

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, which was adopted at the 4th session 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 and shall come into force on January 1, 2009.

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

August 29, 2008

Circular Economy Promotion Law of the People' s Republic of China

(adopted at the 4th session of the Standing Committee of the 11th National People' s Congress of the People' s Republic of China)

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Chapter I General Principles

Article 1 This Law is formulated for the purpose of promoting the development of the circular economy, improving the resource utilization efficiency, protecting and improving the environment and realizing sustainable development.

Article 2 The term “circular economy” as mentioned in these Measures is a generic term for the reducing, reusing and recycling activities conducted in the process of production, circulation and consumption.

The term “reducing” as mentioned in these Measures refers to reducing the consumption of resources and the production of wastes in the process of production, circulation and consumption.

The term “reusing” as mentioned in these Measures refers to using wastes as products directly, using wastes after repair, renewal or reproduction or using part or all wastes as components of other products.

The term “recycling” as mentioned in these Measures refers to using wastes as raw materials directly or after regeneration.

Article 3 Developing a circular economy is an important strategy for the economic and social development of the state. It requires making overall plans, making reasonable layouts, adjusting measures to local conditions and focusing on actual effect. The development of a circular economy shall be propelled by the government, led by the market, effected by enterprises and participated in by the public.

Article 4 The development of a circular economy shall follow the principle of giving priority to reduction under the precondition of being technically feasible, economically rational and good for saving resources.

In the process of reutilizing and recycling wastes, production safety shall be guaranteed so as to ensure that product quality satisfy the state standards and prevent the secondary pollution.

Article 5 The administrative department of circular economy development under the State Council shall take charge of coordinating and supervising the development of the circular economy of the

whole nation. The environmental protection department and other competent departments under the State Council shall take charge of the corresponding supervisory and administrative work of the circular economy according to their respective duties and functions.

The administrative department of the development of the circular economy of a local people's government at or above the county level shall take charge of coordinating and supervising the development of the circular economy of the administrative region, while the environmental protection department and other competent departments under the local people's government shall take charge of the corresponding supervisory and administrative work of the circular economy according to their respective duties and functions.

Article 6 The state shall work out industrial policies in accordance with the requirements for the development of a circular economy.

The people's governments at or above the county level shall cover the development of circular economy when working out their national economic and social development plans and annual plans, so shall the relevant departments thereunder when working out environmental protection plans and scientific and technological development plans.

Article 7 The state encourages and supports the research, development and promotion of science and technology relating to circular economy, and encourages the publicity and education of circular economy, the popularization of scientific knowledge about and international cooperation in the development of circular economy.

Article 8 The people's governments at or above the county level shall set up an objective responsibility system for the development of circular economy and take such measures as planning, finance, investment and government procurement to promote the development of circular economy.

Article 9 Enterprises and public institutions shall set up management systems and take measures to reduce the consumption of resources, reduce the production and discharge of wastes and improve the reutilization and recycling level of wastes.

Article 10 Citizens shall enhance their awareness of resources conservation and protecting the environment, consume resources in a reasonable way and save resources.

The state encourages and guides citizens to use products that save energy, water, and materials as well as environment-friendly products and recycled products so as to reduce the production and discharge of wastes.

Citizens have the right to report acts of wasting resources and damaging the environment, and have the right to access to government information about the development of circular economy and propose their opinions and suggestions.

Article 11 The state encourages industrial associations to play the roles of technical guidance and service in the development of circular economy. The people's governments at or above the county level may entrust qualified industrial associations or other social organizations to provide public services which promote the development of circular economy.

The state encourages agencies, societies and other social organizations to engage in the publicity, technical promotion and consultancy service of circular economy so as to promote the development of circular economy.

## Chapter II Basic Management Rules

Article 12 The administrative department of circular economy development under the State Council shall work out a national circular economy development plan together with the environmental protection department and other competent departments under the State Council, and put the plan into effect upon the approval of the State Council. The administrative department of circular economy development at or above the level of a districted city shall work out a circular economy development plan for this administrative region together with the environmental protection department and other competent departments at the same level, and put the plan into effect upon the approval of the people's government at the same level.

A circular economy development plan shall cover the objective, scope of application, major contents, major tasks and safeguard measures of the plan, and shall set such indicators as resource output capacity, waste reutilizing rate and waste recycling rate, etc.

