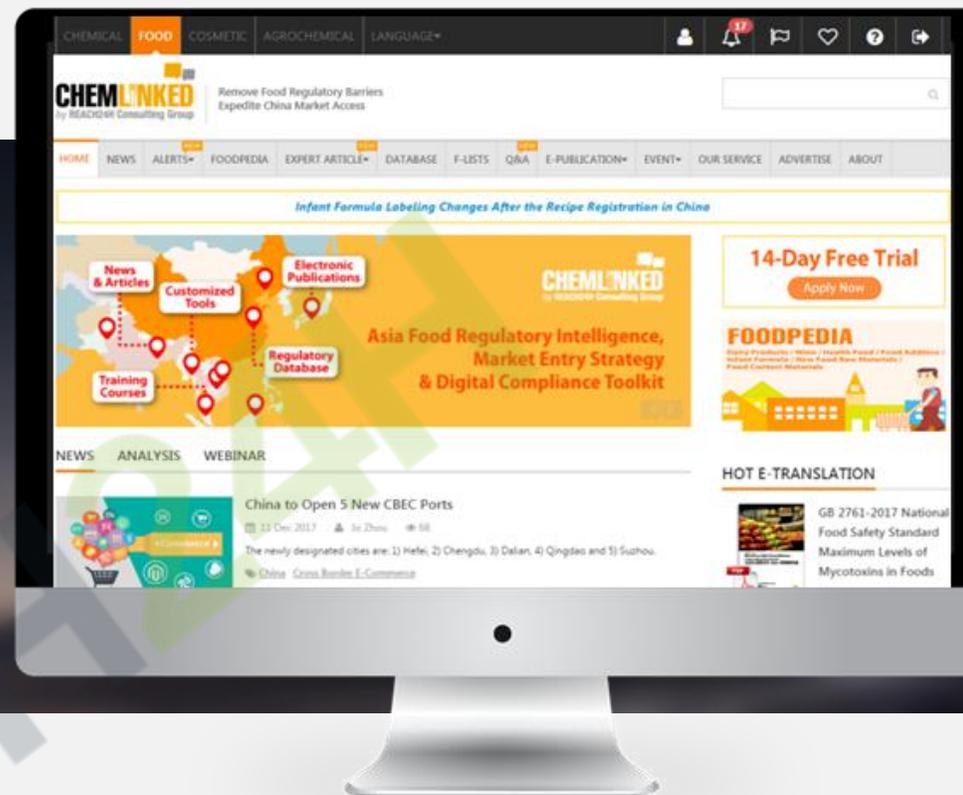
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影响及建议

