



Welcome !

# An Introduction to Operating Licenses for Hazardous Chemicals in China



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CIRS China



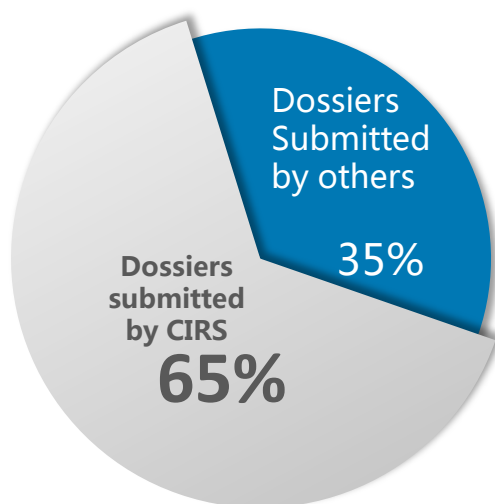
## About CIRS

Chemical Inspection and Regulation Services - CIRS is a leading product safety and chemical management consulting firm providing valued product regulatory compliance service, tailored solutions and original information to help our clients gain competitive advantage by reducing business risks associations with regulatory affairs and removing barriers to entry.



## Our advantages– EU REACH

The largest only representative in the world



2008-2012 , Dossiers submitted by Chinese companies(EU REACH)

>2,400 clients, 60% share in China

First non phase in substance registration in China

First phase in substance registration in China

First CSR in China

>400 registrations since 2009

## Our advantages- One-stop solution for chemical regulation compliance services in Asia

<b>Our Capabilities</b>
China Chemical Control Laws
Japan CSCL/ISHL
Korea REACH
Taiwan TCSCA
Philippines PMPIN
Malaysia CLASS Regulation

- China New Substance Notification
- Hazardous Chemicals Registration
- China GHS (SDS/Labelling/24h Tel. Service)
- SFDA Registration of Cosmetics
- Pesticide Registration in China

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全球化学品法规  
服务专家

Presenter: Yixin Zhang

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# Questions

- Are you selling fuel additives, paints, inks or other suspected hazardous chemicals in China ?
- Do you store hazardous chemicals or distribute them in China?



- **4S shops are panelized by authority**
- **Location** : Weifang City , Shandong Province
- **Inspection**: 4S shop stores 252 barrels fuel additives, 350mL per barrel.
- **Reasons**: the fuel additives are packed with labels of ‘flammable liquid 3’ and UN code 1268 for packing dangerous goods. According to National standard GB 6944-2005 regulated the fuel additives are classified as dangerous good category 3 ‘flammable liquids’.
- **Violation**: The 4S shop violates the Regulation on Safe Management of Hazardous Chemicals (Decree 591), Article 27. The article writes companies who are involved in operating hazardous chemicals are required to obtain licenses. But the 4S shop conducting business activities of hazardous chemicals without any license.

The 4S shop was fined 240,000 RMB  
≈ 40,000 \$



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- 1. An Overview of Hazardous Chemical Control Laws in China**
- 2. Catalog of Hazardous Chemicals**
- 3. Requirements and Procedure of Applying for Operating Licenses for Hazardous Chemicals**
- 4. Operating License: Term of Use**
- 5. Summary**



# An Overview of Hazardous Chemicals Control Laws



## Decree 591

The Regulations on Safe Management of Hazardous Chemicals  
(The State Council )

### SAWS order 53

#### Hazardous Chemical Registration with SAWS

Scope: all hazardous chemicals  
which has a GHS classification  
Who: Manufacturers or importers  
of hazardous chemicals

