

**Notice of the State Encryption Management Bureau on Ensuring Policy Cohesion upon Removal of Four Administrative Approval Items, Including the Approval for Production of Commercial Encryption Products**

**Guomijuzi [2017] No.336**

To the encryption management bureaus of all provinces, autonomous regions and directly-administered municipalities, the Encryption Management Bureau of the Xinjiang Production and Construction Corps, and the Encryption Management Bureau of the Municipality of Shenzhen:

In accordance with the *State Council Decision on Removing a Batch of Administrative Approval Items (Guofa [2017] No.46)*, the four administrative approval items implemented by the State Encryption Management Bureau, namely the Approval for Production of Commercial Encryption Products, the Permit for Sales of Commercial Encryption Products, the Approval for Foreign-invested Enterprises to Use Foreign Manufactured Encryption Products, and the Approval for Foreign Organisations and Individuals to Use Encryption Products or Devices Containing Encryption Technology in China, will be removed. With a view to carrying out the decision of the CPC Central Committee and the State Council on further streamlining government functions and administration, delegating powers while improving regulation, and optimising services, and to ensuring policy cohesion upon removal of the four administrative approval items, relevant matters are announced as follows:

I. As from today, the encryption management departments of all provinces, autonomous regions and directly-administered municipalities will no longer accept applications for the four administrative approval items, namely the Approval for Production of Commercial Encryption Products, the Permit for Sales of Commercial Encryption Products, the Approval for Foreign-invested Enterprises to Use Foreign Manufactured Encryption Products, and the Approval for Foreign Organisations and Individuals to Use Encryption Products or Devices Containing Encryption Technology in China. If an application has already been accepted, the licensing work shall be halted.

II. The already delivered Certificates for Production of Commercial Encryption Products, Licences for Sales of Commercial Encryption Products, Licences for Use of Foreign Manufactured Encryption Products and Licences for Foreign Organisations or Individuals to Use Encryption Products will expire naturally, and meanwhile, no alteration formalities will be handled.

III. While the manufacturers and sellers of commercial encryption products are no longer required to be approved by the State Encryption Management Bureau, the manufacturing and sales of commercial encryption products still require the Commercial Encryption Product Type Certificate in accordance with the law. The use of foreign manufactured encryption products by foreign-invested enterprises, and the use of encryption products or devices containing encryption technology by foreign organisations and individuals, are no longer required to be approved by the State Encryption Management Bureau. Nonetheless, where the encryption products or devices containing encryption technology used by foreign-invested enterprises, foreign organisations and individuals are to be imported, the Import Licence for Encryption Products and Devices Containing Encryption Technology shall still be obtained in accordance with the law.

IV. The sales registration and filing system for commercial encryption products will continue to be implemented. Those with the Commercial Encryption Product Type Certificate shall, prior to 31<sup>st</sup> January of each year, truthfully submit the commercial encryption product sales registration and filing data of the previous year to the encryption management departments of the provinces, autonomous regions or directly-administered municipalities in which they are located.

V. The application forms for the Type and Model Approval for Commercial Encryption Products and the Import Licence for Encryption Products and Devices Containing Encryption Technology have been updated and released on the website of the State Encryption Management Bureau ([www.sca.gov.cn](http://www.sca.gov.cn)). Please instruct the applicants to fill in those forms following the new requirements.

VI. Considering the risk that may arise from the removal of the four administrative approval items, our Bureau has formulated corresponding in- and post-market supervision measures. The encryption management departments of provinces, autonomous regions and directly-administered municipalities shall effectively ensure the implementation of these measures, so that powers are delegated while regulation is improved.

*Appendix 1: In- and Post-market Supervision Measures upon Removal of Approval for Production of Commercial Encryption Products*

*Appendix 2: In- and Post-market Supervision Measures upon Removal of Permit for Sales of Commercial Encryption Products*

*Appendix 3: In- and Post-market Supervision Measures upon Removal of Approval for Foreign-invested Enterprises to Use Foreign Manufactured Encryption Products*

*Appendix 4: In- and Post-market Supervision Measures upon Removal of Approval for Foreign Organisations and Individuals to Use Encryption Products or Devices Containing Encryption Technology in China*

State Encryption Management Bureau  
11<sup>th</sup> October, 2017

## Appendix 1

### **In- and Post-market Supervision Measures upon Removal of Approval for Production of Commercial Encryption Products**

In accordance with the *State Council Decision on Removing a Batch of Administrative Approval Items (Guofa [2017] No.46)*, the administrative approval item: Approval for Production of Commercial Encryption Products will be removed, and the measures below will be adopted to enhance in- and post-market supervision.

