Circular Economy Promotion Law

Source: Shanghai Cooperation Organization Environmental Information Sharing Platform

Order of the President of the People's Republic of China No.4

The Circular Economy Promotion Law of the People's Republic of China passed at the fourth meeting of the Standing Committee of the 11th National People's Congress of the People's Republic of China on August 29, 2008 is hereby promulgated for implementation as of January 1, 2009.

Hu Jintao, President of the People's Republic of China

August 29, 2008

Contents

Chapter I General Provisions

Chapter II Basic Administrative System

Chapter III Decrement

Chapter IV Recycling and Resource Recovery

Chapter V Incentive Measures

Chapter VI Legal Liabilities

Chapter VII Supplementary Provisions

Chapter I General Provisions

Article 1 The Circular Economy Promotion Law of the People's Republic of China (the "Law") is enacted for the purposes of facilitating circular economy, raising resources utilization rate, protecting and improving environment and realizing sustainable development.

Article 2 For the purpose of the Law, circular economy is a generic term describing the activities of decrement, recycling and resource recovery in production, circulation and consumption.

Decrement herein means the reduction of resource consumption and waste generation in production, circulation and consumption.

Recycling herein refers to the direct use of wastes as products, or the use of wastes as products after repair, renovation or reproduction thereof, or the use of wastes, wholly or partly, as parts of other products.

Resource recovery herein referred to the direct use of wastes as raw material, or waste regeneration.

Article 3 The promotion of circular economy is an important strategy for the national economic and social development, and therefore, the following guidelines shall be adhered to: comprehensive planning, reasonable layout, taking measures according to local conditions, emphasis on actual effects, government promotion, market orientation, enterprise implementation and public participation.

Article 4 The circular economy shall be promoted on the premises of being feasible in technology, reasonable in economy and conductive to saving resources and protecting the environment in accordance with the principle of the priority of decrement.

In the process of waste recycling and resource recovery, efforts shall be made to guarantee production safety, ensure the compliance of the products quality with the national standards, and avoid re-pollution.

Article 5 The general administration for promoting circular economy under the State Council is responsible for organizing, coordinating and regulating affairs in relation to national circular economy promotion; competent environmental protection department and other departments concerned under the State Council shall be responsible for regulation concerning the circular economy in line with their respective responsibilities and functions.

The general departments for promoting circular economy under local people's governments above the county level are responsible for organizing, coordinating and regulating affairs in relation to circular economy promotion in areas under their respective jurisdiction; the competent environmental protection departments and other departments concerned under local people's governments above the county level shall be responsible for regulating circular economy according to their respective responsibilities and functions.

Article 6 Industrial policies formulated by the State shall meet the requirement to promote circular economy.

Contents about the promotion of circular economy shall be included in the national economic and social development plans and plans of environmental protection and sci-tech development, etc., formulated by the departments concerned under the people's government at/above the county level.

Article 7 The State encourages and supports research in, development and promotion of science and technology concerning circular economy, as well as the publicity, education and popularization of the scientific knowledge of and international cooperation on circular economy.

Article 8 People's governments at/above the county level shall adopt a goal-responsibility system for circular economy promotion and take measures in such aspects as planning, finance, investment and government procurement to promote the development of circular economy.

Article 9 Enterprises and public institutions shall establish a sound management system and take measures to reduce resource consumption and the generation and discharge of wastes, and improve their level of recycling and resource recovery.

Article 10 The citizens shall foster a better sense of resource conservation and environmental protection, consume reasonably and save resources.

The State encourages and guides citizens to use products and recycle products featuring energy, water and material conservation and being conducive to environmental protection, and reduce the generation and discharge of wastes.

The citizens are entitled to report activities of wasting resources and damaging environment, have the right to access official information on circular economy promotion and give opinions and suggestions in this regard.

Article 11 The State encourages and supports trade associations to play their roles in providing technical guidance and services in the promotion of circular economy. Local people's governments at/above the county level may commission trade associations with necessary conditions or other social organizations in provision of public services on the promotion of circular economy.

The State encourages and supports intermediary institutions, academic societies and other social organizations to conduct publicity, technological promotion and consulting services concerning circular economy, so as to promote the development of circular economy.