### SAWS order 55

#### Operating License for Hazardous Chemicals

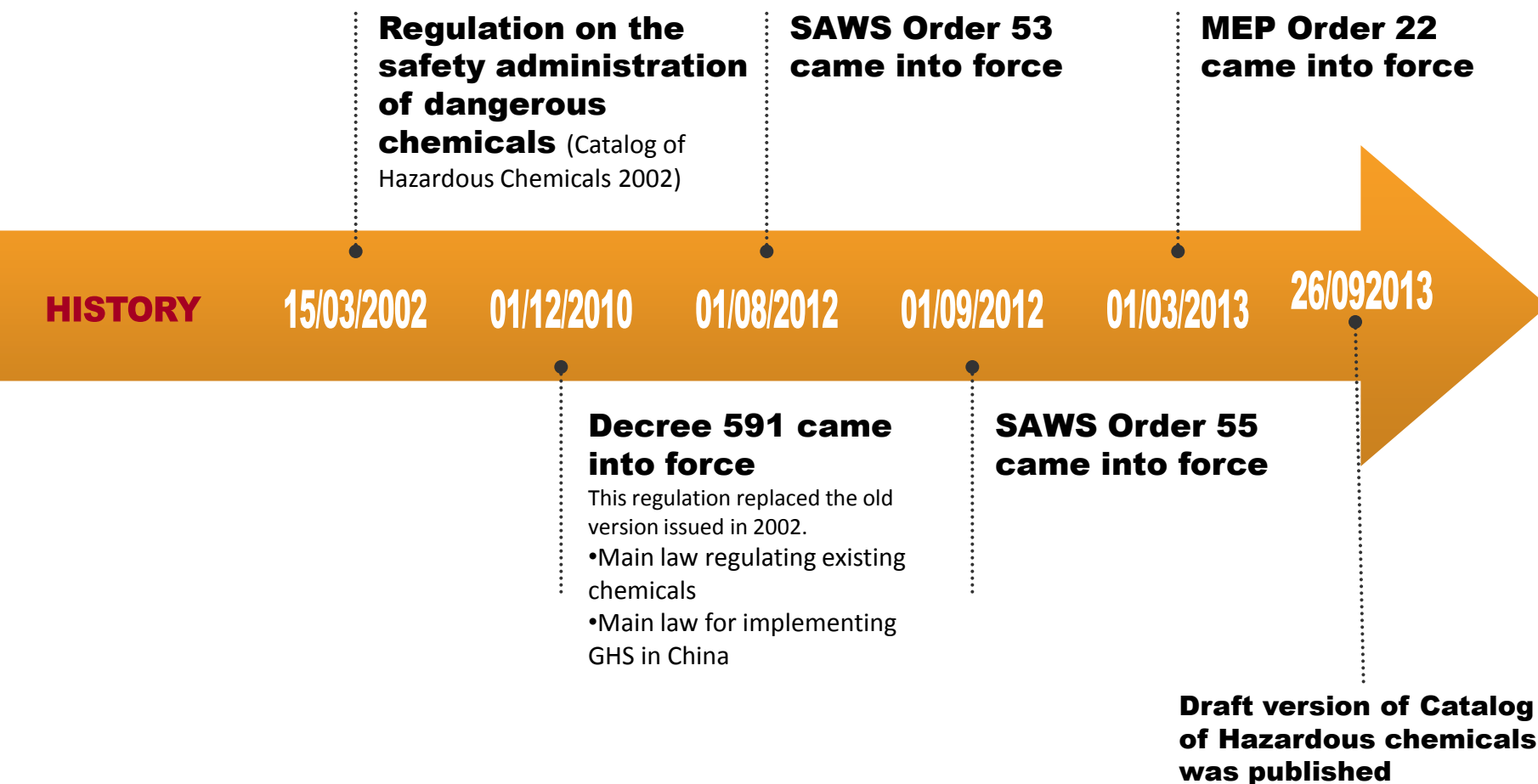
Scope: Chemicals listed in the  
**Catalog of Hazardous Chemicals**  
only  
Who: companies get involved in  
retail, wholesale or storage  
activities of hazardous chemicals  
in China

