



MODERN HEAVY INDUSTRIES (TAICANG) CO., LTD.
MODERN MODULAR ENGINEERING & CONSTRUCTION CO., LTD.
TAICANG PORT & ZHANGJIAGANG PORT DEVELOPMENT ZONES
JIANGSU PROVINCE, CHINA

WATER POLLUTION PREVENTION AND CONTROL LAW OF THE PEOPLE'S REPUBLIC OF CHINA (Amended in 2017)

(Adopted at the Fifth Session of the Standing Committee of the Sixth National People's Congress on May 11th, 1984, amended for the first time according to the Decision on Revising the Water Pollution Prevention and Control Law of the People's Republic of China as adopted at the 19th Session of the Standing Committee of the Eighth National People's Congress on May 15th, 1996, revised at the 32nd Session of the Standing Committee of the 10th National People's Congress on February 28th, 2008, and amended for the second time according to the Decision on Amending the Water Pollution Prevention and Control Law of the People's Republic of China as adopted at the 28th Session of the Standing Committee of the Twelfth National People's Congress on June 27, 2017)

Contents

Chapter I General Provisions

Chapter II Standards and Planning for the Prevention and Control of Water Pollution

Chapter III Supervision and Administration of the Prevention and Control of Water Pollution

Chapter IV Measures for the Prevention and Control of Water Pollution

Section 1 General Rules

Section 2 Prevention and Control of Industrial Water Pollution

Section 3 Prevention and Control of Urban Water Pollution

Section 4 Prevention and Control of Water Pollution in Agriculture and Rural Areas

Section 5 Prevention and Control of Water Pollution from Vessels

Chapter V Protection of Drinkable Water Sources and Other Special Waters

Chapter VI Management of Water Pollution Accidents

Chapter VII Legal Liability

Chapter VIII Supplementary Provisions

Chapter I General Provisions

Article 1 This Law is developed for the purposes of protecting and improving the environment, preventing and controlling water pollution, protecting water ecology, guaranteeing the safety of drinking water, protecting the health of the public, promoting the construction of ecological civilization, and promoting the sustainable economic and social development.

Article 2 This Law applies to the prevention and control of pollution of rivers, lakes, canals, irrigation channels, reservoirs and other surface waters and ground waters within the territory of the People's Republic of China. The prevention and control of marine pollution shall be governed by the Marine Environmental Protection Law of the People's Republic of China.

Article 3 In the prevention and control of water pollution, we shall follow the principles of giving priority to prevention, combining prevention with control and preventing and controlling in an all-round way, protect drinking water sources first, rigorously control industrial pollution and urban domestic pollution, prevent and control agricultural non-point pollution, vigorously promote the construction of ecological management projects, and prevent, control and reduce water pollution and ecological damage.

Article 4 The people's governments at or above the county level shall bring the protection of water environment into the national economic and social development planning. Local people's governments at all levels shall be responsible for the water environment quality of their respective administrative regions, and take measures in a timely manner to prevent and control water pollution.

Article 5 A province, city, county or township shall establish a river chief system, and organize and lead such work as the water resource protection of rivers and lakes, administration of waters and bank lines, prevention and control of water pollution, and governance of water environment within its administrative region by degree and section.

Article 6 The state practices the objective responsibility system and the evaluation system for the protection of water environment, and takes the accomplishment of the protection objectives of water environment as a content for evaluating and assessing the local people's governments and persons in charge of them.

Article 7 The state encourages and supports the scientific and technological research on the prevention and control of water pollution, the application and promotion of advanced technologies as well as the publicity and education of water environment protection.

Article 8 The state shall, in the mode of financial transfer payment or other, establish a compensation mechanism for the ecological protection of the water environment in drinking water source reserve areas and upper reaches of rivers, lakes and reservoirs.

Article 9 The administrative departments of environmental protection under the people's governments at or above the county level shall exercise unified supervision and administration over the prevention and control of water pollution.

The maritime administrative body under the administrative department of traffic shall exercise supervision and administration over the prevention and control of water pollution from vessels.

The departments in charge of water administration, state land and resources, health, construction, agriculture and fishery under the people's governments at or above the county level as well as institutions in charge of protecting water resources in important rivers and lakes shall, within their respective scope of duties and functions, exercise supervision and administration over the prevention and control of water pollution.

Article 10 Discharge of water pollutants shall be within the state or local standards for the discharge of water pollutants and indicators for the total discharge control of major water pollutants.

Article 11 All entities and individuals have the obligation to protect water environment, and have the right to report to authorities acts polluting or damaging water environment.

The people's governments at or above the county level and the relevant administrative departments thereunder shall honor and reward entities and individuals that have made great contributions to the prevention and control of water pollution.

Chapter II Standards and Planning for the Prevention and Control of Water Pollution

Article 12 The power to formulate the state quality standards of water environment shall remain with the administrative department of environmental protection under the State Council.

The people's government of any province, autonomous region or municipality directly under the Central Government may, for issues not provided in the state quality standards of water environment, work out local standards and file such standards with the administrative department of environmental protection under the State Council for archival purpose.

Article 13 The administrative department of environmental protection under the State Council may, together with the competent department of water administration under the State Council and the people's governments of the related provinces, autonomous regions or municipalities directly under the Central Government, in accordance with the use functions of the waters of important rivers and lakes as determined by the state as well as the relevant local conditions on economy and technology, determine the quality standards of water environment applicable to the waters of these important rivers and lakes at provincial boundary areas, and implement such standards after filing them with the State Council and obtaining the approval thereof.

Article 14 The administrative department of environmental protection under the State Council shall formulate the state standards for the discharge of water pollutants in accordance with the state quality standards of water environment and the national economic and technological conditions.

For issues not provided in the state standards for the discharge of water pollutants, the people's government of any province, autonomous region or municipality directly under the Central Government may work out local standards for the discharge of water pollutants; for issues provided in the state standards for the discharge of water pollutants, it may also work out local standards stricter than the state standards. Such local standards must be filed with the administrative department of environmental protection under the State Council for archival purpose.

Discharge of pollutants to waters under the governance of certain local standards for the discharge of water pollutants must strictly abide by the said local standards.

Article 15 The administrative department of environmental protection under the State Council and the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall, in light of the requirements of water pollution prevention and control as well as the state or local economic and technological conditions, amend the quality standards of water environment and the standards for the discharge of water pollutants at time appropriate.

Article 16 The prevention and control of water pollution must be under unified planning by drainage area or region. The planning for the prevention and control of water pollution of an important river or lake determined by the state must be prepared by the administrative department of environmental protection and departments of macroeconomic control and water administration under the State Council together with the people's government of the related province, autonomous region or municipality directly under the Central Government, and be submitted to the State Council for approval.

