



CHAMBERS GLOBAL PRACTICE GUIDES

# Healthcare: Medical Devices 2025

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China: Law & Practice

Alan Zhou, Coco Fan and Kelly Cao Global Law Office



# **CHINA**

#### Law and Practice

#### Contributed by:

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Global Law Office dates back to the establishment of China's Legal Consultant Office of the Council for the Promotion of International Trade in 1979. GLO has become one of the largest and leading Chinese law firms, with more than 500 lawyers practising in its Beijing, Shanghai, Shenzhen and Chengdu offices. Its life sciences and healthcare (L&H) practice group was one of the first in China and provides "one-stop" legal services for every area of the industry, including M&A, investment and funding, licence in and out, dai-

ly operation, IP protection and advice on compliance, including internal and government investigations, anti-bribery matters and dispute settlement. Under a changing regulatory environment, GLO's L&H team has the perfect combination of international experience and local know-how to support various innovation and pilot projects, including digital healthcare and MAH/CMAH trial cases. The team participates extensively in the formulation of local codes of conduct and benchmark policies/rules.

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# 1. Applicable Product Safety Regulatory Regimes

#### 1.1 Medical Devices

## Product Safety Regulatory Regime for Medical Devices

#### Classification of medical devices

Under the PRC's legal regime, "medical devices" refers to instruments, equipment, appliances, in vitro diagnostic reagents and calibrators, materials and other similar or relevant articles, including necessary computer software that are directly or indirectly used for the diagnosis, prevention, monitoring, treatment or relief of diseases or injury, the functional compensation of injuries, the inspection, substitution, adjustment or support of physiological structures or physiological processes, the control of pregnancy, or the support or maintenance of life. Unlike a pharmaceutical product, the utility of medical devices is mainly achieved by physical or other means rather than pharmacological, immunological or metabolic means, or where the latter means only act as auxiliary functions. "Medical instrument" is not a legally defined term under the PRC's laws; under the prevailing legal definition, medical devices encompass medical instruments.

Activities relating to medical devices have been strictly regulated in the PRC, with the regulations that apply to a medical device in the PRC depending on how that medical device is classified. Medical devices are categorised into three classes according to their risk levels. The National Medical Products Administra-

tion (NMPA) determines a medical device's risk level according to its intended purposes, its structural features, the form of use, whether it is in contact with or has access to the human body, and other factors. In general:

- Class I medical devices refer to those that have a low degree of risk;
- Class II medical devices refer to those with a medium degree of risk; and
- Class III medical devices refer to those with the highest risk level.

Class I medical devices are subject to record-filing administration, and Class II and Class III medical devices are subject to registration administration.

#### Regulation of medical devices

The Regulations for the Supervision and Administration of Medical Devices (RSAMD) set up the regulatory framework for the administration of medical devices. The development, registration, manufacturing and distribution of medical devices are regulated by more detailed good practice rules and administrative measures, such as Good Manufacturing Practice (GMP), Good Clinical Practice (GCP) and Good Supply Practice (GSP) for Medical Devices.

Subject to the classification of the medical devices, the registrants or the record-filing holders of the medical devices – analogous to the marketing authorisation holders (MAHs) of the medical devices – are responsi-

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ble for the quality management of the whole life cycle of medical devices, and for the safety and effectiveness of medical devices in the whole process of the development, manufacturing, distribution and use of such medical devices, according to applicable laws and regulations. Those who wish to engage in clinical trials, or the manufacturing or distribution of medical devices, must also obtain a permit or approval, which is discussed in 2. Commercialisation and Product Life Cycle.

# Software-Based Medical Devices See 1.4 Technologies and Digital Health.

# Product Safety Regulatory Regime for Personal Protective Equipment (PPE)

"PPE" is not a defined legal term under PRC laws.

If the protective articles used by medical staff fall within the scope of medical devices, such as medical protective respirators and medical protective clothing, they are regulated as medical devices.

There are specific requirements for "special labour protection articles", such as safety helmets. The current regulations on special labour protection articles are less stringent than the regulations for medical devices, while general labour protection articles and other PPE are deemed to be ordinary products with no special regulatory requirements for their marketing, manufacturing and distribution.

# 1.2 Healthcare Products Product Safety Regulatory Regime for Healthcare Products

Cosmetics are governed by administrative regulations, ranging from manufacturing to marketing, business operation and post-market monitoring. The Regulations on the Supervision and Administration of Cosmetics (RSAC) are among the most significant regulations in the hierarchy, which apply a Classification Supervision System to cosmetics, as follows:

 special cosmetics (ie, those used for hair colouring, hair perming, freckle removal and whitening, sun protection and hair loss prevention) and those that claim new efficacy must be registered with the

- competent authorities before manufacturing and import; and
- ordinary cosmetics (ie, cosmetics other than special cosmetics) only need to be record-filed prior to being marketed or imported.

Biocides fall under the legislative regime of pesticides and thus must comply with the strictly regulated system for pesticides. According to the Regulations on Pesticide Administration (RPA), corresponding licences must be obtained from the competent authorities for the manufacturing, marketing and business operation of pesticides. Post-market monitoring of pesticides is also a highly regulated area.

Food - including Genetically Modified Organisms (GMOs) - is classified as either conventional food or special food, with the latter covering health food, which refers to food with specific healthcare functions - ie, is suitable for specific groups of persons due to its functions for body regulation, but not for the purpose of disease treatment, and includes nutrition supplements. The Food Safety Law (FSL) regulates the production, distribution, safety, labels, inspection, and import and export of food products, and there are many specific regulations regulating different kinds of food, such as the Administrative Measures for Registration and Record-Filing of Health Food, and the Regulations on Administration of Agricultural Genetically Modified Organisms Safety. Therefore, nutrition supplements must follow the FSL and are subject to special regulations for health food: the Catalogue Management System under Administrative Measures for the Catalogue of Ingredients and the Catalogue of Healthcare Functions of Health Food.

Biocides fall under the legislative regime of pesticides and thus must comply with the strictly regulated system for pesticides. According to the RPA, corresponding licences must be obtained from the competent authorities for the manufacturing, marketing and business operation of pesticides. Post-market monitoring of pesticides is also a highly regulated area.

#### 1.3 Medicines

"Pharmaceuticals", "medicines" and "drugs" refer to substances that are used to prevent, treat or diagnose human diseases, and are intended to regulate human

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physiological functions, for which the usage and dosage are specified for indication or primary treatment. The fundamental law regulating pharmaceuticals in China is the Drug Administration Law (DAL), which governs various drug-related activities, including their development, registration, manufacturing and distribution.

Clinical trials of pharmaceuticals are regulated by laws and an array of guidance and technical review standards. Specifically, the DAL, the Administrative Measures for Drug Registration and the GCP outline the framework for administration on clinical trials of pharmaceuticals, and specify the detailed obligations of the parties involved, operational procedures and technical requirements.

Details on the regulation of pharmaceuticals and relevant clinical trials can be viewed in the <u>China Law and Practice</u> chapter in the 2025 Chambers Life Sciences Global Practice Guide.

#### **Blood Products**

Under the PRC's legal regime, blood products refer to, in particular, various human plasma protein products, which are governed as pharmaceuticals, and as biological medicinal products. As a special category of medicinal products, in addition to the regulations generally applicable to drugs, blood products are also subject to the Regulations on the Administration of Blood Products and other special regulatory requirements. For instance:

- the source plasma for the production of blood products shall only be obtained from a qualified supplier;
- blood products are generally subject to batch release administration prior to marketing; and
- blood products shall not be contracted for manufacture nor sold online.

China is accelerating the informatisation construction of the blood product production and inspection processes. The NMPA has issued the Smart Supervision Three-Year Action Plan for Blood Product Production (2024–2026), aiming to essentially achieve informatised management in blood product production enterprises by the end of 2026.