Article 13 A local people' s government at or above the county level shall plan and adjust the industrial structure of this administrative region according to the indicators on the discharge of major pollutants, the land used for construction and the total volume of water consumption as assigned by the people' s government at the next higher level so as to promote the development of circular economy.

Construction projects shall be built, rebuilt or enlarged in accordance with the requirements of the indicators on the discharge of major pollutants, the land used for construction and the total volume of water consumption of this administrative region.

Article 14 The administrative department of circular economy development under the State Council shall work out a circular economy evaluation indicator system and perfect it together with the statistics department, the environmental protection department and other competent departments under the State Council.

The people' s governments at a higher level shall, based on the major evaluation indicators prescribed in the preceding paragraph, make regular evaluations on the efforts made by the people' s governments at lower levels for the development of circular economy, and take the accomplishment of the major indicators as a content for evaluating the performance of the local people' s governments and the principals thereof.

Article 15 Enterprises producing products or packages listed in the catalogue of articles subject to compulsory recycle must be responsible for recycling deserted products or packages. For those usable, the producers thereof shall be responsible for using them, while for those products which are inappropriate for reutilization due to the absence of technical or economic conditions, the producers shall make them harmless.

For the deserted products or packages as prescribed in the preceding paragraph, if the producers thereof entrust the distributors or other organizations to recycle or entrust waste using or disposing enterprises to use or dispose of them, the entrusted parties shall recycle, use or dispose of them in accordance with the relevant laws, administrative regulations or contractual stipulations.

For products or packages listed in the catalogue of articles subject to compulsory recycle, consumers shall deliver the deserted ones to the producers or the distributors or other organizations entrusted by the producers for recycle.

The catalogue of products and packages subject to compulsory recycle and the administrative measures therefor shall be determined by the administrative department of circular economy development under the State Council.

Article 16 The state adopts a key supervision and administration system to key enterprises in the high energy or water consuming industries such as steel, non-ferrous metal, coal, electric power, petroleum processing, chemical industry, building materials, building construction, paper-making, printing and dyeing.

The supervision and administration over the energy conservation of key energy consuming enterprises shall be conducted in accordance with the Energy Conservation Law of the People's Republic of China.

The measures for the supervision and administration of key water consuming entities shall be determined by the administrative department of circular economy development and other relevant departments under the State Council.

Article 17 The state shall set up a circular economy statistical system, strengthen the statistical management of resource consumption, comprehensive utilization and waste production, and publish the major statistical indicators to the public on a regular basis.

The standardization department under the State Council shall, together with the administrative department of circular economy development, the environmental protection department and other competent departments under the State Council, work out the standards for saving energy, saving water, saving materials and reutilizing and recycling wastes and constantly perfect them.

The state shall set up a system of labeling the resource consumption level (such as energy efficiency) of products and constantly improve it.

### Chapter III Reduction

Article 18 The administrative department of circular economy development under the State Council shall, together with the environmental protection department and other competent departments under the State Council, issue a catalogue of the encouraged, restricted and eliminated techniques, equipment, materials and products on a regular basis.

It is prohibited to produce, import or sell any equipment, material or product listed in the eliminated category, and it is also prohibited to use any technique, equipment or material listed in the eliminated category.

Article 19 Enterprises engaging in the design of products, equipment, products and packages shall, in accordance with the requirement of reducing the consumption of resources and the generation of wastes, give preference to the materials which are recyclable, dismountable, degradable, innocuous, harmless or slightly harmful or poisonous, and the compulsory requirements in the relevant state standards shall be satisfied.

For any electric apparatus or electronic product that may cause environmental pollution in the process of dismantling and disposal, it is prohibited to use any poisonous or harmful substance. The directory of poisonous and harmful substances prohibited from use in electric apparatus and electronic products shall be worked out by the administrative department of circular economy development under the State Council together with the environmental protection department and other competent departments under the State Council.

Enterprises shall abide by the product packaging standards in the design of product packages so as to avoid resource waste and environmental pollution resulting from excessive packaging.

Article 20 Industrial enterprises shall use advanced or applicable water-saving technologies, techniques and equipment, work out and implement water-saving plans, strengthen water-saving management and exercise control over the use of water in the whole process of production.

Industrial enterprises shall strengthen quantitative management of water use, be equipped with and use acceptable water measurement instrument, and set up a water consumption statistics system and a water use status analysis system.