The planning for the prevention and control of water pollution of a river or lake across more than one province, autonomous region or municipality directly under the Central Government, other than one prescribed in the preceding paragraph, shall be prepared by the administrative departments of environmental protection under the people's governments of the related provinces, autonomous regions or municipalities directly under the Central Government together with the competent departments of water administration at the same level and the related

municipal or county people's governments in accordance with the planning for the prevention and control of water pollution of important rivers and lakes determined by the state and in light of the local situation, and be submitted to the State Council for approval after it is examined and approved by the people's governments of the related provinces, autonomous regions or municipalities directly under the Central Government.

The planning for the prevention and control of water pollution of a river or lake across more than one county in a province, autonomous region or municipality directly under the Central Government shall be prepared by the administrative department of environmental protection under the people's government of the province, autonomous region or municipality directly under the Central Government together with the competent department of water administration at the same level in accordance with the planning for the prevention and control of water pollution of important rivers and lakes determined by the state and in light of the local situation, be submitted to the people's government of the province, autonomous region or municipality directly under the Central Government for approval and be filed with the State Council for archival purpose.

The approved planning for the prevention and control of water pollution is the fundamental basis for the prevention and control of water pollution, and the amendments to such planning must be under the approval of the organ approving the planning.

The local people's government at or above the county level shall organize the preparation of the planning for the prevention and control of water pollution in this administrative region in accordance with the legally approved planning for the prevention and control of water pollution of rivers and lakes.

Article 17 The relevant city or county people's government shall, according to the requirements of the objective of improving water environment quality as determined in accordance with the plan for the prevention and control of water pollution, make a plan for reaching the objective within a prescribed time limit, and take measures to reach the objective on schedule.

The relevant city or county people's government shall report the plan on reaching the objective within the prescribed time limit to the people's government at the next higher level for record, and release it to the public.

Article 18 The city or county people's government shall, when reporting environmental conditions and the completion of the environmental protection objective to the people's congress at the same level or its standing committee each year, report the implementation of the plan for reaching the objective on water environment quality, and release it to the public.

Chapter III Supervision and Administration of the Prevention and Control of Water Pollution

Article 19 The building, renovation and enlargement of construction projects directly or indirectly discharging pollutants to waters and other water establishments shall be subject to environmental impact assessment. Before building, renovating or enlarging the outfall to a river or lake, the construction entity shall obtain the consent of the competent department of water administration or the governing authority of the drainage area concerned; where it involves water area for navigation or fishery, the administrative department of environmental protection shall, when examining and approving the environmental impact assessment document, ask for the opinion of the competent department of traffic and that of fishery.

The facilities for the prevention and control of water pollution in a construction project shall be designed, constructed and put into use with the principal part of the project at the same time. The facilities for the prevention and control of water pollution shall comply with the requirements of the environmental impact assessment documents granted approval or record.

Article 20 The state shall implement the rules for the control of total discharge of major water pollutants.

The administrative department for environmental protection of the State Council shall, after soliciting the opinions of the relevant departments of the State Council and the people's governments of all provinces, autonomous regions and municipalities directly under the Central Government, report the indicators for controlling the total discharge of major water pollutants jointly with the economic comprehensive macro-control department of the State Council to the State Council for approval and assign the indicators for implementation.

The people's government of a province, autonomous region, or municipality directly under the Central Government shall, in accordance with the provisions of the State Council, reduce and control the total discharge of major water pollutants of its administrative region. The specific measures shall be prescribed by the administrative department of environmental protection of the State Council jointly with other relevant departments of the State Council.

The people's government of the province, autonomous region, or municipality directly under the Central Government may, in light of the water environment quality of its administrative region and the requirements for the prevention and control of water pollution, control the total discharge of the water pollutants other than the major water pollutants of the state.

In the areas where the indicators for the control of total discharge of major water pollutants are exceeded or the objective for the improvement of water environment quality is not completed, the administrative department for environmental protection of the people's government at or above the provincial level shall, jointly with other relevant departments, hold an interview with the principal person in charge of the people's government of the region, suspend the approval of environmental impact assessment documents of construction projects of total discharge of new major water pollutants. The interview shall be released to the public.

Article 21 An enterprise or public institution which directly or indirectly discharges industrial waste water or medical sewage to waters or waste water or sewage that may be discharged after a pollutant discharge license is obtained as required shall obtain a pollutant discharge license. An entity operating facilities for the centralized treatment of urban sewage shall also obtain a pollutant discharge license. The pollutant discharge license shall

specify the types, concentration, total discharge and discharge direction of water pollutants, etc. The specific measures for the pollutant discharge license shall be prescribed by the State Council.

All enterprises and public institutions and other producers and dealers are prohibited from discharging the waste water and sewage as prescribed in the preceding paragraph to waters without a pollutant discharge license or in violation of the provisions of the pollutant discharge license.

Article 22 Enterprises, public institutions and individual industrial and commercial households which discharge water pollutants to waters shall set up pollutant discharge outlets in accordance with the laws, administrative regulations and the provisions of the administrative department for environmental protection of the State Council; if such outlets lead to rivers or lakes, they shall also abide by the provisions of the water administrative department of the State Council.

Article 23 An enterprise or public institution that conducts licensed management of pollutant discharge or any other producer or dealer shall, according to the relevant provisions and monitoring rules of the state, monitor the discharged water pollutants, and retain original monitoring records. Major pollutant discharge entities shall also install equipment for the automatic monitoring of discharge of water pollutants, link to the monitoring equipment of the administrative department for environmental protection, and guarantee the normal operation of monitoring equipment. The specific measures shall be prescribed by the administrative department for environmental protection of the State Council.

The list of major pollutant-discharging entities required to install automatic monitoring equipment on the discharge of water pollutants shall be determined by the administrative department of environmental protection of the local people's government at the level of municipality divided into districts or above by consulting with the related departments at the same level in light of the environmental capacity of the administrative region, the requirements of the indicators on total discharge control of important water pollutants as well as the category, quantity and concentration of water pollutants discharged by pollutant-discharging entities.

Article 24 Enterprises and public institutions that conduct licensed management of pollutant discharge and other producers and dealers shall be responsible for the truthfulness and accuracy of the monitoring data.

Where the administrative department for environmental protection finds that any major pollutant discharge entity's equipment for the automatic monitoring of discharge of water pollutants has abnormal data transmission, it shall conduct an investigation in a timely manner.

Article 25 The state shall establish rules for the monitoring of water environment quality and monitoring of water pollutant discharge. The administrative department of environmental protection of the State Council shall be responsible for working out water environment monitoring standards, releasing the state's water environment situation in a uniform manner and organizing a monitoring network with the water administrative department and other departments of the State Council, make uniform planning on the setup of stations (outlets) for the monitoring of water quality environment of the state, establish a monitoring data sharing mechanism, and strengthen the administration of water environment monitoring.

