Adapting the New Regulations to Drive Faster Market Access

9th Clinical Leader Summit, Nov 1, 2016, Shanghai

- Pre-requisite for a foreign manufacturer to access into China market
- Different Models to Run Business
- Approaches to drive faster product market approval
- Considerations in CFDA application for product registration

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Pre-requisite for a foreign manufacturer to Market Medical Device in China

What a foreign manufacturer need to have in order to sell your product to users in China:

- Agent for pre-market submission
- Product registered with CFDA;
- Importer(s) or China Branch office or WFOE
- Distributor(s) or dealers(s)
- Agent for post-market regulatory compliance

Pre-Requisite: Requirement and Roles

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A foreign manufacturer needs to fulfill the requirements and roles by itself or some one it assigns

	Who & What	Requirement	Roles	Remark
1	Agent to submit for CFDA registration	Legal entity registered in China	Submitting on behalf for product registration	The roles and responsibility can be taken cared by one or more legal entities in China as long as the qualification is satisfied.
2	Medical Devices product	• Approved in COO* such as US FDA 510K or PMA • CFDA Registration	As a pre-requisite For safety and efficacy	
3	Importer or China Branch	Import license	Importing product to China	
4	Dealer/distributor	Medical Device Distribution License	Selling product to users	
5	Agent for post-market regulatory compliance	Legal entity registered in China	Taking legal or regulatory responsibility jointly for product sold	

Note* COO: Country of Origin may be the country where the legal manufacturer or physical production factory is located

Pre-requisite under the different product types

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Foreign manufacturer/supplier may not necessary need to assign an importer or dealer if a large, capital equipment is sold directly to client in China, as client may assign an importer

	Who & What	Qualifications	Small size, disposable	Large, capital equipment	
1	Agent to submit for CFDA registration	Legal entity in China	Mandatory	Mandatory	The roles and responsibility can be taken cared by one or more legal entities in China as long as the qualification is satisfied.
2	Medical Devices product	• Approved in COO such as US FDA 510K or PMA • CFDA Registration	Mandatory	Mandatory	
3	Importer or China Branch	Import license	Yes, usually	Not necessary if selling directly	
4	Dealer/distributor	Medical Device Distribution License	Yes, usually	Not necessary if selling directly	
5	Agent for post-market regulatory compliance	Legal entity in China	Mandatory	Mandatory	

Comparison of Pre-Requisite with a manufacturer in China

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Domestic manufacturer needs neither to get market approval by a foreign country, and nor an importer for importation. But the same mandatory requirements for others, in particularly CFDA registration for product

	Who & What	Foreign	Domestic	
1	Agent for pre-market approval	Legal entity in China	Yes	The roles and responsibility can be taken cared by one or more legal entities in China as long as the qualification is satisfied.
2	Medical Devices product	• Approved in COO such as US FDA 510K or PMA • CFDA Registered	No need to have market approved already by the Country Of Origin	
3	Importer or China Branch	Import license	No need to have an importer	
4	Dealer/distributor	Medical Device Distribution License	Yes	
5	Agent for post-market regulatory compliance	Legal entity in China	Yes	

Adapting the New Regulations to Drive Faster Market Access

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- What is new in current regulations?
  - Regulations enforced in 2016
  - What implication and impact?
- Overview of Registrations

- How to deal with the new regulations for faster pre-market approval
  - Special Process for Innovative Medical Devices;
  - Preferential Approval for Priority Device;
  - Shifting manufacturing of imported device to China;
  - Competent RA team and CRO.