#### **Psychedelics**

"Psychedelics" is not a defined legal term under PRC law. Certain psychedelics, if used properly, may function as a psychotropic substance. If such psychedelics further fall within the Catalogue of Psychotropic Substances, they are eligible to be applied under the administration of the NMPA and registered as a drug subject to regulation. The Catalogue of Psychotropic Substances is established, updated and published by the NMPA in conjunction with the Ministry of Public Security and the National Health Commission (NHC). Under PRC law, psychotropic substances are categorised and regulated based on their risk level, from high to low, into Class I and Class II. Class I psychotropic substances are classified as having the highest risk level, and must be manufactured and sold under strict control.

In addition to the regulations generally applicable to drugs, psychotropic substances are also subject to the Regulations on the Administration of Narcotic Drugs and Psychotropic Substances and other special regulatory requirements. For instance, the R&D and manufacturing of psychotropic substances are subject to special approval, and psychotropic substances shall neither be contracted for manufacture nor sold online.

#### Cannabidiol (CBD)

CBD is an active ingredient of cannabis that cannot be used as a raw material for cosmetics in accordance with the List of Prohibited Raw Materials for Cosmetics issued by the NMPA. Furthermore, cannabidiol is listed in the Catalogue of Class II Precursor Chemicals and is subject to the Regulations on the Administration of Precursor Chemicals. In addition, preclinical research on CBD for medical purposes shall satisfy the specific conditions prescribed by regulations and obtain approval from the NMPA.

#### 1.4 Technologies and Digital Health

Certain medical apps, tele-medicine information systems and wearables may be classified as medical devices if they meet the definition of a medical device, as discussed in **1.1 Medical Devices**.

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#### **Medical Apps**

Medical device software can be divided into two main categories: Software as a Medical Device (SaMD) and Software in a Medical Device (SiMD).

#### **SaMD**

SaMD refers to software intended to be used for one or more medical purposes that performs these purposes without being part of a hardware medical device. There are two types of SaMD: generic SaMD and dedicated SaMD.

Generic SaMD is usually used in conjunction with multiple medical devices based on a generic data interface, such as medical image processing software and patient monitoring software. Generic SaMD is generally registered as a medical device separately.

Dedicated SaMD is linked to a specific medical device based on a generic or dedicated data interface, which could be registered either as an independent medical device or as part of a hardware medical device. If registered as part of a hardware medical device, it will be regarded and regulated as a software component, rather than as a medical device.

#### **SiMD**

SiMD refers to software that is intended to be used for one or more medical purposes and that controls or drives a hardware medical device or runs on a dedicated/medical computing platform. A SiMD is a component of a medical device that shall not be registered as a medical device independently but should be registered along with the medical device it works with.

#### Wearables

Wearables that meet the definition of medical devices as discussed in **1.1 Medical Devices** are classified and regulated as medical devices. Otherwise, they are regulated as electrical or electronic products, such as massagers, exercise machines or heart-rate monitors for exercise.

#### **Telemedicine**

A telemedicine information system is used for telemedicine services. Equipment in the telemedicine information system that meets the definition of a medical device is regulated as a medical device. According to Good Practices for Telemedicine Services (for Trial Implementation), the telemedicine information system shall ensure that images, sounds, texts and other medical information required in the telemedicine service can be transmitted safely and in time, and ensure that the images are clear and that the data is accurate. The telemedicine information system must also conform to the Technical Guidelines for Construction of the Telemedicine Information System and meet the requirements of clinical diagnosis.

#### Stem Cells

Stem cells are self-renewing, highly proliferative cells that can further differentiate into various tissue cells. Chinese regulation of stem cell products has gone through a transition, from treating them as drugs at the beginning to treating them as a third type of medical technology, and currently to treating them as drugs again.

# 1.5 Borderline Products Medicines and Medical Devices

Generally, medicines and medical devices are two types of products with similar stringent regulation methods. The MAH of medicines or the medical device registrants/record-filing holders are responsible for the whole life cycle of the products.

In practice, certain types of products may have features of both medicines and medical devices, and will be categorised as either medicines or medical devices depending on the characteristics of such products.

• A combination product – as a medical product containing both a drug and a device, applicants should apply for its registration as a drug if it mainly acts as a drug, and as a medical device if it mainly acts as a medical device. According to the Rules for Medical Device Classification, if a combination product mainly acts as a medical device, it shall be managed as a Class III medical device. If its major utility cannot be easily identified, the applicant should apply to the Centre for Medical Device Standardisation Administration of the NMPA in order to define the characteristics of such combination product before applying for its registration.

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• In vitro diagnosis (IVD) reagents – under the PRC legal regime, most IVD reagents (including reagents, kits, calibrators and quality control products used for in vitro testing of human samples in the process of disease prediction, prevention, diagnosis, treatment monitoring, prognosis observation and health status evaluation) are defined as medical devices, except for IVD reagents for blood source screening and IVD reagents labelled with radionuclides, which are characterised as drugs. IVD reagents are categorised by risk level from low to high into Class I, Class II and Class III. IVD reagents in Class I are subject to record-filing administration, while IVD reagents in Class II and Class III are subject to registration administration.

#### **PPE** and Medicines

PPE and medicines are different categories of products under different types of regulations. As mentioned in **1.1 Medical Devices**, the protective articles used by medical staff that fall within the scope of medical devices are regulated according to the rules for medical devices.

#### **Medicines and Food**

Consumers may confuse health foods with medicines because health food may claim certain functions of health protection. However, the FSL stipulates that food, including health food, excludes substances that are used for the purpose of treatment, and further stresses that labels and descriptions of health food shall not refer to any preventative or therapeutic function but shall instead state that they cannot replace medicine.

# 2. Commercialisation and Product Life Cycle

# 2.1 Design and Manufacture Requirements for Manufacturing Medical Devices

The manufacture of medical devices either for clinical use or for commercialisation must comply with the requirements of the RSAMD, the Measures for the Supervision and Administration of Medical Device Manufacture, and GMP for Medical Devices in the PRC. GMP for Medical Devices contains general requirements regarding organisation and personnel,

premises and facilities, equipment, document management, design and development, purchasing, manufacturing management, quality control, distribution and after-sales services, control of non-conforming products, monitoring, analysis and remediation of adverse events, and other specific requirements for certain products.

- For manufacturing sites, the premises must meet the manufacturing requirements – eg, the production area must be of sufficient capacity to suit the scale of production and the varieties of the products; the overall layout of the production, administrative and ancillary areas must be reasonable; and such areas must not interfere with each other.
- For design and development planning, a manufacturer must set out the design and development stages as well as the review, verification, validation and design transfer activities to be performed at each stage. The design and development inputs must include the functional, performance and safety requirements according to the intended purpose, regulatory requirements, and risk management and control measures. Design and development outputs must meet the input requirements, including the relevant information needed for purchase, manufacture and services, and product technical requirements.
- The manufacturer must keep legible and complete records that ensure the traceability of activities such as the manufacture and quality control of the products.
- Unless otherwise specified by the applicable laws or regulations, all the records must be retained for a period equivalent at least to the lifespan of the medical device and for not less than two years from the date of release of the product.

In addition to the above-mentioned GMP requirements, the manufacturer of medical devices must obtain a licence or record-filing before it manufactures medical devices for commercialisation. The requisite permits for manufacturing medical devices vary based upon the classification of the medical devices to be manufactured. For manufacturing Class I medical devices, a manufacturing record-filing receipt is required, while a licence must be obtained for manufacturing Class II and/or Class III medical devices.

#### **Contract Manufacturing of Medical Devices**

Except for the medical devices listed in the Catalogue of Medical Devices Prohibited from Entrusted Manufacturing, the MAH of medical devices can entrust a qualified third-party manufacturer to manufacture the medical devices. In such a case, the parties must enter into an agreement to prescribe the responsibilities of each party, especially the responsibilities and liabilities for product quality assurance.