**I. Strengthening the Type and Model Approval for Commercial Encryption Products.** Reinforcing the administration of the approval of commercial encryption products, tightening the verification of commercial encryption product manufacturers' production capability and quality assurance capability, to ensure the quality of approved commercial encryption products. Revising and improving standards and specifications for commercial encryption products, and publicly releasing relevant texts.

**II. Intensifying the spot check on commercial encryption products by randomly selected inspectors of randomly selected entities.** Fully guaranteeing the requirement of having randomly selected inspectors of randomly selected entities, ensuring the public release of inspection results, improving the spot check content and methods, and timely releasing the inspection results to the public; where problems are discovered during a spot check, making rectification proposals and following up.

**III. Giving full play to the self-discipline function of industry associations.** Actively promoting the creation of commercial encryption industry associations/alliances, guiding and encouraging commercial encryption product manufacturers to join such associations/alliances on a voluntary basis, introducing a convention on business integrity, bringing industry self-discipline into play, and exploring the possibility of establishing a system of commitments by commercial encryption product manufacturers.

**IV. Establishing a credit system, implementing a blacklist system, and enhancing public supervision.** Timely releasing administrative approval results, inspection results and other relevant information to the public, including discredited enterprises to the blacklist for prioritised monitoring, and uploading relevant credit information to the national enterprise credit information public disclosure system to ensure information sharing with relevant departments.

**V. Improving and perfecting the complaint and report mechanism.** Perfecting the complaint and report mechanism, ensuring the availability of complaint and report channels, and specifying the complaint and report handling process. Where a complaint or report from the public falls within the competency of a department, it should be timely accepted, duly investigated and verified, and handled and answered within the prescribed time period.

**VI. Strengthening law enforcement against violations of relevant laws and regulations.** Handling acts by commercial encryption manufacturers that are in violation of commercial encryption administrative regulations

in accordance with relevant laws and regulations, and publishing relevant results, to strengthen rule of law.

**VII. Strengthening policy awareness raising and interpretation efforts.** Publishing policies and regulations on the web portal, and providing relevant templates, service guides and frequent Q&As, among others. Answering questions through various channels such as telephone and the Internet, and guiding commercial encryption product manufacturers to carry out production activities in accordance with relevant laws and regulations.

## Appendix 2

### **In- and Post-market Supervision Measures upon Removal of Permit for Sales of Commercial Encryption Products**

In accordance with the *State Council Decision on Removing a Batch of Administrative Approval Items (Guofa [2017] No.46)*, the administrative approval item: Permit for Sales of Commercial Encryption Products will be removed, and the measures below will be adopted to enhance in- and post-market supervision.

**I. Strengthening cybersecurity inspection efforts for commercial encryption products.** Through the cybersecurity inspection of commercial encryption products, understanding and mastering information regarding the use of commercial encryption products by key users and relevant technical support information, and tightening the inspection of commercial encryption product manufacturers and integrators, to ensure the scientific and appropriate use of commercial encryption products by key users.

**II. Giving full play to the self-discipline function of industry associations.** Actively promoting the creation of commercial encryption industry associations/alliances, guiding and encouraging commercial encryption product manufacturers to join such associations/alliances on a voluntary basis, introducing a convention on business integrity, bringing industry self-discipline into play, and exploring the possibility of establishing a system of commitments by commercial encryption product manufacturers.

**III. Establishing a credit system, implementing a blacklist system, and enhancing public supervision.** Timely releasing administrative approval results, inspection results and other relevant information to the public, including discredited enterprises to the blacklist for prioritised monitoring, and uploading relevant credit information to the national enterprise credit information public disclosure system to ensure information sharing with relevant departments.

**IV. Improving and perfecting the complaint and report mechanism.** Perfecting the complaint and report mechanism, ensuring the availability of complaint and report channels, and specifying the complaint and report handling process. Where a complaint or report from the public falls within the competency of a department, it should be timely accepted, duly investigated and verified, and handled and answered within the prescribed time period.

**V. Strengthening law enforcement against violations of relevant laws and regulations.** Handling acts that are in violation of commercial encryption administrative regulations in accordance with relevant laws and regulations, lawfully publishing relevant handling information, causes of action, punishment basis and punishment results, to ensure relevant stakeholders are better informed and strengthen rule of law.

**VI. Strengthening policy awareness raising and interpretation efforts.** Publishing policies and regulations on the web portal, and providing relevant templates, service guides and frequent Q&As, among others. Answering questions through various channels such as telephone and the Internet, and guiding commercial

encryption product sellers to carry out sales activities in accordance with relevant laws and regulations.