Retrospection of CFDA Regulation Development

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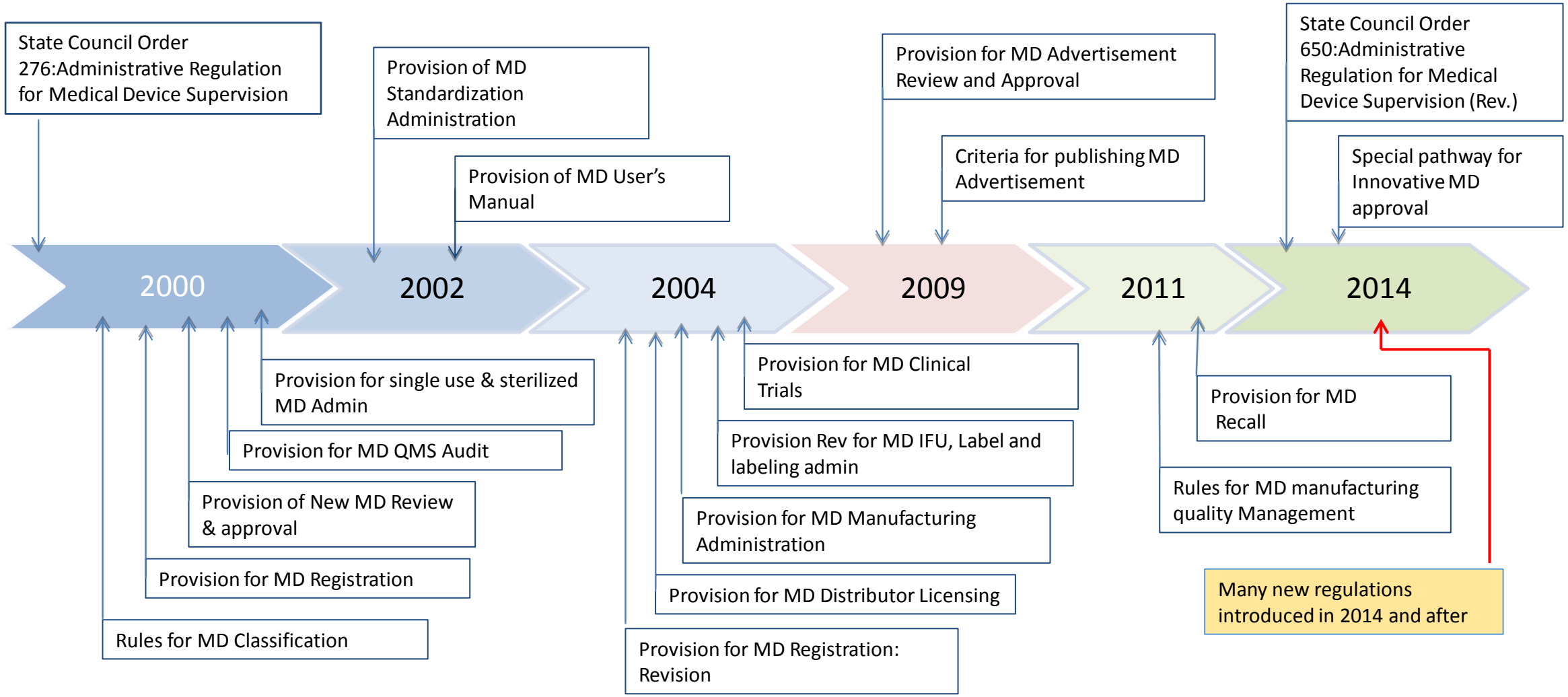


