Regulations on the Administration of Domestic Waterway Transport

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Chapter I — General Provisions

Article 1 — These Regulations are formulated for the purpose of standardizing the business conduct of domestic waterway transport, maintaining the order of the domestic waterway transport market, ensuring the safety of domestic waterway transport, and promoting the sound development of the domestic waterway transport industry.

Article 2 — The operation of domestic waterway transport and waterway transport auxiliary business shall comply with these Regulations.

For the purposes of these Regulations, “domestic waterway transport” (hereinafter “waterway transport”) means commercial passenger transport and goods transport in which the port of departure, the port of call and the port of destination are all within the navigable waters under the jurisdiction of the People’s Republic of China.

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For the purposes of these Regulations, “waterway transport auxiliary business” means business activities such as ship management, ship agency, waterway passenger transport agency and waterway goods transport agency that directly provide services for waterway transport.

Article 3 — The state encourages and protects fair competition in the waterway transport market and prohibits monopoly and unfair competition.

The state shall, through economic and technological policies and other measures, support and encourage waterway transport operators to carry out large-scale and intensive operations and promote the structural adjustment of the waterway transport industry; and support and encourage waterway transport operators to adopt advanced and appropriate waterway transport equipment and technologies, ensure transport safety, promote energy conservation and reduce pollutant emissions.

The state protects the lawful rights and interests of waterway transport operators, passengers and cargo owners.

Article 4 — The competent transport department of the State Council shall be in charge of waterway transport administration nationwide.

The competent transport departments of local people’s governments at or above the county level shall be in charge of waterway transport administration within their respective administrative regions. The departments or institutions responsible for waterway transport administration of local people’s governments at or above the county level (hereinafter collectively the “departments responsible for waterway transport administration”) shall undertake the waterway transport administration work specified in these Regulations.

Article 5 — The operation of waterway transport and its auxiliary business shall comply with laws and regulations and be honest and trustworthy.

The competent transport department of the State Council and the departments responsible for waterway transport administration shall, in accordance with the law, supervise and administer the waterway transport market, impose penalties on illegal business activities in waterway transport and its auxiliary business, establish a credit administration system for operators, and promptly announce to the public the supervision and inspection situation.

Chapter II — Waterway Transport Operators

Article 6 — Except for the circumstances specified in Article 7 of these Regulations, an applicant for operating waterway transport business shall meet the following conditions:

(1) having obtained enterprise legal-person status;

(2) having vessels conforming to Article 13 of these Regulations, with the self-owned vessel transport capacity conforming to the provisions of the competent transport department of the State Council;

(3) having a clear business scope, and, where the applicant applies to operate waterway passenger liner transport business, also having a feasible route operation plan;

(4) having marine affairs and marine engineering management personnel commensurate with the business scope and vessel transport capacity applied for;

(5) the proportion of senior crew members who have directly concluded labor contracts with the applicant among all crew members conforming to the provisions of the competent transport department of the State Council;

(6) having a sound safety management system; and

(7) other conditions prescribed by laws and administrative regulations.

Article 7 — Individuals may apply to operate inland ordinary goods transport business.

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An individual applying to operate inland ordinary goods transport business shall have self-owned vessels that conform to Article 13 of these Regulations and whose tonnage does not exceed the limit prescribed by the competent transport department of the State Council, and shall meet the conditions specified in items (6) and (7) of Article 6 of these Regulations.

Article 8 — The operation of waterway transport business shall, in accordance with the provisions of the competent transport department of the State Council, be approved by the competent transport department of the State Council or the department responsible for waterway transport administration of the local people's government at or above the level of a city divided into districts.

An applicant for operating waterway transport business shall submit to the department responsible for approval specified in the preceding paragraph an application and the relevant materials proving that the applicant meets the conditions specified in Article 6 or Article 7 of these Regulations.

The department responsible for approval shall complete the examination within 30 working days from the date of acceptance of the application and make a decision to grant or refuse the license. Where the license is granted, a waterway transport business license shall be issued, and vessel operation certificates shall be issued for the vessels put into operation by the applicant; where the license is refused, the applicant shall be notified in writing with the reasons stated.

An operator that has obtained a waterway transport business license may engage in waterway transport business activities only after completing registration with the administrative department for industry and commerce in accordance with the law, holding the waterway transport business license.

Article 9 — The competent transport departments at all levels shall properly carry out statistics and investigation and analysis of the waterway transport market, and periodically announce to the public the supply and demand situation of transport capacity in the waterway transport market.

