Regulations on the Administration of Water Drawing Permits and the Collection of Water Resource Fees of China (the PRC)

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Chapter I — General Provisions

Article 1 — These Regulations are formulated in accordance with the Water Law of the People's Republic of China for the purpose of strengthening the administration and protection of water resources and promoting the economical and rational development and utilization of water resources.

Article 2 — The term "water drawing" as used in these Regulations means drawing water resources directly from rivers, lakes or underground water by using water drawing works or facilities. Units and individuals drawing water resources shall, except in the circumstances prescribed in Article 4 of these Regulations,

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apply for and obtain a water drawing permit and pay water resource fees. The term "water drawing works or facilities" as used in these Regulations means sluices, dams, channels, artificial watercourses, siphons, water pumps, wells, hydropower stations and the like.

Article 3 — The water administrative departments of the people's governments at or above the county level shall, in accordance with their tiered administration authority, be responsible for organizing the implementation and supervision and administration of the water drawing permit system. The river basin administrative organs established by the water administrative department under the State Council for important rivers and lakes designated by the State (hereinafter the river basin administrative organs) shall, in accordance with these Regulations and the authorization of the water administrative department under the State Council, be responsible for organizing the implementation and supervision and administration of the water drawing permit system within their respective jurisdiction. The water administrative departments, finance departments and price departments of the people's governments at or above the county level shall, in accordance with these Regulations and their administration authority, be responsible for the collection, administration and supervision of water resource fees.

Article 4 — No application for a water drawing permit is required in the following circumstances: (1) a rural collective economic organization or its members using water from a pond or reservoir of that collective economic organization; (2) drawing small quantities of water for household living and for drinking by livestock and poultry raised in scattered or confined breeding; (3) temporary emergency water drawing (drainage) necessary to ensure the construction safety and production safety of underground works such as mines; (4) temporary emergency water drawing to eliminate hazards to public safety or the public interest; and (5) temporary emergency water drawing necessary for agricultural drought resistance and for maintaining the ecology and environment. The limit for the small-quantity water drawing prescribed in item (2) of the preceding paragraph shall be prescribed by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government; the water drawing prescribed in items (3) and (4) shall be promptly reported to the water administrative department of the local people's government at or above the county level or the river basin administrative organ for filing; and the water drawing prescribed in item (5) shall be subject to the consent of the water administrative department of the people's government at or above the county level or the river basin administrative organ.

Article 5 — Water drawing permits shall first satisfy the domestic water use of urban and rural residents, with due consideration given to the needs of agricultural, industrial, ecological and environmental water use and navigation. The people's governments of provinces, autonomous regions and municipalities directly under the Central Government may, in accordance with the functions and powers prescribed in these Regulations, prescribe specific priority orders for the water uses in the preceding paragraph within the same river basin or region according to actual circumstances.

Article 6 — The implementation of water drawing permits shall conform to comprehensive water resource plans, comprehensive river basin plans, medium- and long-term water supply and demand plans and water function zoning, and shall comply with the water allocation plans approved in accordance with the Water Law of the People's Republic of China; where no water allocation plan has been formulated, the agreements signed between the relevant local people's governments shall be complied with.

Article 7 — The implementation of water drawing permits shall adhere to the principle of giving overall consideration to surface water and groundwater, and of combining the development of water sources with the economizing of water, with economizing taking priority, and shall implement a combination of total quantity control and quota administration. The total consumptive water quantity approved for drawing within a river basin shall not exceed the available water quantity of that river basin. The total water quantity approved for drawing within an administrative area shall not exceed the water quantity available for drawing within that administrative area as issued by the river basin administrative organ or the water administrative department at the next higher level; among this, the total quantity approved for drawing groundwater shall

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not exceed the exploitable quantity of groundwater in that administrative area and shall conform to the requirements of the groundwater development and utilization plan. The opinions of the competent department of land and resources shall be solicited in formulating groundwater development and utilization plans.

Article 8 — The implementation of the water drawing permit and water resource fee collection and administration system shall follow the principles of openness, fairness, impartiality, efficiency and convenience for the people.

Article 9 — All units and individuals have the obligation to economize and protect water resources. Units and individuals that have made outstanding contributions to economizing and protecting water resources shall be commended and rewarded by the people's governments at or above the county level.

