

**Economic and Employment Council  
Retail Task Force**

***Supermarket Licensing in Shenzhen***

**Purpose**

This paper aims to brief Members on the licensing regime for supermarkets in Shenzhen, based on an interview with a major operator. The key features of licensing control over building safety, fire safety, environment and food hygiene in supermarkets are also detailed for reference of Members.

**Licences for supermarket in Shenzhen**

2. A large supermarket requires 14 licenses/certificates to operate in Shenzhen (see **Annex**). These include business operation licences, food-related and non-food product licences.

3. In Shenzhen, licensing offices of various authorities are physically co-located in one central location to facilitate applicants in lodging different licence applications. There is no genuine one-stop licensing service. Each licensing authority has its own processes, staff and licensing requirements. Applicants have to approach different licensing offices for licence applications and to comply with requirements and conditions set by the respective authorities. All requirements and conditions are available to the public at licensing offices and on the website ([www.szaic.gov.cn](http://www.szaic.gov.cn)) and licensing authorities do not issue requirements for compliance on each case.

4. Large supermarkets usually employ professionals to take charge of the design and fitting-out works for new stores. Professionals are well-versed in the requirements and conditions of various licences/certificates and will assist business operators to apply for the required licences and certificates.

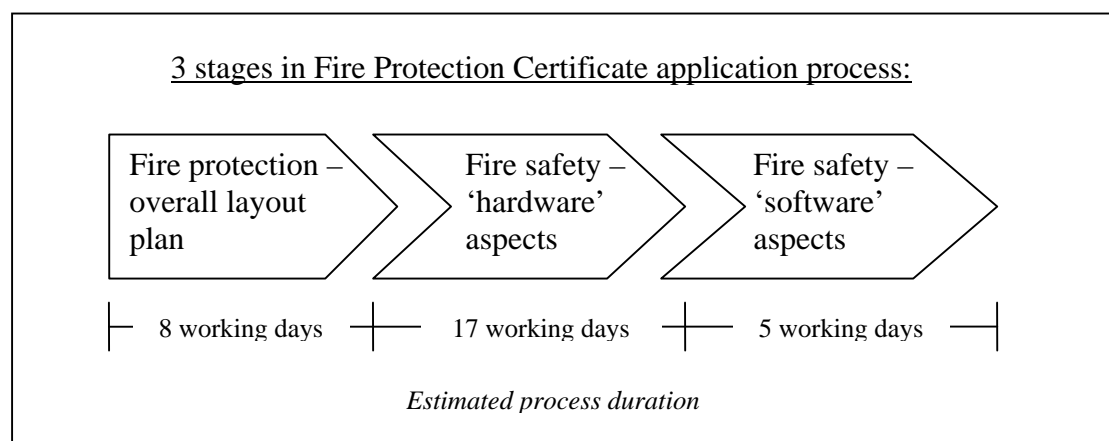
**Building safety**

5. Premises in Shenzhen are designated for specific use. Although the use of premises can be changed upon application, business operators seldom do so. When a supermarket operates in designated premises, there is no specific requirement on building safety.

6. In Hong Kong, requirements on building safety are imposed when potential hazards are identified in the processing of various licence applications for supermarket operations. In many cases, such requirements are needed for Food Factory Licence, Bakery Licence and Fresh Provision Licence that have specific requirements for equipment, use of fuel and sanitary fitments.

### **Fire safety**

7. In Shenzhen, supermarkets of a size greater than 100 m<sup>2</sup> must comply with fire safety requirements and guidelines issued by the Fire Protection Bureau (FPB). There are three stages involved in granting a Fire Protection Safety Approval Certificate as shown in the chart below.



8. Each stage involves a separate application and approval process. An applicant must obtain approval at each stage before proceeding to the next. The estimated timeframe for the entire process, from layout application to issuance of the fire protection certificate, is about 1.4 months. Key features for the stages are given below.