Article 10 — To ensure the safety of waterway transport and maintain the fair competition order of the waterway transport market, the competent transport department of the State Council may, on the basis of the monitoring situation of the waterway transport market, decide to suspend the licensing of new transport capacity on specific passenger liner transport routes and bulk liquid dangerous goods transport routes and waters.

The transport capacity control measures specified in the preceding paragraph shall conform to the principles of openness, fairness and justice, and shall be announced to the public 60 days before implementation, stating the reasons for the measures and the scope, duration and other matters of the measures.

Article 11 — Foreign enterprises, other economic organizations and individuals shall not operate waterway transport business, nor shall they operate waterway transport business in a disguised form by chartering Chinese-flag vessels or vessel space or by other means.

Enterprises, other economic organizations and individuals from the Hong Kong Special Administrative Region, the Macao Special Administrative Region and the Taiwan region shall apply by reference to the preceding paragraph, except where the State Council provides otherwise.

Article 12 — Where a waterway transport operator licensed under these Regulations terminates its operations, it shall, within 15 working days from the date of termination, complete the license deregistration procedures with the original licensing authority and return the waterway transport business license.

Article 13 — Vessels put into operation by waterway transport operators shall meet the following conditions:

(1) being commensurate with the operator's business scope;

(2) having obtained valid vessel registration certificates and inspection certificates;

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(3) conforming to the requirements of the competent transport department of the State Council on vessel type technical standards and vessel age; and

(4) other conditions prescribed by laws and administrative regulations.

Article 14 — Where a waterway transport operator newly adds a vessel for operation, it shall, with the waterway transport business license, the vessel registration certificate and the inspection certificate, obtain a vessel operation certificate from the competent transport department of the State Council or the department responsible for waterway transport administration of the local people's government at or above the level of a city divided into districts.

Vessels engaged in waterway transport business shall carry their vessel operation certificates on board.

Where a maritime administration institution, in on-site supervision and inspection, discovers that a vessel engaged in waterway transport cannot provide a valid vessel operation certificate, it shall notify the relevant competent department to handle the matter in accordance with the law.

Article 15 — Where the state, based on the need to ensure transport safety, protect the water environment, conserve energy and improve the utilization efficiency of waterways and navigation facilities, formulates and implements new vessel type technical standards, it may, for vessels in use that do not conform to the new standards but conform to the original standards and have not reached the prescribed scrapping age, adopt measures such as financial subsidies to guide and encourage waterway transport operators to update or retrofit them; where mandatory early scrapping is required, compensation shall be given to the vessel owners. The specific measures shall be formulated by the competent transport department of the State Council jointly with the finance department of the State Council.

Article 16 — Waterway transport operators shall not use foreign-flag vessels to operate waterway transport business. However, where there are no Chinese-flag vessels within China capable of meeting the transport requirements applied for, and the port or waters at which the vessel calls are ports or waters open to the outside world, the waterway transport operator may, with the license of the competent transport department of the State Council, temporarily use foreign-flag vessels for transport within the period or voyages prescribed by the competent transport department of the State Council.

Vessels registered in the Hong Kong Special Administrative Region, the Macao Special Administrative Region or the Taiwan region shall be governed by reference to the provisions of these Regulations on foreign-flag vessels, except where the State Council provides otherwise.

Chapter III — Waterway Transport Business Activities

Article 17 — Waterway transport operators shall engage in waterway transport operations within the business scope lawfully licensed.

Article 18 — Waterway transport operators shall use vessels that conform to the conditions specified in these Regulations and are manned by qualified crew, and ensure that the vessels are in a seaworthy condition.

Waterway transport operators shall carry passengers or goods in accordance with the approved passenger capacity or deadweight tonnage of the vessels, and shall not overload or use cargo vessels to carry passengers.

Article 19 — Waterway transport operators shall, in accordance with laws and administrative regulations and the provisions, quality standards and contractual agreements of the competent transport department of the State Council on waterway passenger and goods transport, provide safe, convenient and high-quality services to passengers and cargo owners, and ensure the safety of passenger and goods transport.

Waterway passenger transport business operators shall insure their passenger vessels with carrier liability insurance or obtain corresponding financial guarantees.

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Article 20 — In transporting dangerous goods, waterway transport operators shall comply with laws and administrative regulations and the provisions of the competent transport department of the State Council on dangerous goods transport, use vessels that have lawfully obtained dangerous goods fitness certificates, and carry out stowage and transport in accordance with the prescribed safety technical specifications to ensure transport safety.

Article 21 — Passenger liner transport business operators shall commence operations within 60 days from the date of obtaining the liner route operation license, and shall announce the vessels used, voyage schedules, voyage numbers, freight rates and other information 15 days before commencement of operations.

