

Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees

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The “Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees”, which was adopted at the 123rd executive meeting of the State Council on January 24, 2006, is hereby promulgated, and shall come into force on April 15, 2006.

Premier Wen Jiabao
February 21, 2006

Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees

Chapter I General Provisions

Article 1 The present Regulation is 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 conservation and reasonable exploitation and utilization of water resources.

Article 2 The term “water drawing” as mentioned in the present Regulation shall refer to the drawing of water resources directly from rivers, lakes or underground with the use of water drawing engineering structures or facilities.

Any entity or individual that draws water resources shall, except for the circumstances prescribed in Article 4 of the present Regulation, apply for a license certificate for water drawing, and pay water resource fees.

The term “water drawing engineering structures or facilities” as mentioned in the present Regulation shall refer to water gates, dams, channels, artificial watercourses, siphons, pumps, wells and hydropower stations, etc.

Article 3 The water administrative departments of the people’s governments at the county level or above shall, in light of the powers for graded administration, take charge of organizing, implementing, supervising and administering the institution of license for water drawing.

The drainage basin authorities established by the water administrative department of the State Council at the localities of important rivers and lakes determined by the state (hereinafter referred to

as the drainage basin authorities) shall, in accordance with the present Regulation and upon authorization of the water administrative department of the State Council, take charge of organizing, implementing, supervising and administering the institutions in charge of the license for water drawing within their respective jurisdictional scopes.

The water administrative department, the administrative department of public finance and the price administrative department of a people's government at the county level or above shall, according to the present Regulation and their scope of administrative powers, take charge of levying, administering and supervising water resource fees.

Article 4 Under any of the following circumstances, the party concerned does not have to apply for a license certificate for water drawing:

- (1) A rural collective economic organization or any of its members uses the water in the pond or reservoir of the said organization;
- (2) A small amount of water is drawn for domestic life, or as drinking water of livestock or poultry under sporadic or enclosed breeding, etc.;
- (3) The water must be drawn (discharged) for responding to temporary emergencies in order to guarantee the engineering or work safety of underground structures such as mines, etc.;
- (4) The water is drawn for responding to temporary emergencies in order to eliminate the harms endangering public safety or public interests; or
- (5) The water must be drawn for to the use of temporary emergencies in order to fight an agricultural drought or maintain ecology or environment.

The limitation for drawing of a small amount of water as prescribed in Item (2) of the preceding paragraph shall be set forth by the people's government of the competent province, autonomous region, or municipality directly under the Central Government; the water drawing as prescribed in Item (3) or (4) shall be timely reported to the water administrative department or the drainage basin authority of the local people's government at the county level or above for archival filing; the water drawing prescribed in Item (5) shall be subject to the consent of the water administrative department or the drainage basin authority of the people's government at the county level or above.

Article 5 A license for water drawing shall first satisfy the needs of the urban and rural inhabitants in their domestic use of water and give concurrent consideration to the agricultural, industrial, ecological and environmental need for water as well as to the needs of navigation.

The people's government of a province, autonomous region, or municipality directly under the Central Government may, upon duties prescribed in the present Regulation, determine the specific sequence on the various items of water use as prescribed in the preceding paragraph within the same drainage basin or region when the actual situation so requires.

Article 6 A license for water drawing must conform to the water resource comprehensive planning, the drainage basin comprehensive planning, the medium and long-term planning for the supply and demand of water and the functional division of water, and be in compliance with the water allocation scheme approved in accordance with the "Water Law of the People's Republic of China". If no water allocation scheme is formulated, the license for water drawing shall be in compliance with the agreement concluded between the relevant local people's governments.

Article 7 To grant a license for water drawing, the principle of giving overall consideration to surface water and ground water, and the principle of finding more water sources while saving water with priority given to water saving shall be adhered to, and the control of total amount combined with the quota-based management shall apply.

The total amount of water consumed upon approval for water drawing within a drainage basin shall not exceed the utilizable amount of water resources of the drainage basin concerned.