Any newly built, rebuilt or enlarged construction project shall have water-saving facilities, which shall be planned, built and put into use simultaneously with the main body of the project.

The state encourages and supports the desalination and direct use of sea water in coastal areas so as to save fresh water resources.

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

Enterprises in such industries as electric power, oil processing, chemical industry, steel, non-ferrous metal and building materials must replace fuel oil with clean energy, e.g., clean coal, petroleum coke, natural gas, etc. within the scope and time limit prescribed by the state, and must stop using fuel generator sets and oil boilers that fail to satisfy the relevant state provisions.

Enterprises manufacturing combustion engines and motor vehicles shall, in accordance with the fuel economy standards of the state for combustion engines and motor vehicles, use oil-saving technologies to reduce the consumption of petroleum products.

Article 22 A mining enterprise shall make overall plans, work out reasonable mineral resource exploitation and utilization plans and take reasonable mining sequences, methods and milling techniques. The mining license issuing organ shall examine the mining recovery rate, impoverishment rate, milling recovery rate, water reutilization rate in mines, land reclamation rate and other indicators stated in the development and utilization plan submitted by an applicant, and, where any indicator fails to reach the prescribed standards, shall not issue a mining license to the applicant. The mining license issuing organ shall strengthen supervision and administration over the exploitation of mineral resources according to law.

A mining enterprise shall, at the same time of mining the major mineral resources, make comprehensive exploitation and reasonable utilization of the intergrown and associated ores which have industrial values, and take protection measures against the minerals which must be mined simultaneously but may not be used temporarily as well as the tailings which have useful components so as to prevent the loss of resources and damage to the ecological environment.

Article 23 Entities in architectural design and construction industry shall, according to the relevant state provisions and standards, use energy-saving, water-saving, land-saving and

material-saving technologies and techniques as well as small, light and recyclable products for construction. Areas shall, where possible, make sufficient utilization of solar energy, geothermal energy, wind energy and other renewable energy resources.

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

It is prohibited to damage or destroy arable land to bake bricks. It is prohibited to produce, sell or use clay bricks within the time limit or areas prescribed by the State Council or the people's government of a province, autonomous region or municipality directly under the Central Government.

Article 24 The people's governments at or above the county level and the agricultural departments and other competent departments thereunder shall promote the intensive use of land, encourage agricultural producers to take advanced water-saving, fertilizer-saving and pesticide-saving planting, cultivating and irrigating technologies, improve the energy efficiency of agricultural machinery and give priority to the development of ecological agriculture.

Areas short of water shall adjust the planting structure, give priority to the development of water-saving agriculture, make more efforts in storing and using rainwater, build and maintain water saving irrigation facilities so as to improve the water use efficiency and reduce the evaporation and loss of water.

Article 25 State organs and other organizations using funds from the public finance shall be frugal, put an end to extravagance, take the lead in using energy-saving, water-saving, land-saving, material-saving and environment-friendly products, equipment and facilities, and use office supplies in an economic way. The offices administrations under the State Council and the local people's governments at or above the county level shall, together with other relevant departments at the same level, work out energy use quotas and water use quotas for the state organs at the same level, and the public finance departments shall work out disbursement standards according to such quotas.

The people's governments and the owners or users of buildings in cities shall take measures to better maintain and manage buildings and prolong their life. For any building which meets the urban planning and the construction standards and is in the reasonable service life, a city people's government may not make a decision to dismantle it unless it does so for public

interests.

Article 26 Enterprises in the catering, entertainment, hotel and other service industries shall use energy-saving, water-saving, material-saving and environment-friendly products and reduce or stop using energy-waste or contaminating products.

Enterprises in the catering, entertainment, hotel and other service industries which are established after this Law comes into effect shall use energy-saving, water-saving, material-saving and environment-friendly technologies, equipment and facilities.

Article 27 The state encourages and supports the use of recycled water. Areas with the conditions for using recycled water shall restrict or forbid the use of tap water for urban road cleaning, planting and landscape purposes.

Article 28 The state sets restrictions on the production and distribution of one-off consumption goods under the precondition of safeguarding product security and sanitation. The specific directory of the one-off consumption goods under restriction shall be formulated by the administrative department of circular economy development under the State Council together with the public finance department and the environmental protection department under the State Council.

For the production and distribution of the one-off consumption goods listed in the directory as mentioned in the preceding paragraph, the public finance department, the tax department and the foreign trade department under the State Council shall work out corresponding restrictive tax and export policies.