Passenger liner transport shall operate in accordance with the announced voyage schedules and voyage numbers; where voyage schedules, voyage numbers or freight rates are changed, the changes shall be announced to the public 15 days in advance; where the operation of part or all of a liner route is discontinued, the discontinuation shall be announced to the public 30 days in advance and filed with the original licensing authority.

Article 22 — Goods liner transport business operators shall announce the vessels used and the voyage schedules, voyage numbers and freight rates seven days before the commencement of liner route operations.

Goods liner transport shall operate in accordance with the announced voyage schedules and voyage numbers; where voyage schedules, voyage numbers or freight rates are changed, or the operation of part or all of a liner route is discontinued, the change shall be announced to the public seven days in advance.

Article 23 — Waterway transport operators shall, in accordance with laws and administrative regulations and the relevant provisions of the state, give priority to transporting the materials, equipment, tools, emergency rescue personnel and persons endangered by emergencies needed for handling emergencies, and give key guarantee to urgent and important military transport.

Where urgent transport needs affecting the national economy and people’s livelihood arise, the competent transport department of the State Council may, in accordance with the arrangements of the State Council, require waterway transport operators to give priority to transporting materials requiring urgent transport. Waterway transport operators shall promptly carry out the transport as required.

Article 24 — Waterway transport operators shall submit statistical information in accordance with the provisions of statistical laws and administrative regulations.

Chapter IV — Waterway Transport Auxiliary Business

Article 25 — The owners and operators of transport vessels may entrust ship management business operators to provide them with services such as vessel marine affairs and marine engineering management.

Article 26 — An applicant for operating ship management business shall meet the following conditions:

(1) having obtained enterprise legal-person status;

(2) having a sound safety management system;

(3) having marine affairs and marine engineering management personnel commensurate with the vessel transport capacity it applies to manage; and

(4) other conditions prescribed by laws and administrative regulations.

Article 27 — The operation of ship management business shall be approved by the department responsible for waterway transport administration of the local people’s government at or above the level of a city divided into districts.

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An applicant for operating ship management business shall submit to the department specified in the preceding paragraph an application and the relevant materials proving that the applicant meets the conditions specified in Article 26 of these Regulations.

The department accepting the application shall complete the examination within 30 working days from the date of acceptance of the application and make a decision to grant or refuse the license. Where the license is granted, a ship management business license shall be issued and filed with the competent transport department of the State Council; where the license is refused, the applicant shall be notified in writing with the reasons stated.

Article 28 — Where a ship management business operator accepts an entrustment to provide ship management services, it shall conclude a written contract with the principal and file the contract with the maritime administration institution at the place where it is located.

Ship management business operators shall, in accordance with the relevant provisions of the state and the contractual agreements, perform the management obligations concerning vessel safety and pollution prevention.

Article 29 — Waterway transport operators may entrust operators of ship agency, waterway passenger transport agency and waterway goods transport agency business to handle port business such as vessel entry and exit procedures on their behalf, conclude transport contracts on their behalf, and handle passenger and goods solicitation business and other waterway transport agency business on their behalf.

Article 30 — Operators of ship agency and waterway passenger transport agency business shall, within 15 working days from the date of enterprise establishment registration, file with the department responsible for waterway transport administration of the municipal people's government divided into districts at the place where they are located.

Article 31 — Operators of ship agency, waterway passenger transport agency and waterway goods transport agency business that accept entrustments to provide agency services shall conclude written contracts with the principals, handle agency business in accordance with the relevant provisions of the state and the contractual agreements, shall not engage in compulsory agency, and shall not handle agency business for operators that have not lawfully obtained waterway transport business licenses or have exceeded their licensed scope.

Article 32 — Articles 12 and 17 of these Regulations shall apply to ship management business operators. Articles 11 and 24 of these Regulations shall apply to ship management, ship agency, waterway passenger transport agency and waterway goods transport agency business activities.

The competent transport department of the State Council shall, in accordance with these Regulations, formulate specific administration measures for waterway transport auxiliary business.

Chapter V — Legal Liability

Article 33 — Where a person operates waterway transport business or domestic ship management business without a license or beyond the licensed scope, the department responsible for waterway transport administration shall order it to cease operations, confiscate the illegal gains, and impose a fine of not less than one time and not more than five times the illegal gains; where there are no illegal gains or the illegal gains are less than 30,000 yuan, a fine of not less than 30,000 yuan and not more than 150,000 yuan shall be imposed.