Chapter II Basic Administrative System

Article 12 The general administration for promoting circular economy under the State Council shall formulate the national circular economy development plan in concert with competent environmental

protection department and other related departments under the State Council, promulgate and implement the plan after the approval of the State Council. General administrations for promoting circular economy under local people's governments of cities that are divided into subordinating districts shall formulate circular economy development plans for areas under the jurisdiction of these the cities together with competent environmental protection department and other related departments under the local people's governments at the corresponding levels, and promulgate and implement the plans after the approval of the people's governments at the corresponding levels.

The circular economy development plan shall include objectives, scope of application, main contents, key tasks and ensuring measures, in addition to a number of indicators such as resource productivity, and the rate of recycle and recovery of wastes.

Article 13 Local people's governments at/above the county level shall plan and adjust the local industrial structures of the areas under their jurisdiction in accordance with control objectives of main pollutants discharge, construction land and total water supply set by the people's governments at the next higher level to promote the development of circular economy.

New, reconstruction or expansion projects must meet the requirements of the control objectives of main pollutants discharge, construction land and total water supply of the areas where they locate.

Article 14 The general administration for promoting circular economy under the State Council shall establish and improve an assessment index system for circular economy in concert with other relevant departments such as statistics and environmental protection under the State Council.

People's governments at the next higher level shall make regular assessments of the work of the people's governments at the next lower level in developing circular economy in accordance with major assessment indicators provided in the preceding paragraph and take the results of the said assessment as a content of the evaluation of the performance the people's governments as well as their leaders.

Article 15 An enterprise turning out products or packing materials listed into the catalogue of products and packing materials compulsorily recycled shall be responsible for recover the waste products or packing materials, recycle those waste articles if possible, or make harmless treatment if those waste articles cannot be reused due to economic or technical restrictions.

Where a producer entrusts any seller or other organization to recover the waste products or packing materials provided in the preceding paragraph, or entrusts a waste recycling or disposal enterprise to reuse or dispose of the said waste articles, the entrusted shall be responsible for the recovery,

reuse or disposal in accordance with the provisions of relevant laws and administrative regulations, and the terms of the contract signed.

With respect to products and packing materials listed in the catalogue for compulsory recovery, the consumer shall deliver the waste products or packing materials to the producer or seller or any other organizations entrusted by the producer.

The catalogue of and administrative measures for products and packing materials that shall be recovered compulsorily shall be formulated by the general administration for promoting circular economy under the State Council.

Article 16 The state implements a system of focused supervision and control in terms of energy and water consumption on key enterprises in such industries as steel, non-ferrous metals, coal, power, oil processing, chemical, building materials, construction, paper-making, printing and dyeing whose annual overall energy and water consumption is likely to exceed the total provided by the State.

For supervision and control in terms of energy conservation over major energy-consumption entities, the Energy Conservation Law of the People's Republic of China shall apply.

Measures for supervision and control on major water-consumption entities shall be formulated by the general administration for promoting circular economy together with other departments concerned under the State Council.

Article 17 The state establishes and improves a circular economy statistics system to strengthen statistics management in resource consumption, comprehensive utilization and waste generation, and discloses major statistical indicators to the public regularly.

The department of standardization under the State Council shall join the general administration for promoting circular economy, environmental protection department and other departments concerned under the State Council to establish and improve a standard system for circular economy, and formulate and improve standards on energy, water and material conservation, waste recycling and resource recovery.

The state improves the system of product resource-consumption labeling such as the labeling of energy efficiency.

Chapter III Decrement

Article 18 The general administration for promoting circular economy shall promulgate, together with the environmental protection authorities and other departments concerned under the State Council,

lists of technologies, processes, equipment, materials and products that are encouraged, restricted or eliminated by the government.

The production, import and sales of equipment, materials and products in the lists shall be banned, so shall the use of technologies, processes, equipment and materials in the lists.

Article 19 Any entity or individual engaging in the design of process, equipment, product and packing material shall, in accordance with the requirements of reducing resource consumption and waste generation, give priority in choosing designs and materials that are easy to be recovered, dismantled and degraded, nontoxic and harmless or with low toxic or harm, in addition to complying to the mandatory requirements as prescribed in relevant state standards.

With respect to electric and electronic products that may pollute the environment in the processes of dismantling and handling, toxic and harmful substances the use of which is banned by the state may not be used in design. The list of toxic and harmful substances that are banned to be used in electric and electronic products, etc. shall be formulated by the general administration for promoting circular economy together with the competent environmental protection authorities and other departments concerned under the State Council.