### MEP order 22

#### Hazard Chemicals Registration with MEP

Scope: chemicals listed in the  
**Catalog of Hazardous Chemicals**  
only  
Who: manufacturers of hazardous  
chemicals or who use the  
hazardous chemicals to  
manufacture products in China

# Timeline of Hazchem Regulations in China



## Hazardous Chemicals Management - Decree 591

- Regulations on Safe Management of Hazardous Chemicals
  - Contains 102 articles;
  - Regulate relevant activities of hazardous chemicals in China (production, storage, import, use, sales and transportation)
  - Different supporting measures;
  - Numbers of national standards
  - 8 government bodies
- Main law regulating existing chemicals in China
- It is the main law for
  - Implementing a licensing system for producers/operators/users of hazardous chemicals in the Catalogue;
  - Requiring hazardous chemicals registration;
  - Requiring mandatory GHS SDS and labeling for hazardous chemicals;

## Main Obligations under Decree 591

- Implementing a licensing system for producers/operators/users of hazardous chemicals in the Catalogue;
  - Production License
  - Operating license
  - Safe Use License
- Requiring hazardous chemicals registration;
  - Registration with SAWS
    - ✓ Manufacturers or importers
  - Registration with MEP
    - ✓ Manufacturers of the hazardous chemicals
    - ✓ Producers who use hazardous chemicals to manufacture products
- Requiring mandatory GHS SDS and labeling for hazardous chemicals;

- The Measures for the Administration of Operating Licenses for Hazardous Chemicals (2012) – SAWS Order 55;

- [Supporting Regulation to Decree 591](#)

Set out the detailed requirements and procedures for operating license

Scope: Chemicals listed in the Catalog of Hazardous Chemicals in China

Who: **Domestic Companies** who get involved in hazardous chemicals operation activities in China

*Note: overseas companies don't need a license*

*Ask your distributors in China if they have one*

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# Catalog of Hazardous Chemicals

- The official reference for defining the scope of the SAWS order 55. That means if the chemicals are listed in the Catalog, you will need an operating license.
- There are two versions of the Catalog, version 2002 and draft version 2013. You can also gain the two versions in English on CIRS website.
- The version 2002 is currently valid.



**v. 2002**

**VS**

**v. 2013**

# Catalog of Hazardous Chemicals

- The current Catalog includes 3834 entries. Substances, mixtures and products are listed.
- The three sources of old Catalog of Hazardous Chemicals (2002) :
  - The List of dangerous goods (GB12268-2005);
  - Catalog of highly toxic chemicals(~150 chemicals);
  - Other chemicals announced by authorities;



*Some oil products, paints, inks and adhesives are listed for their flammable hazards.*

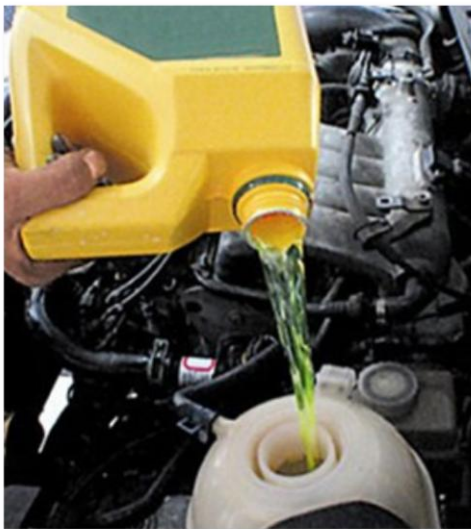
- *If you are interested in English editions of the two versions of Catalog please send email to [service@cirs-reach.com](mailto:service@cirs-reach.com)*
- *The online portal of different inventories (including two versions of Catalog of Hazardous Chemicals) in China is also available in English via <http://cciss.cirs-group.com/>*

