# Measures for the Administration of the Participation of Foreign Businesses in the Salvage of Sunken Vessels and Sunken Objects in the Coastal Waters of China (the PRC)

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

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Article 1 — For the purpose of strengthening the administration of foreign businesses' participation in the salvage of sunken vessels and sunken objects in the coastal waters of China and safeguarding the lawful rights and interests of all parties concerned, these Measures are formulated.

Article 2 — These Measures shall apply to foreign businesses' participation in the salvage of sunken vessels and sunken objects of commercial value in the coastal waters of China.

These Measures shall not apply to the salvage by the owners of sunken vessels and sunken objects, or by salvage institutions engaged by them, of their sunken vessels and sunken objects in the coastal waters of China.

Article 3 — For the purposes of these Measures, the following terms shall have the following meanings:

(1) "foreign business" means a foreign enterprise, other economic organization or individual;

(2) "coastal waters" means the internal waters and territorial sea of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China;

(3) "sunken vessels and sunken objects" means all kinds of vessels and objects sunk below the water surface of the coastal waters of China or buried below the seabed surface, including the main bodies of the sunken vessels and sunken objects and their equipment, and all cargo or other objects carried therein.

Sunken warships and weapons and equipment of significant military value, and sunken vessels and sunken objects confirmed as cultural relics, shall not be among the objects of foreign businesses' participation in salvage.

(4) "salvage operations" means all kinds of construction activities carried out on sunken vessels and sunken objects in accordance with a joint salvage contract or a Sino-foreign cooperative salvage enterprise contract, including survey, detection and exploration, implementation of salvage and related activities.

(5) "salvage operator" means the entity or individual that specifically implements the salvage operations.

Article 4 — The Chinese Government shall protect, in accordance with the law, the due proceeds and other lawful rights and interests of the Chinese and foreign parties participating in the salvage of sunken vessels and sunken objects in the coastal waters of China (hereinafter referred to as the Chinese and foreign parties participating in the salvage).

All activities of the Chinese and foreign parties participating in the salvage must abide by the relevant laws, regulations and rules of the People's Republic of China, and accept the administration and supervision of the relevant competent authorities of the Chinese Government.

Article 5 — The Ministry of Transport of the People's Republic of China shall be in charge of matters concerning foreign businesses' participation in the salvage of sunken vessels and sunken objects in the



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coastal waters of China.

Article 6 — Foreign businesses participating in the salvage of sunken vessels and sunken objects in the coastal waters of China may do so by the following means:

(1) concluding a joint salvage contract with a Chinese salvor and implementing the salvage activities in accordance with the rights and obligations of both parties prescribed by the contract;

(2) establishing a Sino-foreign cooperative salvage enterprise with a Chinese salvor to implement the salvage activities.

Article 7 — A joint salvage contract and a Sino-foreign cooperative salvage enterprise contract must have a clear salvage subject matter. Where the Chinese and foreign parties participating in the salvage discover other sunken vessels and sunken objects not belonging to the contract subject matter during the salvage process, they may not implement salvage without authorization.

Article 8 — The Ministry of Transport of the People's Republic of China shall be responsible for uniformly organizing the negotiation with foreign businesses on the salvage of sunken vessels and sunken objects in the coastal waters of China, establishing salvage projects, and organizing Chinese salvors and foreign businesses to conclude joint salvage contracts or Sino-foreign cooperative salvage enterprise contracts in accordance with the law; where military restricted zones or military administrative zones are involved, the relevant provisions of the Law of the People's Republic of China on the Protection of Military Facilities shall be complied with.

Article 9 — A joint salvage contract concluded between a foreign business and a Chinese salvor shall conform to the relevant provisions of the Contract Law of the People's Republic of China. After a joint salvage contract is concluded, the foreign business shall, in accordance with the provisions, apply to the administration for industry and commerce for business registration, and complete tax registration procedures with the local tax authority.

Where a foreign business and a Chinese salvor form a Sino-foreign cooperative salvage enterprise, the relevant examination, approval and registration procedures shall be completed in accordance with the provisions of the Law of the People's Republic of China on Chinese-Foreign Contractual Joint Ventures.