#### **Healthcare Products**

Unless the law and regulation provide otherwise, a licence for manufacturing is a prerequisite for the production of cosmetics and food. Manufacturers of cosmetics and food must follow the respective manufacturing requirements.

GMP for Cosmetics is a general guideline for cosmetics manufacturers to develop an internal quality control system, which, in turn, is the standard for competent authorities to inspect whether the manufacturing qualifies. Key aspects of GMP for Cosmetics include:

- organisation and personnel;
- quality assurance and control;
- · management of factory facilities and equipment;
- management of materials and products;
- manufacturing process management;
- · management of entrusted manufacturing; and
- · management of product sales.

Food production must conform to the requirements stipulated by the FSL and a whole set of national standards regarding food safety. Key requirements include:

- the establishment of the internal food safety management system;
- the self-inspection system for food safety and the implementation of controls over raw materials;
- self-control concerning the production process;
- · safety of equipment, storage and packaging; and
- inspection and control over finished products, transportation and delivery.

#### Requirements for Manufacturing Medicines

Generally, the manufacture of medicines must comply with the DAL, the Measures for the Supervision

and Administration of Drug Manufacture, and GMP for Medicines, among other regulations and guidelines in the PRC. Under such legal framework, the prerequisites for manufacturing medicines include obtaining drug manufacturing licences and having pharmaceutical manufacturing plants. More stringent requirements further apply to special medicines – for instance, the manufacture of blood products, narcotic drugs and psychotropic substances cannot be entrusted to another manufacturer other than the MAH. For more detailed requirements on the manufacture of medicines, refer to the <a href="China Law and Practice">China Law and Practice</a> chapter in the 2025 Chambers Life Sciences Global Practice Guide.

#### **Special Regulations for Medical Apps**

With respect to medical apps, the NMPA has issued special regulations for the manufacture of SaMD, such as the Appendix for SaMD to GMP for Medical Devices (the "Appendix") and GMP for Medical Devices – Guidelines for On-Site Inspection of SaMD.

The Appendix applies to SaMD and applies mutatis mutandis to SiMD. According to the Appendix, the special requirements cover aspects including personnel, equipment, design development, procurement, manufacturing management, quality control, sales and after-sales service, and monitoring, analysis and remediation of adverse events.

#### To be more specific:

- concerning quality control, the Appendix requires that the release of software products is documented, and that software version identification, installation and uninstallation testing, product integrity inspection and other activities related to the quality control of software products are also recorded; and
- with respect to design specifications, the Appendix requires that the software design specifications and relevant review records are formulated, approved and updated in good time.

#### Special Rules and Standards for Wearables

For wearables that meet the definition of medical devices and are regulated as medical devices, the NMPA has issued several technical guidelines and product registration guidance for certain medical

device wearables, such as pulse oximeters and wearable mobile medical devices (smart glasses, smart watches, etc).

Several national standards on electrical or electronic products may apply to wearables that are electrical or electronic products rather than medical devices, such as GB/T37344, GB/T37035, GB/T37037 and GB/T41265. Furthermore, wearables using GSM/GPRS, CDMA, CDMA1X, CDMA2000, TD-SCDMA, WCDMA and TDLTE standards must obtain China Compulsory Certification.

# 2.2 Corporate Social Responsibility, the Environment and Sustainability

There is a national trend towards strengthening the legislation on corporate social responsibility. The Company Law emphasises that companies should take full account of the interests of interested parties such as the company's employees and consumers, as well as the public interests of society, such as ecological and environmental protection, and assume social responsibility. The Shanghai Stock Exchange and the Shenzhen Stock Exchange also require listed companies to publish ESG reports disclosing information on environmental and social responsibilities.

On 20 November 2024, a non-legally binding disclosure standard – the Basic Standard for Enterprise Sustainable Disclosure (Trial) – was promulgated by nine ministries. Entities involved in the life cycle of medical devices and healthcare products must undertake general statutory obligations for environmental protection under the framework of the Environmental Protection Law of the PRC, such as reducing the discharge of pollutants, and must ensure the establishment, operation and improvement of their environmental management systems. In addition, the manufacturer must apply for a pollutant discharge permit or fill in a pollutant discharge registration form.

As kinds of electrical or electronic products, wearables shall be subject to the Prevention and Control of Environmental Pollution Caused by Solid Wastes Law of the PRC, and the Regulation on the Administration of the Recovery and Disposal of Waste Electrical and Electronic Products. The producers of electrical and electronic products and the consignees of imported

electrical and electronic products, or their agents who produce or import electrical and electronic products legally based on the pollution control applied to electrical and electronic products, adopt design plans favourable to comprehensive resource utilisation and innocuous disposal, and use non-toxic, non-hazardous, low-toxicity or low-hazard materials that can be conveniently recycled.

In addition, the Discharge Standard of Water Pollutants for Pesticide Industry (GB 21523-2024), promulgated by the Ministry of Ecology and Environment, entered into force on 1 December 2024.

#### 2.3 Advertising and Product Claims General Restrictions on Advertising of Medical Devices

The advertising of medical devices is subject to stricter requirements than the advertising of general goods. Other than the Advertising Law of the PRC, the Interim Administrative Measures for Examination of Advertisements for Drugs, Medical Devices, Health Foods and Foods for Special Medical Purposes (effective in 2020, with the State Administration for Market Regulation, or SAMR, initiating a revision with a draft for comment in 2023) also set out detailed requirements regarding how medical devices are advertised and the content of such advertisements. According to these advertising laws and regulations, medical devices that are used for the treatment of addiction or whose production, sale or use is ceased or prohibited according to the applicable laws are prohibited from being advertised. In addition, advertisements for medical devices are not allowed to be published in public media that targets minors.

Furthermore, advertising of medical devices is subject to the prior examination and approval of the relevant local authorities under the SAMR, and a unique approval number must be obtained and clearly indicated on the advertisement. Generally, any activities and behaviour that directly or indirectly introduce or recommend a medical device through the use of a certain medium may constitute an advertisement that is subject to such prior approval, unless only a product name is publicised in the advertisement; in such a case, prior approval is not required.

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#### **Content of the Medical Device Advertisement**

As a general principle, all advertisements must be true and lawful, and must not contain any false or misleading content. Advertisers are responsible for the veracity and legitimacy of the content. Also, an advertisement must not be used for any unfair competition activities – eg, the advertiser must not discredit competitors in an advertisement.

The contents of a medical device advertisement must conform to the contents of the registration certificate or filing certificate, or the registered or filed product instructions approved by the competent authority. Where the medical device advertisement involves the name, scope of application, functional mechanism, structure or composition of the medical device, the publicised information must not exceed the scope that has been approved in the registration certificate or filing certificate, or registered or filed product instruction. Advertisements of medical devices recommended for self-use by individuals must prominently display the following words: "Please read the product instructions carefully or purchase and use the product under the guidance of a healthcare practitioner." Where there are contra-indications and precautions in the registration certificate of the medical device, the advertisement must also prominently display these words: "Please refer to the product instructions for contra-indications or precautions in detail."

Among other restrictions that apply to the content of advertisements in general (eg, no content stating that the product is of the highest level is allowed), the following specific restrictions apply to advertisements for medical devices:

- they must not use the name or image of any patient, health technician, medical education or scientific research institution or its personnel, or other public association or organisation as an endorsement;
- they must not contain guarantees of the medical device's efficacy or the cure of disease, or guarantees by implication of the cure of disease; and
- they must not contain any inducements such as "hot sales", "rush to buy", "trial", "family necessities", "free treatment" or "free gifts", nor any comprehensive evaluations such as "compari-

son", "ranking", "recommendation", "designated", "selected" or "awards", nor any warranties such as "refund upon ineffectiveness" or "insured by insurance companies".