## How to define whether your product is listed ?



## Example Product 1 Anti-freeze solution

**Discussion:** In the Catalog of Hazardous Chemicals (v. 2002), there is one item 33647 Named anti-freeze solution under the class of flammable liquids and products category 2. However, the definition of flammable liquids class 2 is the chemical which the flash Point is  $28^{\circ}\text{C} < \text{Flash Point} < 60^{\circ}\text{C}$  ]  
But the flash point of the example product is  $> 126.5^{\circ}\text{C}$ , so we consider it not in the Catalog



### A shot of Catalog of Hazardous Chemicals (v.2002)

33647	Polishing for copper preparations
33647	Gold size
33647	Anti-freeze solution
33647	Benzoic acid alcohol solution
33647	Brake oil
33647	Polishing oil
33647	Floor polish
33647	Photographic correct fluid
33647	
33647	
33647	Pearl pigment

## Example Product 2 Automobile window adhesive

**Discussion:** In the Catalog of Hazardous Chemicals (v. 2002), there is one item 32196 named anti-freeze solution under the class of flammable liquids and products category 2. However, the definition of flammable liquids class 1 is chemical with flash point [ $-18^{\circ}\text{C} \leq \text{Flash Point} < 23^{\circ}\text{C}$ ]

The flash point of the example product is  $-5.5^{\circ}\text{C}$ , so we consider it **in the Catalog**



### A shot of Catalog of Hazardous Chemicals (v.2002)

32196	Glue FS203C
32196	Pressure sensitive adhesive
32196	Vinyl perchloride adhesive
32196	Anti-coagulant paste of insurries
32196	Automobile window adhesive
32196	Adhesive for rubber metal
32196	Sealing adhesive in solution

# Catalog of Hazardous Chemicals - Entries

- **Practical issue :**

Product name: ABC - 898 Adhesive

How to match ?

*[The product is not listed in the Catalog, but it contains 20% Acetone. Acetone is listed in the Catalog, entry 31025].*



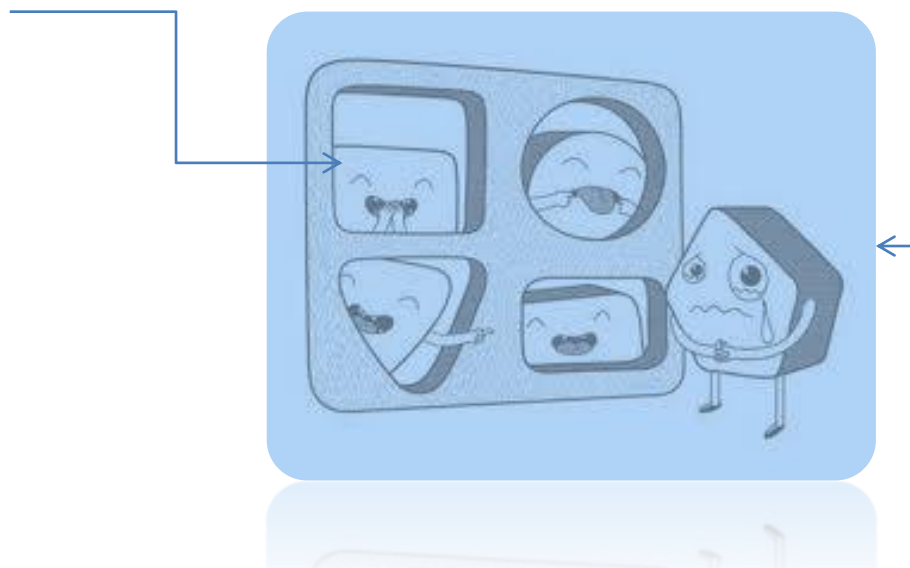
32196	Glue FS203C
32196	Pressure sensitive adhesive
32196	Vinyl perchloride adhesive
32196	Anti-coagulant paste of insurries
32196	Automobile window adhesive
32196	Adhesive for rubber metal
32196	Sealing adhesive in solution
32196	Polyurethane coating glue
32196	Black alkyd heat insulation adhesive
32196	Rubber glue
32196	Waxpaper glue
32196	Fluororubber paste
32196	Nitrocellulose adhesive
32196	Phenolic acetal adhesive

Hazardous Ingredient not always influence the classification of the product.