China Food and Drug Administration

Pre-Market

Post-Market

State Council: Regulation for MD Supervision and Administration, June 2014

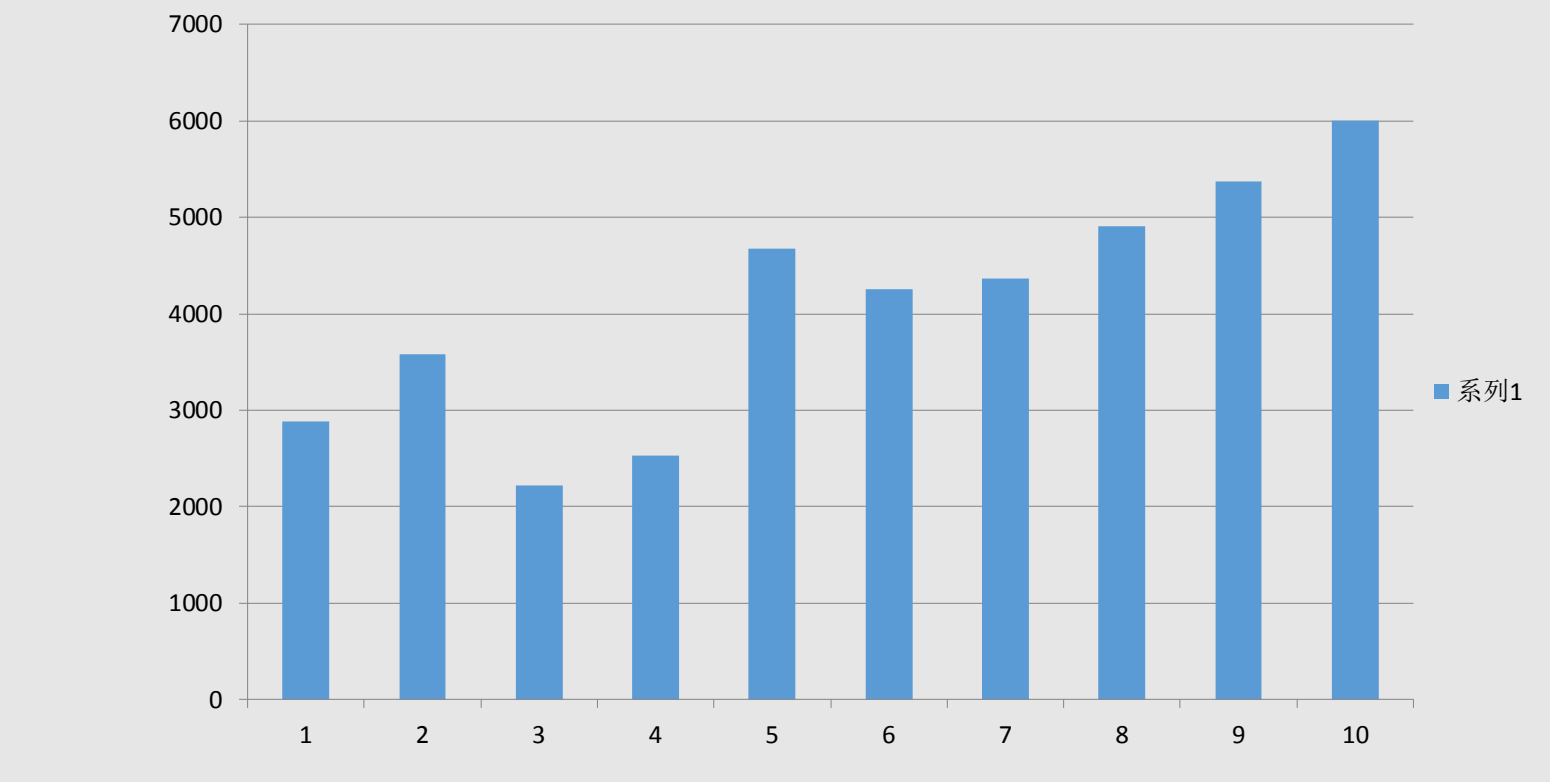
- **Provision for AE Report and Recall, 2011**
- **Innovative product Registration, 2014**
- **Provision for MD Registration, 2014**
- **Product IFU, Labeling, 2014**
- **Manufacturing Quality, 2014**
- **Distribution/Sales, 2014**
- **Guidance for MD Clinical Evaluation, 2015**
- **Quality Administration of MD in Clinical Use, 2016**
- **Provision for Clinical Trials Quality Control (GCP), 2016**
- **MD Classification and Nomenclature Rules, 2016**
- **2nd Batch of MD Exempted from Clinical Trial, 2016**
- **Preferential Approval Process for Priority MD , 2016**

A complete set of regulatory system has been developed

- More strict control on high risk devices;
- Addressing clinical evaluations;
- Requiring clinical trial for imported device, the same as for domestic device;
- Introducing quality controls on device in clinical use;
- Preferential policies to devices with innovation & better clinical benefit