#### **Healthcare Products**

All commercial advertisements introducing health-care products directly or indirectly are subject to the Advertising Law. The fundamental principle is that the contents of advertisements shall be true and accurate, and shall not contain any false or misleading information. Furthermore, advertisements for cosmetics and food are prohibited from indicating any disease treatment function containing medical terms or wordings that might easily cause confusion between the products promoted and pharmaceuticals, or between the products promoted and medical devices.

Cosmetics advertisements also need to conform to the requirements of other regulations and specifications, such as the Regulations on the Supervision and Regulation of Cosmetics, and the Cosmetics Efficacy Claims Evaluation Specification. According to the latter, any promotion of cosmetics' efficacy must be supported by a sound scientific basis.

Health food falls under the special regulation under the Interim Administrative Measures for Censorship of Advertisements for Drugs, Medical Devices, Health Food and Foods for Special Medical Purpose, which stipulate that advertisements for health food must be reviewed and approved by the competent authorities before their release. Other key requirements include that:

- the contents of the advertisement must conform to the contents registered or filed with those competent authorities; and
- advertisements for health food must:
  - (a) prominently display the warning that health foods are not drugs and cannot treat any disease instead of drugs;
  - (b) be marked with the official logo of health food; and
  - (c) indicate the suitable and unsuitable consumers.

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#### **Medicines**

The commercial advertisements of medicines are subject to regulatory frameworks similar to those of medical devices. Under such laws and regulations, the advertisements of medicines cannot be published until they have been examined and pre-approved by the competent authorities under the SAMR, and the advertisement must clearly indicate such approval number. Advertisements of certain medicines are prohibited, such as narcotic drugs and psychotropic substances. The content of medicine advertisements must conform to the drug instructions approved by the NMPA, along with meeting other restrictions.

#### **Internet Advertising**

Advertising on medical apps may be internet advertising, which must conform to the Measures for the Administration of Internet Advertising. For instance, the following are required:

- internet advertisements must be identifiable as such and must be clearly marked as "advertisements" to ensure that consumers can identify them as advertisements;
- paid-for advertisements within search results must be clearly distinguished from natural search results; and
- the use of the internet to publish and send advertisements must not affect the normal use of the internet by users.

Advertisements published on internet pages in the form of pop-ups or other forms must be clearly marked with a "close" sign to ensure the ability to "click to close".

# 2.4 Marketing and Sales Clinical Evaluation of Medical Devices

The pre-market clinical research and design of medical devices are subject to the governance of the competent authorities. The RSAMD and the Administrative Measures for the Registration and Record-filing of Medical Devices (MDRM) set out the legal framework regarding whether pre-market research and design of medical devices may be conducted and how they should be conducted.

According to the RSAMD and the MDRM, the registration/record-filing of medical devices is subject to clinical evaluation, except for limited circumstances where:

- the medical device has a clear working mechanism, an established design and a mature production process, and the same kind of medical device has been listed on the market for years without records of material adverse events or a change of general purpose thereof; or
- the medical device has been proved in other ways to be safe and effective through non-clinical evaluation.

The NMPA also formulates and promulgates a list of such medical devices that are exempt from clinical evaluation, from time to time.

The clinical evaluation of medical devices can be carried out through clinical trials or through analysis and evaluation of the clinical literature and clinical data of the same variety of medical devices to prove their safety and effectiveness. If the existing literature and data are insufficient to evidence the safety and effectiveness of the medical devices, a clinical trial should be implemented.

In addition to the RSAMD and the MDRM, an array of review standards and guidance such as GCP further specifies operational guidance and technical requirements for conducting clinical trials of medical devices. According to such regulations, conducting a clinical trial of medical devices requires consent from the ethics committee. If the product at trial is listed in the Catalogue of Class III Medical Devices Subject to Clinical Trial Approval, the applicant must also obtain approval from the NMPA, and such a trial can only be conducted at a Grade-A tertiary hospital.

In addition, if the clinical trial utilises human genetic resources and international co-operation is involved (eg, the sponsor is an enterprise invested in by a foreign enterprise or person), the applicant must first make a filing at the NHC, or even obtain prior approval from the NHC under certain conditions – eg, if the materials of human genetic resources utilised in such trial will be exported.

Among other requirements under the GCP, one key requirement is to ensure that the clinical trial data is true, accurate, complete and traceable, and the sponsor must keep the basic clinical trial documents until the medical device is no longer used in the market. If the clinical trial utilises human genetic resources and international co-operation is involved (eg, the sponsor is an enterprise invested in by a foreign enterprise or person), the applicant must first make a filing at the NHC, or even obtain prior approval from the NHC under certain conditions.

#### Registration/Record-Filing of Medical Devices

In applying for the registration/record-filing of a medical device, generally the applicant must conduct clinical evaluation, through either pre-market non-clinical research or clinical trials.

The medical device will be granted an authorisation or record-filing certificate by the NMPA and its local counterparts based on its classification (refer to 1.1 Medical Devices). For a newly developed medical device that has not been listed in the existing Catalogue of Medical Device Classification, the applicant can either directly apply for its product registration as a Class III medical device, or apply to the NMPA for identification of its classification first and then apply for registration/record-filing after it has been classified. The record-filing certificate does not have an expiry date, while each medical device registration certificate is valid for five years and subject to renewal.

#### **Distribution of Medical Devices**

The distribution of medical devices is also subject to regulations that depend on the device's classification. The distributor of a Class II medical device must maintain a distribution record-filing receipt, unless such record-filing requirement is clearly exempted. The distributor of a Class III medical device must hold a distribution licence, which will be valid for five years and subject to renewal. Distribution of Class I medical devices is not subject to special authorisation. The registrant/record-filing holder can distribute the medical devices by itself or can entrust a third-party qualified distributor to sell the medical devices.

The distribution of the medical devices must always follow the requirements under the GSP in the process

of procurement, acceptance, storage, sales, transportation and after-sales services, to ensure product quality. As for the record-keeping requirement under the GSP, the distributor must keep all records covering the full operation process, including records of procurement, acceptance, sales, storage, adverse events, inspection and training. Such records must be kept for two years after the life span of the medical device. For a medical device without a life span, these records must be kept for at least five years. For an implantable medical device, the records must be kept permanently.

Online sales of medical devices are generally permitted with a prerequisite filing. In order to publicise information about a medical device on a website for online sales, the online distributor (in terms of a self-operated platform) or the platform provider (in terms of a third-party sales platform) must complete the requisite filing with the competent Medical Products Administration (MPA). The online distributor must also obtain other applicable qualifications and comply with the GSP for Online Sales of Medical Devices (effective on 1 October 2025) and requirements necessary for operating a website for such purposes.

#### **Special Requirements for Healthcare Products**

For cosmetics, in the pre-market stage, safety assessments must be conducted in accordance with technical guidelines, such as the Technical Guidelines for Cosmetic Safety Assessment, to assess the potential safety risks of each raw material and/or hazardous substance in the cosmetics and form a product safety assessment report. The assessment report is one of the mandatory submissions when registering/record-filing a cosmetic product.

In terms of food, pre-market requirements mainly involve product registration/filing of health food, a marketing business licence and a safety assessment.

First, health food is under a special regulation requiring its registration or record-filing, as follows:

 health food using raw materials not listed in the Administrative Measures for the Catalogue of Ingredients, and health food imported for the

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first time, must be registered with the competent authority before production and import; and

health food using raw materials listed in the Administrative Measures for the Catalogue of Ingredients and health food consisting of supplementary vitamins, minerals and other nutrients that are being imported for the first time must be record-filed with the competent authority before production and import.

Secondly, food manufacturers must inspect the quality of food before its listing on the market and implement an inspection control system to ensure food safety.