# Catalog of Hazardous Chemicals - Entries

## Two situations :

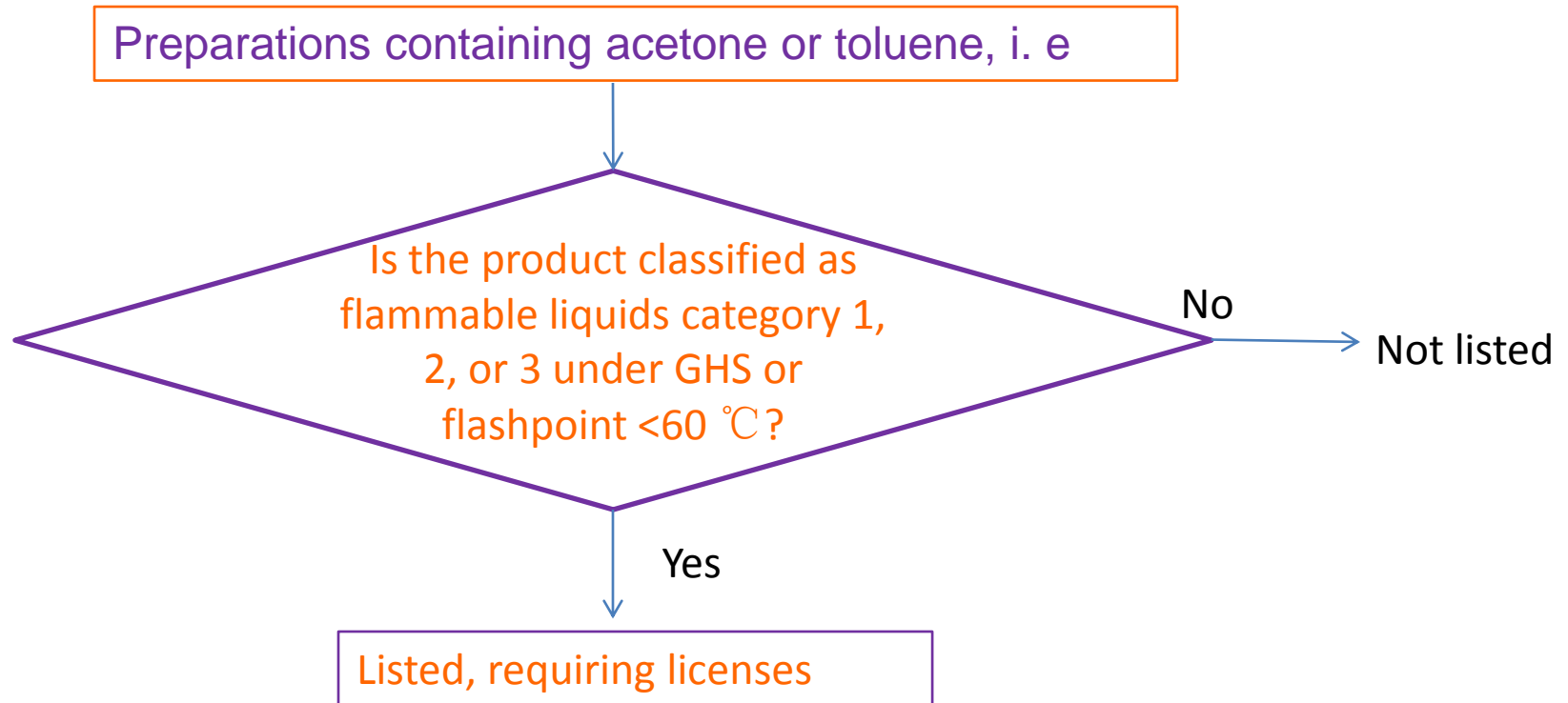
- **Match the entries**
  - e.g. fuel automobile window adhesives (a few)
- **Product not match the entries, but contains ingredients listed in the Catalog of Hazardous Chemicals**
  - e.g. ABC-adhesive and fuel additives