The design of product packing shall be subject to standards for product packing to avoid wasting resources and polluting environment due to over-packing.

Article 20 Industrial enterprises shall adopt advanced or applicable water-conserving technologies, processes and equipment, work out and implement water-conservation planning, enhance water-conserving management and enforce whole-process control in water consumption in production.

Industrial enterprises shall enhance metering management of water consumption, install and use qualified water metering instruments and establish a water consumption statistics system and a water use analysis system.

Newly built, re-built and expansion projects shall be supported by water-conserving facilities. Such water-conserving facilities shall be designed, built and put in use at the same time with the principal parts of the projects.

The state encourages and supports the coastal areas to carry out seawater desalination and use directly sea water to save fresh water.

Article 21 The state encourages and supports the enterprises to use highly efficient oil-saving products.

Enterprises in the industries of power, oil processing, chemical, steel, non-ferrous metals and building materials shall, within the scope and deadline prescribed by the state, replace fuel oil with clean energy as clean coal, petroleum coke and natural gas, and stop using oil-burning generating sets and oil-fired boilers that are not up to state provisions.

Combustion engine and motor vehicle producers shall adopt oil-saving technology in line with the economic criteria for combustion engines and motor vehicles to reduce the consumption of oil products.

Article 22 Mining of exploiting mineral resources shall be planned as a whole by setting forth a reasonable scheme of development and utilization and adopting appropriate exploiting sequence, methods and ore dressing processes. The mining license issuing agencies shall check in accordance with law such indicators as recovery rate, dilution rate, recovery rate of ore dressing, water cycle utilization rate of the mine and land reclamation rate in the scheme of development and utilization submitted by the applicant. For those unqualified, the mining license shall not be issued. The mining license issuing agencies shall strengthen supervision and control over the exploitation of mineral resources by law.

Mining enterprises shall, while exploiting main mineral species, conduct a comprehensive mining exploitation and appropriate a proper use utilization of commercially valuable associated minerals; with respect to minerals that have to be exploited at the same time but while cannot be used currently and tailings containing useful components, protective they shall take protection measures shall be adopted to avoid resources loss and ecological destruction.

Article 23 Entities engaging in architecture construction design, engineering building and construction shall, in line with relevant state regulations and standards, adopt energy-, water-, landand material-conserving technologies and processes, and small, light and recycle products for buildings and structures they design, construct or engineered. In areas shall with necessary conditions, full use shall be made of renewable energy resources such as solar energy, geothermal energy and wind energy.

The state encourages using nontoxic and harmless solid wastes to produce building materials and the use of bulk cement, and promotes the use of ready-mixed concrete and mortar.

Baking bricks by destroying cultivated land is prohibited. Production, sale and use of clay bricks are banned within the time limits and areas provided for by the state Council or the people's governments of provinces, autonomous regions and municipalities directly under the central government.

Article 24 People's governments above the county level and their agricultural departments shall promote intensive utilization of land, encourage and support agricultural producers to adopt advanced water-, fertilizer- and pesticide-saving planting, breeding and irrigating techniques, promote farm machinery energy conservation, and give the priority to the development of ecoagriculture.

In water-deficient areas, the cropping structure shall be adjusted to give priority to developing watersaving agriculture, promote the collection and utilization of rain water and build and protect waterefficient irritating facilities, raise water use efficiency and reduce vaporization and loss of water.

Article 25 State organs and other organizations depending on government funds shall practice economy, put an end to waste, take lead in using products, equipment and facilities that economize on energy, water, land and materials and are conducive to protecting the environment, and economize on the use of office supplies. Office and logistics affairs organs of the State Council and local people's governments above the county level shall formulate quotas of energy and water consumption for government agencies at the same level together with the competent departments of governments at the corresponding levels, while the financial departments shall work out expenditures in line with the quotas.

People's government of the cities and owners or users of buildings shall take measures to strengthen the maintenance and management of the buildings to extend their service life. People's governments of the cities shall not demolish any building that comply with the urban planning and are up to the engineering construction standards and is still in its reasonable service life, unless for public interests.

Article 26 Service enterprises catering, entertainment and hotel industries shall adopt products that economize on energy, water and materials and are conductive to protecting the environment, and reduce the use of or do not use products that may waste resources and pollute the environment.

New service enterprises in catering, entertainment and hotel industries established after the Law is put into effect shall adopt technologies, equipment and facilities that economize on energy, water and materials and are conductive to protecting the environment.