Article 10 — A foreign business participating in the salvage of sunken vessels and sunken objects in the internal waters or territorial sea of the People's Republic of China shall bear all expenses and economic risks during the salvage operation period. The Chinese salvor shall be responsible for coordination with the relevant departments, handling the necessary procedures and custody during the salvage operation period.

A foreign business participating in the salvage of sunken vessels and sunken objects in sea areas other than the internal waters and territorial sea of the People's Republic of China but under the jurisdiction of the People's Republic of China shall bear all expenses and economic risks of the survey, detection and exploration stage. Where salvage is needed, the Chinese and foreign parties shall implement the salvage in accordance with the contract.

Article 11 — The vessels, equipment and labor services required by a foreign business to perform a joint salvage contract shall, under equal conditions, be preferentially chartered and employed from the Chinese salvor.

Article 12 — The salvaged objects obtained from foreign businesses' participation in the salvage of sunken vessels and sunken objects in the coastal waters of China (hereinafter referred to as salvaged objects) shall be handled in the following ways:

(1) Sunken vessels and sunken objects salvaged in the internal waters or territorial sea of the People's Republic of China shall belong to the People's Republic of China, and the foreign business shall obtain proceeds from the salvaged objects or their converted value in accordance with the provisions of the joint



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salvage contract or the Sino-foreign cooperative salvage enterprise contract.

The Chinese salvor shall obtain proceeds from the salvaged objects or their converted value in accordance with the relevant state provisions or the provisions of the Sino-foreign cooperative salvage enterprise contract.

(2) Sunken vessels and sunken objects salvaged in sea areas other than the internal waters and territorial sea of the People's Republic of China but under the jurisdiction of the People's Republic of China shall be divided between the Chinese and foreign parties participating in the salvage in the proportions prescribed by the contract.

(3) Where salvaged objects contain cultural relics or cultural relics are discovered in the course of salvage operations, this shall be reported immediately to the local administrative department for cultural relics, and the administrative department for cultural relics shall handle them in accordance with the laws and regulations of the People's Republic of China on the protection of cultural relics, with appropriate rewards given to the relevant persons.

Article 13 — The salvaged objects lawfully obtained by a foreign business may be purchased by the relevant departments of the Chinese Government at international market prices, or transported abroad by the foreign business after paying tax and completing customs procedures in accordance with the law.

The foreign exchange income or other proceeds obtained by the foreign business may be remitted abroad in accordance with the law after tax payment.

Article 14 — Before implementing salvage operations, the salvage operator shall apply for the publication of a navigation warning in accordance with the relevant provisions of the Maritime Traffic Safety Law of the People's Republic of China.

The Ministry of Transport of the People's Republic of China shall notify the State Oceanic Administration and other relevant departments of the start and end time and geographical location of the salvage operations.

The salvage operator shall implement the salvage operations within the operation area approved by the harbor superintendency authority and report the relevant activities as required by the harbor superintendency authority. Salvage operations may not be implemented by methods that endanger marine resources, the marine environment, seabed facilities, maritime military facilities or otherwise harm the interests of the People's Republic of China.

Article 15 — The relevant personnel of the Chinese and foreign parties participating in the salvage shall participate in the salvage operations from beginning to end, and both parties shall be jointly responsible for the registration and custody of the salvaged objects.

Article 16 — All salvaged objects shall be subject to inspection by the relevant departments at the places designated by the competent authorities of the Chinese Government.

Article 17 — Where sunken vessels and sunken objects in the coastal waters of China are salvaged in violation of these Measures, the harbor superintendency authority shall have the right to order the cessation of the salvage operations and may impose penalties such as warnings and fines; where losses have been caused to the State or others, the violator shall bear liability for compensation.

The amount of fines shall be enforced in accordance with the state provisions on penalties for maritime traffic administration.

Article 18 — Enterprises, individuals and other economic organizations of Hong Kong, Macao and Taiwan participating in the salvage of sunken vessels and sunken objects in the coastal waters of China shall be handled by reference to these Measures.



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Article 19 — These Measures shall be interpreted by the Ministry of Transport of the People's Republic of China.

Article 20 — These Measures shall enter into force as of the date of promulgation.

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