Article 26 The work institutions of protection of water resources of important rivers and lakes determined by the state shall be in charge of monitoring the water environment quality of provincial boundary waters where they are located, report the monitoring results to the administrative department of environmental protection and the competent department of water administration under the State Council; and report the monitoring results to the leading institution of protection of water resources of drainage areas established upon the approval of the State Council, if any.

Article 27 When developing, utilizing, adjusting or transferring water resources, the relevant departments of the State Council and local people's governments at or above the county level shall make overall plans, maintain the rational water flow of rivers and the water level of lakes, reservoirs and groundwater at a reasonable place, guarantee the basic water use for ecological purpose, and protect the ecological functions of waters.

Article 28 The administrative department for environmental protection of the State Council shall, jointly with the water administrative and other departments of the State Council and people's governments of relevant provinces, autonomous regions and municipalities directly under the Central Government, establish a mechanism for the joint coordination of water environmental protection of valleys of important rivers and lakes, and make uniform planning, adopt uniform standards, conduct uniform monitoring, and take uniform prevention and control measures.

Article 29 The administrative department for environmental protection of the State Council and the administrative department for environmental protection of the people's government of a province, autonomous region or municipality directly under the Central Government shall, jointly with the relevant department at the same level, specify the requirements for the protection of ecological environment in valleys, organize the monitoring and evaluation of tolerance of environmental resources in valleys, and give early warnings on the tolerance of environmental resources in valleys according to the requirements for ecological environment functions of valleys. The local people's government at or above the county level shall, according to the requirements for the ecological environment functions of valleys, organize the protection and recovery of lakes, rivers and wet land, construct ecological environment treatment and protection projects such as artificial wetland, water source cultivation forest, buffer belts and isolation belts of plants along rivers and lakes, rectify black and smelly waters according to the actual local circumstances, and enhance the bearing capacity of environmental resources in valleys. In development and construction activities, effective measures shall be taken to maintain the ecological environment functions of valleys, and strictly guard the bottom line of ecological protection.

Article 30 The administrative department of environmental protection and other departments exercising the right of supervision and administration according to this Law have the right to make spot inspection on pollutant

discharging entities within their jurisdiction, and the said entities shall truthfully report the relevant information and provide necessary material. The inspecting authority has the obligation to keep the trade secrets of the said entities known in the process of inspection.

Article 31 Any dispute over water pollution which involves more than one administrative region shall be settled upon the negotiations of the related local people's governments, or upon the coordination of their common higher people's government.

Chapter IV Measures for the Prevention and Control of Water Pollution

Section 1 General Rules

Article 32 The administrative department of environmental protection of the State Council shall, jointly with the competent health department of the State Council, and according to the degree of harm and impact on the health of the public and ecological environment, release a list of poisonous and hazardous water pollutants, and conduct risk management.

Any enterprise or public institution or any other producer or dealer that discharges poisonous and hazardous water pollutants as listed in the catalogue prescribed in the preceding paragraph shall monitor pollutant discharge outlets and the surrounding environment, assess environmental risks, screen potential environmental safety hazards, release the information on poisonous and hazardous pollutants, and take effective measures to prevent environmental risks.

Article 33 It is prohibited to discharge oil, acid, alkaline or highly toxic waste liquids to waters.

It is prohibited to clean in waters the vehicles and containers which have carried or stored oil or pathogenic pollutants.

Article 34 It is prohibited to discharge or dump radioactive solid waste or waste water containing highly and medium radioactive substances to waters.

Waste water containing low radioactive substances may only be discharged to waters in accordance with the state provisions on and standards for the prevention and control of radioactive pollution.

Article 35 For discharging heated waste water to waters, corresponding measures shall be taken to guarantee that the temperature of waters is in line with the water environment quality standards.

Article 36 Waste water containing pathogen may be discharged only after it is sterilized in accordance with the relevant state standards.

Article 37 It is prohibited to discharge or dump industrial solid waste, urban refuse and other castoffs to waters. It is prohibited to discharge or dump soluble highly toxic waste residues containing mercury, cadmium, arsenic, chromium, lead, cyanide or yellow phosphorus to waters, or directly bury them underground.

For places storing soluble highly toxic waste residues, corresponding waterproof, anti-leakage and anti-loss measures must be taken.

Article 38 It is prohibited to stockpile or store solid wastes and other pollutants at bench land and bank slopes below the highest water level of rivers, lakes, canals, channels and reservoirs.

Article 39 It is prohibited to privately set underground pipelines through seepage wells, seepage pits, crevices, karst caves, to falsify or forge any monitoring data, or discharges any water pollutants by evading supervision such as the irregular operation of facilities for the prevention and control of water pollution.

Article 40 A chemical production enterprise or an entity that operates or manages industrial clusters, a mine exploration area, tailings pond, hazardous waste disposal field, or landfill, etc., shall take anti-leakage or other measures, build underground water quality monitoring sites to monitor water quality, and prevent underground water pollution.

The underground oil tanks of oil stations shall use double-layer tanks or other effective measures, such as building anti-leakage pools, shall be taken to monitor anti-leakage and prevent underground water pollution. It is prohibited to use any ditch, pit or pool which has not been dealt with anti-leakage measures to transmit or store waste water containing pathogenic pollutants, sewage containing pathogen and other castoffs.

Article 41 For multi-layer ground water, layered exploitation shall be resorted to if the water quality differs greatly from one aquifer to another. No combined exploitation of phreatic water and confined water already polluted may be permitted.

Article 42 When constructing underground engineering facilities or conducting underground exploitation or mining activities, preventive measures must be taken to prevent groundwater pollution.

Where a waste mine, drilling well or water intake well, etc., is discarded as useless, the well shall be sealed up or refilled.

Article 43 Artificial recharge for ground water may not deteriorate the quality of groundwater.

Section 2 Prevention and Control of Industrial Water Pollution

Article 44 The relevant departments under the State Council and the local people's governments at or above the county level shall reasonably plan the distribution of industry, require enterprises causing water pollution to make technical innovation and take comprehensive prevention and control measures to improve the repeating utilization factor of water and reduce the discharge of waste water and pollutants.

Article 45 An enterprise that discharges industrial waste water shall take effective measures to collect and process all generated waste water, and prevent environmental pollution. If the industrial waste water contains any poisonous and hazardous water pollutants, the enterprise shall conduct categorized collection and treatment instead of discharging them after dilution.

