**General Office of the Communist Party of China and General Office of the State Council Printing and Distributing "the Opinion on Deepening the Reform of the Review and Approval System and Encouraging the Innovation of Drugs and Medical Devices"**

Beijing, China - October 8, 2017(Xinhua news agency) - Recently, the general office of the CPC Central Committee and the general office of the State Council issued "the Opinion on Deepening the Reform of the Review and Approval System and Encouraging the Innovation of Drugs and Medical Devices" and issued a notice calling all departments to implement.

The full text of "the Opinion on Deepening the Reform of the Review and Approval System and Encouraging the Innovation of Drugs and Medical Devices" is as follows.

Currently, China's drug and medical device industries are developing rapidly, and the innovation and entrepreneurship are flourishing and still on the rise, and the reform of the review and approval system continues. However, overall, the support for the technological innovation for China's drug and medical device industry is insufficient, and there is a gap between the Chinese industry and the advanced international level in terms of the quality of marketed products. To promote the structural adjustment and technological innovation for the drug and medical device industries, enhance the competitiveness of the industry, and meet the clinical demand of the public, we hereby provide the following opinions on deepening the review system and encouraging the innovation of drugs and medical devices.

## 1. Reforming the Administration of Clinical Trials

(1) Accreditation of clinical trial institutions will be subject to record-filing. After registering and filing via the websites designated by the food and drug authorities, a medical institution meeting clinical trial conditions may conduct clinical trials at the request of applicants for the registration of drugs or medical devices. The principal investigator of a clinical trial shall have a senior title and shall have participated in at least 3 clinical trials. The applicant for a clinical trial may employ a third party to evaluate and certify whether a clinical trial institution meets required conditions. Social forces are encouraged to invest in and establish clinical trial institutions. Relevant regulations on the administration of clinical trial institutions shall be established by China Food and Drug Administration together with the National Health and Family Planning Commission.

(2) Support will be given to clinical trial institutions and investigators in conducting clinical trials. Medical institutions, medical research institutions as well as medical colleges and universities are supported to participate in clinical trials, and the evaluation of conditions and capacity for clinical trials will be incorporated in the ranking assessment of medical institutions. A separate evaluation and assessment system shall be established for the medical institutions conducting clinical trials, and the hospital beds used only for clinical trials will not be counted towards the total hospital beds of such medical institutions, and the efficiency, turnover rate and utilization rate of hospital beds shall not be considered as assessment indicators. Medical institutions are encouraged to set up a dedicated clinical trial department, which shall be staffed by professional clinical trial investigators. The income level of clinical trial investigators shall be guaranteed by improving the performance-linked pay distribution and incentive system of the institutions. Clinicians are encouraged to participate in innovation activities regarding drugs and medical devices. In terms of promotion of job and professional titles, among other things, clinical trial investigators shall be treated the same as clinicians. Foreign enterprises and scientific research institutions are allowed to conduct simultaneous clinical trials for new drugs in China in accordance with the law.

(3) Improving the ethics committee mechanism. The clinical trials shall conform to ethical and moral standards, and the subjects shall be informed of sufficient trial information prior to their voluntary participation, and understand and sign the Informed Consent. In addition, the safety, health as well as rights and interests of the participants shall be protected. A clinical trial institution shall establish an ethics committee which shall be responsible for reviewing the clinical trial protocols of the institution, reviewing and overseeing the qualifications of the investigators of the institution, monitoring the conducting of clinical trials, and accepting the inspections of regulators. Local (authorities) may establish regional ethics committees as necessary to supervise the ethics review of medical institutions, and to conduct ethics review of clinical trial protocols at the request of the institutions that are not qualified to conduct ethics review or registration applicants, and to supervise the conduct of clinical trials. The health and family planning authorities, the traditional Chinese medicine administration departments and the food and drug authorities shall enhance the administration, guidance and supervision of the work of ethics committees.

(4) Improving ethics review efficiency. Prior to the submission of an application for clinical trial, an applicant shall firstly submit the clinical trial protocol to the ethics committee for review and approval. If multi-center clinical trials will be conducted in China, after the leading institution for the clinical trial conducts ethics review, the other member institutions may accept the review conclusion reached by the leading institution to avoid repetitive review. National Clinical Research Center for Medical Science and clinical trial institutions that undertake national key science and technology programs and national key R&D support programs shall integrate their resources to establish a uniform ethics review platform and gradually promote the mutual recognition of ethics review conclusions.