#### Chapter IV Reusing and Recycling

Article 29 The people's governments at or above the county level shall make overall plans on the geographical distribution of the different sectors of the economy in their respective regions, reasonably readjust the industrial structure and compel enterprises to cooperate in such areas as the comprehensive utilization of resources so as to realize the efficient utilization and recycling of resources.

An industrial park or zone shall organize the enterprises in the park or zone to make comprehensive utilization of resources so as to promote the development of circular economy.

The state encourages enterprises in various industrial parks and zones to exchange wastes for purposes of utilization, cascade utilization of energy, intensive utilization of land, classified and recycled utilization of water, and joint use of infrastructure and other relevant facilities.

An environmental impact assessment shall be conducted before any industrial park or zone is built or rebuilt, and measures for ecological protection and pollution control shall be taken to ensure that the environmental quality of that region reaches the prescribed standards.

Article 30 Enterprises shall, in accordance with the relevant state provisions, make comprehensive utilization of the fly ash, coal slack, tailings, mullock, waste materials, waste gas and other industrial wastes generated in the production process.

Article 31 Enterprises shall develop an interconnected water use system and a circulatory water use system so as to improve the repeated use of water.

Enterprises shall use advanced technologies, techniques and equipment for the circulatory use of the waste water generated in the production process.

Article 32 Enterprises shall use advanced or applicable recovery technologies, techniques and equipment to make comprehensive utilization of the waste heat and pressure generated in the production process.

To build a grid-connected power generation project with waste heat, waste pressure, coalbed gas, coal slack, slime, refuse and other low-calorie fuels, the parties concerned shall get an administrative permit or file the project for archival purposes in accordance with laws and the provisions of the State Council. A grid enterprise shall, according to the relevant state provisions, conclude a grid connection agreement with an enterprise which generates power by comprehensive utilization of resources, provide grid access services and purchase the on-grid

electricity of a grid-connected power generation project in full amount.

Article 33 A construction entity shall make comprehensive utilization of the construction wastes generated in the construction process. Where any construction entity does not have the conditions for comprehensive utilization, it shall entrust a producer or operator with such conditions to make comprehensive utilization or harmless disposal of construction wastes.

Article 34 The state encourages agricultural producers and the relevant enterprises to take advantage of advanced or applicable technologies to make comprehensive utilization of crop straws, livestock and poultry excrements, byproducts of the agro-product processing industry and waste agricultural films, and develop and use biogas and other biomass energies.

Article 35 The people's governments at or above the county level and the administrative departments of forestry thereunder shall make vigorous efforts to develop ecology-friendly forestry, encourage forestry producers and relevant enterprises to use timber-saving technologies and timber-replacing technologies, and make comprehensive utilization of forestry wastes, wood castoffs, small firewood and desert bush so as to improve the comprehensive utilization rate of wood.

Article 36 The state upholds producers and operators to set up an industrial waste information exchange system for enterprises to better exchange information about industrial wastes.

Enterprises without the conditions for making comprehensive utilization of the wastes generated in the production process shall offer them to those that have the conditions to make comprehensive utilization.

Article 37 The state encourages and advocates the construction of a waste recovery system.

The local people's governments shall, according to the urban and rural planning, reasonably position the waste recycling outlets and trading markets, and support waste recycling enterprises and other organizations in the collection, storage, transport and information exchange of wastes.

Waste trading markets shall conform to the state provisions on environmental protection, security and fire control.

Article 38 The dismantlement or reutilization of waste electric apparatuses and electronic products, motor vehicles and ships discarded as useless, waste tyres, waste lead-acid battery and other specific products shall be conducted in accordance with the relevant laws and administrative regulations.

Article 39 Any recycled electric apparatus or electronic product to be sold after repair must meet the standards for reutilized products and be labeled it as a reutilized product at an eye-catching place.

Any recycled electric apparatus or electronic product which needs to be dismantled or reutilized shall be delivered or sold to a dismantling enterprise with corresponding conditions.

Article 40 The state upholds enterprises to reproduce the parts and components of motor vehicles, engineering equipment, machine tools, etc. and to renew tyres.

Any reproduced or renewed product to be sold shall satisfy the prescribed quality standards of the state and be labeled as a reproduced or renewed product at an eye-catching place.