The total amount of water approved for drawing within a jurisdiction shall not exceed the water amount allocated by the drainage basin authority or the water administrative department at the next higher level for drawing within the jurisdiction concerned; among which, the total amount of ground water approved for drawing shall not exceed the exploitable amount of ground water within the jurisdiction concerned, and shall meet the requirements of the planning on the exploitation and utilization of ground water. For making the planning on exploitation and utilization of ground water, opinions shall be solicited from the administrative department of land and resources.

Article 8 The license for water drawing and the levy and management of water resource fees shall be in compliance with the principles of publicity, fairness, justice, high efficiency and facilitating people.

Article 9 Any entity or individual is obligated to conserve and protect water resources.

The people's governments at the county level or above shall commend and award the entities and individuals who have made prominent contributions in conserving and protecting water resources.

Chapter II Applications for Water Drawing and Acceptance of the Applications

Article 10 An entity or individual that applies for water drawing (hereinafter referred to as the applicant) shall file an application to the approval organ having the approval power. While if it/he applies for utilizing more than one water source, and there are different approval organs regarding the licenses for drawing of water sources, it/he shall file an application to the approval organ at the top level.

Where the scope of power to grant the license for water drawing remains with the drainage basin authority, the application shall be filed to the water administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government where the water intake is located. The water administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government shall, within 20 working days as of receipt of the application, propose its opinions, and transmit the opinions along with all the application materials to the drainage basin authority. The drainage basin authorities shall, after receipt of the opinions and application materials, handle the matter in accordance with Article 13 of the present Regulation.

Article 11 To apply for water drawing, the applicant shall submit the following materials:

- (1) the application letter;
- (2) relevant statements having an interest relationship with the third party;
- (3) relevant archived materials in case of a project for archival filing; and
- (4) other materials prescribed by the water administrative department of the State Council.

Where water drawing is needed in a construction project, the applicant shall, in addition, submit the water resource argumentation report on the construction project, which is worked out by an entity having the eligibility for water resource argumentation of construction projects. The argumentation report shall include the source of water drawing, the rationality of using water, and the impacts to the ecology and environment, etc.

Article 12 An application letter shall include the following particulars:

- (1) name and address of the applicant;
- (2) reasons for application;
- (3) starting time and term of water drawing;
- (4) purpose of water drawing, amount of water for drawing, amount of water consumed in each month within the year, and so on;

- (5) water source and place of water drawing;
- (6) means of water drawing, way of measurement, and water saving measures;
- (7) location for the withdrawal of water, main pollutants contained in the water that is withdrawn, and the sewage treatment measures; and
- (8) other particulars prescribed by the water administrative department of the State Council.

Article 13 The water administrative department or the drainage basin authority of a local people's government at the county level or above shall, within 5 working days as of receipt of the application for water drawing, examine the application materials, and handle the matter in light of the following different circumstances:

- (1) If the application materials are complete and meet the legal requirement, and fall within the scope of acceptance by the present authority, it shall accept the application;
- (2) If the submitted materials are incomplete or the contents of the application letter are not clearly filled, it shall notify the applicant to make supplements or corrections; and
- (3) If the application does not fall within the scope of acceptance by the present authority, the present authority shall inform the applicant to file an application to the authority with the power of acceptance.

Chapter III Examination of and Decisions on the License for Water Drawing

Article 14 The licenses for water drawing shall be subject to hierarchical examination and approval.

The water drawing under the following different circumstances shall be subject to examination and approval of the drainage basin authorities:

- (1) drawing water from the trunk streams of the Changjiang River, the Yellow River, the Huaihe River, the Haihe River, the Luanhe River, the Zhujiang River, the Songhua River, the Liao River, the Jinsha River and the Han River, from the Taihu Lake, or from the designated reaches of other rivers or lakes covering different provinces, autonomous regions, or municipalities directly under the Central Government, which is above the limitation;
- (2) drawing water from designated reaches of international trans-border rivers or international border rivers, which is above the limitation;
- (3) drawing water from inter-provincial border rivers or lakes, which is above the limitation;
- (4) drawing water from two or more provinces, autonomous regions, or municipalities directly under the Central Government;
- (5) drawing water for large-scale construction project approved or ratified by the State Council or the investment administrative department of the State Council;
- (6) drawing water within the riverways (reaches) or lakes under direct administration of the drainage basin authorities.