(5) Optimizing the review and approval procedures for clinical trials. A mechanism for communication between applicants and review agencies shall be established and perfected. Prior to accepting an application for a drug clinical trial or a medical device clinical trial that needs pre-approval, a review agency shall communicate with the applicant in a meeting, and provide its comments and suggestions. Approval shall be deemed to have been given in the event that the review agency does not issue any negative or dissenting review opinion within a certain period after the acceptance date, and the applicant may conduct the clinical trial according to the submitted protocol. During the course of the clinical trial, in case of any change to the clinical trial protocol, or any significant pharmacological change or any non-clinical study safety issue, the applicant shall promptly report such change to the review agencies. In the event of discovery of any safety-related or other risks, the applicant shall promptly revise the clinical trial protocol, and suspend or terminate the clinical trial. A drug registration applicant may issue or engage an inspection agency to issue a test report for the samples of a clinical trial, and send the report along with the samples to the review agencies, and shall ensure the samples actually used in the clinical trial are the same as those submitted. The review and approval procedure for human genetic resources activities that involve international collaboration in clinical trials shall be optimized to speed up the process for clinical trials.

(6) Accepting overseas clinical trial data. Clinical trial data obtained from overseas multi-center trials may be used for an application for registration in China if the same conform to the relevant requirements for registration of drugs and medical devices in China. With respect to an application for a drug or medical device to be marketed in China for the first time, the applicant shall provide clinical trial data regarding whether there is any ethnic difference.

(7) Supporting extended clinical trials. With respect to the drugs and medical devices that are currently undergoing clinical trials and used for treating serious life-threatening diseases that have no effective treatment at present, if preliminary observation indicates that such drugs

and medical devices may be beneficial and conform to ethical requirements, then after obtaining informed consent, such drugs and medical devices may be applied to the other patients in the institutions conducting the clinical trials, and their safety data may be used for the application.

(8) Seriously investigating and cracking down activities of falsifying data. The signatories of a clinical trial agreement and the investigators of a clinical trial shall be the primary responsible persons for the clinical trial data, and shall assume legal responsibilities for the reliability of the clinical trial data. An inspection mode based on risks and review needs shall be established to enhance the onsite inspections and for-cause inspections of non-clinical studies and clinical trials, and the inspection results shall be made available to the public. If a trial fails to pass the inspection, the relevant data shall not be accepted; if there is any authenticity issue, an investigation shall be promptly initiated so that the responsible persons of the relevant non-clinical study institution or clinical trial institution, and the responsible persons who provide any fake reports, the registration applicant and the responsible persons of the related contract research organizations shall be investigated for legal liability in accordance with the law. Anyone who refuses, evades or impedes any inspection shall be punished sternly in accordance with the law. If an applicant voluntarily identifies and promptly reports any issue to the regulators, it may be subject to reduced punishment or exempted from punishment according to the circumstances.

## 2. Accelerating Marketing Review and Approval

(9) Accelerating review and approval of drugs and medical devices that meet urgent medical needs. With respect to drugs and medical devices used for treating serious life-threatening diseases that have no effective treatment at present and other drugs and medical devices that meet the urgent needs for public health, if indicators of clinical trials therefor at initial and middle phases show efficacy and forecast relevant clinical values (show clinical trend), such drugs and medical devices may be conditionally approved for marketing. The applicant shall formulate a risk control plan and carry out the study as required. The research and development of innovative drugs and medical devices shall be encouraged, and priority review and approval shall be granted to the innovative drugs and medical devices which are covered by national key science and technology programs and national key R&D support programs and for which the clinical trials are conducted by National Clinical Research Center for Medical Science and approved by the administrative department of the center.

(10) Supporting the research and development of drugs and medical devices for treating rare diseases. National Health and Family Planning Commission or a related industrial association (society) engaged by it shall publish the list of rare diseases, and establish a system for registration of rare disease patients. The applicants of the drugs and medical devices for treating rare diseases may apply for simplification or waiver of the clinical trials. With respect to the drugs and medical devices for treating rare diseases that have been approved for marketing overseas, the same may be approved conditionally for marketing; and the applicant shall formulate a risk control plan and carry out the study as required.