Chapter II — Application and Acceptance for Water Drawing

Article 10 — A unit or individual applying for water drawing (hereinafter the applicant) shall file an application with the examination and approval organ with the authority of examination and approval. Where the applicant applies to use multiple water sources and the examination and approval organs for the water drawing permits of the various water sources are different, the application shall be filed with the examination and approval organ at the highest level among them. Where the authority for a water drawing permit belongs to a river basin administrative organ, the application shall be filed with the water administrative department of the people's government of the province, autonomous region or municipality directly under the Central Government at the place where the water drawing outlet is located. The water administrative department of the province, autonomous region or municipality directly under the Central Government shall, within 20 working days from the date of receiving the application, put forward its opinions and forward them together with all the application materials to the river basin administrative organ; upon receipt, the river basin administrative organ shall handle the matter in accordance with Article 13 of these Regulations.

Article 11 — To apply for water drawing, the following materials shall be submitted: (1) an application; (2) a relevant statement of the interested relationship with third parties; (3) where the matter is a project for filing, the relevant filing materials; and (4) other materials prescribed by the water administrative department under the State Council. Where a construction project requires water drawing, the applicant shall also submit a water resource demonstration report for the construction project prepared by a unit qualified for water resource demonstration of construction projects. The demonstration report shall include contents such as the water drawing source, the reasonableness of water use and the impact on the ecology and environment.

Article 12 — An application shall include the following matters: (1) the name and address of the applicant; (2) the reasons for the application; (3) the commencement time and term of water drawing; (4) the purpose and quantity of water drawing, and the monthly water use within the year; (5) the water source and the location of water drawing; (6) the method of water drawing, the method of metering and water-saving measures; (7) the location of water return, the main pollutants contained in the returned water and the sewage treatment measures; and (8) other matters prescribed by the water administrative department under the State Council.

Article 13 — The water administrative department of the local people's government at or above the county level or the river basin administrative organ shall, within five working days from the date of receiving the water drawing application, examine the application materials and handle the matter respectively according to the following circumstances: (1) where the application materials are complete, conform to the statutory form and fall within the scope of acceptance of that organ, the application shall be accepted; (2) where the materials submitted are incomplete or the contents of the application are unclear, the applicant shall be notified to supplement or correct them; and (3) where the matter does not fall within the scope of acceptance of that organ, the applicant shall be informed to file the application with the organ with the authority of acceptance.

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Chapter III — Examination and Decision on Water Drawing Permits

Article 14 — Water drawing permits shall be examined and approved at different levels. The following water drawing shall be examined and approved by river basin administrative organs: (1) water drawing above the quota from the main streams of the Yangtze, Yellow, Huaihe, Haihe, Luanhe, Pearl, Songhua and Liaohe Rivers, the Jinsha River and the Hanjiang River, and from Taihu Lake and the designated reaches of other rivers and lakes across provinces, autonomous regions and municipalities directly under the Central Government; (2) water drawing above the quota from the designated reaches of international boundary-crossing rivers and international boundary rivers; (3) water drawing above the quota from inter-provincial boundary rivers and lakes; (4) water drawing across the administrative areas of provinces, autonomous regions and municipalities directly under the Central Government; (5) water drawing for large construction projects examined and approved or verified by the State Council or by the investment department under the State Council; and (6) water drawing from the river channels (reaches) and lakes directly administered by river basin administrative organs. The designated reaches and quotas referred to in the preceding paragraph, and the river channels (reaches) and lakes directly administered by river basin administrative organs, shall be prescribed by the water administrative department under the State Council. Other water drawing shall be examined and approved by the water administrative departments of the local people's governments at or above the county level in accordance with the examination and approval authority prescribed by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 15 — The approved water allocation plan or the signed agreement is the basis for determining the total quantity control of water drawing permits in river basins and administrative areas. Where no water allocation plan has been formulated or no agreement has been signed for rivers and lakes across provinces, autonomous regions and municipalities directly under the Central Government, the total quantity control indicators for water drawing permits of the relevant provinces, autonomous regions and municipalities directly under the Central Government shall be proposed by the river basin administrative organ, based on the water resource conditions of the river basin, in accordance with the comprehensive water resource plan, the comprehensive river basin plan and the medium- and long-term water supply and demand plan, and in light of the current water drawing situation and supply and demand of the various provinces, autonomous regions and municipalities directly under the Central Government, in consultation with their water administrative departments, and submitted to the water administrative department under the State Council for approval. The total quantity control indicators for water drawing permits of the administrative areas of cities divided into districts and counties (cities) shall be formulated by the water administrative departments of the provinces, autonomous regions and municipalities directly under the Central Government based on the total quantity control indicators of their own provinces, autonomous regions and municipalities directly under the Central Government, and in light of the current water drawing situation and supply and demand of the various localities, and filed with the river basin administrative organ.