In the preceding paragraph, the designated reaches, the limitations, and the riverways (reaches) or lakes under direct administration of the drainage basin authorities shall be prescribed by the water administrative department of the State Council.

The water drawing under other circumstances shall be subject to examination and approval of the water administrative department of the local people's government at the county level or above pursuant to the approval power prescribed by the people's government of the province, autonomous region, or municipality directly under the Central Government.

Article 15 The approved water allocation scheme or concluded agreement shall be the basis for determining the control of the total amount of water licensed for drawing within a drainage basin or jurisdiction.

Where no water allocation scheme is made or no agreement is concluded for a river or lake covering different provinces, autonomous regions, or municipalities directly under the Central Government,

the index on controlling the total amount of water licensed for drawing in the provinces, autonomous regions, or municipalities directly under the Central Government concerned shall be proposed by the drainage basin authority in consultation with the water administrative departments of the people's government of the provinces, autonomous regions, or municipalities directly under the Central Government concerned according to the water resource conditions of the drainage basin, the comprehensive planning on water resources, the comprehensive planning of the drainage basin, the medium and long-term planning for the supply and demand of water, and in light of water drawing situation as well as the supplies and demands of each province, autonomous region, or municipality directly under the Central Government, and shall be reported to the water administrative department of the State Council for approval. The index on controlling the total amount of water licensed for drawing within the jurisdiction of a districted city or a county (city) shall be made by the water administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government according to the index on controlling the total amount of water licensed for drawing of the provinces, autonomous regions, or municipalities directly under the Central Government concerned, and in light of water drawing situation and the supplies and demands of each locality, and shall be reported to the drainage basin authority for archival filing.

Article 16 The water consumption amount verified according to the quota for the industrial use of water shall be the main basis for examination and approval of the amount of water for drawing.

The water administrative department and the administrative department of quality supervision and inspection of the people's government of a province, autonomous region, or municipality directly under the Central Government shall guide the making of the quotas for the industrial use of water for the jurisdictions concerned and organizing the implementation thereof.

Where the above-mentioned administrative departments have not yet made the quota for the industrial use of water for the jurisdictions concerned, they may use the quota for the industrial use of water made by the relevant industrial administrative department of the State Council for reference.

Article 17 An approval organ shall, after acceptance of an application for water drawing, examine the application materials for water drawing in an all-round way, and comprehensively consider the possible impacts of water drawing to the conservation and protection of water resources as well as the economic and social development, so as to decide whether to approve the application for water drawing or not.

Article 18 Where an approval organ holds that the water drawing involves public interests and a hearing is needed, it shall make an announcement to the general public, and hold a hearing.

Where the water drawing involves the major interest relationship between the applicant and others, the approval organ shall, before making a decision on whether to approve the application for water drawing or not, inform the applicant and the interested persons. If the applicant or any of the interested persons requests a hearing, the approval organ shall organize a hearing.

Where the application for water drawing causes any dispute or lawsuit, the approval organ shall notify the applicant in writing to suspend the examination and approval procedures; and shall not resume the examination and approval procedures until the dispute is settled or the lawsuit is terminated.

Article 19 The approval organ shall decide to approve or disapprove an application for water drawing within 45 working days as of acceptance of the application. If it decides to approve the application, it shall immediately issue an approval document for the application for water drawing.

With regard to an application for drawing of ground water in an urban planning area, the approval

organ shall solicit the opinions of the administrative department for urban construction, and the administrative department for urban construction shall, within 5 working days as of receipt of the materials for soliciting opinions, give its opinions and transmit them to the water drawing approval organ.