CFDA Registration of Import Medical Devices (2004-2013）

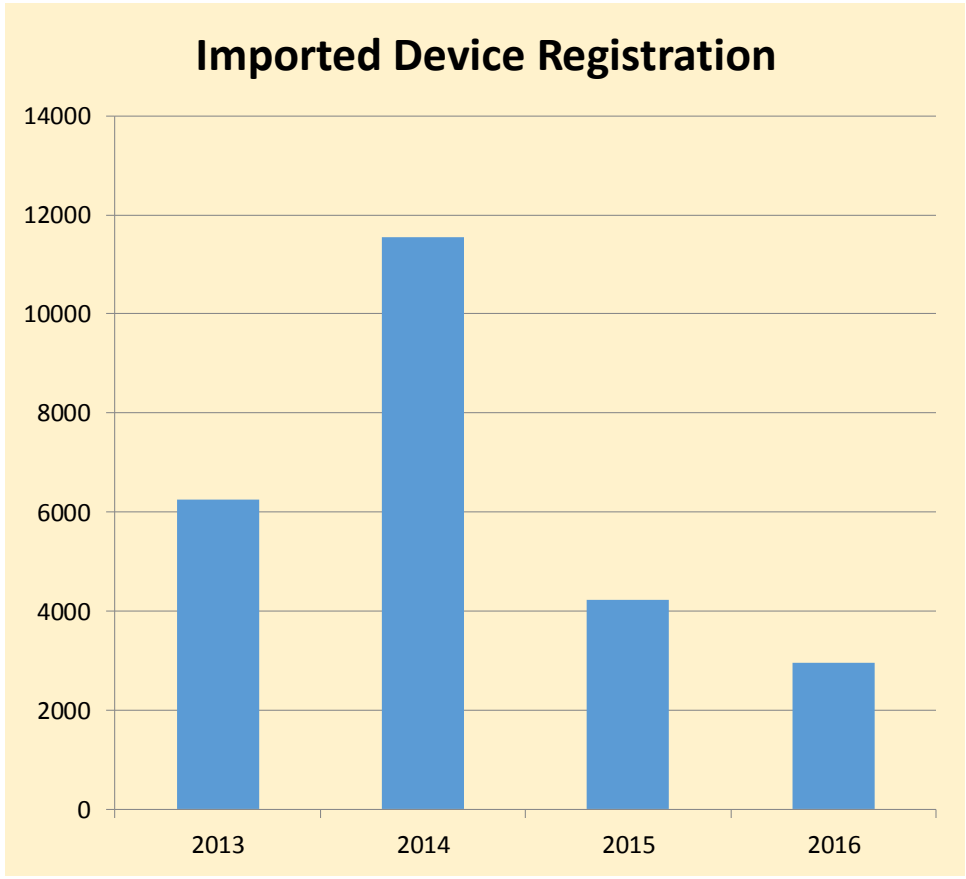
	Year	No.
1	2004	2883
2	2005	3578
3	2006	2226
4	2007	2536
5	2008	4671
6	2009	4257
7	2010	4362
8	2011	4910
9	2012	5370
10	2013	5999



- The number of import registration increased very steadily in 5 years
- There was a drop in 2006-07, but rebounded in 2008/09, the reason is because of CFDA political leader's turmoil

Impact of New Regulations on Registration in Recent Years

Year	Imported	Domestic
2013	6242	20459
2014	11556	19584
2015	4230	12288
2016.9	2950	6169



- Significant increase of registration in 2014 before the new regulations introduced for enforcement in 2015;
- Sharp decrease in registration number in 2015 due to the complication of new requirements, clinical trials, delay, higher costs, also exclusion of class I;
- It seems to recover in 2016 and future as expansion of clinical trial exemption