Part 1: 市场概况

- 跨境电商市场有多大？
- 主力消费者有哪些特点？

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市场概况-现阶段机遇

“618”购物狂欢节创下交易额新高



18 天

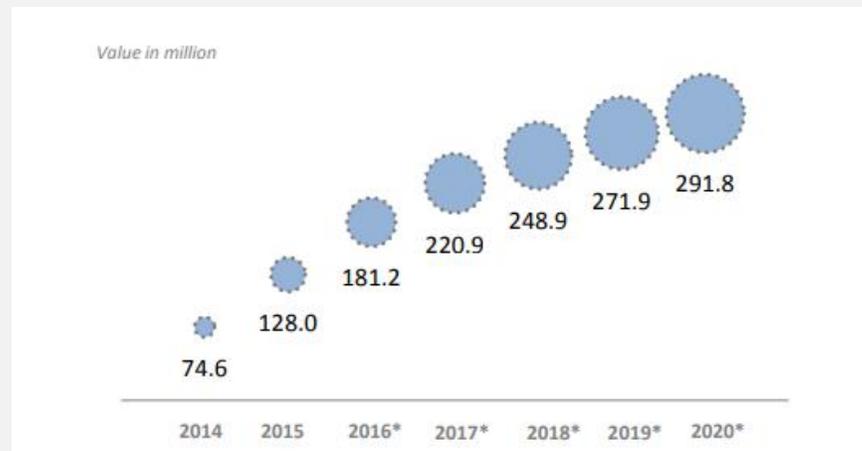
50 个主流平台

3180 亿 RMB

11.8% 增长率

市场概况-未来机遇

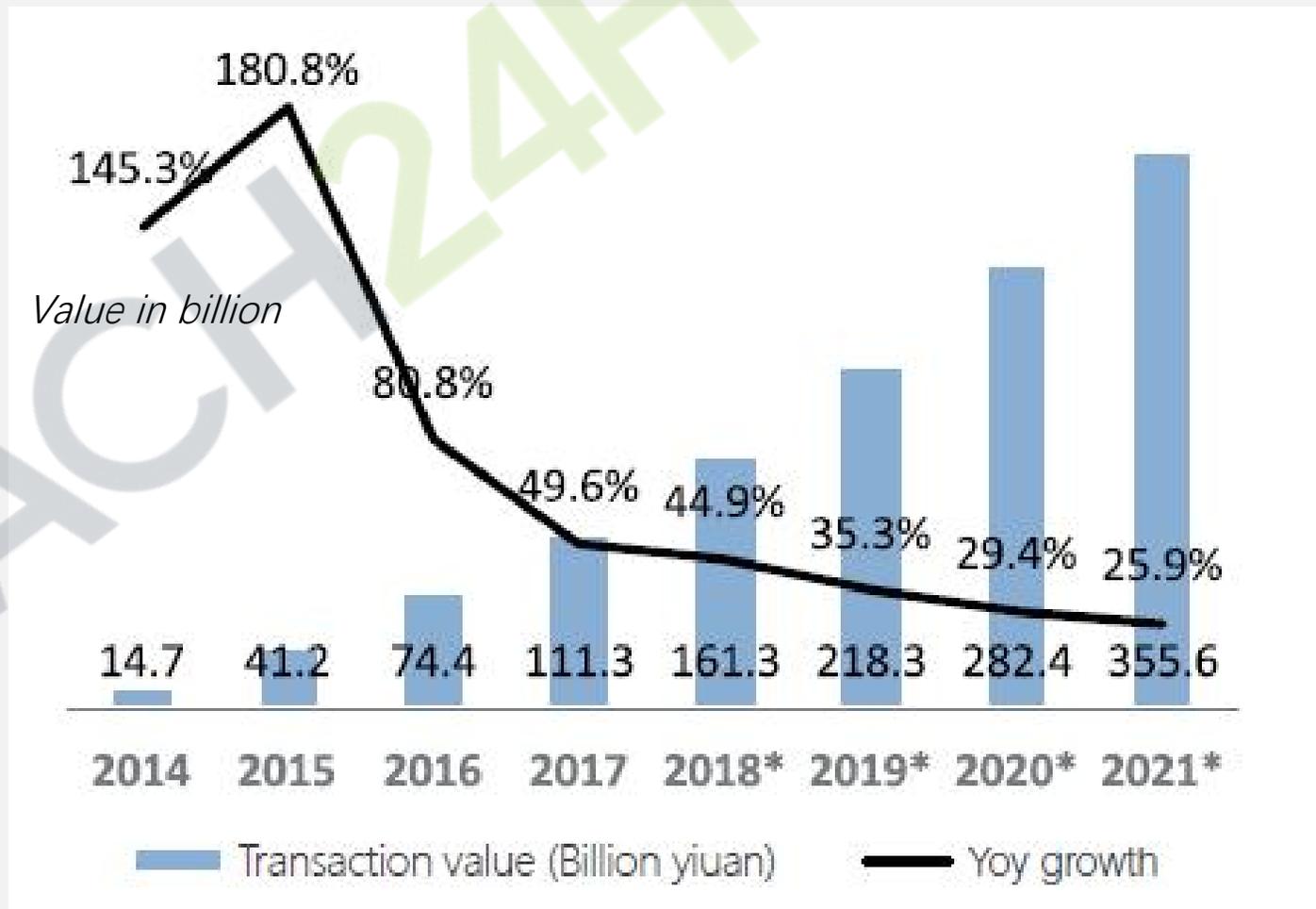
CBEC 零售商数量，中国，2014 - 2020



影响因子:

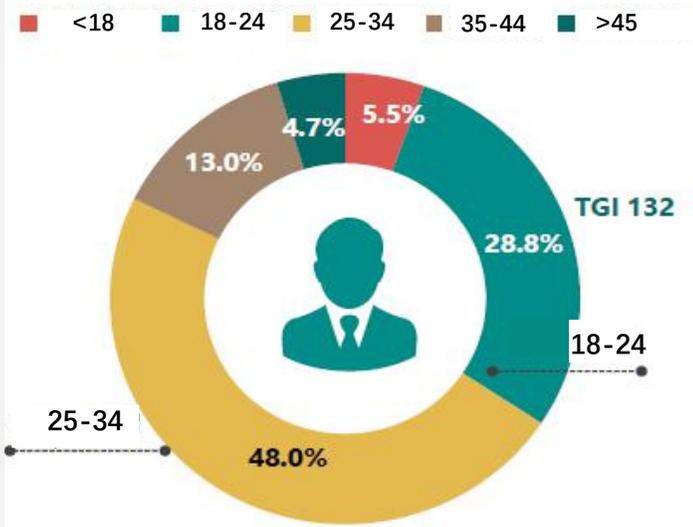
- 消费升级
- 海外市场 and 国内市场之间的商品价差
- 政策扶持
- 更好地物流服务
- 投资增长
- 经济全球化

CBEC (进口) 交易额, 2014-2021 (预估)

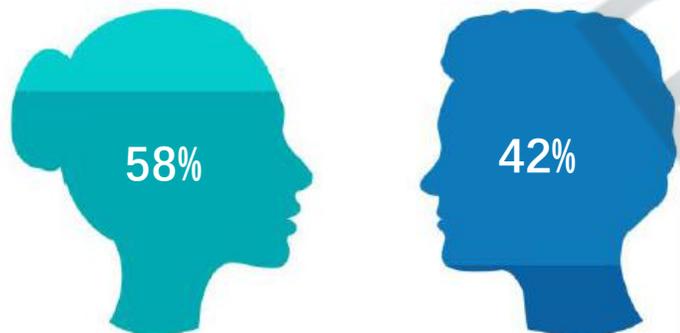


市场概况 (年龄、性别、产品类别)