## Appendix 3

### **In- and Post-market Supervision Measures upon Removal of Approval for Foreign-invested Enterprises to Use Foreign Manufactured Encryption Products**

In accordance with the *State Council Decision on Removing a Batch of Administrative Approval Items (Guofa [2017] No.46)*, the administrative approval item: Approval for Foreign-invested Enterprises to Use Foreign Manufactured Encryption Products will be removed, and the measures below will be adopted to enhance in- and post-market supervision.

**I. Tightening end-user and end-use verification for imported encryption products during the approval of imported encryption products.** Perfecting the approval process for imported encryption products and relevant texts, and strengthening the registration, verification and classified administration of the end-user and end-use of imported encryption products.

**II. Intensifying the spot check on enterprises with the Import Licence for Encryption Products by randomly selected inspectors of randomly selected entities.** Fully guaranteeing the requirement of having randomly selected inspectors of randomly selected entities, improving the content and methods of the spot check on enterprises with the Import Licence for Encryption Products, tightening the spot check on the end-user and end-use of imported encryption products, releasing the spot check results to the public when appropriate; where problems are discovered during a spot check, making rectification proposals and following up.

**III. Establishing a credit system, implementing a blacklist system, and enhancing public supervision.** Timely releasing administrative approval results, inspection results and other relevant information to the public, including discredited enterprises to the blacklist for prioritised monitoring, and uploading relevant credit information to the national enterprise credit information public disclosure system to ensure information sharing with relevant departments.

**IV. Improving and perfecting the complaint and report mechanism.** Perfecting the complaint and report mechanism, ensuring the availability of complaint and report channels, and specifying the complaint and report handling process. Where a complaint or report from the public falls within the competency of a department, it should be timely accepted, duly investigated and verified, and handled and answered within the prescribed time period.

**V. Strengthening law enforcement against violations of relevant laws and regulations.** Handling acts by foreign-invested enterprises that are in violation of commercial encryption administrative regulations in accordance with relevant laws and regulations, lawfully publishing relevant handling information, causes of action, punishment basis and punishment results, to ensure relevant stakeholders are better informed and strengthen rule of law.

**VI. Strengthening policy awareness raising and interpretation efforts.** Publishing policies and regulations on the web portal, and providing relevant templates, service guides and frequent Q&As, among others. Answering questions through various channels such as telephone and the Internet, and guiding foreign-invested enterprises to use commercial encryption products in accordance with relevant laws and regulations.





## Appendix 4

### **In- and Post-market Supervision Measures upon Removal of Approval for Foreign Organisations and Individuals to Use Encryption Products or Devices Containing Encryption Technology in China**

In accordance with the *State Council Decision on Removing a Batch of Administrative Approval Items (Guofa [2017] No.46)*, the administrative approval item: Approval for Foreign Organisations and Individuals to Use Encryption Products or Devices Containing Encryption Technology in China will be removed, and the measures below will be adopted to enhance in- and post-market supervision.

**I. Tightening end-user and end-use verification for the use of overseas encryption products during the approval of imported encryption products.** Perfecting the approval process for imported encryption products and relevant texts, and strengthening the registration, verification and classified administration of the end-user and end-use of imported encryption products.

**II. Intensifying the spot check on enterprises with the Import Licence for Encryption Products by randomly selected inspectors of randomly selected entities.** Fully guaranteeing the requirement of having randomly selected inspectors of randomly selected entities, improving the content and methods of the spot check on enterprises with the Import Licence for Encryption Products, tightening the spot check on the end-user and end-use of imported encryption products, releasing the spot check results to the public when appropriate; where problems are discovered during a spot check, making rectification proposals and following up.

**III. Establishing a credit system, implementing a blacklist system, and enhancing public supervision.** Timely releasing administrative approval results, inspection results and other relevant information to the public, including discredited enterprises to the blacklist for prioritised monitoring, and uploading relevant credit information to the national enterprise credit information public disclosure system to ensure information sharing with relevant departments.

**IV. Improving and perfecting the complaint and report mechanism.** Perfecting the complaint and report mechanism, ensuring the availability of complaint and report channels, and specifying the complaint and report handling process. Where a complaint or report from the public falls within the competency of a department, it should be timely accepted, duly investigated and verified, and handled and answered within the prescribed time period.

**V. Strengthening law enforcement against violations of relevant laws and regulations.** Handling acts by foreign organisations and individuals that are in violation of commercial encryption administrative regulations in accordance with relevant laws and regulations, lawfully publishing relevant handling information, causes of action, punishment basis and punishment results, to ensure relevant stakeholders are better informed and strengthen rule of law.



on the web portal, and providing relevant templates, service guides and frequent Q&As, among others. Answering questions through various channels such as telephone and the Internet, and guiding foreign organisations and individuals to use commercial encryption products in accordance with relevant laws and regulations.