#### **Registration and Distribution of Medicines**

Similar to the regulation on medical devices, all medicines are subject to registration with the NMPA before their launch on the market. Generally, each drug product shall go through three phases of clinical trials for registration purposes, and generate sufficient data on its safety, validity and efficacy before the MAH submits the new drug application for registration. For each clinical trial for registration purposes, the sponsor shall file with the NMPA and obtain a permit to conduct the trial.

In distributing a medicine, the distributor must maintain a drug distribution licence, with an exception that the MAH may sell its own drugs as a wholesaler without obtaining a drug distribution licence. The distribution of medicines must always follow the requirements under the Good Supply Practice for Pharmaceutical Products. Furthermore, the Administrative Measures for the Supervision of Online Medicine Sales, which came into effect in December 2022, alleviate the restriction on online sales of prescriptive drugs and for the first time - provide systematic regulations for online sales of medicine. According to this regulation, only a MAH or an enterprise with a drug distribution licence is eligible to conduct online sales of drugs. The operator shall also follow the requirements of good supply practice - for instance, drug traceability, quality control and reporting on adverse effects. For online sales of prescriptive drugs, the operator has an obligation to check the prescription before providing sales service. Details on the registration and distribution of medicines can be viewed in the China Law and

<u>Practice</u> chapter in the 2025 Chambers Life Sciences Global Practice Guide.

#### **Special Requirements for Medical Apps**

As discussed in 1.4 Technologies and Digital Health, a medical app could be a kind of medical device software. According to the Appendix, pre-market requirements for SaMD are mainly the design development requirements, which include the specific requirements for activities such as:

- quality assurance;
- software risk management;
- · software configuration management;
- software version control;
- · software traceability analysis;
- software development planning;
- software demand analysis;
- software coding:
- · software verification;
- · software validation;
- · user testing:
- · software updates; and
- software defect management.

With respect to sales and after-sales services, the Appendix requires that the deployment and discontinuation of the software shall be documented. The deployment of software includes activities such as delivery, installation, setting up, configuration and user training, which must be documented or recorded. As for discontinuation of the software, the following situations and activities shall be kept in records:

- subsequent user services after the discontinuation;
- data migration;
- · protection of patient data and privacy; and
- · user notification.

Regarding adverse events, the Appendix also stipulates that enterprises shall set up data analysis control procedures, which shall cover the requirements of software defects and cybersecurity incidents. Emergency responses to cybersecurity incidents must be documented, which include activities such as user notification, recall and cybersecurity incident risk management.

#### 2.5 Internationalisation

# Potential Restriction on Exporting Medical Devices or Related Technologies

Under the Foreign Trade Law and the Export Control Law, an authorisation administration mechanism has been implemented for the export of dual-use biological goods and related equipment and technologies listed in the Export Control List of Dual-Use Items and the Catalogue for the Administration of Import and Export Authorisation for Dual-Use Items and Technologies (Control List). The dual-use biological substances and related equipment and technologies listed in the Control List may only be exported with prior authorisation. If a medical device or the technologies related to such medical device fall under the Control List, the export application will be examined and approved by the competent provincial Commerce Bureau.

If the related technologies of medical devices fall under the Catalogue of Technologies Prohibited from Export, such medical devices will be prohibited from exportation. If the related technologies of medical devices fall under the Catalogue of Technologies Restricted from Export, prior authorisation is required for the export of such medical device.

If medical apps involve the export of personal information and human genetic resources information, the relevant export restrictions should also be observed and the approval of the competent authority should be obtained.

#### **Imported Medical Devices**

#### Overseas inspection of the manufacturing site

A product registration/record-filing with the NMPA and its local counterparts must also be obtained for an imported medical device in order for it to be marketed in the PRC. If a medical device marketed in the PRC or proposed to be marketed in the PRC is developed or manufactured overseas, the NMPA is entitled to conduct an overseas inspection to ensure the authenticity, reliability and compliance of the process relating to the overseas development and production of such medical device.

### Imported medical devices to be manufactured within the PRC

Under the PRC legal regime, imported medical devices and locally manufactured medical devices are registered according to different procedures. If an imported medical device is to be manufactured within the PRC, it must go through the registration procedure and obtain another registration certificate. An imported Class II or III medical device can be manufactured within the PRC in an easier way if the manufacturer of the medical device to be manufactured within the PRC is invested in by the overseas registrant of the medical device or under the same ultimate controller as the overseas medical device registrant, according to the latest Announcement of the NMPA on Further Adjusting and Optimizing Domestic Production for Imported Medical Devices. On the conditions that the design of the medical device is not changed, the quality system is basically consistent and the safety and effectiveness of the medical device are not significantly changed, the original registration application materials submitted for imported medical devices will be recognised by the NMPA in applying for the registration of the locally manufactured medical device.

Cross-border entrustment of manufacturing of the imported medical device is open within a limited range. According to the Implementation Plan for Supporting Medical Device Registrants of Hong Kong and Macao in Manufacturing Medical Devices in Nine Mainland Cities in the Greater Bay Area, after obtaining the imported medical device registration certificate issued by the NMPA, the Hong Kong and Macao medical device registrants can entrust a qualified manufacturer in nine mainland cities of the Greater Bay Area (Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoging) to manufacture such medical devices. Furthermore, pursuant to the Measures for Supporting the High-Quality Development of Innovative Medicines and Medical Devices in Beijing (2025), a pilot programme for crossborder contract manufacturing of medical devices is currently under exploration in Beijing.

#### **Healthcare Products**

As products that may have an impact on health, cosmetics and food are highly regulated products whose importation and exportation should also comply with

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the following special regulations, in addition to the general regulations:

- the import and export of cosmetics need to comply with the Measures for the Inspection, Quarantine, Supervision and Administration of Import and Export Cosmetics (in order to support the implementation of the new version of the RSAC in 2021, the Customs issued a draft for comments in May 2024 to start the revision work); and
- food should comply with the Administrative Measures for the Safety of Imported and Exported Food Products.

#### **Stem Cell Technology**

Although foreign investment is prohibited in the field of the development and application of human stem cell or related technology according to the Special Administrative Measures (Negative List) for Foreign Investment Access, foreign invested enterprises located in the Beijing, Shanghai or Guangdong Pilot Free Trade Zones or the Hainan Free Trade Port may engage in the development and application of human stemcell, gene-diagnosis and gene-therapy technologies solely for product registration and manufacture. Stem cell-based products duly registered, marketed and approved for production may be deployed nationwide.

#### Value-Added Telecommunications Services

If a medical app involves value-added telecommunications services, the foreign equity of the company is generally restricted to no more than 50% in accordance with the Special Administration Measures (Negative List) for Foreign Investment Access. However, foreign equity ratio restrictions on related businesses have been removed on a pilot basis in specific regions in Beijing, Shanghai, Hainan and Shenzhen.

# 2.6 Post-Marketing Obligations, Including Corrective Actions and Recalls Post-Marketing Obligations Regarding Medical Devices

According to the RSAMD and other medical devicerelated laws and regulations, the MAH of a medical device is responsible for post-marketing obligations, including the following.