The industrial cluster shall build supporting centralized sewage treatment facilities, install automatic monitoring equipment, link to the monitoring equipment of the administrative department of environmental protection, and guarantee the normal operation of the monitoring equipment.

Where industrial waste water is discharged to centralized sewage treatment facilities, they shall be processed in advance in accordance with the relevant provisions of the state, and may be discharged after the requirements for the treatment techniques of centralized treatment facilities are satisfied.

Article 46 The state applies the washing-out system to backward techniques and equipment that seriously pollute water environment.

The department of macro-economic control under the State Council shall, together with the relevant departments of the State Council, publish the catalogue of techniques which seriously pollute water environment and are to be eliminated within a certain time limit and the catalogue of equipment which seriously pollutes water environment and is prohibited to be produced, sold, imported and used.

Producers, sellers, importers or users shall, within the prescribed time limit, stop producing, selling, importing or using any equipment listed into the aforesaid catalogue of equipment to be eliminated. Entities and individuals adopting any technique listed into the aforesaid catalogue of technique to be eliminated shall stop using it within the prescribed time limit.

Equipment to be eliminated pursuant to the preceding two paragraphs of this Article may not be transferred to others to use.

Article 47 The state prohibits the building of small-scale production projects of paper making, leather making, printing and dyeing, dyestuff, coking, sulfur refining, arsenic refining, mercury refining, oil refining, electroplating, pesticides, asbestos, cement, glass, steel, thermal power etc. that seriously pollute water environment and do not conform with the state industrial policies.

Article 48 Enterprises shall adopt clean technique that utilizes raw materials at a higher efficiency and discharges fewer pollutants, and strengthen administration to reduce the generation of water pollutants.

Section 3 Prevention and Control of Water Pollution in Urban Areas

Article 49 Urban sewage shall be treated in a concentrated way.

The local people's government at or above the county level shall raise funds through fiscal budget and other channels, and make unified planning and overall arrangement for the construction of facilities for the concentrated treatment of urban sewage as well as the supporting pipe network so as to improve the collection rate and treatment rate of urban sewage of the administrative region.

The administrative department of construction under the State Council shall, together with the administrative department of macro-economic control and the administrative department of environmental protection under the State Council, in accordance with the urban and rural planning and water pollution prevention and control planning, organize the establishment of the national planning for construction of urban sewage treatment facilities. The local people's government at or above the county level shall organize the departments in charge of construction, macro economic control, environmental protection and water administration to establish the planning for construction of urban sewage treatment facilities of the administrative region. The administrative department of construction under the local people's government at or above the county level shall, in accordance with the planning for construction of urban sewage treatment facilities, organize the construction of facilities for the concentrated treatment of urban sewage as well as the supporting pipe network, and strengthen supervision and administration over the operation of such facilities.

An entity that operates the facilities for the centralized treatment of urban sewage shall provide paid services of sewage treatment to the entities discharging pollutants in accordance with the relevant provisions of the state, charge sewage treatment fees, and guarantee the normal operation of such facilities. Sewage treatment fees collected shall be used for the construction and operation of facilities for the centralized treatment of urban sewage and sludge treatment and disposal, and shall not be misappropriated for any other purpose.

The specific measures governing the charge for sewage treatment with urban sewage concentrated treatment facilities as well as the administration and use of such facilities shall be determined by the State Council.

Article 50 Discharge of water pollutants to urban sewage concentrated treatment facilities shall be in line with the state or local standards for the discharge of water pollutants.

Entities operating urban sewage concentrated treatment facilities shall be responsible for the quality of the water discharged from such facilities after treatment.

The administrative department of environmental protection shall supervise and inspect the quality and quantity of the water discharged from urban sewage concentrated treatment facilities after treatment.

Article 51 An entity that operates facilities for the centralized treatment of urban sewage or a sludge treatment and disposal entity shall conduct sludge treatment and disposal in a safe manner, guarantee that the sludge after treatment and disposal complies with national standards, and record the direction of sludge.

Section 4 Prevention and Control of Water Pollution in Agriculture and Rural Areas

Article 52 The state shall support the construction of rural sewage and garbage treatment facilities, and promote the centralized treatment of rural sewage and garbage.

Local people's governments at all levels shall make overall planning to build rural sewage and garbage treatment facilities and guarantee their normal operation.

Article 53 The determined quality standards and use standards for fertilizers and pesticides shall satisfy the requirements for water environment protection.

Article 54 Use of pesticides must be in line with the state provisions and norms on safe use of pesticides. Transportation and storage of pesticides as well as disposal of out-of-date pesticides require more efforts in administration to prevent water pollution.

Article 55 The competent agriculture department of the local people's government at or above the county level and other relevant departments shall take measures to direct agricultural producers to use fertilizers and

pesticides in a scientific and rational manner, popularize soil testing formulas and fertilizing technologies, use efficient, low-toxic and low-residue pesticides, control the excessive use of fertilizers and pesticides, and prevent water pollution.

Article 56 The state supports livestock and poultry breeding plants or communities to construct facilities for the comprehensive utilization or harmless treatment of livestock and poultry stool and waste water.

These plants or communities shall guarantee the normal operation of such facilities and make sure that the discharge of sewage reaches corresponding standards so as to prevent water environment from being polluted. The county or township people's government at the place where the scattered or centralized breeding area of livestock and poultry is located shall organize the separate collection and centralized treatment and utilization of livestock and poultry sewage.

Article 57 Those engaging in aquaculture are required to protect the ecological environment of waters, scientifically determine the breeding density and reasonably cast baits and use drugs so as to prevent water environment from being polluted.

Article 58 The water used for farmland irrigation shall comply with the corresponding water quality standards, and pollution to soil, underground water and agricultural products shall be prevented.

The discharge of industrial waste water or medical sewage to farmland irrigation canals shall be prohibited. If urban sewage or livestock and poultry breeding waste water and processing waste water of agricultural products that has not been subject to comprehensive utilization is discharged to farmland irrigation canals, the water quality of the nearest place supplying water for irrigation at lower reaches shall comply with the water quality standards for farmland irrigation.

Section 5 Prevention and Control of Water Pollution from Vessels

Article 59 Vessels shall discharge oil-polluted water or domestic sewage in accordance with the standards for the discharge of pollutants by vessels. Maritime navigation vessels must abide by the standards of inland rivers for the discharge of pollutants by vessels as long as they enter inland rivers or ports.

Residual oil and waste oil of vessels shall be recycled, and it is prohibited to discharge them to waters.

It is prohibited to dump vessel refuse to waters.

Vessels conveying oil or poisonous cargos must take anti-overflow and anti-leakage measures to prevent water pollution resulting from the drop of such cargos into water.