(11) Strictly controlling the review and approval of injections. The conversion from oral preparations to injections shall be strictly controlled. If an oral preparation can meet clinical demand, relevant injections shall not be approved for marketing. The conversion from intramuscular injections to intravenous injections shall be strictly controlled. If an intramuscular injection can meet clinical demand, relevant intravenous injection shall not be approved for marketing. The applications for conversion among large volume injections,

small volume injections and sterile powder for injection shall not be approved absent significant clinical advantages.

(12) A linked review and approval regime shall be implemented under which the drugs are reviewed and approved along with their excipients and packaging materials. APIs, drug excipients and packaging materials shall be reviewed together with drug registration applications, and approvals for APIs will no longer be granted. The APIs, drug excipients and packaging materials that have been reviewed together and their quality standards will be announced on a designated platform for selection by relevant enterprises. The marketing authorization holder of a drug shall be responsible for the APIs, drug excipients and packaging materials used for the drug.

(13) Supporting the inheritance and innovation of traditional Chinese medicines. Establish and improve the registration administration system and the technical evaluation mechanism conforming to the characteristics of traditional Chinese medicines, properly handle the relationship between preservation of traditional advantages of traditional Chinese medicines and modern pharmaceutical development requirements. Innovative traditional Chinese medicines shall stress relevant new efficacy; improved new forms of traditional Chinese medicines shall be able to show the advantages of clinical application; traditional Chinese medicines with classic Chinese materia medica recipe shall be reviewed and approved pursuant to simplified criteria; natural drugs shall be reviewed and approved pursuant to the criteria for modern medicines. Improve the capability for clinical study on traditional Chinese medicines, submit marketing value and resource evaluation materials when applying for registration of traditional Chinese medicines, place focus on clinical values, and promote sustainable exploitation of resources. Encourage the application of modern scientific research to develop traditional Chinese patent medicines, encourage the utilization of advantages of traditional preparations of traditional Chinese medicines to develop new forms of traditional Chinese medicines, and enhance the quality control of traditional Chinese medicines.

(14) Establishing priority review and approval system for drugs that have been granted compulsory patent licensing. Under the circumstances in which there is a major threat to the public health, registration applications for drugs that have been granted compulsory licensing shall be given priority review and approval. The specific circumstances under which there is a major threat to the public health and the specific procedures for initiating compulsory licensing shall be promulgated separately by National Health and Family Planning Commission of the People’s Republic of China together with relevant authorities.

### 3. Accelerating Drug Innovation and Generic Drug Development

(15) Establishing a catalogue of marketed drugs. The drugs that are newly approved for marketing or generics that have passed the quality and efficacy consistency evaluation will be listed under the catalogue of drugs marketed in China, which shall specify the drug attributes, e.g. innovative drugs, improved new drugs and generic drugs with quality and efficacy consistent with that of originator drugs, and specify the information such as active ingredients, dosage forms, specifications, marketing authorization holders, patents obtained and protection period of clinical trial data.

(16) Exploring and establishing a drug patent linkage system. To protect the legitimate rights and interests of patentees and reduce the risks from patent infringement by generic drugs, encourage the development of generic drugs, (the State will) explore and establish a drug

review and approval and drug patent linkage system. When submitting an application for drug registration, an applicant shall specify the relevant patents and ownership status thereof, and shall send a notice to relevant drug patentees within the specified period. In case of any dispute over patents, any concerned party may file a lawsuit with a competent court, and the technical review of the drugs will not be suspended during the dispute period. With respect to the drugs passing the technical review, the food and drug authority shall, in accordance with the effective judgement, decree or the mediation letter rendered by the court, determine whether to approve the marketing of such drugs. If no effective judgement, decision or mediation letter is issued within a specified period, the food and drug authority may approve the marketing.

(17) Launching pilot programs with respect to drug patent term compensation system. Certain new drugs shall be selected to implement the pilot programs, under which, appropriate compensation for a patent term will be provided for when marketing was delayed on account of clinical trials and review and approval procedures.