*Comments: The old version of the Catalog is inflexible. Many hazardous chemicals or dangerous goods are missing in the entries. The name of entries are easily get confused.*

*Solution: Compare your product's name and properties to the Catalog, products with flash point (closed cup <math>< 60\text{ }^\circ\text{C}</math> will always count.*

# Catalog of Hazardous Chemicals - Entries



Disputes? Ask SAWS to carry out physical hazard identification.

# Catalog of Hazardous Chemicals v. 2002 & v. 2013

2002 v.

3834 Entries

Formulated  
pesticides entries;  
paints, inks, etc

Individual entries  
of some mixtures  
and products

2013 v.

2936 Entries

Some entries  
deleted

Combined entry  
No. 2936, includes  
flammable liquids  
Flash point < 60  
°C [Closed cup]

# Catalog of Hazardous Chemicals v. 2002 & v. 2013



## More flammable liquids will be included in the new version of Catalog of Hazardous Chemicals

Catalog of Hazardous Chemicals v. 2002		
Category 3 Flammable liquids	Index	En Name
	33646	Alkyd resin varnish
	33646	Alkyd resin wire enamel
	33647	Flammable solvent preparations, class II ,N.O.S.
	33647	Coal floating agent
	33647	Cycloheptylimide,in xylene solution
	33647	Benzoylamide emulsion
	33647	Metal passivator
	33647	Button polishing agent
	33647	Rare earth naphthenate
	33647	Polishing for copper preparations
	33647	Gold size

Catalog of Hazardous Chemicals v. 2013	
2936	Products contains flammable ingrediets, resins, paints, inks and other products which has flash point $\leq 60^{\circ}\text{C}$ [Closed Cup]

**Increase**

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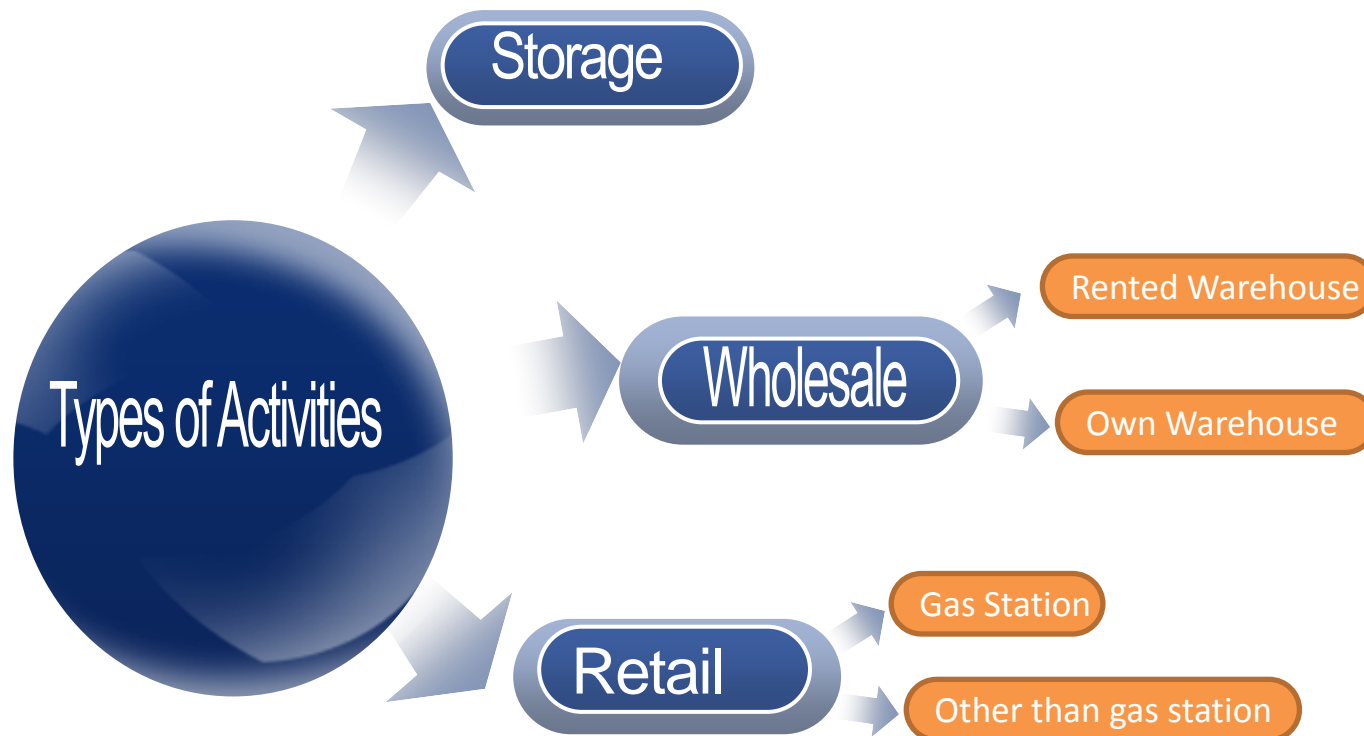