#### Overall layout:

- Operator submits the layout plan, which is prepared based on the published guidelines, for approval by FPB.
- FPB assesses the plan, focusing on size of premises, capacity, layout design of fire safety escapes and equipment.
- FPB issues the assessment report with comments on layout. The pledge is within 8 working days upon receipt of the layout plan.

Hardware:

- Operator fits out premises in accordance with the assessed layout plan.
- Upon completion of the fitting-out work, operator notifies FPB for site inspection.
- FPB conducts site inspection and necessary tests to ensure compliance with the assessed layout plan and installation of the required fire safety equipment within 10 working days upon notification from the operator. For re-inspection, FPB will conduct a site visit within 7 working days upon notification.
- After satisfactory site inspection, FPB issues a completion report within 7 working days.

Software:

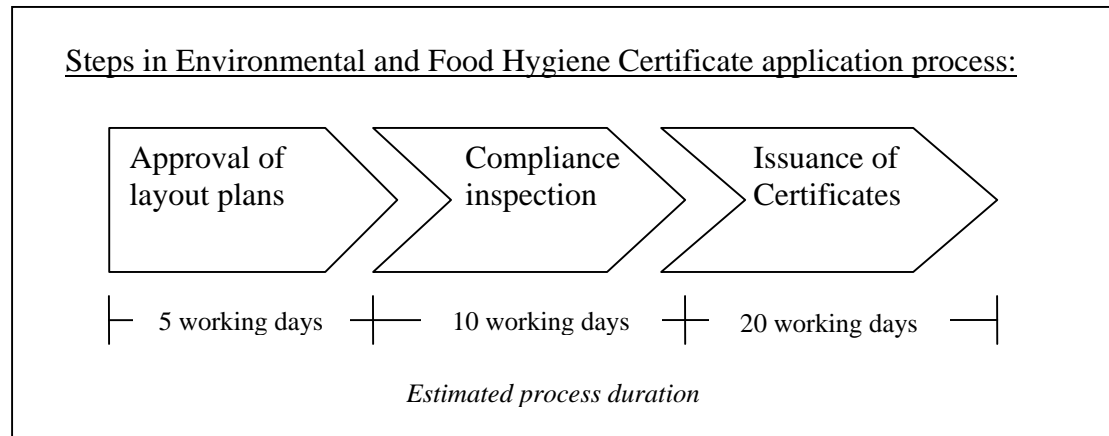
- Prior to commencement of business, operator submits a general layout plan, the hardware completion report and an application for site inspection of full compliance.
- FPB conducts site inspection with focus on physical layout of general equipment and goods, fire prevention and safety management, fire safety equipment handling and maintenance, fire drills, first aid capabilities.
- Fire Protection Safety Approval Certificate is issued within 5 working days from receipt of an application. No fee is charged for the certificate and the related process.

9. In Hong Kong, Fire Services Certificate is only required for supermarkets that apply for Bakery or Food Factory Licence. The Fire Services Department conducts site inspection to draw up fire safety requirements and to confirm compliance upon notification by applicant.

**Environment and food hygiene**

10. Applications for Environmental Hygiene Certificate (EHC) and Food Hygiene Certificate (FHC) in Shenzhen involve separate submissions to the Public Health Bureau (PHB). Separate layout plans must be submitted and approved.

11. Layout plan for EHC is premises-related and focuses on air-conditioning, ventilation, drainage, and environment hygiene. Layout plan for FHC focuses on food processing and handling components and requires more detailed information of relevant equipment and their siting within the premises. An operator may make layout submissions for the two certificates to PHB simultaneously. The key steps for granting different certificates are similar and are summarised below.



Approval of layout plans:

- Applicant submits layout plans, which are prepared based on the published guidelines, for approval by PHB. PHB charges an application fee based on the size of the premises.
- PHB gives approval or provides comments and suggestions on revisions within 5 working days from receipt of layout plans.
- PHB conducts site inspection to check layout design within 10 working days upon approval of layout plans.

