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Construction & Engineering
Environment

PRC Mainland: Revised Law on Prevention and Control of Water Pollution 2008

The Standing Committee of the National People's Congress of the PRC promulgated the revised Law on Prevention and Control of Water Pollution (the "**Revised Law**") on 28 February 2008, which will come into effect on 1 June 2008. This Client Alert highlights some of the major changes brought by the Revised Law.

1. Penalties

One of the distinctive features of the Revised Law is the removal of the maximum fine provisions. Under the old law, the maximum fine for ordinary water pollution accidents was RMB200,000 and that for serious water pollution accidents was RMB1,000,000. These caps have now been removed under the Revised Law. Furthermore, for enterprises which discharge water pollutants exceeding the prescribed limits, the Revised Law now imposes a fine equivalent to 2 to 5 times of the pollutant discharge fees. In the past, officers of an enterprise who are responsible for causing serious accidents only needed to face administrative penalties under the old law but they may now be liable under the Revised Law to a fine up to 50% of their annual income.

2. Management of Water Pollution Accidents

The Revised Law introduces new provisions regulating the management of water pollution accidents. For instance, the Revised Law imposes obligations on enterprises prone to water pollution accidents to have emergency plans in place to deal with such accidents. Where an accident occurs, such an enterprise must initiate its emergency plan and forthwith report the accident to the authorities. An enterprise which fails to comply with these requirements may be liable to a fine between RMB20,000 and RMB100,000.

3. Government Control and Supervision

The Revised Law introduces a nationwide system to reduce and control the total discharge volume of water pollutants. The government of each province, autonomous region and municipality is responsible to ensure the implementation of the system by its corresponding city or county governments, which are in turn responsible for monitoring and controlling the discharge of water pollutants by enterprises. One of the key features of the new system is that, for areas where the water pollutants total discharge volume exceeds the prescribed limit, the relevant administrative department responsible for environmental protection shall suspend the approval of environmental impact assessment documents of construction projects which increase the total water pollutants discharge volume in those areas.

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