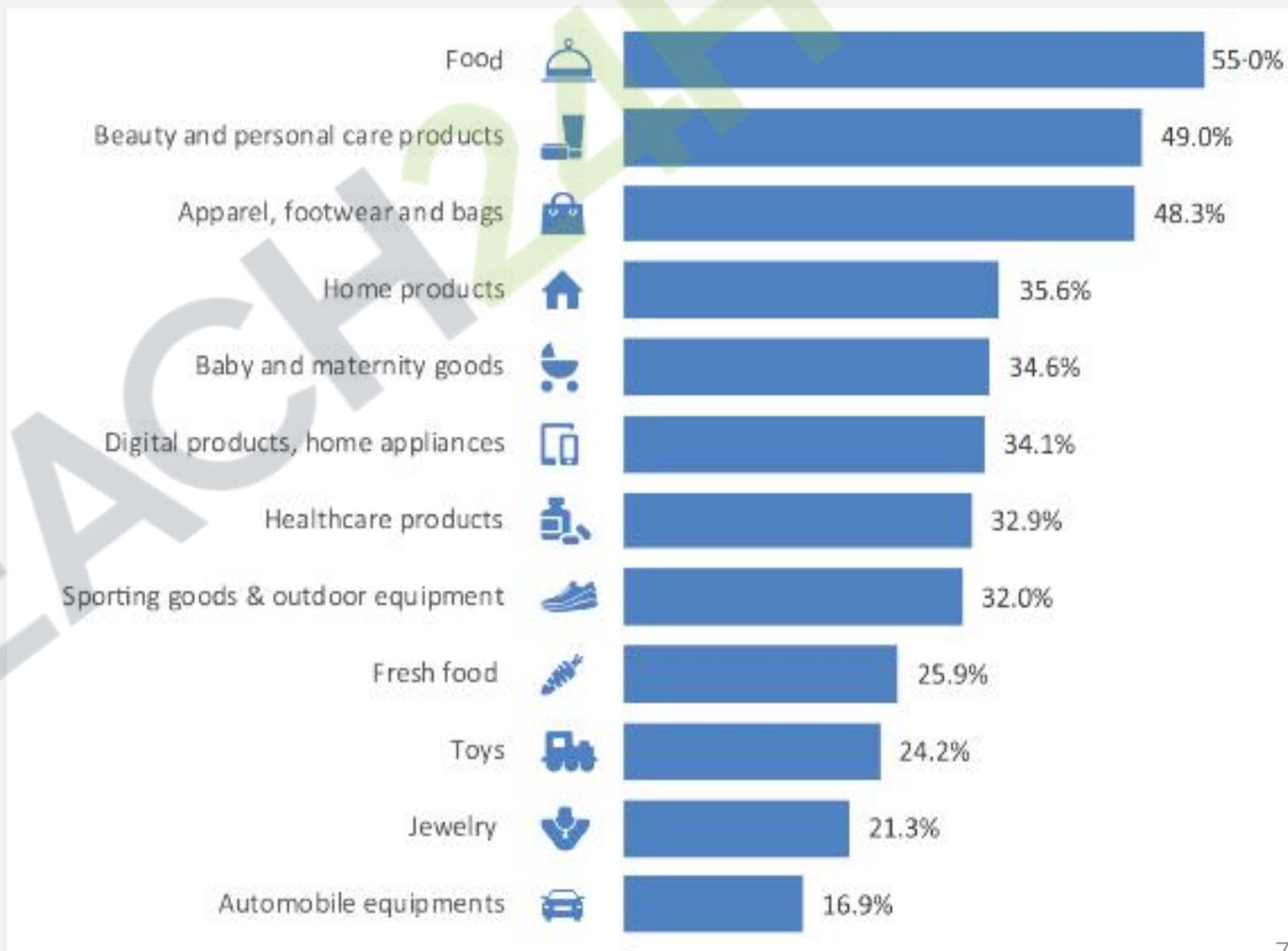
中国CBEC消费人群的年龄分布-2018年



中国CBEC消费人群的性别分布-2018年



中国跨境电商用户经常购买的品类-2018年



Part 2: 跨境电商的介绍

- 跨境电商的定义
- 主流跨境电商平台

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跨境电商的定义



CBEC: 进口 CBEC & 出口 CBEC

跨境电商零售进口，是指中国境内消费者通过跨境电商第三方平台经营者自境外购买商品，并通过“网购保税进口”（海关监管方式代码1210）或“直购进口”（海关监管方式代码9610）运递进境的消费行为。