Article 34 — Where a waterway transport operator uses a vessel without a vessel operation certificate to engage in waterway transport, the department responsible for waterway transport administration shall order the vessel to cease operations, confiscate the illegal gains, and impose a fine of not less than one time and not more than five times the illegal gains; where there are no illegal gains or the illegal gains are less than

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20,000 yuan, a fine of not less than 20,000 yuan and not more than 100,000 yuan shall be imposed.

Article 35 — Where a waterway transport operator uses a foreign-flag vessel to operate waterway transport business without the license of the competent transport department of the State Council or beyond the licensed scope, or where a foreign enterprise, other economic organization or individual operates waterway transport business or operates it in a disguised form by chartering Chinese-flag vessels or vessel space or by other means, the department responsible for waterway transport administration shall order it to cease operations, confiscate the illegal gains, and impose a fine of not less than one time and not more than five times the illegal gains; where there are no illegal gains or the illegal gains are less than 200,000 yuan, a fine of not less than 200,000 yuan and not more than 1 million yuan shall be imposed.

Article 36 — Where a person obtains an administrative license specified in these Regulations by improper means such as deception or bribery, the original licensing authority shall revoke the license and impose a fine of not less than 20,000 yuan and not more than 200,000 yuan; where there are illegal gains, the illegal gains shall be confiscated; the competent transport department of the State Council or the department responsible for waterway transport administration shall not accept the person's application for that license within three years from the date of revocation.

Article 37 — Where a person rents out, lends, resells or otherwise illegally transfers the administrative license specified in these Regulations, the department responsible for waterway transport administration shall order rectification, confiscate the illegal gains, and impose a fine of not less than one time and not more than five times the illegal gains; where there are no illegal gains or the illegal gains are less than 30,000 yuan, a fine of not less than 30,000 yuan and not more than 150,000 yuan shall be imposed; where the circumstances are serious, the original licensing authority shall revoke the corresponding license.

Where a person forges, alters or mutilates the administrative license specified in these Regulations, the department responsible for waterway transport administration shall confiscate the forged, altered or mutilated license and impose a fine of not less than 30,000 yuan and not more than 150,000 yuan; where there are illegal gains, the illegal gains shall be confiscated.

Article 38 — Where a waterway transport operator falls under any of the following circumstances, the maritime administration institution shall impose penalties in accordance with the law:

(1) failing to man vessels in accordance with the provisions or failing to keep vessels in a seaworthy condition;

(2) carrying passengers or goods in excess of the approved passenger capacity or deadweight tonnage of the vessel;

(3) using cargo vessels to carry passengers; or

(4) using vessels without dangerous goods fitness certificates to transport dangerous goods.

Article 39 — Where a waterway passenger transport business operator fails to insure the passenger vessels it operates with carrier liability insurance or obtain corresponding financial guarantees, the department responsible for waterway transport administration shall order it to rectify within a time limit and impose a fine of not less than 20,000 yuan and not more than 100,000 yuan; where it fails to rectify within the time limit, the original licensing authority shall revoke the vessel operation license of the passenger vessel.

Article 40 — Where a liner transport business operator fails to announce to the public in advance the vessels used, voyage schedules, voyage numbers and freight rates or the change information thereof, the department responsible for waterway transport administration shall order it to rectify and impose a fine of not less than 2,000 yuan and not more than 20,000 yuan.

Article 41 — Where a passenger liner transport business operator fails to commence operations within 60 days from the date of obtaining the liner route operation license, the department responsible for waterway

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transport administration shall order it to rectify; where it refuses to rectify, the original licensing authority shall revoke the operation license.

Article 42 — Where a waterway transport or ship management business operator, after obtaining a license, no longer meets the licensing conditions specified in these Regulations, the department responsible for waterway transport administration shall order it to rectify within a time limit; where it still fails to meet the requirements after rectification within the prescribed period, the original licensing authority shall revoke its operation license.

Article 43 — Where state functionaries responsible for waterway transport administration abuse their powers, neglect their duties, engage in malpractices for personal gain, or fail to perform their duties in accordance with the law in waterway transport administration activities, they shall be given sanctions in accordance with the law.

Article 44 — Where a violation of these Regulations constitutes a violation of public security administration, public security administration penalties shall be imposed in accordance with the law; where a crime is constituted, criminal liability shall be pursued in accordance with the law.

Chapter VI — Supplementary Provisions

Article 45 — The administration measures for passenger vessels carrying 12 or fewer passengers and township passenger ferry transport shall be formulated separately by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 46 — These Regulations shall take effect on January 1, 2013. The Regulations of the People's Republic of China on Waterway Transport Administration promulgated by the State Council on May 12, 1987 shall be repealed simultaneously.

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