Article 16 — The water quantity verified in accordance with the industry water use quota is the main basis for the examination and approval of water drawing quantity. The water administrative departments and the quality supervision and inspection administration departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for guiding and organizing the formulation of the industry water use quotas within their respective administrative areas. Where no industry water use quota has been formulated for the administrative area, the industry water use quota formulated by the relevant industry department under the State Council may be applied by reference.

Article 17 — After accepting a water drawing application, the examination and approval organ shall conduct a comprehensive examination of the water drawing application materials, and comprehensively consider the possible impact of water drawing on the economizing and protection of water resources and on economic

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and social development in deciding whether to approve the water drawing application.

Article 18 — Where the examination and approval organ considers that the water drawing involves the public interest and requires a hearing, it shall make a public announcement and hold a hearing. Where the water drawing involves a major interested relationship between the applicant and others, the examination and approval organ shall, before making a decision on whether to approve the water drawing application, inform the applicant and the interested parties. Where the applicant or the interested parties request a hearing, the examination and approval organ shall organize a hearing. Where a dispute or litigation arises from a water drawing application, the examination and approval organ shall notify the applicant in writing to suspend the examination and approval procedures; after the dispute is resolved or the litigation is terminated, the examination and approval procedures shall be resumed.

Article 19 — The examination and approval organ shall, within 45 working days from the date of accepting the water drawing application, decide whether to approve it. Where it decides to approve it, it shall simultaneously issue a water drawing application approval document. For water drawing applications for groundwater in urban planning areas, the examination and approval organ shall solicit the opinions of the urban construction department, and the urban construction department shall, within five working days from the date of receiving the materials for soliciting opinions, put forward its opinions and forward them to the water drawing examination and approval organ. The examination and approval period prescribed in paragraph 1 of this Article does not include the time required for holding hearings and soliciting the opinions of the relevant departments.

Article 20 — Under any of the following circumstances, the examination and approval organ shall not approve the application and, when making the decision not to approve it, shall inform the applicant in writing of the reasons and basis for non-approval: (1) drawing groundwater in an area where groundwater extraction is prohibited; (2) increasing the water drawing quantity in an area where the total water drawing permit quantity has reached the total control quantity of water drawing permits; (3) possibly causing major damage to the water use functions of water function zones; (4) unreasonable layout of water drawing and water return; (5) drawing groundwater with self-provided water drawing facilities of a construction project when the urban public water supply network can satisfy the water use needs; (6) possibly causing major damage to third parties or the public interest; (7) being a project for filing but failing to submit the filing; or (8) other circumstances prescribed by laws and administrative regulations. The water drawing quantity approved shall not exceed the water drawing quantity designed for the water drawing works or facilities.

Article 21 — The applicant may construct water drawing works or facilities only after the water drawing application is approved by the examination and approval organ. Where a construction project needs to be examined and approved or verified by the State, the project department shall not examine, approve or verify the construction project if the water drawing application approval document has not been obtained.

Article 22 — Where, within three years after the approval of a water drawing application, the water drawing works or facilities have not commenced construction, or the construction project needing State examination, approval or verification has not obtained State examination, approval or verification, the water drawing application approval document shall automatically become invalid. Where there are major changes in the water drawing matters of a construction project, the construction unit shall re-conduct the water resource demonstration for the construction project and re-apply for water drawing.