Comparisons of Registration with Domestic Devices

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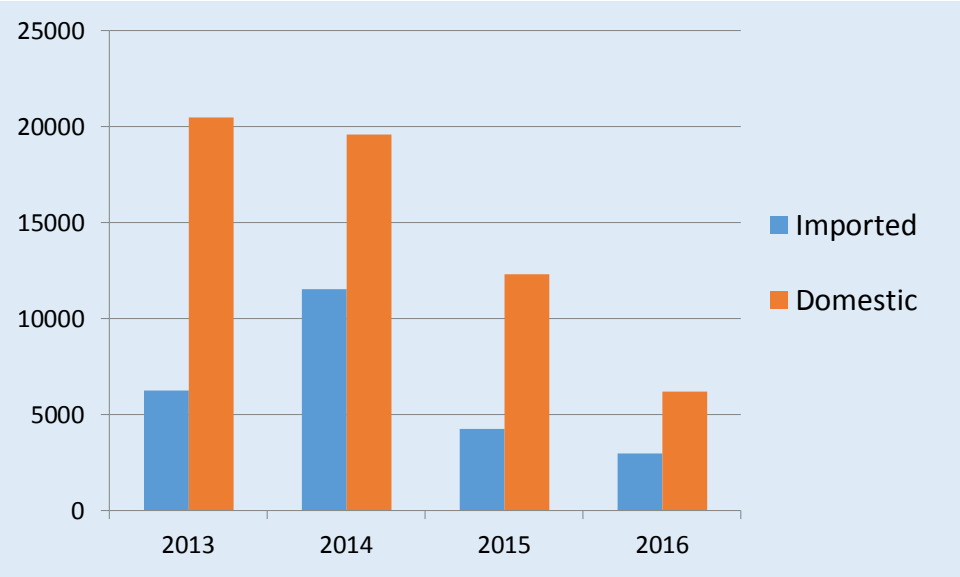
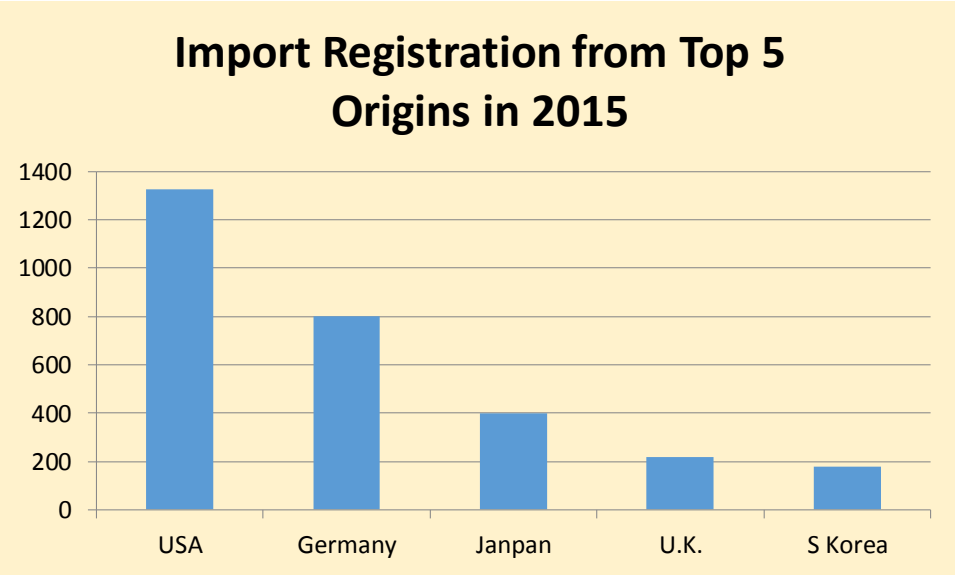


- Different from imported registration, no increase of domestic device registration in 2014 because almost no impact from the new regulation;
- Decrease in 2015 mainly because of complication from new regulatory requirements;
- Impact of the new regulations is significant for both imported and domestic.



- 31% of all import registration from USA;
- 18% from Germany;
- 10% from Japan.

Adapting the New Regulations to Drive Faster Market Access

- What is New in Regulations?
  - Regulations enforced in 2016
  - What implication and impact?
- Overview of products registered

- How to deal with the new regulations for faster pre-market approval

  When one door shuts, another opens:
  - Special Process for Innovative Medical Devices;
  - Preferential Approval for Priority Device;
  - Shifting manufacturing of imported device to China;
  - Higher competency needed for RA team and CRO.