(18) Improving and implementing the drug-related trial data protection system. When submitting an application for drug registration, an applicant may also submit an application for the protection of trial data. With respect to innovative drugs, therapeutic drugs for rare diseases, specialized drugs for children, innovative therapeutic biologics and drugs that have successfully challenged relevant patents, certain data protection period will be granted for the undisclosed clinical trial data and other data obtained by the drug applicant itself and submitted with the application. The data protection period shall start from the date when a drug is approved for marketing. During the data protection period, marketing applications for the same type of drugs submitted by any other applicant will not be approved, unless such applicant obtains the data by itself or obtains the consent from the applicant that has acquired approval for marketing.

(19) Promoting the production of generic drugs. Attach the same importance to encouraging innovation, promoting generic drug production and reducing pill burden, regularly publish the lists of drugs whose patents expire, are terminated or become invalid and where no application for generics thereof has been initiated, guide the research and development and production of generics, and provide the public with greater access to the drugs. Improve the technical guiding principles for relevant research and evaluation, and support the development of both biosimilars and drug and medical device combination products with clinical values. Accelerate the development of generics quality and efficacy equivalence evaluation.

(20) Giving full play to the role of enterprises in innovation. Encourage the drug and medical device manufacturers to increase investment in research and development, enhance the research and development of new products and the follow-up studies of marketed products, and continually improve the manufacturing process. Allow scientific institutes and scientific researchers to apply for clinical trials on the condition that they shall assume relevant legal responsibilities. If funds allocated by national government are used to conduct research and development of new drugs and innovative medical devices and for study of relevant technologies which have then been transformed as the scientific and technological achievements made for hire, the institute may stipulate, or reach an agreement with the researchers on, the method, amount and time limit for payment of rewards and remunerations, to incentivize the researchers to participate, and to promote the transfer and transformation of scientific and technological achievements.

(21) Supporting the clinical application of new drugs. Improve the dynamic adjustment mechanism applicable to the catalogue of drugs covered by medical insurance, explore to establish a negotiation mechanism regarding payment standards for drugs covered by medical insurance, promptly incorporate according to applicable provisions the new drugs into the payment scope covered by basic medical insurance, and support the research and development of new drugs. Each region may, according to the need for disease prevention, promptly incorporate the new drugs into the scope of centralized procurement of drugs for public hospitals. Encourage the medical facilities' purchase and use of new drugs with clear efficacy and reasonable price on a priority basis.

**4. Enhancing the Drug and Medical Device Lifecycle Management**

(22) Facilitating the overall implementation of marketing authorization holder system. Promptly summarize the experience obtained from pilot programs regarding the drug marketing authorization holder system, facilitate the amendment of drug administration laws, and strive to implement the system nationally as soon as possible. Allow the research institutes and scientific researchers of medical devices to apply for marketing authorization for medical devices.

(23) Determining the legal responsibilities of marketing authorization holders. The drug marketing authorization holders shall assume all legal responsibilities for the drug-related pre-clinical studies, clinical trials, production and manufacturing, marketing and distribution, as well as adverse reaction reporting, among other responsibilities, and shall ensure that the submitted study materials and clinical trial data are truthful, complete and traceable; that the manufacturing process is consistent with the approved manufacturing process, and the manufacturing process is continuously compliant with regulations; that the quality of the various batches of drugs marketed is consistent with that of the samples submitted; that constant study is conducted for the marketed drugs, and that any adverse event arising is promptly reported, risks are evaluated and improvement measures are provided.

A medical device marketing authorization holder shall assume all legal responsibilities for the medical device-related design and development, clinical trials, production and manufacturing, marketing and distribution, as well as adverse event reporting, among other responsibilities, and shall ensure that the submitted study materials and clinical trial data are truthful, complete and traceable; that constant studies are conducted on marketed medical devices, and that any adverse event is promptly reported, the risks are evaluated and improvement measures are taken.

Any enterprise, institution or individual that, as commissioned by a drug or medical device marketing authorization holder, conducts research and development, clinical trials, production and manufacturing, as well as marketing and distribution, shall assume the responsibilities under laws and regulations and the responsibilities specified in relevant agreements.