The time limit for examination and approval as prescribed in Paragraph 1 of the present article shall not include the time needed for holding hearings and soliciting the opinions of the relevant departments.

Article 20 Where any of the following circumstances arises, the approval organ shall not approve the application, and shall, when making a decision on disapproval, notify the applicant in writing of the ground or basis for disapproval:

- (1) Underground water is drawn in a prohibited area for exploitation of ground water;
- (2) Increasing the amount of water drawn in a region where the total amount of water licensed for drawing has reached the controlled total amount under license for water drawing;
- (3) Heavy damages might be caused to the functions of the water areas in the water functional regions;
- (4) The layout of water drawing or water withdrawal is unreasonable;
- (5) When the urban public water supply pipes can satisfy the needs in water use, the construction project owner draws ground water with its own water drawing facilities;
- (6) Heavy damages might be caused to the interests of any third party or the general public;
- (7) The project which ought to be archived is not submitted for archival filing; or
- (8) Other circumstances prescribed any law or administrative regulation.

The amount of water approved for drawing shall not exceed the amount of water designed with the water drawing engineering structures or facilities for drawing.

Article 21 An applicant may not build water drawing engineering structures or facilities until its application for water drawing has been approved by the approval organ. For a construction project in need of state approval or ratification, the project administrative department shall not approve or ratify the construction project before the applicant obtains the approval document for the application for water drawing.

Article 22 Where, within 3 years after an application for water drawing is approved, the construction of water drawing engineering structures or facilities has not started, or the construction project subject to state approval or ratification has not been approved or ratified by the state, the approval document for the application for water drawing shall be invalidated automatically.

Where any water drawing content in a construction project is substantially modified, the construction project owner shall make water resource argumentation of the construction project anew, and re-apply for water drawing.

Article 23 After the construction of water drawing engineering structures or facilities is completed, the applicant shall, in accordance with the provisions of the water administrative department of the State Council, submit the relevant materials on trial operation, etc. of the water drawing engineering structures or facilities to the water drawing approval organ. If the project is found qualified through inspection, the approval organ shall check and issue the license certificate for water drawing.

Where an applicant directly makes use of the existing water drawing engineering structures or facilities to draw water, it shall be issued a license certificate for water drawing after examined by the approval organ if it is found to be qualified.

The approval organ shall timely notify the issuance of license certificates for water drawing to the water administrative department of the local people's government at the county level where the

water intake is located, and shall announce the issuance of the license certificates for water drawing at regular intervals.

Article 24 A license certificate for water drawing shall include the following contents:

- (1) name of the entity or individual that draws water;
- (2) term of water drawing;
- (3) the amount of water for drawing and the use of the water to be drawn;
- (4) type of the water sources; and
- (5) the location of water drawing and water withdrawal, the way of water withdrawal, and the amount of water withdrawn.

The amount of water for drawing as prescribed in Item (3) of the preceding paragraph shall be the allowed maximum amount of water to be drawn by the water drawing entity or individual on the basis of the average amount of water in rivers and lakes and of ground water for years.

The license certificates for water drawing shall be made by the water administrative department of the State Council in a unified form, and the approval organ may only charge the cost for certificate making when checking and issuing the license certificates for water drawing.

Article 25 The valid term of a license certificate for water drawing shall generally be 5 years, and shall not exceed 10 years. If, at expiry of the valid term, the license certificate needs to be renewed, the water drawing entity or individual shall file an application to the original approval organ 45 days prior to the expiry of the valid term. The original approval organ shall, prior to the expiry of the valid term, make a decision on whether or not to approve the renewal.

Article 26 Where a water drawing entity or individual requests for modifying any content stated on the license certificate for water drawing, it/he shall apply to the original approval organ in accordance with the present Regulation, and shall go through the relevant modification procedures upon approval of the original approval organ.