Where a vessel sailing on international navigation lines in inland waters of the People's Republic of China discharges ballasting water, it shall adopt ballasting water processing equipment or take other equivalent measures to sterilize the ballasting water or conduct other treatment. The discharge of vessel ballasting water in non-compliance with the relevant provisions shall be prohibited.

Article 60 Vessels shall equip themselves with corresponding anti-fouling equipment and apparatus in accordance with the relevant state provisions, and hold the legal and valid certificates and documents on preventing water environment from being polluted.

Any vessel operation involving the discharge of pollutants must be conducted in strict accordance with the operating procedure, and the relevant information shall be truthfully recorded on the corresponding book of records.

Article 61 The city or county people's government at the place where the port, wharf, loading and unloading station or shipyard is located shall make overall planning to build facilities for the receipt, transfer, treatment and disposal of vessel pollutants and wastes.

Ports, docks, loading and unloading stations as well as dockyards must equip themselves with enough facilities for taking over vessel pollutants and castoffs. Entities engaging in taking over vessel pollutants and castoffs or cleaning the cabin of vessels carrying oil or cargos with the hazard of pollution shall have the taking-over and processing capacity suitable for its operation scale.

Article 62 A vessel or the relevant operator that conducts any operation with pollution risks shall, in accordance with the relevant laws, regulations and standards, take effective measures to prevent water pollution. The maritime safety administration and the competent fishery department shall strengthen the supervision and administration of vessels and the relevant operations.

Where a vessel plans to conduct the operation of lightering bulk liquid cargo with the hazardous pollution, it shall prepare an operation plan, take effective safety and pollution prevention and control measures, and report the plan to the maritime safety administration at the place of operation for approval.

Vessel dismantling on the beach shall be prohibited.

Chapter V Protection of Drinking Water Sources and Other Special Waters

Article 63 The state has established the drinking water source reserve system. Drinking water source reserves are classified into Grade I and Grade II. It is allowed to delimit a certain area at the periphery of a drinking water source reserve as a quasi reserve.

For the determination of a drinking water source reserve, the related municipal or county people's government shall propose a plan and submit the plan to the people's government of the concerned province, autonomous region or municipality directly under the Central Government for approval. For the determination of a reserve involving more than one municipality or county, the people's governments of the related municipalities and counties shall propose a plan upon negotiations and submit the plan to the people's government of the concerned province, autonomous region or municipality directly under the Central Government for approval; in case they can't reach an agreement upon negotiations, the plan shall be proposed by the administrative department of environmental protection under the people's government of the concerned province, autonomous region or municipality directly under the Central Government together with the departments in charge of water

administration, state land and resources, health and construction at the same level, and be submitted to the people's government of the concerned province, autonomous region or municipality directly under the Central Government for approval after getting the opinions of the related departments at the same level.

A drinking water source reserve involving more than one province, autonomous region, or municipality directly under the Central Government shall be determined by the people's government of the concerned province, autonomous region or municipality directly under the Central Government with the governing authority of the related drainage area upon negotiations; in case they can't reach an agreement upon negotiations, the plan shall be proposed by the administrative department of environmental protection under the State Council together with the departments in charge of water administration, state land and resources, health and construction at the same level, and be submitted to the State Council for approval after getting the opinions of the related departments of the State Council.

The State Council and the people's government of any province, autonomous region or municipality directly under the Central Government may, in light of the actual needs for protecting drinking water sources, adjust the scope of a drinking water reserve so as to ensure the safety of drinking water. The related local people's governments shall set up clear geographical landmark and warning sign at the boundary of each drinking water source reserve.

Article 64 No outfall may be set up in drinking water source reserves.

Article 65 It is prohibited to build, renovate or enlarge in a Grade I drinking water source reserve any construction projects irrelevant to water supply facilities and the work of water source protection; for those already accomplished, the people's government at or above the county level shall order their demolition or closure.

It is prohibited to breed in cages, travel, swim, go angling or conduct any other activities that may pollute drinking waters in any Grade I drinking water source reserves.

Article 66 It is prohibited to build, renovate or enlarge in a Grade II drinking water source reserve any construction projects discharging pollutants; for those already accomplished, the people's government at or above the county level shall order their demolition or closure.

When conducting cage breeding, traveling or other activities in a Grade II drinking water source reserve, corresponding measures must be taken in accordance with the relevant provisions to keep drinking waters from being polluted.

Article 67 It is prohibited to build or enlarge in a quasi drinking water source reserve any construction projects seriously polluting waters, but rebuilding is allowed under the premise of not increasing the discharge volume.

Article 68 The people's government at or above the county level shall, in light of the actual needs of the protection of drinking water sources, take engineering measures or such ecological protection measures as building wetland or water conservation forests in quasi reserves to prevent water pollutants from being directly discharged into drinking waters so as to ensure the safety of drinking water.

Article 69 The local people's government at or above the county level shall organize environmental protection and other departments to investigate and appraise the environmental situation and pollution risks of the drinking water resource protection areas, recharge areas of underground drinking water resources, and the surrounding areas of water suppliers, screen the possible pollution risk factors, and take corresponding risk prevention measures.

Where drinking water sources are polluted, which may pose a threat to the safety of water supply, the administrative department of environmental protection shall order the relevant entity, public institution or any other producer or dealer to take such measures as ceasing the discharge of water pollutants, and notify the drinking water supplier and water supply, health and water administrative departments, etc., and if different administrative regions are involved, the relevant local people's government shall also be notified.

Article 70 The people's government of a city whose water is supplied by a single water source shall build emergency water sources or backup water sources, and regional networking water supply may be conducted in the regions where possible.

The local people's government at or above the county level shall make rational arrangements and layout on agricultural drinking water sources, and in the regions where possible, urban water supply pipelines may be extended, or cross-village or county centralized water supply projects and other forms may be taken to develop large-scale centralized water supply.

Article 71 The drinking water supplier shall effectively monitor the water quality of water intake and outlets. If the entity finds that the water quality of any water intake fails to comply with the standards for the water quality of drinking water sources or water quality of water outlets fails to comply with drinking water health standards, it shall take corresponding measures in a timely manner, and report it to the competent water supply department of the local city or county people's government. The competent water supply department shall, after receiving the report, notify the environmental protection, health, water administrative departments, etc.

The drinking water supplier shall be responsible for the quality of the water it supplies, ensure the safe and reliable operation of water supply facilities, and ensure that the quality of the water it supplies complies with the relevant national standards.

Article 72 The local people's government at or above the county level shall organize the relevant departments to monitor and appraise the safety of drinking water of drinking water resources, the water supplied by suppliers and the water from taps of users within its administrative region.

The relevant department of the local people's government at or above the county level shall, at least on a quarterly basis, release to the public the information on the safety of drinking water.