(24) Establishing a system where a marketing authorization holder may directly report any adverse reaction and adverse event. A marketing authorization holder shall be the party responsible for reporting adverse reactions and adverse events, and if a marketing authorization holder covers up the same or fails to report the same within the specified period, a stricter punishment shall be imposed. The food and drug authority shall investigate and analyze the reported adverse reactions and adverse events, and shall order the marketing

authorization holder to take measures such as suspending marketing, recalling products and improving quality control, as applicable.

(25) Carrying out re-evaluation of drug injections. Based on the advancement of medical science, re-evaluation shall be carried out in relation to the marketed drug injections, and efforts shall be made to basically complete such re-evaluation in about 5 to 10 years. A marketing authorization holder shall comprehensively analyze the study situation at the time of approval for marketing and the continuing post-marketing studies, among other information, carry out research into the ingredients, functioning and clinical efficacy of the product, and evaluate its safety, efficacy and quality control. Relevant policies for encouraging generic drug quality and efficacy equivalence evaluations will apply to those passing the re-evaluation.

(26) Improving the medical device-related re-evaluation system. A marketing authorization holder shall, based on scientific advancement and the results of evaluation of adverse events, actively re-evaluate the marketed medical devices. If the result of a re-evaluation indicates failure to guarantee the safety and efficacy of a product, the marketing authorization holder shall promptly apply for cancelling the marketing authorization. If the marketing authorization holder covers up the re-evaluation result or fails to file such an application for cancellation where it should be filed, then the corresponding marketing authorization shall be cancelled, and investigation and punishment shall be carried out and imposed in accordance with the law.

(27) Regulating drug-related academic promotion activities. A drug marketing authorization holder shall record the list of medical representatives on the website designated by the food and drug authority and make the same available to society. Medical representatives are responsible for drug-related academic promotion, communicating knowledge about drugs to medical staff, and listening to comments and advice arising from the clinical use. The academic promotion activities by the medical representatives shall be conducted publicly and shall be filed for recording with the department designated by the corresponding medical institution. Medical representatives are prohibited from undertaking drug sales assignments, and the number of prescriptions issued by a doctor shall not be provided to any medical representative or any personnel from relevant enterprises. If a medical representative misleads any doctor into using a drug, or covers up any adverse reaction of a drug, he/she shall be seriously investigated and punished. If any business activities for a drug are conducted in the name of a medical representative, investigation and punishment shall be carried out as dealing in drugs illegally.

## 5. Improving Technical Support Capacity

(28) Improving the technical review system. The technical review system led by review and supported by examination and inspection shall be established, and the review project manager system, conference communication system between review agencies and registration applicants, and expert advisory committee system shall be improved, and the internal management shall be strengthened, and the review process shall be standardized. A drug review team mainly composed of professionals in clinical medicine as well as enlisting professionals in pharmacology, toxicology, and statistics, among other areas, shall be established for the review of new drugs. A medical device review team composed of professionals in clinical medicine, clinical diagnosis, mechanical, electronic, material, and biomedical engineering, among other areas of expertise, shall be established for the review of innovative medical devices. The conclusion and the basis of the review, except for technical

secrets such as manufacturing process, shall be made available to the public to accept public oversight. Review standards for Class II medical devices shall be unified and national unified review shall be gradually achieved.

(29) Implementing confidentiality obligations of relevant staff. Personnel involved in the acceptance, review and approval, examination and inspection and other regulatory work of drugs and medical devices shall be obligated to keep confidential the technical secrets and clinical trial data submitted by registration applicants. Whoever violates the confidentiality obligations shall be investigated for legal liability according to law and discipline, and the investigation results shall be made available to the public; whoever is suspected of committing any crime shall be transferred to the judicial authority for investigation and prosecution for criminal liability. Administration of application materials shall be improved to ensure that any consulting and reproduction can be traced.

(30) Enhancing capacity building for review and inspection. The review of drugs and medical devices shall be included in the scope of services for government procurement and the review services shall be standardized and efficient. The establishment of an information system for review and approval of drugs and medical devices shall be accelerated, the technical requirements for electronic submission of registration applications shall be established, and the electronic universal technical documentation system shall be further improved so that the electronic submission, review, and approval for various registration applications can be gradually implemented. For the marketed drugs and medical devices, product category files shall be established.