Article 27 Where an entity or individual entitled to water drawing conserves water resources by adjusting product or industrial structure, by reforming the process, or by saving water, etc., it/he may, within the valid term of the license for water drawing and the water drawing limitations, lawfully assign the conserved water resources on a non-gratuitous basis upon approval of the original approval organ, and go to the original approval organ to go through the modification procedures for water drawing right. The specific measures shall be formulated by the water administrative department of the State Council.

Chapter IV Administration of Levy and Use of Water Resource Fees

Article 28 A water drawing entity or individual shall pay water resource fees.

A water drawing entity or individual shall draw water according to the approved annual water drawing plan. For the water drawing exceeding the plan or quota, water resource fees shall be charged progressively on the excessive part.

The water resource fee rates shall be made by the price administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government jointly with the administrative department of public finance and the water administrative department at the same level, be reported to the people's government of the present level for approval, and then be reported to the price administrative department, the administrative department of public finance and the water administrative department of the State Council for archival filing. For the water conservancy projects directly under the administration of the Central Government or covering different provinces, autonomous regions, or municipalities directly under

the Central Government for which the water drawing shall be subject to examination and approval of the drainage basin authority, the water resource fee rates shall be set by the price administrative department of the State Council jointly with the administrative department of public finance and the water administrative department of the State Council.

Article 29 To set water resource fee rates, the departments concerned shall comply with the following principles:

- (1) Promoting the reasonable exploitation, utilization, conservation and protection of water resources;
- (2) Being suitable for the local water resource conditions and the economic and social development level;
- (3) Making an overall arrangement on reasonable exploitation and utilization of surface water and ground water, and preventing excessive exploitation of ground water;
- (4) Fully considering the differences of different industries.

Article 30 The local people's government at each level shall take measures to improve the efficiency of agricultural use of water, and to develop water-saving agriculture.

The water resource fee rates for the water drawn for agricultural production shall be set according to the local water resource conditions, the rural economic development situation and the needs in promoting agricultural conservation of water. The water resource fee rates for the water drawn for agricultural production shall be lower than those of water for other uses, and the water resource fee rates of grain crops shall be lower than those of economic crops. The procedures of levying water resource fees of the water drawn for agricultural production and the scope thereof shall be prescribed by the people's government of the province, autonomous region, or municipality directly under the Central Government.

Article 31 The responsibility to levy water resource fees shall remain with the water drawing approval organ. Among which, if the water drawing is subject to examination and approval of the drainage basin authority, the water resource fees shall be levied by the water administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government where the water intake is located.

Article 32 The amount of payment of water resource fees shall be determined according to the water resource fee rates at the locality of the water intake and the actual amount of water for drawing.

For the water for hydroelectric use and the water for cooling use in thermal power tubular turbines, the amount of payment may be determined according to the water resource fee rates at the locality of the water intake and the actual amount of electricity generated.

Article 33 A water drawing approval organ shall, after determining the amount of payment of water resource fees, serve the notification on payment of water resource fees to the water drawing entity or individual, and the water drawing entity or individual shall make the payment within 7 days as of receipt of the notification on payment.

Where any water drawing entity or individual directly draws water resources from a river or a lake or under the ground to engage in agricultural production, the said entity or individual shall, according to the water resource fee rates at the locality of the water intake and the actual amount of water for drawing, pay the water resource fees for the water resources that exceed the limitation of water used for agricultural production as prescribed by the province, autonomous region, municipality directly under the Central Government. For the water drawing within the prescribed limitation of water used for agricultural production, no water resource fees need to be paid. To draw water from the water supply engineering structures to engage in agricultural production, the water drawing entity or individual shall pay the water fees to the water supply entity on the basis of the

actual water consumption amount, and the water supply entity shall uniformly pay the water resource fees. The water resource fees shall be counted into water supply costs.

With respect to the temporary emergent water transfer implemented under a trans-jurisdictional water allocation scheme upon approval of the state for the sake of public interests, the water drawing entities or individuals in the water-receiving area shall pay the water resource fees according to the local water resource fee rates and the actual amount of water for drawing.