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# Operation License Under SAWS Order 55

- 1) Criterion 1 – Products listed in the Catalogue: highly toxic or others
- 2) Criterion 2 – Types of activities covered



# Operating License –Requirements (no warehouse)



1) Official application form

2) Constitution and rules within the company for safe work and safe operation at workplace;

3) Safe work certificates of safety administrator, operating workers and leading officer of the company (**official training** is organized by SAWS education partners)

Valid for 3  
years

4) Property rights certification of business operation sites;

5) Valid business license issued by the Industrial and Commercial Administrative Department in China

6) Emergency plan for emergent accidents

The actual operation sites must consist with the registered sites, operation sites must be commercial land (confirmation from authority)

# Operating License –Requirements (warehouse)



- If your company owns or rents a warehouse in China, you need to submit the following documents in extra:

A copy of operating license for storage (rented warehouse)

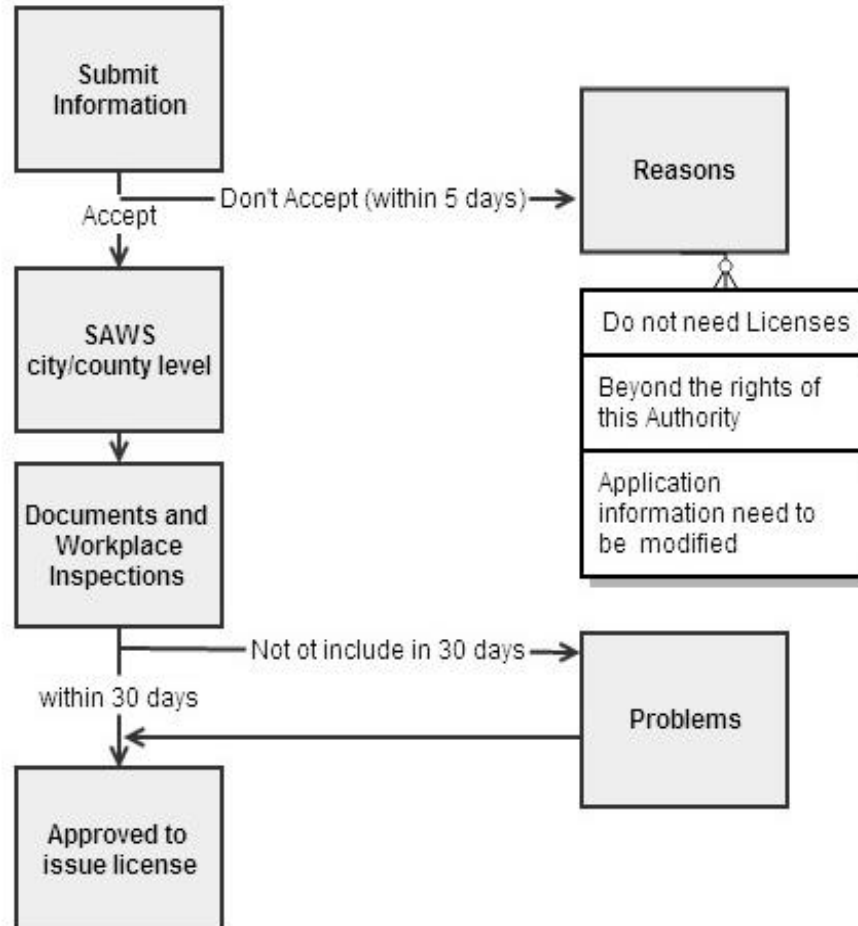
<1> Property rights certification of the warehouse or a copy contract for renting a warehouse