- Establishing and maintaining a quality management system the MAH is responsible for the quality management of the whole life cycle of the medical device and shall meet all the record-keeping requirements in the process of its development, manufacturing and distribution; see 2.1 Design and Manufacture and 2.4 Marketing and Sales. The MAH shall conduct regular self-inspections of the operation of the quality management system and submit reports of such inspections as required.
- Setting up and implementing the post-marketing research and risk management and control plan – as required by law, the MAH shall take the initiative to carry out post-marketing research on medical devices to further confirm the safety, effectiveness and quality controllability of medical devices and strengthen the continuous post-marketing management of medical devices.
- Monitoring and re-evaluating medical device adverse events (AEs) – according to the Administrative Measures for Medical Device-Related Adverse Event Monitoring and Re-evaluation, the MAH shall establish a medical device-related AE monitoring system and fulfil the following main obligations:
  - (a) being equipped with organs and personnel for medical device-related AE monitoring work;
     and
  - (b) proactively collecting, and truthfully reporting to the monitoring institutions, any medical device-related AEs in a timely manner.
- Investigating, analysing and evaluating any medical device-related AEs that have occurred, taking measures to control risks, and releasing risk information in a timely manner.
- Conducting continuous research into the post-marketing safety of medical devices and preparing risk assessment reports periodically as required.
- Voluntarily carrying out medical device re-evaluation.
- Co-operating with the competent authorities regarding the investigation of AEs.
- Establishing a tracking and recall mechanism –
  detailed regulations on tracking and recall mechanisms have been stipulated under the Administrative Measures for Medical Device Recalls.
   According to such regulations, if the MAH finds out that medical devices do not meet the manda-

tory standards or the registered or filed technical requirements, or that there are other defects, the MAH shall immediately stop their production, notify the relevant distributors, users and patients to stop their distribution and use, recall the medical devices that have been sold on the market, take remedial, destruction and other measures, record and release the relevant information, and report the relevant circumstances to the competent authorities. If any manufacturer or distributor finds out the above circumstances, such manufacturer or distributor shall stop the manufacturing or distribution of such medical devices and notify the MAH accordingly.

#### **Healthcare Products**

Cosmetics and food products are highly regulated in respect of post-marketing. The main regulatory system is the product recall system.

When the registrants, filers, manufacturers or business operators of cosmetic products find any defects or other matters that may be harmful to human health, they should cease their manufacture and recall any products that have been marketed.

When the manufacturers of food products find that products fail to meet standards of food safety or find any evidence indicating that products may be harmful to human health, those manufacturers must immediately cease their manufacture and recall any products that have been marketed. If a business operator finds the above-mentioned reason to recall, they also need to notify the manufacturers to cease the manufacturing.

#### Post-Marketing Obligations Regarding Medicines

The post-marketing regulation of medicines has been strengthened in recent years, and the Administrative Measures on Medicine Recalls stipulates requirements for the recall system of pharmaceuticals. As the main body responsible for controlling the risk of medicines and eliminating the hidden dangers, the MAH has the obligation and responsibility to recall medicines that have been marketed and that have quality problems or other hidden dangers of safety, and the MAH should fulfil the obligation of the whole life cycle management of the medicines. The MAH shall collect relevant infor-

mation on the quality and safety of medicines, investigate and assess possible quality problems or other hidden safety hazards, and take the initiative to recall any drug products with problems or hidden hazards.

If the medicine is manufactured overseas, the local deputy designated by the overseas MAH to fulfil the MAH's obligations in China shall assume the responsibility for the recall and the corresponding reporting requirements. For recalled medicines, the MAH shall specify the labelling and storage requirements of the recalled medicines, and the relevant labelling and storage measures shall be clearly differentiated from normal medicines. In principle, the recalled medicines cannot be re-listed, except for those that can be re-listed after appropriate treatment. Furthermore, the MAH shall conduct regular post-market launch appraisal of the safety, effectiveness and quality controllability of the drugs launched to market.

# 3. Regulator Engagement and Enforcement

# 3.1 Regulatory Authorities Regulatory Authorities in Respect of Medical Devices and Medicines The SAMR

The SAMR is the authority on the national level for market supervision, administration and law enforcement relating to medical devices and medicines, particularly from the perspectives of product quality safety, the issuance of business registrations and certifications of enterprises, advertisement, and anti-monopoly and unfair competition, including commercial bribery. The Administrations for Market Regulations (AMR) at the provincial, city and county levels are also in charge of law enforcement relating to medical devices and medicines, including advertising activities and operational compliance issues such as commercial bribery. The SAMR and AMRs are also responsible for the administration and supervision of the production, distribution and use of PPE.

#### The NMPA

As a national bureau operating under the supervision of the SAMR, the NMPA regulates the registration, post-marketing risk management, administration

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of safety and quality, formulation of standards, and supervision and inspection of medical devices and medicines. The NMPA authorises its local counterparts – ie, local MPAs – to administer the issuance of filing receipts of certain product admission and manufacturing and distribution permits.

In addition, the NMPA's affiliated organisations, the CMDE and CDE, are responsible for the technical evaluation of medical devices and medicines, respectively.

#### The NHC

The NHC is a constituent department of the State Council and is mainly responsible for:

- · national health policies;
- the reform of the medical and healthcare system;
- disease prevention and control;
- · health emergency response;
- · national drug policies; and
- · the national basic drug system.

For blood products, the NHC and its local counterparts are responsible for the supervision and administration of the collection and supply of source plasma, and of the manufacture and distribution of blood products at national and local levels, respectively. The NHC and its local counterparts also regulate the operation of medical institutions.

The NHC, the Ministry of Science and Technology (MOST) and the ethics committees of medical institutions are responsible for the ethical regulation of stem cell research; the NHC and the NMPA are responsible for the regulation of clinical research on stem cells. For human genetic resources, the regulatory authority was changed from MOST to the NHC in 2024.

#### **PSB**

The Ministry of Public Security is a constituent department of the State Council and, together with its local counterparts (collectively PSB), undertakes relevant responsibilities in the administration of special medicines. For narcotic drugs and psychotropic substances specifically, the NMPA supervises from an overall drug perspective, while PSB is responsible for inves-

tigating and regulating the flow of narcotic drugs and psychotropic substances.

#### Other regulatory authorities

Other regulatory authorities may also be involved in the relevant administration if certain activities or matters fall under their powers – eg, the Ministry of Industry and Information Technology (MIIT) regulates the protection of personal information in the development and commercialisation of medicines and medical devices, and the Ministry of Agriculture and Rural Affairs (MARA) administrates the medicinal original plants for narcotic drugs; refer to 2.4 Marketing and Sales.

#### **Healthcare Products**

#### **Cosmetics**

The competent authorities that oversee the regulatory compliance of cosmetics are the SAMR and the Department of Cosmetics Supervision and Administration under the NMPA.

- The NMPA governs cosmetics matters ranging from general safety and quality supervision and management, standard management and cosmetic registration/record-filing, to post-market risk management and supervision, as well as inspection.
- The SAMR supervises and manages the business operation of cosmetics, and investigates and punishes violations of market supervision and management regulations, such as illegal advertisements, unfair competition and infringement of consumer rights and interests. Such work is enforced day-today by the provincial, city and county departments of the AMR.

#### Food

The authorities governing food include the NHC and the SAMR.

The SAMR supervises and manages food production and circulation, and catering service activities. Day-to-day law enforcement is performed by the provincial, city and county departments of the AMR.

The NHC is responsible for formulating food safety standards and conducting food safety risk monitoring and risk assessment, and has the duty of stipulating

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the qualification criteria for food inspection agencies and inspection specifications.

The MARA is a constituent department of the state council, and one of its important functions is the supervision and management of agricultural product quality and safety. For agricultural GMOs as raw materials, the MARA is the main department responsible for the administration of relevant labelling, R&D, manufacture and distribution. For processed food relating to GMOs, the SAMR is the main administrative authority.

#### 3.2 Regulatory Enforcement Mechanisms

See 3.1 Regulatory Authorities.

#### 4. Liability

#### 4.1 Product Safety Offences

Product safety offences in respect of the product categories listed in 1. Applicable Product Safety Regulatory Regimes are subject to the applicable regulatory regimes. Product safety offences are liable to civil liabilities, administrative penalties and criminal penalties.

#### **Civil Liabilities**

In the event of product defects that cause damage to others or threaten the personal safety or property security of others, the producer or distributor of the products shall bear tortious liabilities such as cessation of infringement, removal of obstacles, elimination of danger and the payment of compensation and punitive damages.

