Law of the PRC on Construction

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Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of strengthening the supervision and administration of construction activities, maintaining the order of the construction market, ensuring the quality and safety of construction projects, and promoting the sound development of the construction industry.

Source: https://www.danyoungcpa.com/prc-construction-code-2011-amendment-english-translation/

Article 2 — This Law shall apply to all construction activities and the supervision and administration of construction activities within the territory of the People's Republic of China. For the purposes of this Law, the term "construction activities" means the construction of all types of buildings and their ancillary facilities and the installation of lines, pipelines, and equipment.

Article 3 — Construction activities shall comply with the relevant provisions of laws and regulations and shall not damage the public interest of society or the lawful rights and interests of others. All entities and individuals shall have the obligation to protect construction facilities and shall have the right to report and make accusations against acts that harm the quality and safety of construction projects.

Chapter II — Construction Permits

Article 4 — Before a construction project is commenced, the project owner shall, in accordance with the relevant provisions of the State, apply to the construction administrative department of the people's government at or above the county level for a construction permit, except for small-sized projects below the limit prescribed by the construction administrative department under the State Council. Construction projects for which the approval procedures have been completed in accordance with the authority provided by the State Council shall not be required to apply for a construction permit.

Article 5 — To apply for a construction permit, the following conditions shall be met: (1) the formalities for the approval of the use of the land for construction have been completed; (2) a construction project planning permit has been obtained; (3) where demolition and relocation are required, the demolition and relocation progress meets the construction requirements; (4) the construction enterprise has been determined; (5) the construction drawings and technical information meeting the construction requirements are available; and (6) quality and safety assurance measures are available, and the funds for construction have been secured.

Article 6 — The construction administrative department shall, within 15 days from the date of receiving the application, examine the application and issue the construction permit to those meeting the conditions. Construction shall commence within three months from the date of issuance of the construction permit. Where construction cannot commence on schedule for any reason, an application for postponement shall be made to the issuing authority in a timely manner.

Chapter III — Contracting and Subcontracting

Article 7 — Construction project contracting and subcontracting units shall have their registered capital, professional and technical personnel, technical equipment, and completed construction project performance in accordance with the law and meet the corresponding qualification grade requirements and shall engage in contracting activities within the business scope permitted by their qualification grade certificates.

Article 8 — Tenders for construction projects shall be invited in accordance with the law. The tendering and bidding of construction projects shall follow the principles of openness, fairness, and equal competition to select the best contracting units. No department or unit may designate contracting units for construction projects or forcibly require contracting units to subcontract.

Article 9 — The contract-issuing unit and the contracting unit shall enter into a written contract in accordance with the law to specify the rights and obligations of both parties. The general contracting unit may subcontract part of the contracted project to subcontracting units with corresponding qualifications, but the general contracting unit shall bear joint and several liability to the project owner.

Chapter IV — Supervision of Construction Projects

Article 10 — The State shall implement a construction project supervision system. The State Council may prescribe the scope of construction projects for which mandatory supervision shall be implemented. A construction project supervision unit shall enter into a written supervision contract with the project owner,

exercise the relevant rights on behalf of the project owner, and assume the corresponding responsibilities.

Article 11 — A construction project supervision unit shall, in accordance with the provisions of laws and administrative regulations and the relevant technical standards, design documents, and the construction project contract, exercise supervision over the contracting unit on behalf of the project owner in respect of the construction quality, construction period, and use of construction funds.

Chapter V — Safety Management of Construction Projects

Article 12 — The safety of construction project sites shall be the responsibility of the construction enterprise. The construction enterprise shall, in accordance with the provisions of the State, establish and improve a safety production responsibility system, an education and training system for safety production, and rules and regulations for safety production.

Article 13 — Construction enterprises shall take measures to maintain safety and prevent danger at the construction site, and prevent fires and explosions. Where a construction enterprise carries out construction that may cause damage to buildings, structures, or the surrounding environment, it shall adopt special safety protection and protective measures. Construction enterprises shall provide their on-site management personnel and operators with labor protection articles.

Chapter VI — Quality Management of Construction Projects

Article 14 — Construction project prospecting, design, and construction must comply with the requirements of the relevant State regulations on the quality and safety of construction projects. The quality of construction projects shall meet the mandatory requirements of the State technical standards for construction.

Article 15 — Construction enterprises shall establish a quality responsibility system and determine the project manager, technical person in charge, and construction management person in charge of the construction project. No unit may reduce the quality of the project or conduct construction with unqualified building materials, building components and parts, and equipment under any pretext.

Article 16 — A construction project shall be inspected and accepted upon completion. Only projects that pass the inspection and acceptance may be delivered for use. Without inspection and acceptance or with inspection and acceptance having failed, the project shall not be delivered for use. A construction project shall be subject to a quality warranty system.

Chapter VII — Legal Liability

Article 17 — Where a project owner, in violation of the provisions of this Law, fails to apply for a construction permit or commences construction without obtaining a construction permit, the construction administrative department shall order it to make corrections; where the project owner fails to make corrections, it shall be ordered to suspend construction and may be fined.

Article 18 — Where a construction enterprise transfers or lends its qualification certificate or allows another person to undertake a project in its name, it shall be ordered to make corrections, its illegal income shall be confiscated, a fine shall be imposed, and it may be ordered to suspend business for rectification and lower its qualification grade; where the circumstances are serious, its qualification certificate shall be revoked.

Article 19 — Where the construction quality of a construction enterprise does not meet the prescribed quality standards, it shall be responsible for repair or redoing without compensation, and shall compensate for the resulting losses. Where the project causes losses due to quality defects during the reasonable service life, the construction enterprise shall bear liability for compensation.

Chapter VIII — Supplementary Provisions

Article 20 — This Law shall come into force on July 1, 2011.

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