Special Process for Innovative Medical Device Review and Approval

The manufacturer/applicant that meets all of the following conditions can apply for eligibility of enjoying special approval process:

(1) The applicant,

a) through technological innovations which it leads, holds by law in China, **indigenous intellectual properties of core technologies** of the product, or

b) through the transferring in accordance with the Chinese law to **obtain patents for inventions** or their right to use in China, or

c) the application to the authorities of intellectual properties (Inventive Patent) of China for the ownership or right of the patent for invention has been **published (announced)** by the patent authorities of China.

(2) The main working principle/function mechanism of the product must be that it is **original (the newest and leading) within the country (China).** The product properties or safety must have **fundamental improvement** compared with similar products. The technology must be **internationally advanced**, with significant **clinical application values.**

(3) The applicant must have finished preliminary studies of the product, and **produced basically finalized product** (prototype). The research process is real and controllable, and the research data is complete and traceable.

CFDA Special Process for Innovative Product

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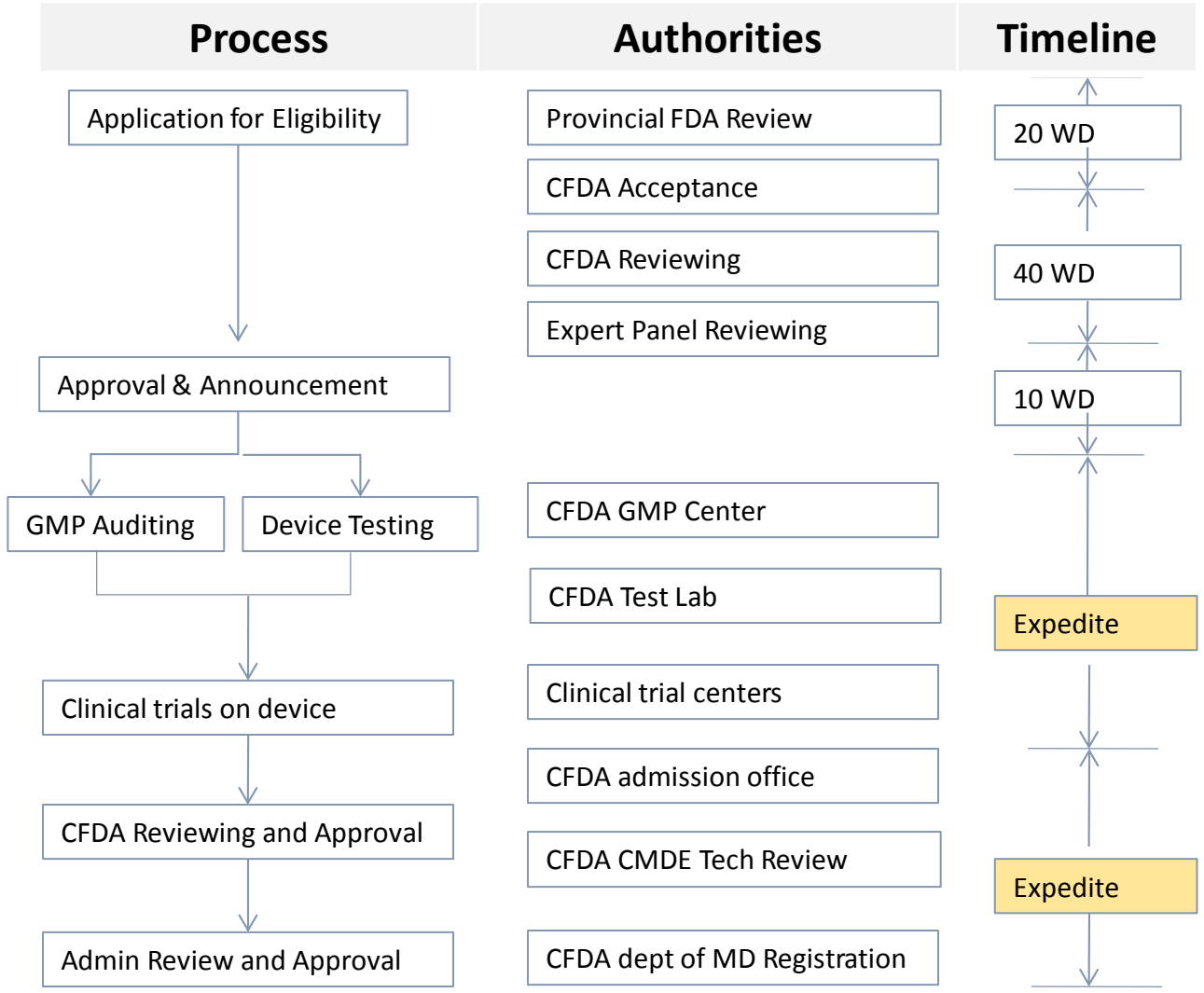