Article 34 Where a water drawing entity or individual is unable to pay its or his water resource fees on time due to a particular difficulty, it/he may, within 7 days as of receipt of the notification on payment of water resource fees, apply for postponement of payment to the water administrative department that sent the notification on payment; and the water administrative department that sent the notification on payment shall, within 5 working days as of receipt of the application for postponement of payment, make a written decision and notify the applicant. If the said water administrative department fails to make a decision within the time limit, it shall be deemed to consent to the application. The period postponed for payment of water resource fees shall not exceed 90 days.

Article 35 The levied water resource fees shall be separately turned over to the treasuries of the Central Government and of the local governments in accordance with the provisions of the administrative department of public finance of the State Council. If, due to the raising of water conservancy engineering fund, the State Council has otherwise provisions on the drawing and turn-over of water resource fees, such provisions shall apply.

Article 36 The levied water resource fees shall be totally included into the fiscal budget, and shall, upon the overall arrangement of the administrative department of public finance according to the approved departmental fiscal budget, be mainly used for conservation, protection and administration of water resources, or may be used for reasonable exploitation of water resources.

Article 37 No entity or individual shall withhold, encroach on or misappropriate any water resource fee.

The auditing authority shall strengthen the audit supervision over the use and management of water resource fees.

Chapter V Supervision and Administration

Article 38 The water administrative department or the drainage basin authority of the people's government at the county level or above shall, in accordance with the present Regulation, strengthen the supervision and administration of the institution of license for water drawing.

The water administrative department, the administrative department of public finance, and the price administrative department of the people's government at the county level or above shall strengthen the supervision and administration of the levy and use of water resource fees.

Article 39 The annual water allocation scheme and the annual water drawing plan are the basis for controlling the annual total amount of water for drawing, and shall be made according to the approved water allocation scheme or the concluded agreement as well as in light of the actual use of water, the quota for industry water use, and the forecasted water amount in the next year, etc.

The annual water allocation scheme and annual water drawing plan of the drainage basins of the important rivers and lakes determined by the state shall be made by the drainage basin authority jointly with the relevant water administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government.

The annual water allocation scheme and annual water drawing plan of each local jurisdiction at the county level or above shall be made by the water administrative department of the local people's government at the county level or above according to the annual water allocation scheme and annual water drawing plan sent by the water administrative department or the drainage basin authority of the local people's government at the next higher level.

Article 40 The water drawing approval organ shall, according to the local water drawing plan of the next year, and the suggestions proposed by the water drawing entity or individual on the water drawing plan of the next year, as well as in compliance with the principles of overall coordination, comprehensive balance and reserving space, send the water drawing plan of the next year to the water drawing entity or individual.

Where a water drawing entity or individual needs to adjust the annual water drawing plan due to a particular reason, it/he shall obtain the consent of the original approval organ.

Article 41 Where any of the following circumstances arises, the approval organ may restrict the annual amount of water to be drawn by the entity or individual concerned:

- (1) The water resources cannot satisfy the normal local supply of water due to any natural cause;
- (2) The water drawing or withdrawal considerably affects the functions, ecology or environment of the water area in the water functional region;
- (3) The ground water is over-excessively exploited or the exploitation of ground water causes ground sinkage or any other geological disaster; or
- (4) Any other particular circumstance under which the amount of water to be drawn needs to be restricted arises.

In case of heavy drought, the approval organ may urgently restrict the amount of water to be drawn by the entity or individual concerned.

Article 42 A water drawing entity or individual shall, prior to December 31 of each year, submit to the approval organ the suggestions on the water drawing situation of the present year and the water drawing plan of the next year.

The approval organ shall, on a yearly basis, send a copy of the information on drawing ground water to the administrative department of land and resources at the same level, and send a copy of the information on drawing ground water in the urban planning area to the administrative department for urban construction at the same level.

Where the approval organ needs to, in accordance with Paragraph 1 of Article 41 of the present Regulation, restrict a water drawing entity's or individual's annual amount of water to be drawn, it shall timely notify the water drawing entity or individual in writing before taking the restrictive measure.