Article 27 The state encourages and supports the use of recycled water. In areas where the use of recycled water is possible, the use of tap water for urban road cleaning, greening and landscaping is restricted or prohibited.

Article 28 The State restricts the production and sale of disposable consumables under the prerequisite of ensuring product safety and sanitation. The catalogue of such consumables shall be formulated by the general administration for promoting circular economy together with the finance, environmental protection and other departments concerned under the State Council.

With respect to the production and sale of the disposable consumables included in the catalogue as provided in the preceding paragraph, finance, tax and foreign trade as well as other departments concerned under the State Council shall formulate restrictive tax and export measures.

Chapter IV Recycling and Resource Recovery

Article 29 People's governments above the county level shall formulate comprehensive plans of regional economic layout, reasonably regulate the industrial structure, promote cooperation in comprehensive use of resources between enterprises, and realize highly efficient use and recycling of resources.

Industrial parks of various types shall organize their enterprises to carry out comprehensively use of resources and promote the development of the cyclic economy.

The state encourages enterprises in various types of industrial parks in making switched utilization of wastes, gradient utilization of energy, intensive use of land and classified and recycled use of water, and share the use of infrastructure and other facilities.

Various types of industrial parks newly built and renovated shall undergo environmental impact assessment in accordance with law and take eco-protection and pollution-control measures to ensure that their environment quality is up to provided standards.

Article 30 Enterprises shall make comprehensive utilization of fly ash, gangue, tailing, lean material, scrap material, exhaust gas and other industrial wastes generated in production in line with state provisions.

Article 31 Enterprises shall develop series water system and cycle water system to improve the water reuse rate. Enterprises shall use advanced technology, processes and equipment to recycle waste water generated in production.

Article 32 Enterprises shall adopt advanced or applicable reclaiming technology, processes and equipment to make comprehensive use of afterheat and excess pressure generated in production.

With respect to the construction of power generation projects utilizing afterheat, excess pressure, coalbed gas, and low-calorie fuels such as gangue, slime and garbage that are connected to the

state power grids, licenses shall first be obtained and reports be subject to higher authorities for the record in line with legal provisions and regulations of the State Council. Power grid enterprises shall, in accordance with state provisions, conclude grid connection agreements with enterprises engaging in power generation by way of comprehensive use of resources, provide them with grid connection services, and purchase all electricity these power generation project deliver to the grids.

Article 33 Construction enterprises shall make comprehensive utilization of construction waste engineering construction. In the absence of necessary conditions, qualified producers and operators shall be commissioned to make comprehensive utilization or harmless treatment of such waste.

Article 34 The state encourages and supports agricultural producers and relevant enterprises to adopt advanced or applicable technology to make comprehensive utilization of crop straw, livestock and poultry manure, by-products from processing of agricultural products, and used agricultural film, and develop and use marsh gas and other biomass energy.

Article 35 People's governments above the county level and their forestry departments shall take active steps to develop eco-forestry, and encourages and supports forestry producers and relevant enterprises to employ timber-saving and alternative technology to carry out comprehensive utilization of forestry waste, inferior fuel wood, and sand shrubbery, and improve the comprehensive utilization rate of timber.

Article 36 The state supports producers and operators to establish an industrial waste information exchange system to promote enterprises to exchange information on industrial waste.

In case an enterprise is unable to make comprehensive utilization of waste generated in production, it shall supply such waste to a producer or operator with the conditions for comprehensive utilization.

Article 37 The state encourages and promotes the development of a waste recovery system.

Local people's governments shall make reasonable layout of the waste recovery network and trading markets in line with their respective local urban-rural planning, and support waste recovery enterprises and other organizations to carry out waste collection, warehousing and transport, in addition to exchange of relevant information.

Waste recovery and trading markets shall comply with relevant state provisions concerning environmental protection, safety and fire-fighting.

Article 38 Dismantling and recycling of special products, such as used electric and electrical products, used motor vehicles and ships, waste tires and waste lead-acid batteries shall comply with the provisions of relevant laws and regulations.

Article 39 Post-repair sale of recovered electric and electrical products shall be up to established standards for reusable products and be labeled as such at notable locations. If recovered electric and electrical products need to be dismantled and recycled, they shall be turned to or sold to qualified dismantling enterprises.

Article 40 The state supports enterprises to remanufacture components and parts of motor vehicles, construction machinery and machine tools, and retread tires.