Article 41 The people's governments at or above the county level shall make overall plans on building facilities for the sorting collection and recycle of domestic wastes in urban and rural areas, and set up a sorting collection and recycling system and constantly improve it so as to improve the rate of recycling domestic wastes.

The people's governments at or above the county level shall uphold enterprises to build facilities for the reutilization and disposal of sewage sludge so as to improve the comprehensive utilization efficiency of sewage sludge and prevent secondary pollution.

## Chapter V Incentive Measures

Article 42 The State Council and the people' s governments of the provinces, autonomous regions and municipalities directly under the Central Government shall set up funds specially for the development of circular economy so as to support the research and development of the science and technology relating to circular economy, the demonstration and promotion of technologies and products of circular economy, the implementation of important circular economy projects and information services for the development of circular economy. The specific measures shall be formulated by the public finance department under the State Council together with the administrative department of circular economy development and other competent departments under the State Council.

Article 43 The State Council, the people' s governments of the provinces, autonomous regions and municipalities directly under the Central Government and the relevant departments thereof shall bring the independent innovation research, application demonstration and industrialization of the key scientific and technological task force projects of circular economy into the state or provincial scientific and technological development plans or high-tech industry development plans, and allocate financial resources to support the implementation thereof.

Where any entity uses funds from the public finance to introduce important technologies or equipment of circular economy, it shall work out a digestion, absorption and innovation plan, submit it to the competent department for examination and approval and to oversee its implementation. The competent department shall set up a coordination mechanism in light of the actual needs, make overall plans and coordination on the introduction, digestion, absorption and innovation of important technologies and equipment, and offer certain financial support.

Article 44 The state shall offer tax preferences to industrial activities promoting the development of circular economy, and use tax measures to encourage the import of advanced energy-saving, water-saving and material-saving technologies, equipment and products and limit the export of products with high energy-consumption or serious pollution. The specific measures shall be formulated by the public finance department and the tax department under the State Council.

Enterprises using or producing the technologies, techniques or products listed in the catalogue of clean production, the catalogue of comprehensive utilization of resources or any other encouraged catalogue shall enjoy tax preferences in accordance with the relevant state provisions.

Article 45 The administrative departments of circular economy development of the people' s governments at or above the county level shall, when making and implementing investment plans, list the energy-saving, water-saving, land-saving and material-saving projects as well as projects of comprehensive utilization of resources as the key areas of investment.

For energy-saving, water-saving, land-saving and material-saving projects as well as projects of comprehensive utilization of resources that meet the requirements of the state industrial policies, financial institutions shall give credit support such as priority in obtaining loans, and actively provide supporting financial services.

No financial institution may provide any form of credit support to enterprises that produce, import, distribute or use any of the technologies, techniques, equipment, materials or products listed in the eliminated category.

Article 46 The state adopts a price policy that contributes to the conservation and reasonable utilization of resources so as to guide entities and individuals to save and reasonably use water, electric power, gas and other resource products.

The competent department of price under the State Council and those under the people' s governments of provinces, autonomous regions and municipalities directly under the Central Government shall apply restrictive price policies to the restricted items in industries of high resource consumption.

For the grid-connected power generation projects with waste heat, waste pressure, coalbed gas, coal slack, slime, refuse and other low-calorie fuels, the competent department of price shall determine its on-grid power price under the principle of being good for the comprehensive utilization of resources.

The people' s government of a province, autonomous region or municipality directly under the Central Government may, in light of the economic and social development situations of this administrative region, charge fees for the discharge of wastes. Such fees charged shall be exclusively used for sorting, collecting, transporting, storing, utilizing and disposing of refuse, and may not be used for any other purpose.

The state encourages the recycling of wastes by way of exchanging the old for the new or paying cash deposits.

Article 47 The state adopts a government procurement policy that is good for the development of circular economy. Entities and individuals purchasing goods with funds from the public finance shall give preference to energy-saving, water-saving, material-saving and environment-friendly products and recycled products.

Article 48 The people's governments at or above the county level and the competent departments thereof shall honor and reward the entities and individuals that have made great achievements in the management, scientific and technological research, product development and the demonstration and promotion relating to circular economy.

Enterprises and public institutions shall honor and reward the collectives and individuals that have made great contributions to the development of circular economy.