Extra requirements for major hazard installations for dangerous chemicals, certified engineer, reporting

<3> Safety Assessment Reports of the storage facility, every 3 years by SAWS's approved institutes.

# Operating License - Procedure

## SAW55 Order : Procedure of Applying Operating Licenses for Hazardous Chemicals



## Operating License - Time

- **E.g. Shanghai 2 months needed (at least), include**
  - Official training and Safe work certificates obtained (safety administrator, operating workers and leading officer of the company: [1 month]
  - Application [approximately 1 month]

**The time depends on how long the relevant people could pass the exams and get the safe work certificates.**

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# Operating License – Term of Use

## An Example of Hazardous Chemicals Operating License in China



- ✓ Company name
- ✓ Company address
- ✓ Name of official head
- ✓ Permitted operating chemicals
- ✓ Covered Business activities
- ✓ Date of issue and expiry
- ✓ Code of the license
- ✓ Issuing authority
  
- ✓ Valid for 3 years

## Operating License -Content (in Chinese)

- Business activities covered: Warehouse operation(storage only);Retail(gas station); Retail(other than gas station); Wholesale(with rented storage facility); Wholesale(with own storage facility).
- **Permitted operating chemicals: the chemical category or entries which are consistent with the name in the Catalog of Hazardous Chemicals**
- **License Code**
- **Chinese character + letters + numbers**
  - locations, year of issue, numbers code of different chemical groups  
e.g. toxic chemicals, oil products



# Changing Contents

1. Change the company name, main responsible person, registered address, storage facility descriptions etc.
2. If change the operating sites, business activities, operating chemicals, storage sites, you need to **reapply the operating license**.

Provide relevant documents of the changes in content to authority to get approved

Go through the procedure again

- **Decentralization**

- Different from the hazardous chemical registration, the operating license is issued and supervised by local SAWS authority
- Requirements of applying operating licenses and are different from regions in China, applying procedure and infrastructure of applying is also different. ( Online application available in Shanghai)
- Supervision system is improving
- Authority only accept companies who registered the business in local areas;
- **The operating license is only valid within local area.**



## If you are involved in operating 'suspected hazardous' chemicals in China:

**Oil products/Fuel Additives**

**Paints**

**Inks**

**Adhesives**

**Other dangers goods...**

Not sure ? You can also ask the SAWS to conduct tests to identify the properties of your products



**Chinese GHS & SDS**

**Register hazardous chemicals**

**Operating licenses for  
hazardous chemicals**

**Packaged Service to Deal with Decree 591**

Half Packaged Service



**Operating license application**

**Check Hazardous Chemicals Catalog**

**Consult on procedure**

## SUMMARY

- **Regulation Background**
- **Catalog of Hazardous Chemicals**
- **Requirements and Procedure of Applying for Operating Licenses for Hazardous Chemicals**
- **Operating License: Term of Use**
- **CIRS Services**

# Thank You!



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