Article 73 The State Council and the people's government of any province, autonomous region or municipality directly under the Central Government may, in light of the needs for protecting water environment, prohibit or restrict the use of detergent, fertilizer and pesticide containing phosphor or restrict planting or breeding, etc. within a drinking water source reserve.

Article 74 The people's government at or above the county level may delimit reserves for waters at famous scenic sites, important fishery waters and other waters with special economic and cultural values, and take steps to guarantee that the water quality of such reserves conforms to the water environment quality standards for the prescribed purposes.

Article 75 No outfalls may be set up in reserves for waters at famous scenic sites, important fishery waters and other waters with special economic and cultural values, but building outfalls in vicinity of such reserves is allowed only under the premise of not polluting the waters of such reserves.

Chapter VI Management of Water Pollution Accidents

Article 76 The people's governments at all levels, the related departments thereof as well as enterprises and public institutions with potential risk of occurrence of water pollution accidents shall, pursuant to the provisions of the Law of the People's Republic of China on Response to Emergencies, do a good job in making good preparations for water pollution emergencies, dealing with such emergencies and carrying out the recovery work after the event.

Article 77 Enterprises and public institutions with potential risk of occurrence of water pollution accidents shall work out an emergency plan for dealing with water pollution accidents, make good preparations for emergencies and rehearsal such plan on a regular basis.

Enterprises and public institutions manufacturing or storing hazardous chemicals shall take steps to prevent the fire-fighting waste water or waste liquid which is generated in dealing with production accidents and are capable of seriously polluting waters from being directly discharged to waters.

Article 78 Where any incident or other emergency occurs to an enterprise or public institution, which has caused or may cause any water pollution incident, the enterprise or public institution shall initiate its emergency response plan immediately, take emergency response measures such as isolation, prevent the entry of water pollutants to waters, and report the incident to the people's government at or above the county level or the administrative department of environmental protection at the place where the incident occurs. The administrative department of environmental protection shall, after receiving the report, forward it to the people's government at the same level in a timely manner, and send a copy to the relevant department.

Any entity, after causing a fishery pollution accident or a water pollution accident with fishery vessel, shall submit a report thereon to the administrative department of fishery of the place of occurrence of such accident, and accept corresponding investigation and punishment. For a water pollution accident caused by a vessel other than a fishery vessel, the report shall be submitted to the maritime governing authority of the place of occurrence of such accident, and the party concerned shall accept corresponding investigation and punishment. If any damage has been caused to the fishery industry, the maritime governing authority shall notify the administrative department of fishery to participate in the investigation and punishment process.

Article 79 The city or county people's government shall organize the preparation of plans for responding to driving water safety emergencies.

A drinking water supplier shall, according to the local plan for responding to drinking water safety emergencies, make the corresponding emergency response plan, report it to the local city or county people's government for record, and conduct rehearsals on a periodical basis.

Where any water pollution incident occurs to drinking water sources, or any other emergency which may affect drinking water safety, occurs, the drinking water supplier shall take emergency response measures, report it to the local city or county people's government, and release it to the public. The relevant people's government shall, according to the actual circumstances, initiate the response plan in a timely manner, and take effective measures to guarantee the safety of water supply.

Chapter VII Legal Liability

Article 80 If the administrative department of environmental protection or other department exercising the power of supervision and administration in accordance with this Law fails to legally give administrative license or issue approval document, fails to investigate the illegal acts found out or the tip-off or commits any other act in failure to perform its duties prescribed by this Law, punishments shall be imposed on its directly liable person in-charge and other directly liable persons according to law.

Article 81 Whoever, by such means as delaying, besieging and withholding law enforcement officials, refuses to accept or obstructs the supervision and inspection conducted by the administrative department of environmental protection or any other department that exercises supervision and administrative power in accordance with the provisions of this Law, or practices fraud when accepting supervision and inspection, the administrative department of environmental protection of the people's government at or above the county level or any other department that exercises the supervision and administration power in accordance with the provisions of this Law shall be ordered to take corrective actions, and be fined not less than 20,000 yuan but not more than 200,000 yuan.

Article 82 Where any entity commits any of the following conducts as in violation of this Law, the administrative department of environmental protection of the people's government at or above the county level shall order it to take corrective actions within a prescribed time limit and impose a fine of not less than 20,000 yuan but not more than 200,000 yuan on it, and if it fails to do so, shall order it to suspend production for rectifications.

(1) Failing to monitor the discharged of water pollutants as required or retain original monitoring records.

(2) Failing to install equipment for the automatic monitoring of discharge of water pollutants, or failing to link such equipment to the monitoring equipment of the administrative department of environmental protection as required, or failing to guarantee the normal operation of the monitoring equipment.

(3) Failing to monitor the pollutant discharge outlets and the surrounding environment of poisonous and hazardous water pollutants as required, or failing to disclose the information on poisonous and hazardous water pollutants.

Article 83 Where any entity commits any of the following conduct as in violation of this Law, the administrative department of environmental protection of the people's government at or above the county level shall order it to take corrective actions or order it to restrict production or suspend production for rectifications, and impose a fine of not less than 100,000 yuan but not more than one million yuan on it; and if the circumstances are serious, order it to suspend its business operations or close down with the approval of the people's government with the approval authority.

(1) It discharges water pollutants without obtaining a pollutant discharge license in accordance with the law.

(2) It discharges water pollutants exceeding the standards for the discharge of water pollutants or the indicators for the control of total discharge of major water pollutants.

(3) It privately sets underground pipelines through seepage wells, seepage pits, crevices, or karst caves, to falsify or forge monitoring data, or discharges water pollutants by evading supervision, such as the irregular operation of facilities for the prevention and control of water pollution.

(4) It fails to conduct advance treatment as required, and discharges industrial waste water in non-compliance with the requirements of treatment techniques to the facilities for the centralized treatment of sewage.

Article 84 Where any entity sets up a pollutant discharge outlet in a drinking water source protection area, the local people's government at or above the county level shall order the entity to dismantle it within a prescribed time limit and impose a fine of not less than 100,000 yuan but not more than 500,000 yuan on the entity. If the entity fails to dismantle the outlet within the prescribed time limit, the people's government may order a mandatory dismantling with the required expenses to be borne by the violator, impose a fine of not less than 500,000 yuan but not more than one million yuan on it, and may order it to suspend production for rectifications. Notwithstanding the preceding paragraph, if any entity illegally sets up any pollutant discharge outlet in violation of any law, administrative regulation or the provisions of the administrative department of environmental protection of the State Council, the administrative department of environmental protection of the local people's government at or above the county level shall order it to dismantle the outlet within a prescribed time limit, and impose a fine of not less than 20,000 yuan but not more than 100,000 yuan. If it fails to dismantle the outlet within the prescribed time limit, the department may order a mandatory dismantling with the required expenses borne by the violator, impose a fine of not less than 100,000 yuan but not more than 500,000 yuan on it, and may, if the circumstances are serious, order it to suspend production for rectifications.