Article 43 A water drawing entity or individual shall install measurement facilities according to the national technical standards, ensure the normal operation of the measurement facilities, and fill out the water drawing statistical statements in accordance with the provisions.

Article 44 Where the water drawing has been suspended consecutively for 2 years or longer, the original approval organ shall nullify the license certificate for water drawing. While if the water drawing has been suspended for 2 years or longer due to force majeure or major technical renovation, etc., the license certificate for water drawing may be reserved upon consent of the original approval organ.

Article 45 The water administrative department or the drainage basin authority of the people's

government at the county level or above shall, when carrying out supervision or inspection, have the right to take the following measures:

- (1) Requiring the inspected entity or individual to provide relevant documents, certificates, licenses, etc.;
- (2) Requiring the entity or individual under inspection to make a statement regarding the relevant issues on the implementation of the present Regulation;
- (3) Entering the production site of the entity or individual under inspection to make investigations;
- (4) Ordering the entity or individual under inspection to stop the act of violating the present Regulation and to perform legal obligations.

A supervisor or inspector shall show his lawful and valid administrative law enforcement certificate when carrying out a supervision or inspection. The relevant entities and individuals shall offer assistance in the supervision or inspection work, and shall not refuse or obstruct the supervisor or inspector's lawful exercise of his duties.

Article 46 The water administrative department of the local people's government at the county level or above shall, in accordance with the provisions of the water administrative department of the State Council, timely submit to the water administrative department at the next higher level or the drainage basin authority at the locality of the drainage basin the information on the distribution of license certificates of the last year for water drawing within the present jurisdiction.

The drainage basin authority shall, in accordance with the provisions of the water administrative department of the State Council, timely submit to the water administrative department of the State Council the information on the distribution of license certificates of the last year for water drawing, and meanwhile send copies to the water administrative department of the people's government of the province, autonomous region, or municipality directly under the Central Government where the water intake is located.

Where the water administrative department at the next higher level or the drainage basin authority finds that the total amount of water for drawing as approved beyond the powers or as ratified by the license certificate for water drawing exceeds the amount set forth in the water allocation scheme or the agreement, or that the annual actual total amount of water for drawing exceeds the sent annual water allocation scheme or annual water drawing plan, it shall timely require the relevant water administrative department or drainage basin authority to make a correction.

Chapter VI Legal Liabilities

Article 47 Where the water administrative department, the drainage basin authority or other relevant department of a local people's government at the county level or above or any of its working staff has any of the following acts, it/he shall be ordered by the administrative organ or supervisory organ at the higher level to make a correction; if the circumstance is serious, the directly responsible person-in-charge and other persons held to be directly liable shall be given administrative sanctions in accordance with the law; if any crime is constituted, it/he shall be subject to criminal liabilities in accordance with the law:

- (1) It/he refuses to accept an application for water drawing which meets the legal conditions or does not approve such an application within the legal time limit;
- (2) It/he issues an approval document to an applicant for water drawing who does not meet the legal conditions or issues a license certificate for water drawing to such an applicant;
- (3) It/he violates the approval power to issue an approval document for the application for water drawing or to distribute a license certificate for water drawing;
- (4) It/he unlawfully approves or ratifies a construction project whose owner has not obtained the approval document for the application for water drawing;
- (5) It/he does not follow the provisions to levy water resource fees, or approves the postponement of the payment of water resource fees when the conditions for postponement are not fulfilled;

- (6) It/he encroaches on, withholds or misappropriates water resource fees;
- (7) It/he fails to perform the supervisory duties, and does not investigate or punish the illegal acts it/he has found; or
- (8) Other acts of abusing powers, neglecting duties or practicing favoritism for himself or his relative.

The encroached, withheld or misappropriated water resource fees as prescribed in Item (6) of the preceding paragraph shall be confiscated in accordance with the law.