Compliance inspection:

- Applicant conducts premises set-up in accordance with the approved layout plans.
- Upon completion of set-up, applicant notifies PHB for final site inspection.
- PHB conducts final site inspection to ensure full compliance with the approved layout plans. Site inspection is conducted with the applicant's architect. For food hygiene site inspection, it is carried out by 3 officers jointly each with their own specialist focus. The pledge for conducting site inspection is within 10 working days from notification by the applicant of full compliance. In most cases, the inspection is conducted within 5 working days.

Issue of Environmental Hygiene/Food Hygiene Certificate:

- After the satisfactory compliance inspections by PHB (*separately for environment hygiene and food hygiene*), applicant submits application forms for certificates to PHB.
- The following documents must be submitted together with the applications:
  - Approved layout plans;
  - Health Certificates of all employees; and
  - Signed tenancy agreement.

- There is a pledge to approve applications within 20 working days upon satisfactory compliance inspection.
- No fee is charged for renewal of certificates.

12. Based on the operator's experience, the entire process, including premises set-up, may be as short as 1 month.

13. Animal Quarantine Certificate and Licence to Sell Salt are also food business-related. The former gives approval for retail sale of meat and poultry while the latter gives approval to sell salt. There is no special requirement or condition associated with the licence/certificate except that Animal Quarantine Certificate is issued only to operators with Food Hygiene Certificate.

### **Application for product mix or layout change**

14. Any revision which involves changes to layout plans must seek the prior approval of PHB and/or FPB. The process involved is the same as initial submission of layout plans, and the same performance pledges apply.

15. If food product mix changes, applicant must also obtain prior approval from PHB, and refer to the publicised requirements to ensure full compliance. PHB will conduct a final site inspection before approval of product change is given.

### **Enforcement of licence conditions**

16. PHB officers conduct frequent and random inspections on food businesses, generally once a month. Frequency of inspections is risk-based and also depends on the size of premises. Fire safety enforcement inspections are more frequent, around 2 to 3 times per month.

17. Enforcement agencies issue warnings for non-compliance and/or fines for violations and licensee must rectify. PHB may also suspend sale of specific products, operations and close down part of the store. If the offence is very serious and affects the overall hygiene and fire safety of premises, the entire licence can be suspended.

## Annex

	Licence/Certificate	Issuing Authority
<b><i>Pre-requisites for business operations:</i></b>		
1	Business Licence ( <i>for operating business</i> ) <ul style="list-style-type: none"><li>• Pre-requisites for approval of Business Licence for supermarket are:<ul style="list-style-type: none"><li>- Environmental Hygiene Certificate</li><li>- Fire Protection Safety Approval Certificate</li><li>- Sewerage Drain Licence</li></ul></li></ul>	Industry & Commerce Administration Bureau
2	Code of Legal Person Certificate ( <i>for tax filing purposes</i> )	Quality Supervision Bureau
3	Environmental Hygiene Certificate	Public Health Bureau
4	Fire Protection Safety Approval Certificate	Fire Protection Bureau
5	Sewerage Drain Licence ( <i>for environmental protection</i> )	Environmental Protection Bureau
<b><i>Food business related:</i></b>		
6	Food Hygiene Certificate ( <i>for food retail activities in supermarket, such as sale of fresh meat, cooked food, fast food, pickles, sushi making and selling, etc.</i> )	Public Health Bureau
7	Animal Quarantine Certificate ( <i>for retail sale of meat, poultry products</i> )	Animal & Plant Quarantine Bureau
8	Licence to Sell Salt	Salt Management & Supervision Bureau
<b><i>Other product-related:</i></b>		
9	Tobacco Retail Licence	Tobacco Monopolize Bureau
10	Alcohol Retail Licence	Alcohol Monopolize Bureau
11	Licence to Sell Books/Magazines/Newspapers	Culture Bureau
12	Audio-visual Products Retail Licence	Culture Bureau
<b><i>Promotion and advertising:</i></b>		
13	Approval for Setting Up Promotion Activities ( <i>in front of store</i> )	City Management Office
14	Outdoor Advertisement Signboard Registration Licence	City Planning Office, Industry & Commerce Administration Bureau