Article 23 — After the completion of the water drawing works or facilities, the applicant shall, in accordance with the provisions of the water administrative department under the State Council, submit to the water drawing examination and approval organ the relevant materials such as the trial operation of the water drawing works or facilities; where they pass inspection and acceptance, the examination and approval organ shall issue the water drawing permit. Where water is drawn directly by using existing water drawing works or facilities, the water drawing permit shall be issued after the examination and approval organ has examined and found them qualified. The examination and approval organ shall promptly notify the water administrative

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department of the people's government at the county level at the place where the water drawing outlet is located of the issuance of water drawing permits, and periodically announce the issuance of water drawing permits.

Article 24 — A water drawing permit shall include the following contents: (1) the name of the water drawing unit or individual; (2) the term of water drawing; (3) the water drawing quantity and purpose; (4) the type of water source; and (5) the locations of water drawing and water return, and the method and quantity of water return. The water drawing quantity prescribed in item (3) of the preceding paragraph is the maximum water drawing quantity allowed for the water drawing unit or individual under the average water quantity conditions of rivers, lakes and groundwater over many years. Water drawing permits shall be uniformly produced by the water administrative department under the State Council, and the examination and approval organ may only charge the cost of production in issuing water drawing permits.

Article 25 — The term of validity of a water drawing permit is generally five years and shall not exceed ten years at the longest. Where renewal is needed upon expiry of the term of validity, the water drawing unit or individual shall file an application with the original examination and approval organ 45 days before the expiry of the term of validity, and the original examination and approval organ shall decide whether to renew it before the expiry of the term of validity.

Article 26 — Where a water drawing unit or individual requests a change in the matters stated in the water drawing permit, it or the individual shall apply to the original examination and approval organ in accordance with these Regulations, and complete the relevant change formalities upon approval by the original examination and approval organ.

Article 27 — A unit or individual that has lawfully obtained the water drawing right and has economized water resources through such measures as adjusting the product and industrial structure, reforming processes and saving water may, within the term of validity of the water drawing permit and the water drawing limit, and upon approval by the original examination and approval organ, transfer the economized water resources for compensation in accordance with law, and complete the formalities for changing the water drawing right with the original examination and approval organ. The specific measures shall be formulated by the water administrative department under the State Council.

Chapter IV — Collection, Use and Administration of Water Resource Fees

Article 28 — Water drawing units or individuals shall pay water resource fees. Water drawing units or individuals shall draw water in accordance with the approved annual water drawing plan. Where water is drawn in excess of the plan or quota, water resource fees shall be collected progressively for the portion exceeding the plan or quota. The standards for collecting water resource fees shall be formulated by the price departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government together with the finance departments and water administrative departments at the same level, submitted to the people's government at the same level for approval, and filed with the price department, finance department and water administrative department under the State Council. Among these, the standards for collecting water resource fees for central-affiliated water conservancy projects and water conservancy projects across provinces, autonomous regions and municipalities directly under the Central Government whose water drawing is examined and approved by river basin administrative organs shall be formulated by the price department under the State Council together with the finance department and water administrative department under the State Council.

Article 29 — In formulating the standards for collecting water resource fees, the following principles shall be followed: (1) promoting the rational development, utilization, economizing and protection of water resources; (2) being compatible with the local water resource conditions and the level of economic and social development; (3) giving overall consideration to the rational development and utilization of surface water and groundwater and preventing excessive extraction of groundwater; and (4) fully considering the differences

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among different industries and sectors.

Article 30 — The local people's governments at all levels shall adopt measures to improve the efficiency of agricultural water use and develop water-saving agriculture. The standards for collecting water resource fees for agricultural production water drawing shall be formulated according to the local water resource conditions, the state of rural economic development and the need to promote agricultural water saving. The standards for collecting water resource fees for agricultural production water drawing shall be lower than those for other water use, and the standards for collecting water resource fees for grain crops shall be lower than those for cash crops. The steps and scope for collecting water resource fees for agricultural production water drawing shall be prescribed by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 31 — Water resource fees shall be collected by the water drawing examination and approval organ; among these, where the water drawing is examined and approved by a river basin administrative organ, the water resource fees shall be collected on its behalf by the water administrative department of the people's government of the province, autonomous region or municipality directly under the Central Government at the place where the water drawing outlet is located.

Article 32 — The amount of water resource fees payable shall be determined according to the water resource fee collection standard at the place where the water drawing outlet is located and the actual water drawing quantity. The amount payable for water used in hydropower generation and once-through cooling water used in thermal power generation may be determined according to the water resource fee collection standard at the place where the water drawing outlet is located and the actual power generation quantity.