THAIL GLOBAL
天猫国际

唯品会
vip.com

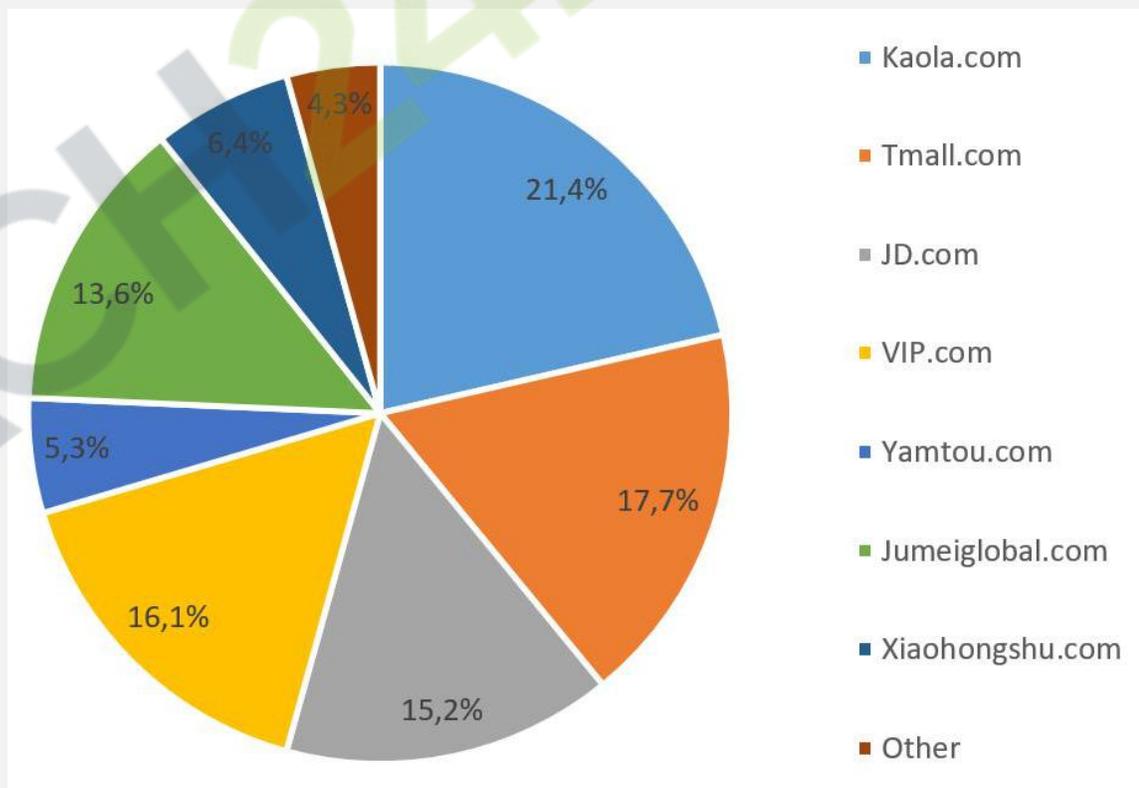
网易考拉海购
KAOLA.COM

京东全球购
JD Worldwide

主流跨境电商平台



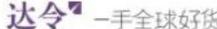
CBEC (进口) 平台的市场份额, 2018



Source: iResearch

主流跨境电商平台

中国CBEC 平台竞争力前十排行榜，2017

Ranking	Platform		Competitiveness Index
1		Kaola	97.6
2		Tmall Global	95.3
3		VIP International	92.4
4		JD Worldwide	90.8
5		YMT	87.6
6		Red Book	86.2
7		Daling	82.6
8		Bolo.me	80.3
9		Fengqu	70.8
10		Higo	76.6



- 高品质
- 中产阶级，白领 (20-40)
- 服装及时尚周边，珠宝及其配件，运动户外产品，童装和鞋子，家庭和个人护理产品和营养健康食品



- 20, 000 国际品牌，来自77个国家/地区
- 特殊申请流程
- 物流: 菜鸟物流
- 化妆品，母婴产品，食品和健康护理产品，服装箱包，数码电器



- 线上分享社区
- 内容丰富，介绍详细-与中国用户建立信任
- 美妆，时尚，食品，旅行和生活方式



- 线上折扣销售
- 以折扣价出售存货
- 美妆，母婴产品，食品和营养产品，家庭和个人护理产品，服装及时尚周边。

Part 3:最新跨境电商政策解读

- 跨境电商政策发展历程
- 正面清单
- 试点城市
- 税收政策

跨境电商政策发展历程

Phase 1 探索阶段

- 视为个人物品
- 免征关税、增值税和消费税

Phase 3 过渡期政策

- 2年过渡期（后延长至2018年底）
- 在15个试点城市，暂时不执行首次进口许可批件、注册或备案要求（如化妆品、婴配、保健食品等）

Phase 2 “4.8 新政” – 2016.04.08

- 监管改革
 - 税收
 - 正面清单
 - 监管方式

Phase 4 “2018 新政”

- 从2019年1月1日起，延续实施跨境电商零售进口现行监管政策，按个人自用进境物品监管
- 电子商务法

我的产品可以通过CBEC进口到中国吗? -- 正面清单

- 2批清单(2016)→ 1批清单 (2018.11)
- 2018年版清单中新增63个税目商品。目前供给1321个税目商品
- 优惠税率
- 首次进口无需许可批件、注册或备案