Where any entity builds, renovates or enlarges an outfall at a river or lake without the consent of the competent department of water administration or the governing authority of the related drainage area, the competent department of water administration under the people's government at or above the county level or the governing authority of the drainage area shall, according to its power, take steps and give punishments in accordance with the provisions of the preceding paragraphs.

Article 85 Where any entity commits any of the following conducts, the administrative department of environmental protection of the local people's government at or above the county level shall order it to stop the violation of law and take treatment measures within a prescribed time limit to eliminate pollution, and impose a fine on it. If it fails to take treatment measures within the prescribed time limit, the administrative department of environmental protection may designate an entity capable of such treatment to do so with the required expenses borne by the violator:

(1) Discharging oil, acid liquids or lye to waters.

(2) Discharging highly toxic waste liquid to waters, or discharging or dumping soluble highly toxic waste residues containing mercury, cadmium, arsenic, chrome, lead, cyanide or yellow phosphorus, among others, to waters or directly burying them underground.

(3) Cleaning at waters the vehicles or containers which have carried or stored oil or poisonous pollutants.

(4) Discharging or dumping to waters industrial waste residues, urban refuse or other wastes, or stockpiling or storing solid wastes or other pollutants at beach land and bank slopes below the highest water level of rivers, lakes, canals, channels and reservoirs.

(5) Discharging or dumping radioactive solid waste or waste water containing highly and medium radioactive substances to waters.

(6) Discharging waste water or hot waste water containing low radioactive substances or sewage containing pathogen to waters in violation of the relevant provisions or standards of the state.

(7) Failing to take anti-leakage and other measures, or failing to establish underground water quality monitoring points to conduct monitoring.

(8) Failing to use double-layer tanks for the underground oil tanks of oil stations, or take other effective measures such as building anti-leakage pools, or failing to conduct anti-leakage monitoring.

(9) Failing to take preventive measures as required, or using any ditch, pit or pool, etc., without taking anti-leakage measures to transmit or store waste water containing pathogenic pollutants, sewage containing pathogen or other wastes.

Whoever commits any conduct as prescribed in paragraph 3, 4, 6, 7 or 8 of the preceding paragraph shall be fined not less than 20,000 yuan but not more than 200,000 yuan. Whoever commits any conduct prescribed in

paragraph 1, 2, 5 or 9 of the preceding paragraph shall be fined not less than 100,000 yuan but not more than one million yuan. If the circumstances are serious, it may be ordered to suspend its business operations or close down with the approval of the people's government with approval authority.

Article 86 Where any entity, in violation of this Law, produces, sells, imports or uses any equipment listed into the catalogue of equipment which seriously pollutes water environment and is prohibited to be produced, sold, imported and used or adopts any technique listed into the catalogue of techniques which seriously pollute water environment and are prohibited to be adopted, the administrative department of macro economic control under the people's government at or above the county level shall order it to correct, impose upon it a fine of not less than 50,000 yuan but not more than 200,000 yuan, and, if the circumstances are serious, propose a suggestion and submit it to the people's government at the same level requesting to order the entity to stop business or close.

Article 87 Where any entity, in violation of this Law, builds any production projects of paper making, leather making, printing and dyeing, dyestuff, coking, sulfur refining, arsenic refining, mercury refining, oil refining, electroplating, pesticides, asbestos, cement, glass, steel, thermal power etc. that seriously pollute water environment and do not conform with the state industrial policies, the municipal or county people's government of the place of locality of the entity shall order it to close.

Article 88 Where the sludge processed and disposed of by any entity operating facilities for the centralized treatment of urban sewage or a sludge treatment and disposal entity fails to comply with the national standards, or the said entity fails to record the whereabouts of the sludge, the competent urban drainage department shall order the entity to take treatment measures within a prescribed time limit, and give it a warning. If any serious consequence is caused, the entity shall be fined not less than 100,000 yuan but not more than 200,000 yuan. If the entity fails to take treatment measures within the prescribed time limit, the competent urban drainage department may designate an entity capable of treatment to do it with the required expenses to be borne by the violator.

Article 89 Where any vessel fails to equip itself with corresponding antifouling equipment and apparatus in accordance with the relevant state provisions, or fails to hold legal and valid certificates and documents on preventing water environment from being polluted, the maritime governing authority and the administrative department of fishery shall, according to their powers, order it to correct within a certain time limit, impose upon it a fine of not less than 2,000 yuan but not more than 20,000 yuan, and, if it fails to correct within the prescribed time limit, shall order it to suspend voyage temporarily.

Where any vessel, in conducting any operation involving the discharge of pollutants, fails to strictly follow the operating procedure or record the relevant information on the corresponding book of records, the maritime governing authority and the administrative department of fishery shall, according to their powers, order it to correct within a certain time limit and impose upon it a fine of not less than 2,000 yuan but not more than 20,000 yuan.

Article 90 Where any vessel, as in violation of this Law, commits any of the following conducts, the maritime safety administration or the competent fishery department shall, according to its own functions, order the violator to stop the violation, and impose a fine of not less than 10,000 yuan but not more than 100,000 yuan on the violator. If any water pollution is caused, the violator shall be ordered to take treatment measures within a prescribed time limit to eliminate the pollution, and be fined not less than 20,000 yuan but not more than 200,000 yuan. If the violator fails to take treatment measures within the prescribed time limit, the maritime safety administration or the competent fishery department may, according to its own functions, designate an entity capable of treatment to do it with the required expenses to be borne by the vessel.

(1) Dumping vessel refuse or discharging the residual oil or waste oil of the vessel to waters.

(2) Conducting, without the approval of the maritime safety administration at the place of operation, the operation of lightering bulk liquid cargo with the hazard of pollution.

(3) Operating any vessel or carrying out any other operations with pollution risks, and failing to take measures to prevent and control pollution as required.

(4) Dismantling the vessel on the beach.

(5) Sailing any vessel on international navigation lines in inland rivers of the People's Republic of China which discharges any vessel ballast water in non-compliance with the relevant provisions.

Article 91 Where any entity commits any of the following acts, the administrative department of environmental protection under the people's government at or above the county level shall order it to stop the illegal act, impose a fine of not less than 100,000 yuan but not more than 500,000 yuan, and, upon the approval of the people's government with the right to approve, shall order its dismantling or closure:

(1) building, renovating or enlarging in a Grade I drinking water source reserve any construction project irrelevant to water supply facilities and the work of water source protection;

(2) building, renovating or enlarging in a Grade II drinking water source reserve any construction project discharging pollutants; or

(3) building or enlarging in a quasi drinking water source reserve any construction project seriously polluting waters, or rebuilding any construction project increasing the discharge of pollutants.