#### **Administrative Penalties**

If a medical device company commits any illegal acts (eg, violating the RSAMD or other applicable laws and regulations), it will be subject to administrative penalties/punishment by the competent authorities. Under different circumstances, the administrative penalties for medical device companies include:

- giving a warning;
- ordering the company to make corrections within a time limit;
- · confiscating any illegal gains;
- imposing fines;
- revoking administrative permission;

- ordering the company to suspend production or operation of medical devices; and
- rejecting applications for medical device permits.

For personnel with related responsibility, the administrative penalties include fines and administrative sanctions, and prohibition from engaging in the production or operation of medical devices for a certain period or for life.

The NMPA and local MPAs have published typical cases or examples of the above penalties from time to time in recent years.

#### **Criminal Penalties**

If the illegal acts of a medical device company involve criminal offences, the personnel with related responsibility will be subject to criminal penalties such as criminal detention, fines, confiscation of property and fixed-term or life imprisonment.

#### 4.2 Product Liability

The PRC legal regime for product liability claims can generally be divided into two main categories: contractual liability and tortious liability.

#### **Contractual Liability**

The general principle of contractual liability is provided in the Civil Code, which says that where any party fails to perform its obligation under a contract or where its performance fails to satisfy the terms of the contract, it shall bear the liability for breach of contract, such as taking remedial measures or compensating for losses.

#### **Tortious Liability**

Tortious liability is also provided in the Civil Code, which refers to the principle that whoever is at fault in infringing upon other parties' civil rights and interests and causing damage thereto shall bear tortious liability. Therefore, in tortious liability claims, the plaintiff generally needs to prove that the defendant is at fault, such as having committed intentional or negligent acts. In comparison, the Civil Code provides a more favourable mechanism to the plaintiff in claims against product defects, where the plaintiff only needs to prove the following, without being required to prove the fault of the defendant:

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- · the product has defects;
- · damage occurred to the plaintiff; and
- a causal relationship exists between the product defects and the damage, although it is not required for the plaintiff to prove the intent or negligence of the defendant (the manufacturer or the distributor).

#### **Technological Advancements**

Adopting new technologies does not change the basic legal framework for the above two liabilities.

If products adopting new technologies fall within the definition of a medical device, the legal framework outlined under 1.1 Medical Devices and guidelines specific to products, such as Al equipment and Al software, apply. Relevant MAHs are responsible for the quality management, safety and effectiveness of the whole life cycle of such medical devices. Should defects be found in such products that cause damage to patients, the patients can request compensation from MAHs, producers, distributors and/or medical institutions, as the case may be, based on tortious liability.

# 4.3 Judicial Requirements Civil Action

For civil lawsuits concerning personal injury to others or damage to others' property caused by product quality issues, the People's Court at the location of the defendant's domicile, or at the place where the product is manufactured or sold or where the tort was committed, has jurisdiction. Depending on the impact of the case, the court level may be a district, intermediate or high People's Court, or the Supreme People's Court.

#### **Criminal Action**

In general, the People's Court in the place where a crime is alleged to have been committed has jurisdiction. However, if it is more appropriate for the trial to be held at the People's Court of the defendant's place of residence, such court may have jurisdiction over the case. Depending on the severity of the alleged crime and the possible punishment that may be imposed on the defendant, the court with jurisdiction may be a district People's Court, an intermediate People's Court, a high People's Court or the Supreme People's Court.

#### **Public Interest Action**

Civil public interest litigation (see 4.6 Class Actions, Representative Actions or Co-Ordinated Proceedings) cases fall under the jurisdiction of the intermediate People's Court at the place where the tort was allegedly committed or where the defendant is domiciled.

#### **Administrative Supervision**

The local MPA (see 3.1 Regulatory Authorities) above the county level is responsible for the supervision and management of medical devices in its administrative region. The local AMR (see 3.1 Regulatory Authorities) above the county level is responsible for the supervision of product quality within its administrative regions.

#### 4.4 Costs

When the consumers or the injured parties prevail in product liability cases, in addition to compensating the loss suffered by the prevailing party, the losing party must pay the litigation fee and/or property preservation fee to the court, and sometimes may even be ruled by the court to reimburse part of the costs paid by the prevailing party, including attorneys' fees, application fees for property preservation, translation fees, notary fees, and appraisal and assessment fees.

# 4.5 Product-Related Contentious Matters AEs

In the case of AEs pertaining to medical devices that cause sudden or mass severe injury or death, provincial MPAs and/or the NMPA shall organise investigations into such AEs in a timely manner, in conjunction with the Health Commission at the same level, and handle such AEs in accordance with the RSAMD and other applicable regulations.

#### **Product-Related Contentious Matters**

Product-related contentious matters may involve forensic identification such as medico-legal identification, physical evidence identification and audiovisual materials identification to identify and determine the specialised issues or obtain expert opinions on contentious matters in accordance with the General Rules on Procedures for Forensic Identification and relevant regulations.

With respect to product-related contentious matters between consumers and business operators, consumers may lodge a complaint with the relevant administrative authorities in accordance with the Law of the PRC on the Protection of Rights and Interests of Consumers and Provisional Measures for the Handling of Complaints and Whistle-blowing Report on Market Regulation.

#### **Unfair Competition**

With respect to unfair competition and other violations by business operators related to products, any organisation or individual has the right to report alleged unfair competition to the regulatory authorities based on the Law of the PRC Against Unfair Competition, and the right to report other suspected violations based on the Provisional Measures for the Handling of Complaints and Whistle-blowing Report on Market Regulation.

# 4.6 Class Actions, Representative Actions or Co-Ordinated Proceedings Joint Action

In China, several conditions need to be met to initiate a joint action:

- the plaintiff (or defendant) must comprise more than two persons;
- the subject matter of the lawsuit must be common, or the subject matters must be of the same type;
- the People's Court must deem that the lawsuit is suitable for a joint trial; and
- the parties must agree to adopt the proceedings of a joint trial.

If a medical device-related case meets the above circumstances, it will proceed as a joint action. If persons (together as one party) to a joint action have common rights and obligations with respect to the subject matter of the litigation, and if the action of one of them is recognised by the other(s), such action would become effective for the other(s).

#### **Representative Action**

There has been no medical device-related representative action in China to date. However, several important documents issued by the Chinese government have clearly stated that it is necessary to explore the

establishment of a consumer representative action system.

#### **Public Interest Action**

In China, state organs and relevant organisations may bring lawsuits to the People's Court against acts that harm the public interest of society, such as pollution of the environment and infringement of the legal rights and interests of consumers. In addition, if the People's Procuratorate finds out that there is a tort of the legal rights and interests of consumers in the field of food and medical product safety, it can bring a lawsuit to the People's Court. In practice, there have been some public interest action cases against pharmaceutical producers and healthcare product distributors in different places in China.

#### 4.7 ADR Mechanisms

In addition to civil actions, civil disputes arising from product quality may be settled through consultation or mediation, or submitted to an arbitration agency as agreed by the parties according to the Product Quality Law of the PRC.

With respect to consumer complaints regarding product quality and other product or service issues, the China Consumers Association and local consumer associations shall receive such consumer complaints and conduct investigations into those complaints and provide mediation support according to the PRC Law on the Protection of Rights and Interests of Consumers.

# 4.8 Interrelation Between Liability Mechanisms

# Case Referral Between Judiciary Authorities and Administrative Authorities

In accordance with the Administrative Penalty Law of the PRC, where an illegal act is suspected of constituting a crime, the administrative authority shall refer the case to the competent judiciary authority to investigate the issues of criminal liability in a timely manner. Where a case is exempted from criminal liability but administrative penalties may be imposed, the judiciary authority shall refer the case promptly to the competent administrative authority.

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#### Judicial Review of the Administrative Act

According to the Administrative Procedure Law of the PRC, where a specific administrative act has one of the following factors, the court may overturn or partially overturn the administrative act or require the administrative authority to make a new administrative act:

- · inadequacy of essential evidence;
- erroneous application of laws and regulations;
- · violation of legal procedures;
- · exceeding authority;
- · abuse of power; or
- · obvious unfairness.