- CFDA earlier involvement
- Designated reviewer
- Instruction for RA & Tech requirements
- Faster processing without waiting time

Preferential Review and Approval Process

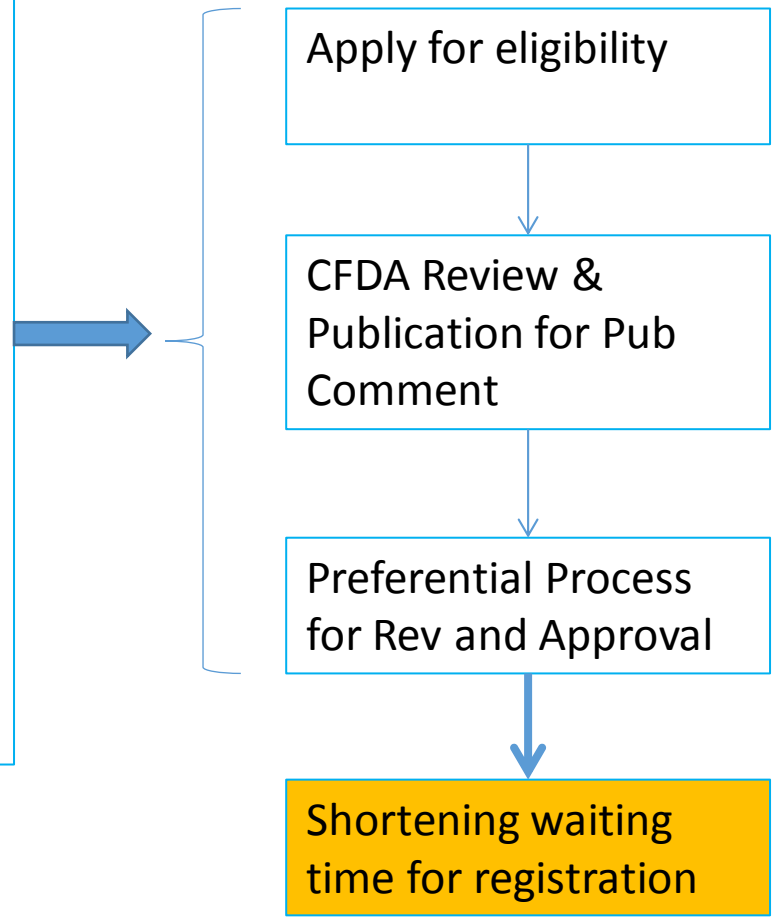
① Diagnosis or treatment **of rare diseases**, and has obvious clinical advantages;

② Diagnosis or treatment of **malignant tumors**, and has obvious clinical advantages;

③ Diagnosis or treatment of **elderly-specific and multiple diseases**, and no effective diagnosis or treatment;

④ Dedicated to **children**, and has obvious clinical advantages;

⑤ Clinical **urgently needed**, and in China there is no same species of products approved for market.