The quality of the remanufactured and retreaded products that are marketed shall meet standards established by the state and be labeled as such at notable locations.

Article 41 People's governments above the county level shall plan comprehensively the building of facilities for classified collection and recycle of urban and rural domestic refuse, and develop and improve a system of classified collection and recycle, so as to raise the recycling rate of household refuse.

People's governments above the county level shall support enterprises to build facilities for sludge resource recovery, utilization and disposal, improve the comprehensive utilization level of sludge, and avoid re-pollution.

Chapter V Incentive Measures

Article 42 The State Council and people's governments of the provinces, autonomous regions and municipalities directly under the central government establish relevant special funds for promoting circular economy to support the scientific and technological research and development in relation to circular economy, the demonstration and promotion of technologies and products in relation to circular economy, the implementation of major circular economy projects, and the development of information services for promoting circular economy. Specific measures shall be formulated by the financial department in concert with the general administration for promoting circular economy and other departments concerned under the State Council.

Article 43 The State Council and people's governments of provinces, autonomous regions and municipalities directly under the central government as well as their relevant departments shall incorporate the independent innovation research, application demonstration and industrialization of

key sci-tech projects on circular economy in national or provincial sci-tech development plans and high-tech industrial development plans, and give support by way of appropriating financial funds.

Where financial are used to introduce main technology and equipment relevant to circular economy, a plan shall be worked out for their digestion, absorption and innovation, and the plan shall be submitted to departments concerned for approval and supervision over its implementation. The departments concerned shall establish a mechanism of coordination in line with actual needs for comprehensive planning on the introduction, digestion, absorption and innovation of such key technology and equipment, besides provide financial support.

Article 44 The state shall grant tax preferences for industrial activities conductive to the development of circular economy, and support the import of technology, equipment and products that economize on the consumption of save energy, water and materials by adopting such measures as tax cut, and restrict the export of products that consume more energy and generate heavy pollution in production. The specific measures shall be formulated by the financial and taxation departments under the State Council.

Where any enterprise uses or produces any technology, process, equipment or product listed in the catalogue of clean production and resource comprehensive utilization which are encouraged by the state, it shall be subject to tax preferences in accordance with relevant state provisions.

Article 45 When formulating and implementing investment plans, general administrations for promoting circular economy of the people's governments above the county level shall list as key investment fields projects that save energy, water, land and materials, and use resources comprehensively.

Where any project complies with national industrial policies of conserving energy, water, land and materials and making comprehensive utilization of resources, the financial institutions shall provide it with credit support such as preferred loaning, in addition to supporting financial services.

Where any enterprise produces, imports, sells or uses any technology, process, equipment, material or product listed in the catalogue of abandonment, the financial institutions shall not grant any credit to it in any form.

Article 46 The state implements a price policy conductive to resource conservation and reasonable utilization to guide entities and individuals economize on and reasonably use water, power, gas and other resource products.

Pricing departments under the State Council and people's governments of the provinces, autonomous regions and municipalities directly under the central government shall carry out restrictive price policies for restrictive projects in high-resource-consumption industries in accordance with state industrial policies.

Where any power generation project that is connected to the power grids uses afterheat heat, excess pressure and coalbed gas as well as low-calorie fuels such as gangue, slime and garbage, pricing departments shall fix the on-grid electricity price in accordance with principles conductive to resource comprehensive utilization.

People's governments of the provinces, autonomous regions and municipalities directly under the central government may implement a system of charging waste discharge according to their local economic and social development. The charges collected shall not be used for any other purpose than garbage classification, collection, transportation, warehousing, utilization and disposal.

Reclaiming wastes by way of trade-in and cash pledge as well as other ways are encouraged by the state.

Article 47 The state adopts a government procurement policy conductive to the development of circular economy. Where any procurement is made by using financial funds, the priority shall be given to products and remanufactured products that economize on the consumption of energy, water and materials and are conductive to environment protection.

Article 48 People's governments above the county level and their relevant departments shall commend and reward entities and individuals that make marked contributions to the management, sci-tech research, product development, demonstration and promotion in relation to circular economy.

Enterprises and public institutions shall commend and reward teams and individuals that make outstanding contributions to the development of circular economy.

Chapter VI Legal Liabilities

Article 49 Where any general administration for promoting circular economy or other competent department under the people's governments above the county level is found violating the Law, or does not handle any illegal act after having received reports or fails to perform its responsibilities of administration and supervision in accordance with the law, the people's government at the same level or the competent department concerned of people's government at the next higher level shall

order it to make correction and punish the person in direct charge and any others who have direct responsibilities.