If an administrative sanction is obviously unfair, or if there is a definite error regarding the amount of money in a specific administrative act, such administrative sanction or administrative act may be amended by judicial judgment.

#### Supervision by Prosecuting Authorities

The Opinions of the Central Committee of the Communist Party of the PRC on strengthening the legal supervision of prosecuting authorities in the new era (the "Opinions") emphasise the legal supervision function of prosecuting authorities and require a system to be established for judicial information sharing, case information reporting and case referral among prosecuting authorities, administrative authorities, judiciary authorities and public security organs.

# Cross-Sectoral and Cross-Regional Co-Operation on Drug and Medical Device Supervision

Relevant documents of the NMPA urge local MPAs to closely co-operate with local PSBs and AMRs. When a local MPA identifies any monopoly, illegal advertisement or other illegal act, it shall timely refer the case to the local AMR; when a local MPA identifies any illegal acts suspected of constituting crimes, it shall swiftly refer the case to the local competent PSB. In cross-regional cases, local authorities shall co-operate closely to investigate and punish illegal acts.

# 5. Applicable Product Safety Regulatory Regimes

# 5.1 Policy Development Medical Devices and Pharmaceuticals

In December 2024, the General Office of the State Council issued the Opinions on Comprehensively Deepening the Reform of Regulation of Pharmaceuticals and Medical Devices to Promote the High-quality Development of the Pharmaceuticals Sector, which set the following goals to be met by 2027:

- the framework of laws and regulations for pharmaceuticals and medical devices will be further improved:
- the regulatory system, mechanism and methods shall be better aligned with the needs of pharmaceutical innovation and high-quality development;
- the quality and efficiency of review and approval for innovative drugs and medical devices will be markedly enhanced;
- the entire life cycle regulation shall be strengthened significantly; and
- quality and safety levels will be comprehensively elevated.

#### **Healthcare Products**

As explicitly mandated by the Implementation Opinions on Comprehensive Strengthening of the Capacity Building in Drug Supervision, enhancing cosmetic risk-monitoring capacity is poised to become a key short-term policy priority.

Food safety is the spotlight of the policy. The Outline of the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035 sets out the goals to improve and advance the regulatory system on food safety, and to explore a system of punitive damages in civil public interest litigation on food safety.

#### **Software**

The 14th Five-Year Software and Information Technology Service Industry Development Plan issued by the MIIT states that, in respect of the use of big data, the development of technologically advanced software products is encouraged in key areas, including medical care. It is anticipated that it will help to promote

the development of medical apps and possibly push the relevant legislation to adapt to the development of the industry.

#### **Environmental Policy and Enforcement**

In recent years, a number of listed companies, stateowned enterprises and their subsidiaries in the pharmaceutical industry have been subject to administrative penalties for environmental issues. Reasons for the penalties mainly include illegally discharging wastewater, exhaust gases and solid wastes exceeding the standards, and commencing work without complying with EIA procedures. The Implementation Plan for the Full Implementation of the Pollutant Discharge Permit Policy clearly states that, by 2027, the policy framework governing stationary pollution sources will undergo marked improvement, so that:

- emissions of key pollutants shall only be regulated exclusively by means of discharge permits; and
- stationary pollution sources shall be subject to a comprehensive regulatory framework with the pollutant discharge permit system as its core.

# 5.2 Legislative Reform Medical Devices

On 26 August 2024, the NMPA released the Medical Devices Administration Law of the PRC (Draft) for public comments. Compared to the RSAMD, the Medical Device Management Law has a higher tier of legal effect, elevating the management level of medical devices from an administrative regulation to a law.

In terms of clinical trials, the NMPA promulgated the Measures for the Supervision and Inspection of Medical Device Clinical Trial Institutions (for Trial) in June 2024, and subsequently issued the Inspection Points and Determination Principles for Medical Device Clinical Trial Projects in March 2025.

In terms of quality management, the NMPA promulgated the Guidelines for On-Site Inspection of GSP for Medical Devices in July 2024, and the Announcement on Rewarding Internal Whistleblowers for Reporting Quality and Safety Violations of Drugs and Medical Devices in June 2025.

#### **Human Genetic Resources**

In 2024, the Administrative Regulations on Human Genetic Resources were revised and the Biosecurity Law of PRC was amended, which mainly involves changes in the authorities competent for the management of human genetic resources; see 3.1 Regulatory Authorities. It is foreseeable that, in order to achieve consistency across the various legal documents in the regulation of human genetic resources, the Implementing Rules for the Regulations on Human Genetic Resources Management and the corresponding administrative guidelines will be amended accordingly.

#### **Environmental Protection**

On 30 April 2025, the National People's Congress (NPC) Standing Committee released the Ecological and Environmental Code of the PRC (Draft) for public comments.

#### **Healthcare Products**

The Measures for Administration of Cosmetic Safety Risk Monitoring and Evaluation took effect on 1 August 2025 and provide for and emphasise postmarket risk monitoring, assessment and corrective actions within the scope of regulation.

Concerning food, the FSL (Amendment Draft) was released by the Standing Committee of the NPC for public comments and has been listed in the State Council's 2025 Legislative Work Plan.

#### 5.3 Impact of Artificial Intelligence

Since 2016, China has enacted a number of laws and policies to encourage the deep integration of Al and healthcare. Currently, Al has had a positive impact on drug R&D, medical devices, health management, internet healthcare and other fields, specifically by:

- saving new drug development time and trial-anderror costs;
- promoting a number of new medical imaging devices, medical robots and rehabilitation aids;
- providing intelligent solutions for daily health management and monitoring; and
- optimising the shortcomings of traditional internet healthcare in remote diagnosis and treatment.

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The 2025 legislative work plan of the State Council undertakes to advance legislation that fosters the healthy development of Al. Although China has adopted targeted regulations on generative Al and related technologies, foundational issues – including the legal nature of Al systems, the governance architecture and the allocation of liability – still require a comprehensive, high-level statute to provide unified and overarching regulation.

China has also issued specialised management measures on generative AI services, and prohibits the use of AI to automatically generate prescriptions.

With regard to pharmaceuticals, the NMPA recently issued the List of Typical Application Scenarios of Artificial Intelligence for Drug Regulation, which sets out detailed provisions for 15 application scenarios in four categories, aiming to promote the deep integration of AI and drug regulation. The application scenarios listed in the category of daily supervision include:

- · remote supervision;
- on-site supervision;
- assisting sampling work;
- · assisting in auditing cases;
- pharmacovigilance; and
- network transaction supervision.

MOST issued the Ethical Guidelines for Brain Computer Interface (BCI) Research in February 2024, aiming to guide the conduct of related research in a compliant manner and to prevent ethical risks in science and technology. Various localities have also made relevant regulations in the field of AI, such as Beijing, which issued the Guidelines for Inspection of Quality Management Standards for the Production of Artificial Intelligence Medical Devices. In addition, some chapter provisions in the laws of various specialised fields will provide for AI, such as the Personal Information Protection Law, which explicitly requires the formulation of special personal information protection rules and standards relating to AI.

As AI laws and regulations develop, they will have a continuing and far-reaching impact on the current legal frameworks governing medical devices and consumer health products. First, Al laws and regulations will be continuously updated as AI technology gives rise to new products or involves new issues, such as the release of many new regulations on medical Al software in recent years, so the content of the current legal frameworks will be further enriched, and the corresponding compliance obligations may further increase. Second, Al laws and regulations need to respect the nature of AI technology, and the basic concepts of the current legal frameworks may be changed, such as how the determination of the subject qualification of medical robots will determine whether they are the subject of tort liability, and ultimately affect the allocation of the tort liability.

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