## Chapter VI Legal Responsibility

Article 49 Where the administrative department of circular economy development under a people's government at or above the county level or any other competent department fails to investigate into any violation which is found by itself or reported by any other party, or has any other failure to perform its supervision and administration duties according to law, the people's government at the same level or a competent department of the people's government at the next higher level shall order it to correct and impose punishments upon the directly liable person-in-charge and other directly liable persons.

Article 50 Any enterprise producing or selling any product or equipment listed in the eliminated category shall be punished in accordance with the Product Quality Law of the People's Republic of China.

Where any enterprise uses any technology, technique, equipment or material listed in the eliminated category, the administrative department of circular economy development under the local people's government at or above the county level shall order it to stop such use, confiscate the illegally used equipment or material, and impose a fine of not more than 200,000 yuan but not less than 50,000 yuan. If the circumstances are serious, the administrative

department of circular economy development may submit its opinions to the people's government at the same level and request the latter to order, within its authority prescribed by the State Council, the enterprise to wind up its business or close down.

Where any enterprise, in violation of this Law, imports any equipment, material or product listed in the eliminated category, the customs shall order it to return such equipment, material or product, and may impose a fine of not more than one million yuan but not less than 100,000 yuan. If the importer is unidentified, the carrier shall be responsible for returning the goods or paying the relevant disposal costs.

Article 51 Where any enterprise designs the use of any poisonous and harmful substance listed in the prohibited category of the state in any electric apparatus, electronic product or other product which may cause environmental pollution in the process of dismantlement or disposal, the product quality control department of the local people's government at or above the county level shall order it to correct within a certain time limit, impose a fine of not more than 200,000 yuan but not less than 20,000 yuan upon it if it refuses to correct within the time limit, and, if the circumstances are serious, notify the administrative department for industry and commerce of the situation and the latter shall revoke the business license of the enterprise according to law.

Article 52 Where any enterprise in electric power, petroleum processing, chemical industry, steel, non-ferrous metal or building materials, as in violation of this Law, fails to stop using a fuel generator set or oil boiler which fails to meet the prescribed standards of the state within a prescribed scope or time limit, the administrative department of circular economy development under the local people's government at or above the county level shall order it to correct within a certain time limit, and, if it fails to correct within the time limit, order it to dismantle the fuel generator set or oil boiler, and impose a fine of not more than 500,000 yuan but not less than 50,000 yuan upon it.

Article 53 Where any mining enterprise, as in violation of this Law, fails to reach such indicators predetermined upon examination as mining recovery rate, impoverishment rate, milling recovery rate, water reutilization rate in mines, and land re-reclamation rate, the administrative department of circular economy development under the local people's government at or above the county level shall order it to correct within a certain time limit and impose a fine of not more than 500,000 yuan but not less than 50,000 yuan upon it. If the enterprise fails to correct within the time limit, the organ issuing the mining license to the enterprise shall revoke its mining license according to law.

Article 54 Where any enterprise, as in violation of this Law, produces, sells or uses clay bricks in a period or area when or where the production, sale or use of clay bricks is prohibited by the State Council or the people's government of a province, autonomous region or municipality directly under the Central Government, the department appointed by the local people's government at or above the county level shall order it to correct within a certain time limit and confiscate the illegal gains, if any. If it continues to do so after the prescribed time limit expires, the administrative department for industry and commerce of the local people's government shall revoke its business license according to law.

Article 55 Where any power grid enterprise, as in violation of this Law, refuses to purchase the electric power generated by an enterprise with waste heat, waste pressure, coalbed gas, coal slack, slime, refuse or other low-calorie fuels, the power regulatory organ of the state shall order it to correct within a certain time limit and, if any losses are incurred to the enterprise, to make compensation according to law.

Article 56 Where any enterprise, as in violation of this Law, commits any of the following acts, the administrative department for industry and commerce of the local people's government shall order it to correct within a certain time limit, and may impose a fine of not more than 50,000 yuan but not less than 5000 yuan upon it. If it fails to correct within the time limit, the administrative department for industry and commerce shall revoke its business license, and order it to make compensation if any loss has been incurred:

1. selling any reutilized electric apparatus or electronic product which does not have the special label for reutilized products; or
2. selling any reproduced or renewed product which does not have the special label for reproduced or renewed products.

Article 57 Where any enterprise violates this Law so that a crime is constituted, it shall be subject to corresponding criminal responsibility.

## Chapter VII Supplementary Provisions

Article 58 These Measures shall come into force on January 1, 2009.