Article 48 Whoever draws water without approval or draws water without following the conditions set forth in the approved license for water drawing shall be penalized in accordance with Article 69 of the “Water Law of the People’s Republic of China”; if it/he causes any obstruction or loss to any other person, it/he shall eliminate the obstruction and compensate for the loss.

Article 49 Whoever unlawfully builds water drawing engineering structures or facilities without obtaining an approval document for the application for water drawing shall be ordered to stop the illegal act, and to make up the relevant procedures within a time limit; if it/he fails to make up the procedures within the time limit or is still not approved after making up the procedures, it/he shall be ordered to demolish or close down the water drawing engineering structures or facilities within a time limit; if it/he fails to demolish or close down its/his water drawing engineering structures or facilities within the time limit, the water administrative department or the drainage basin authority of the local people’s government at the county level or above shall organize the demolition or closedown, with the necessary expenses to be borne by the law breaker, who may be fined up to 50,000 Yuan.

Article 50 Where an applicant conceals the relevant information or provides false materials to defraud the approval document for the application for water drawing or the license certificate for water drawing, the approval document for the application for water drawing or the license certificate for water drawing shall be invalidated, and the applicant shall be admonished, be ordered to make up the payable water resource fees within a time limit, and be fined 20,000 Yuan up to 100,000 Yuan; if any crime is constituted, it/he shall be subject to criminal liabilities in accordance with the law.

Article 51 Whoever refuses to implement the decision made by the approval organ on restricting the amount of water for drawing or assigns the water drawing entitlement without approval shall be ordered to stop the illegal act and to make a correction within a time limit, and be fined 20,000 Yuan up to 100,000 Yuan; if it/he refuses to make a correction within the time limit, or if the circumstance is serious, its/his license certificate for water drawing shall be revoked.

Article 52 Whoever has any of the following acts shall be ordered to stop the illegal act and to make a correction within a time limit, and be fined 5,000 Yuan up to 20,000 Yuan; if the circumstance is serious, its/his license certificate for water drawing shall be revoked:

- (1) It/he fails to submit the annual information on water drawing in accordance with the provisions;
- (2) It/he refuses to accept the supervision or inspection or practices frauds; or
- (3) The quality of the water withdrawn fails to meet the prescribed requirements.

Article 53 Whoever fails to install measurement facilities shall be ordered to install them within a time limit, and to pay water resource fees which shall be counted on the basis of the maximum daily capacity of water drawing and the water resource fee rates, and shall be fined 5,000 Yuan up to 20,000 Yuan; if the circumstance is serious, its/his license certificate for water drawing shall be revoked.

Where the measurement facilities are unqualified or do not operate normally, the party concerned shall be ordered to replace or repair them within a time limit; if it/he fails to replace or repair them within the time limit, it/he shall pay water resource fees which shall be counted on the basis of the

maximum daily capacity of water drawing and the water resource fee rates, and may be fined up to 10,000 Yuan; if the circumstance is serious, its/his license certificate for water drawing shall be revoked.

Article 54 Where a water drawing entity or individual refuses or delays to pay or default the water resource fees, it/he shall be penalized in accordance with Article 70 of the “Water Law of the People’s Republic of China”.

Article 55 Whoever violates the provisions to levy the water resource fees or the fees for license certificates for water drawing shall be imposed upon administrative penalties by the price administrative department in accordance with the law.

Article 56 Whoever forges, alters or uses in any other person’s name an approval document for the application for water drawing or a license certificate for water drawing shall be ordered to make a correction, be confiscated of the illegal proceeds and properties, and be fined 20,000 Yuan up to 100,000 Yuan, in addition; if any crime is constituted, it/he shall be subject to criminal liabilities in accordance with the law.

Article 57 The administrative penalties prescribed in the present Regulation shall be decided by the water administrative department or the drainage basin authority of the people’s government at the county level or above upon the prescribed scope of power.

Chapter VII Supplementary Provisions

Article 58 The present Regulation shall come into force on April 15, 2006. The “Measures for the Implementation of the Water Drawing License Institution” promulgated by the State Council on August 1, 1993 shall be repealed simultaneously.