Article 33 — After determining the amount of water resource fees payable, the water drawing examination and approval organ shall serve a water resource fee payment notice on the water drawing unit or individual, and the water drawing unit or individual shall complete the payment formalities within seven days from the date of receiving the payment notice. With respect to drawing water resources directly from rivers, lakes or underground for agricultural production, water resource fees shall be paid by the water drawing unit or individual for the portion of water resources exceeding the agricultural production water use limit prescribed by the province, autonomous region or municipality directly under the Central Government, according to the water resource fee collection standard at the place where the water drawing outlet is located and the actual water drawing quantity; no water resource fees shall be paid for water drawing that conforms to the prescribed agricultural production water use limit. Where water from a water supply project is drawn for agricultural production, the water using unit or individual shall pay water fees to the water supply project unit according to the actual water use quantity, and the water supply project unit shall pay water resource fees in a unified manner; the water resource fees shall be included in the water supply cost. With respect to temporary emergency water transfer implemented in accordance with the State-approved cross-administrative-area water allocation plan for public interest needs, the units or individuals drawing water in the transfer-in area shall pay water resource fees according to the water resource fee collection standard at their locality and the actual water drawing quantity.

Article 34 — Where a water drawing unit or individual is unable to pay water resource fees on schedule due to special difficulties, it or the individual may, within seven days from the date of receiving the water resource fee payment notice, apply for deferred payment to the water administrative department that issued the payment notice; the water administrative department that issued the payment notice shall, within five working days from the date of receiving the deferred payment application, make a written decision and notify the applicant; where no decision is made upon expiry of the period, the application shall be deemed approved. The deferred payment period for water resource fees shall not exceed 90 days at the longest.

Article 35 — The collected water resource fees shall be turned over to the central and local treasuries separately in accordance with the provisions of the finance department under the State Council. Where the State Council provides otherwise with respect to the extraction and turnover of water resource fees for the

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purpose of raising water conservancy project funds, such provisions shall prevail.

Article 36 — The collected water resource fees shall be included in the fiscal budget in full, and shall be arranged in a coordinated manner by the finance department in accordance with the approved departmental fiscal budget, mainly for the economizing, protection and administration of water resources, and may also be used for the rational development of water resources.

Article 37 — No unit or individual may withhold, encroach upon or divert water resource fees. Audit organs shall strengthen audit supervision of the use and administration of water resource fees.

Chapter V — Supervision and Administration

Article 38 — The water administrative departments of the people's governments at or above the county level or the river basin administrative organs shall, in accordance with these Regulations, strengthen the supervision and administration of the implementation of the water drawing permit system. The water administrative departments, finance departments and price departments of the people's governments at or above the county level shall strengthen the supervision and administration of the collection and use of water resource fees.

Article 39 — The annual water allocation plans and annual water drawing plans are the basis for the total quantity control of annual water drawing, and shall be formulated according to the approved water allocation plans or the signed agreements, in light of the actual water use situation, the industry water use quotas and the predicted incoming water quantity for the next year. The annual water allocation plans and annual water drawing plans for the river basins of important rivers and lakes designated by the State shall be formulated by the river basin administrative organs together with the water administrative departments of the relevant provinces, autonomous regions and municipalities directly under the Central Government. The annual water allocation plans and annual water drawing plans of the various local administrative areas at or above the county level shall be formulated by the water administrative departments of the local people's governments at or above the county level according to the annual water allocation plans and annual water drawing plans issued by the water administrative department of the local people's government at the next higher level or the river basin administrative organ.

Article 40 — The water drawing examination and approval organ shall, in accordance with the next year's water drawing plan of the locality and the next year's water drawing plan suggestions proposed by the water drawing unit or individual, and following the principles of overall coordination, comprehensive balance and leaving room for maneuver, issue the next year's water drawing plan to the water drawing unit or individual. Where a water drawing unit or individual needs to adjust the annual water drawing plan for special reasons, it shall obtain the consent of the original examination and approval organ.