Where any entity engages in cage breeding or organizes traveling, going angling or any other activities that may pollute drinking waters in a Grade I drinking water source reserve, the administrative department of environmental protection under the local people's government at or above the county level shall order it to stop the illegal act and impose upon it a fine of not less than 20,000 yuan but not more than 100,000 yuan. For any individual doing such illegal act, the administrative department of environmental protection under the local

people's government at or above the county level shall order it to stop the illegal act and may impose upon him a fine of not more than 500 yuan.

Article 92 Where the quality of water supplied by a drinking water supplier fails to comply with the prescribed standards of the state, the competent water supply department of the city or county people's government at the place where the entity is located shall order the supplier to take corrective actions, and impose a fine of not less than 20,000 but not more than 200,000 yuan on it; if the circumstances are serious, it may order the supplier to suspend its business operations for rectifications after reporting to and obtaining the approval of the people's government with approval authority, and take disciplinary actions against the directly responsible person in charge and other directly liable persons in accordance with the law.

Article 93 Where any enterprise or public institution commits any of the following acts, the administrative department of environmental protection under the people's government at or above the county level shall order it to correct, and, if the circumstances are serious, shall impose upon it a fine of not less than 20,000 yuan but not more than 100,000 yuan:

- (1) failing to work out any emergency plan for water pollution accidents as required; or
- (2) failing to initiate such a plan or take corresponding emergency measures in a timely manner after a water pollution accident occurs.

Article 94 Where any enterprise or public institution violates this Law and causes a water pollution incident, the violator shall not only assume compensatory liability in accordance with the law, the administrative department of environmental protection of the people's government at or above the county level may also impose a fine on it in accordance with paragraph 2 of this Article, and order it to take treatment measures within a prescribed time limit to eliminate the pollution. If the enterprise or public institution refuses to take treatment measures as required or is not capable of doing so, the administrative department of environmental protection shall designate a capable entity to do it on behalf of the enterprise or public institution, and the required expenses shall be borne by the violator. If any serious or extraordinary serious incident is caused, the administrative department of environmental protection may, upon the approval of the people's government with approval authority, order it to close, and impose on the directly responsible person in charge and other directly liable persons a fine of not more than 50% of the income obtained from the enterprise or public institution in the previous year. If the violator illegally discharges water pollutants or commits any other conduct as prescribed in Article 63 of the Environmental Protection Law of the People's Republic of China, which does not constitute a crime, the public security authority shall detain the directly responsible person in charge and other directly liable persons for not less than ten days but not more than 15 days; or detain them for not less than five days but not more than 10 days if the circumstances are relatively minor.

If the accident is ordinary or relatively serious, the fine shall be calculated on the basis of 20% of the direct losses caused by the accident; if the accident is serious or extraordinarily serious, the fine shall be calculated on the basis of 30% of the direct losses caused by the accident.

If the accident is a fishery one or one caused by a fishery vessel, the power to punish shall remain with the administrative department of fishery; if the accident is caused by a non-fishery vessel, the power to punish shall remain with the maritime governing authority.

Article 95 Where any enterprise, public institution or any other producer or dealer discharges water pollutants in violation of any law, and is fined and ordered to take corrective actions, the administrative authority that makes the punishment decision in accordance with the law shall organize a review. If it finds that the violator continues to discharge water pollutants in violation of any law or refuses to accept or obstructs the review, the violator shall be imposed on continuous fines on a daily basis in accordance with the provisions of the Environment Protection Law of the People's Republic of China.

Article 96 The party whose rights and interests are damaged by a water pollution accident is entitled to ask the party discharging pollutants to eliminate the damage and make compensation for their losses.

If the damage is caused by force majeure, the party discharging pollutants bears no liability for compensation, unless it is otherwise prescribed by law.

If the damage is caused by the victim on purpose, the party discharging pollutants bears no liability for compensation. If the damage is caused by the gross negligence of the victim, the liability for compensation of the party discharging pollutants may be mitigated.

If the damage is caused by a third party, the party discharging pollutants has the right to, after making compensation according to law, recover the compensation from the third party.

Article 97 For a dispute over liability for damage or amount of compensation in a water pollution accident, the administrative department of environmental protection, the maritime governing authority or the administrative department of fishery may, according to the division of functions and duties among them and in light of the request of the parties concerned, settle it through mediation; if no agreement can be reached upon mediation, the parties concerned may file a lawsuit with the people's court. The parties concerned may also file a lawsuit with the people's court directly without going through the mediation procedure.

Article 98 For an action of damage due to a water pollution accident, the party discharging pollutants shall assume the burden of proof for legally prescribed exemptions and the nonexistence of relation of cause and effect between its act and the harmful consequences thereof.

Article 99 If the number of parties whose legitimate rights and interests are damaged in a water pollution accident is relatively huge, these parties may select a representative to file a joint action.

The administrative department of environmental protection and the related social groups may legally support the parties whose legitimate rights and interests are damaged in a water pollution accident to file a lawsuit with the people's court.

The state encourages law offices and lawyers to provide legal assistance for victims of lawsuits on damage of water pollution accidents.

Article 100 For any dispute over liability for damage or amount of compensation in water pollution, the parties concerned may entrust the environmental monitoring institution to provide the related monitoring data, and the institution shall accept such entrust and truthfully provide the required monitoring data.

Article 101 Where any violation of this Law constitutes a crime, the violator shall be subject to criminal liability in accordance with the law.

Chapter VIII Supplementary Provisions

Article 102 The interpretation of terms mentioned in this Law is as follows:

(1) water pollution means that, due to the intervention of certain substances, the chemical, physical, biological or radioactive character of waters is changed, which affects the effective utilization of such water, causes harm to people's health or damages the ecological environment and causes the deterioration of water quality.

(2) Water pollutants refer to substances which are directly or indirectly discharged to waters and may cause pollution to waters.

(3) Pathogenic pollutants refer to pollutants which are capable of, after being directly or indirectly absorbed by organism, causing the organism or its descendants to become sick, act abnormally, vary genetically, physiologically function abnormally, become deformed or die.

(4) Sludge means semi-solid or solid substances generated in the treatment of sewage.

(5) fishery waters refer to waters designated as places for fish and shrimps to lay eggs, search baits, live in winter and migrate as well the aquatic plants of fish, shrimps, shellfish and alga.

Article 103 This Law shall come into force as of June 1st, 2008.