Shifting manufacture of previous registered import device to China can get approval faster

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Aspects	Imported Product, e.g.	Developed in China, e. g.	Assembled/manufactured in China for already registered import device
Requirements in general	Almost the same, but QMS audit only if necessary	Quality system audit;	Same as developed in China
Time to market (if no clinical trials required)	18 +/-3 months: -wait for US FDA approval before submission; - need to test unit imported	15 +/-3 month: - can start earlier; - no need to wait for pre-approval from country of origin	Same as developed in China
Time to market (if Clinical trials required)	30 +/-3 month (12 month for clinical trials)	27 +/-3 months (12 months for clinical trials)	No need for clinical trial in China, but evaluation on existing data
Benefit from special approval of Innovative Device if eligible	Some benefit: - Need waiting for pre-approval from COO; - Need IP registration in China;	More benefit: - Earlier entering into CFDA review process from development.	Same as left
Establishment of manufacture	No need in China	Manufacturing license: - Wholly Foreign owned - Joint Venture	Manufacturing license: -Wholly Foreign owned - Joint Venture
Cost for registration	Translation fee; CFDA user fee doubled vs local	Less user fee	Less user fee

Higher Competency to Work in RA and Clinical Project

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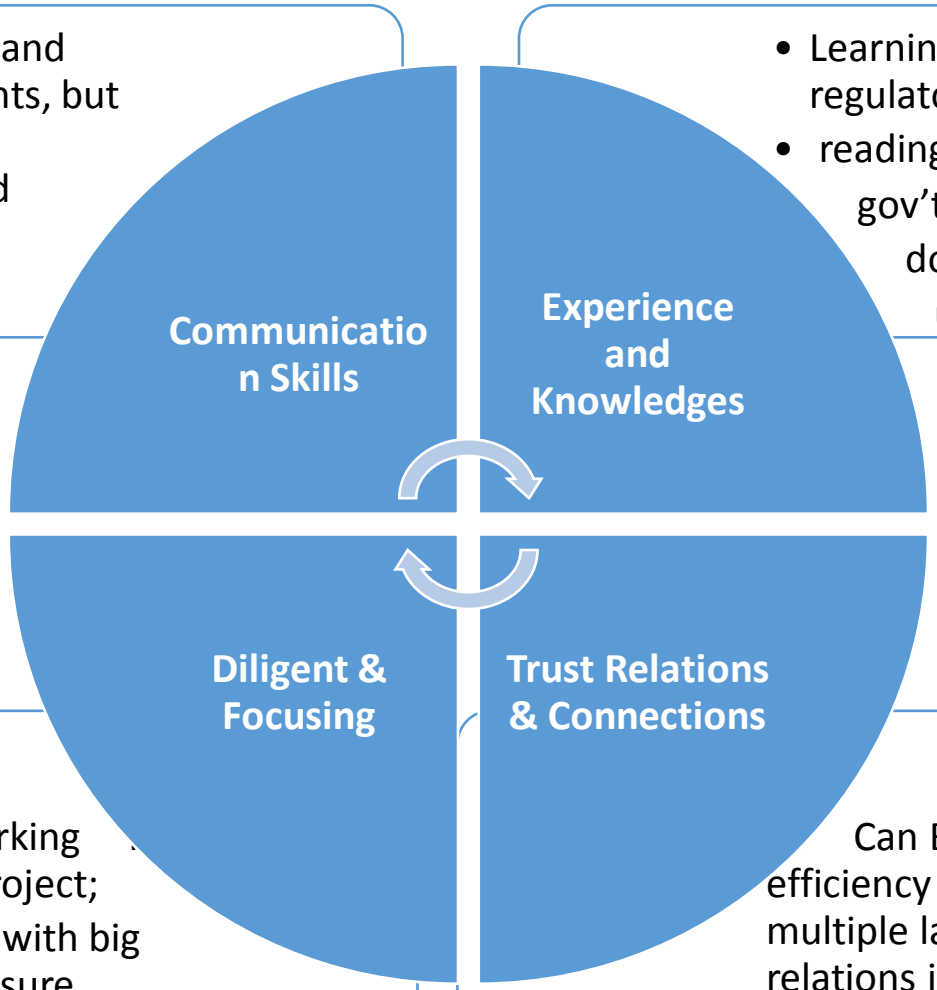

- Not just receive and deliver documents, but exchange ideas, perspectives and proposal

- Learning product and regulatory requirement,
- reading through gov't documents does not mean full understanding

- A must when working RA and clinical project;
- Work intensively with big amount and pressure

Can Build work efficiency when with multiple layers of trust relations internally and externally

Any one of these competencies does make difference to got faster pre-market approval

Thanks for Listening !

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