Article 41 — Under any of the following circumstances, the examination and approval organ may impose restrictions on the annual water drawing quantity of a water drawing unit or individual: (1) due to natural reasons, the water resources cannot satisfy the normal water supply of the locality; (2) the water drawing or water return has caused a serious impact on the water use functions of water function zones or on the ecology and environment; (3) groundwater has been seriously over-extracted, or geological disasters such as land subsidence have been caused by groundwater extraction; or (4) other special circumstances arise requiring restrictions on the water drawing quantity. When major drought occurs, the examination and approval organ may impose emergency restrictions on the water drawing quantity of a water drawing unit or individual.

Article 42 — A water drawing unit or individual shall, before December 31 of each year, submit to the examination and approval organ the water drawing situation of the current year and the water drawing plan suggestions for the next year. The examination and approval organ shall annually copy the situation of groundwater drawing to the competent department of land and resources at the same level, and copy the

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situation of groundwater drawing in urban planning areas to the urban construction department at the same level. Where the examination and approval organ needs to impose restrictions on the annual water drawing quantity of a water drawing unit or individual in accordance with paragraph 1 of Article 41 of these Regulations, it shall promptly notify the water drawing unit or individual in writing before adopting the restriction measures.

Article 43 — A water drawing unit or individual shall install metering facilities in accordance with the national technical standards, ensure the normal operation of the metering facilities, and fill in and submit water drawing statistical statements as prescribed.

Article 44 — Where water drawing has ceased continuously for two years, the original examination and approval organ shall cancel the water drawing permit. Where water drawing has ceased for two years due to force majeure or major technical transformation, the water drawing permit may be retained with the consent of the original examination and approval organ.

Article 45 — When conducting supervision and inspection, the water administrative departments of the people's governments at or above the county level or the river basin administrative organs have the power to adopt the following measures: (1) requiring the inspected unit or individual to provide the relevant documents, certificates and materials; (2) requiring the inspected unit or individual to explain the relevant issues concerning the implementation of these Regulations; (3) entering the production premises of the inspected unit or individual to conduct investigations; and (4) ordering the inspected unit or individual to stop acts violating these Regulations and to perform its statutory obligations. When conducting supervision and inspection, the supervisory and inspection personnel shall present lawful and valid administrative law enforcement certificates. The relevant units and individuals shall cooperate with the supervision and inspection work and shall not refuse or obstruct the supervisory and inspection personnel in performing their official duties in accordance with law.

Article 46 — The water administrative departments of the local people's governments at or above the county level shall, in accordance with the provisions of the water administrative department under the State Council, promptly submit to the water administrative department at the next higher level or the river basin administrative organ of the river basin where they are located the situation of the issuance of water drawing permits in the previous year within their administrative areas. The river basin administrative organs shall, in accordance with the provisions of the water administrative department under the State Council, promptly submit to the water administrative department under the State Council the situation of the issuance of water drawing permits in the previous year, and simultaneously copy it to the water administrative departments of the people's governments of the provinces, autonomous regions and municipalities directly under the Central Government at the places where the water drawing outlets are located. Where the water administrative department at the next higher level or the river basin administrative organ discovers examination and approval beyond authority, that the total water drawing quantity verified in water drawing permits exceeds the quantity prescribed in the water allocation plan or agreement, or that the annual actual total water drawing quantity exceeds the issued annual water allocation plan and annual water drawing plan, it shall promptly require the relevant water administrative department or river basin administrative organ to make corrections.

Chapter VI — Legal Liability

Article 47 — Where the water administrative departments of the local people's governments at or above the county level, river basin administrative organs or other relevant departments, or any of their staff members, commit any of the following acts, their superior administrative organ or supervisory organ shall order them to make corrections; where the circumstances are serious, administrative sanctions shall be imposed in accordance with law on the directly responsible persons in charge and other directly responsible persons; where a crime is constituted, criminal responsibility shall be investigated in accordance with law: (1) failing to accept a water drawing application that meets the statutory conditions or failing to approve it within the

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statutory time limit; (2) issuing a water drawing application approval document or a water drawing permit to an applicant who does not meet the statutory conditions; (3) issuing a water drawing application approval document or a water drawing permit in violation of the examination and approval authority; (4) examining, approving or verifying, without authorization, a construction project that has not obtained a water drawing application approval document; (5) failing to collect water resource fees as prescribed, or approving deferred payment of water resource fees where the deferred payment conditions are not met; (6) encroaching upon, withholding or diverting water resource fees; (7) failing to perform supervision duties and failing to investigate and handle illegal acts discovered; or (8) committing other acts of abusing power, dereliction of duty or malpractices for personal gain. The water resource fees encroached upon, withheld or diverted as prescribed in item (6) of the preceding paragraph shall be recovered in accordance with law.