Article 50 Those who produce and sell any product or equipment listed in the catalog of abandonment shall be punished according to provisions of the Product Quality Law of the People's Republic of China.

For one using any technology, process, equipment or material listed in the catalog of abandonment, the general administration for promoting circular economy under a people's government above the county level shall order it/him to stop the use, confiscate the illegally-used equipment and material and impose a fine of RMB50,000 up to RMB200,000; under any serious circumstance, the general administration for promoting circular economy under the people's government above the county level shall give a suggestion and submit it to the people's government at the corresponding level to order it or him to stop operation or close down the business, in addition to meting out punishments according to law to the person(s) in direct charge and any others who have direct responsibilities.

Where any entity or person, in violation of the Law, imports any equipment, material or product in the catalogue of abandonment, the customs shall order it/him to return the import and impose a fine ofRMB100,000 up to RMB1 million. If the importer is unknown, the carrier shall take the responsibility to return the import or bear the related disposal expenses.

Article 51 Where any person, in violation of the Law, uses any toxic and harmful substance listed in the catalogue in which the use is prohibited by the state in its/his electric and electrical products that may pollute the environment in the process of dismantlement or disposal, the product quality supervision department of the people's government above the county level shall order it/him to make correction within a set deadline; if it/he fails to make any correction within the deadline, a fine of RMB20,000 up to RMB200,000 shall be imposed; under any serious circumstance, the product quality supervision department under the people's government above the county level shall report the situation to the administration for industry and commerce at the same level and the latter shall revoke its/his business license in accordance with law.

Article 52 Where any enterprise in the power, oil processing, chemical, steel, non-ferrous metal and building material industries, in violation of the Law, has failed to stop using any oil generating set and oil fired boiler that do not comply with provisions of the state within the prescribed limits and deadline, the general administration for promoting circular economy under the local people's government above the county level shall order it to make correction; if it fails to make any correction

within the prescribed time limit, the said administration shall order it to dismantle the oil generating set or oil-fired boiler while impose a fine of RMB50,000 up to RMB500,000.

Article 53 Where any mining enterprise violates the Law and fails to meet the indicators of mining recovery rate, dilution rate, recovery of ore dressing, water cycle utilization rate and land reclamation rate, the department in charge of geology and mineral resources under the people's government above the county level shall order it to make correction within prescribed time limit and impose a fine of RMB50,000 up to RMB500,000; if it fails to make any correction within the prescribed time limit, the mining license issuing agency shall revoke the license in accordance with law.

Article 54 Where any entity, in violation of the Law, produces, sells or uses clay bricks within the time limit or area when or where the production, sale and use of clay brick are prohibited by the State Council and the people's governments of the provinces, autonomous regions and municipalities directly under the central government, the department designated by the people's government above the county level shall order it to make correction and confiscate it their illegal gains if any. If it goes on producing and selling bricks over the time limit, the administration for industry and commerce of the local people's government shall revoke its business license in accordance with law.

Article 55 Where any power grid enterprise violates the Law and refuses to purchase the electricity generated by an enterprise by utilizing after heat, excess pressure and coalbed gas as well as such low-calorie fuels as gangue, slime and garbage, the national power regulatory agency shall order it to make correction within a prescribed time limit; if any loss is incurred to the latter enterprise arising from the refusal, the power grid enterprise shall bear compensation liability by law.

Article 56 Where any entity has any of the following acts, the administration for industry and commerce of the people's governments above the county level shall it to make correction within a prescribed time limit and may impose a fine of RMB5,000 up to RMB50,000; if it does not make any correction within the prescribed time limit, the said administration shall revoke its business license in accordance with law; if there is any loss due to such acts, it shall bear compensation liability:

- 1. Marketing recycled electric and electrical goods without the "recycled" label; and
- 2. Marketing remanufactured or retreaded products without the "remanufactured" or "retreaded" label.

Article 57 Where any entity/person violates the Law, which constitutes a crime, its or his criminal responsibility shall be investigated in accordance with the law.

Chapter VII Supplementary Provision

Article 58 The Law will come into force as of January 1, 2009.

(This English version is for your reference only. In case any discrepancy exists between the Chinese and English context, the Chinese version shall prevail.)