(31) Implementing the inspection responsibilities throughout the whole process. The national food and drug authority shall be responsible for organizing the inspection of the research and development process for drugs and medical devices, and of the implementation status of the Good Laboratory Practice for Non-Clinical Studies (GLP) and Good Clinical Practice (GCP) for drugs and medical devices. The food and drug authorities at provincial level and above shall be responsible for inspecting the manufacturing process of drugs and medical devices and the implementation status of Good Manufacturing Practice (GMP). The municipality- or county-level food and drug authorities shall be responsible for inspecting the distribution process of drugs and medical devices and the implementation status of Good Supply Practice (GSP). If any problems are found during inspection, they shall be investigated and dealt with pursuant to the laws and regulations, and risk control measures shall be taken promptly; whoever suspected of committing any crime shall be transferred to the judicial authority for investigation for criminal liability. Individuals shall be punished for illegal acts, and the results of inspection and punishment shall be made public.

(32) Building professional teams of inspectors. Based on the existing resources, the building of teams of inspectors shall be accelerated to enlist mainly full-time inspectors supported by part-time inspectors. The inspectors shall be managed in a hierarchical structure, and shall receive enhanced training; their equipment and supplies shall be enhanced; and their inspection capacity and proficiency shall be improved.

(33) Strengthening international collaboration. Bilateral and multi-lateral regulatory policies and technical exchanges on drugs and medical devices shall be intensified, active participation in the formulation and revision of international rules and standards shall be encouraged, and the international sharing of the review, inspection and testing standards and results shall be realized gradually.

## 6. Strengthening Organization and Implementation

(34) Strengthening the organization and leadership. All regions and relevant departments shall fully understand the significance of deepening the reform of the review and approval system, and encouraging drug and medical device innovations, attach great importance to the reform of review and approval of drugs and medical devices and the innovation, support it as an important part of building an innovation-oriented country and promoting the development of high-tech industries, strengthen overall coordination, refine the implementation plan, improve the working mechanism, and earnestly implement the tasks. Legal thinking and legal approaches shall be applied to promote the reform, and keep improving the relevant laws and regulations and systems. If the reform measures involve amendments to the law or require appropriate authorization, proposals to amend the law shall be submitted according to procedures or the measures shall be implemented after the authorization is obtained from the legislature body.

(35) Strengthening coordination and cooperation. The role of inter-ministerial joint conference system for reform of the system for review and approval of drugs and medical devices shall be given full force, and the contradictions and problems encountered in the reform shall be analyzed and resolved in a timely manner. The national food and drug authority shall take a leading role, be responsible for concrete implementation of the reform, coordinate and promote the implementation of the task. All relevant departments shall perform their duties in accordance with the law, cooperate with each other according to their division of work, and form a reform synergy. Development and reform authorities shall support the development of high-tech pharmaceutical products, and include the construction of clinical trial institutions as an important part of the construction and development of medical institutions. Science and technology authorities shall strengthen the planning and guidance on the development of medical science and technology, and implement scientific and technological plans (special programs and funds) relating to development of new drugs and innovative medical devices. Industry and information technology authorities shall strengthen the development planning and guidance of the pharmaceutical industry, and strengthen the production guarantee of clinical medication.

Financial authorities shall be responsible for providing the funds needed for the review and approval and examination and inspection of drugs and medical devices. Human resources and social security authorities shall support the development of new drugs with medical insurance policies. Health and family planning authorities shall strengthen the guidance on the construction of clinical trial institutions, strengthen the management of ethics committees and training of clinical trial investigators. Intellectual property authorities shall provide protection for patent-related intellectual property rights for drugs and medical devices. Traditional Chinese medicine authorities shall be responsible for the innovation of traditional Chinese medicines.

(36) Providing effective publicity and explanation. Efforts shall be made to generate positive publicity of the significance of encouraging innovation in drugs and medical devices, enhance the interpretation of important policies and measures in the reform of review and approval system, promptly answer questions of public concern, take the initiative to respond to social concerns, correctly guide public expectations, and build an atmosphere of good public opinion for the implementation of the reform.