Article 48 — Whoever draws water without approval, or draws water without conforming to the conditions prescribed in the approved water drawing permit, shall be punished in accordance with Article 69 of the Water Law of the People's Republic of China; where obstruction or loss is caused to others, the obstruction shall be removed and the loss compensated.

Article 49 — Whoever constructs water drawing works or facilities without obtaining a water drawing application approval document shall be ordered to stop the illegal act and complete the relevant formalities within a prescribed time limit; where the formalities are not completed within the time limit or are not approved after completion, the party shall be ordered to demolish or seal off the water drawing works or facilities within a prescribed time limit; where they are not demolished or sealed off within the time limit, the water administrative department of the local people's government at or above the county level or the river basin administrative organ shall organize the demolition or sealing off, the expenses required shall be borne by the violator, and a fine of not more than RMB 50,000 may be imposed.

Article 50 — Where an applicant conceals relevant information or provides false materials to obtain a water drawing application approval document or a water drawing permit by deception, the water drawing application approval document or the water drawing permit shall be invalid, a warning shall be given to the applicant, the applicant shall be ordered to make up the water resource fees payable within a prescribed time limit, and a fine of not less than RMB 20,000 but not more than RMB 100,000 shall be imposed; where a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 51 — Whoever refuses to implement a decision of the examination and approval organ imposing restrictions on the water drawing quantity, or transfers the water drawing right without approval, shall be ordered to stop the illegal act and make corrections within a prescribed time limit, and a fine of not less than RMB 20,000 but not more than RMB 100,000 shall be imposed; where corrections are refused within the time limit or the circumstances are serious, the water drawing permit shall be revoked.

Article 52 — Whoever commits any of the following acts shall be ordered to stop the illegal act and make corrections within a prescribed time limit, and a fine of not less than RMB 5,000 but not more than RMB 20,000 shall be imposed; where the circumstances are serious, the water drawing permit shall be revoked: (1) failing to submit the annual water drawing situation as prescribed; (2) refusing to accept supervision and inspection or resorting to fraud; or (3) the quality of returned water failing to meet the prescribed requirements.

Article 53 — Whoever fails to install metering facilities shall be ordered to install them within a prescribed time limit, and water resource fees shall be levied according to the water drawing quantity calculated on the basis of the maximum daily water drawing capacity and the water resource fee collection standard, and a fine of not less than RMB 5,000 but not more than RMB 20,000 shall be imposed; where the circumstances are serious, the water drawing permit shall be revoked. Where the metering facilities are unqualified or not operating normally, the party shall be ordered to replace or repair them within a prescribed time limit; where they are not replaced or repaired within the time limit, water resource fees shall be levied according to the water drawing quantity calculated on the basis of the maximum daily water drawing capacity and the water

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resource fee collection standard, and a fine of not more than RMB 10,000 may be imposed; where the circumstances are serious, the water drawing permit shall be revoked.

Article 54 — Where a water drawing unit or individual refuses to pay, delays payment of, or defaults on water resource fees, it or the individual shall be punished in accordance with Article 70 of the Water Law of the People's Republic of China.

Article 55 — With respect to the collection of water resource fees and water drawing permit fees in violation of the provisions, the price department shall impose an administrative penalty in accordance with law.

Article 56 — Whoever forges, alters or fraudulently uses a water drawing application approval document or a water drawing permit shall be ordered to make corrections, the illegal gains and illegal property shall be confiscated, and a fine of not less than RMB 20,000 but not more than RMB 100,000 shall be imposed; where a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 57 — The administrative penalties prescribed in these Regulations shall be decided by the water administrative departments of the people's governments at or above the county level or the river basin administrative organs in accordance with the prescribed authority.

Chapter VII — Supplementary Provisions

Article 58 — These Regulations shall be implemented as of April 15, 2006. The Measures for the Implementation of the Water Drawing Permit System promulgated by the State Council on August 1, 1993 shall be repealed simultaneously.

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