保健食品



婴配



干果蜜饯



蜂蜜



乳制品



橄榄油



酒类

试点城市



序号	试点城市	序号	试点城市	序号	试点城市
1	Beijing 北京	13	Hangzhou 杭州	25	Guangzhou 广州
2	Tianjin 天津	14	Ningbo 宁波	26	Shenzhen 深圳
3	Shanghai 上海	15	Yiwu 义乌	27	Zhuhai 珠海
4	Tangshan 唐山	16	Hefei 合肥	28	Dongguan 东莞
5	Hohhot 呼和浩特	17	Fuzhou 福州	29	Nanning 南宁
6	Shenyang 沈阳	18	Xiamen 厦门	30	Haikou 海口
7	Dalian 大连	19	Nanchang 南昌	31	Chongqing 重庆
8	Changchun 长春	20	Qingdao 青岛	32	Chengdu 成都
9	Ha'erbin 哈尔滨	21	Weihai 威海	33	Guiyang 贵阳
10	Nanjing 南京	22	Zhengzhou 郑州	34	Kunming 昆明
11	Suzhou 苏州	23	Wuhan 武汉	35	Xi'an 西安
12	Wuxi 无锡	24	Changsha 长沙	36	Lanzhou 兰州
				37	Pingtian 平潭

税收制度

税收模式(自2016年开始执行)：CBEC 综合税



关税
(基于HS Code)



VAT
(增值税)



消费税
(基于HS Code)

税收政策

- 2018年提高享受税收优惠政策的商品限额上限，将单次交易限值由目前的2000元提高至5000元，将年度交易限值由目前的每人每年2万元提高至2.6万元

① 交易限额

- 5000 RMB 每次交易
- 26,000 RMB 每人每年

$$\text{应交税款} = \text{CBEC 综合税率} = \frac{\text{VAT} + \text{消费税率}}{1 - \text{消费税率}} \times 70\%$$

举例:



对比:

	关税	增值税率 (2019年调整)	消费税率
	0	由 16% 降至13%	0
	Before		After
CBEC 综合税	11.2 %		9.1%

- VAT 降低 → CBEC 综合税明显降低 → CBEC买家: 花更少的钱

最新CBEC综合税率-食品

产品类别	增值稅率	消費稅率	CBEC综合稅率
嬰幼兒配方奶粉，成人奶粉	由16% 降至13%	0%	由 11.2% 降至 9.1%
保健食品	由16% 降至13%	0%	由 11.2% 降至 9.1%
以谷物为主的零食、干果、坚果、咖啡、矿泉水、软饮料、口香糖、调味品、啤酒、即食燕窝等	由16% 降至13%	0%	由 11.2% 降至 9.1%
巧克力	由16% 降至13%	0%	由 11.2% 降至 9.1%
种子油，橄榄油，亚麻籽油，天然蜂蜜	由10% 降至9%	0%	From 7% to 6.3%
葡萄酒及起泡酒	由16% 降至13%	10%	From 20.2% to 17.9%

总结

CBEC新政总结

监管方式	<ul style="list-style-type: none">• 加快通关速度• 绕开动物试验，特殊食品注册• 缩短产品上市时间
试点城市	促进CBEC的发展
正面清单	允许更多消费需求大的税目商品通过CBEC进口
税收	<ul style="list-style-type: none">• 有利于更多高价值产品的进入，包括一些负担得起的奢侈品、电子产品和美容器械• 促进CBEC市场的扩大
...	...

Part 4: 影响及建议

- CBEC VS 一般贸易
- 影响及建议

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CBEC VS 一般贸易

CBEC

- 免于符合中国产品标准
 - 快速进入中国市场
 - 优惠税收政策
 - 有效地测试市场规模和消费者兴趣
-
- 有限的产品类别
 - 受限制的销售渠道以及市场扩张

一般贸易

- 健全和规范的流程
 - 产品类别多样
-
- 时间和资金成本高
 - 对特殊食品的要求严格

CBEC VS 一般贸易

CBEC 成为外国品牌融入到中国零售行业数字化进程的一大渠道



影响及建议

- 简化跨境供应链，提高采购能力，增加产品品类和质量
- 严格评估并选择合适的合作伙伴
- 拓展有效的社交媒体(KOL) - 微信，微博
- 制定内部合规计划，密切监控供应链和合规风险



An Exclusive
Interpretation of
China's Cross-border
E-commerce Policy

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