Circular Economy Promotion Law of the PRC

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Contents

Table of Contents 1

Chapter I — General Provisions 1

Chapter II — Basic Management Systems 2

Chapter III — Reduction, Reuse, and Recycling 2

Chapter IV — Incentive Measures 2

Chapter V — Legal Liability 3

Chapter VI — Supplementary Provisions 3

Effective: January 1, 2009

Table of Contents

- Chapter I — General Provisions
- Chapter II — Basic Management Systems
- Chapter III — Reduction, Reuse, and Recycling
- Chapter IV — Incentive Measures
- Chapter V — Legal Liability
- Chapter VI — Supplementary Provisions

Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of promoting the development of a circular economy, improving resource utilization efficiency, protecting and improving the environment, and achieving sustainable development.

Article 2 — For the purposes of this Law, “circular economy” means the generic term for the activities of reduction, reuse, and recycling carried out in the process of production, circulation, and consumption.

“Reduction” as referred to in this Law means the reduction of resource consumption and waste generation in the process of production, circulation, and consumption.

“Reuse” means the use of waste products directly as products, or the use of waste products in whole or in part after repair, refurbishment, or remanufacture.

“Recycling” means the direct use of waste as raw materials or the use of waste after regeneration.

Article 3 — The development of a circular economy shall be an important strategy for national economic and social development and shall be guided by the principles of overall planning, rational layout, adaptation to

Source: https://www.danyoungcpa.com/circular-economy-promotion-law-prc-2008-amended-2018-english-translation/

local conditions, emphasis on practical results, government promotion, market orientation, enterprise implementation, and public participation.

Chapter II — Basic Management Systems

Article 4 — The State shall establish a target responsibility system and an assessment and evaluation system for the development of a circular economy, and shall incorporate the completion of the main indicators of circular economy development into the assessment and evaluation of local people's governments and their responsible persons.

Article 5 — The State shall implement a system of control over the total volume of energy consumption and water consumption in key areas and key industries, and shall strengthen the control and management of resource consumption in production, construction, circulation, and consumption.

Article 6 — The State shall establish and improve a statistical system for circular economy and strengthen the statistical management of resource consumption, comprehensive utilization, and waste generation.

Article 7 — Enterprises and public institutions shall establish management systems and take measures to reduce resource consumption and the generation and discharge of wastes, and to improve the level of comprehensive utilization of wastes.

Chapter III — Reduction, Reuse, and Recycling

Article 8 — The State shall encourage enterprises to adopt advanced or appropriate technologies, processes, and equipment to implement cleaner production and reduce the generation and discharge of wastes.

Article 9 — Industrial enterprises shall adopt advanced or appropriate water-saving technologies, processes, and equipment, formulate and implement water-saving plans, strengthen water use management, and implement cascade utilization and recycling of water used for production.

Article 10 — The State shall encourage enterprises and industrial parks to engage in comprehensive utilization of wastes and to link the utilization of energy, water, raw materials, and wastes among enterprises within industrial parks.

Article 11 — Enterprises shall, in accordance with the provisions of the State, assume responsibility for the recycling of the products and packaging they produce or the mandatory recycling of listed products and packaging.

Article 12 — The State shall establish a system for the recycling of waste household appliances and electronic products. Manufacturers, importers, or their agents of electronic and electrical products shall be responsible for recycling such products in accordance with the provisions of the State.

Chapter IV — Incentive Measures

Article 13 — The State Council and the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall establish special funds for the development of a circular economy to support key projects for circular economy development.

Article 14 — The State shall implement tax policies conducive to resource conservation, comprehensive utilization, and environmental protection to promote the development of a circular economy.

Article 15 — The State shall implement an investment policy conducive to the development of a circular economy. Financial institutions shall give priority to granting loans and provide other financial services for key projects encouraged and supported by the State.

Source: https://www.danyoungcpa.com/circular-economy-promotion-law-prc-2008-amended-2018-english-translation/

Article 16 — The State shall implement a government procurement policy conducive to the development of a circular economy and shall purchase products and services that are energy-efficient, water-efficient, material-efficient, and environmentally friendly.

Chapter V — Legal Liability

Article 17 — Where an enterprise fails to assume the responsibility for the recycling of products and packaging in accordance with the provisions of the State, the relevant administrative department shall order it to make rectification within a prescribed time limit and may impose a fine.

Article 18 — Where an enterprise produces or sells products or equipment that are explicitly eliminated by the State, or uses processes, technologies, equipment, or materials that are explicitly eliminated by the State, it shall be subject to penalties in accordance with the relevant laws and regulations.

Chapter VI — Supplementary Provisions

Article 19 — The State Council and the relevant departments shall formulate specific implementation measures in accordance with this Law.

Article 20 — This Law shall become effective as of January 1, 2009.

Disclaimer: This English translation is provided for informational and reference purposes only. It is not an official translation and may contain inaccuracies or omissions. The official Chinese text of the Circular Economy Promotion Law of the People's Republic of China, as published by the National People's Congress, shall prevail in all legal matters. Readers should consult qualified legal and environmental professionals for advice on specific situations. Dan Young Business Consultancy makes no representations or warranties as to the accuracy or completeness of this translation and disclaims all liability for any reliance placed upon it.