Effective July 1, 2012

The revised act contains new regulations intended to reduce excessive packaging. Enterprises must adopt a reasonable approach for the packaging of their products—this includes reducing packaging waste and refraining from overusing packing materials. As such, packing materials and costs should be commensurate with the quality, specifications and cost of the product inside.

To enhance and perfect the audit system for clean production, in accordance with the revised Clean Production Act, if any of the following circumstances exist, a clean production audit is compulsory:

- The discharge of pollutants in quantities greater than those provided in relevant national or local pollution discharge standards; or the discharge of pollutants, regardless of quantity, with key pollutants greater than those provided in the total quantity control standards
- High-energy consumption caused by a product surpassing company product energy consumption limits
- Use or discharge of toxic or hazardous raw materials during production

Under the revised Clean Production Act, the central budget will increase investment for promoting clean production, which includes central government funds for clean production projects. Additional funds will be available for use in key fields, industries and projects identified in the state clean production plan; for the promotion of other technologies; and for the implementation of clean production in ecologically fragile regions.

The revised Clean Production Act provides further regulations concerning legal penalties for violations. If agencies charged with the overall coordination of clean production fail to execute their responsibilities under the act, the manager directly responsible, as well as his or her immediate superiors, will be subject to penalties. Violations include dishonest assessments and/or inappropriate benefitting from professional duties. Depending on the extent of the violation, criminal liability may be assigned.
Key Watershed Pollution Prevention Plan (2011-2015)

Promulgated May 17, 2012

The plan requires that, by 2015, overall water quality for key waterways must be improved from “moderately polluted” to “slightly polluted.” Category I–III water quality ratios have been raised by five percent across the board, while Category V water quality ratios have been raised by eight percent.

During the Eleventh Five-Year Plan, key waterway pollution prevention will be vigorously promoted. Compared with 2006, in 2010 the overall proportion of state-controlled water bodies at—or better than—Category III quality had risen by 13.4 percent. Category V-or-below water quality ratios dropped 16.9 percent.

The plan provides in-depth analysis of the major factors affecting water and environmental quality, and balances aquatic environmental improvement and feasibility, to set water pollution prevention and remediation targets. Specifically, overall water quality for the Songhua River increased from “slightly polluted” to “good,” the Huai River improved from a starting point of “slightly polluted,” the Haihe River improved somewhat from being “severely polluted” and the Liao River and middle and upper reaches of the Yellow River improved from “moderately polluted” to “slightly polluted.” Lake Tai and Lake Chao maintained a mild degree of eutrophication, but alleviated this somewhat; Lake Zhen went from being heavily eutrophic to being moderately eutrophic, and efforts are being made to reach a mild degree of eutrophication; and overall good quality in the Sanxia Reservoir region, the Zhoujiangkou Reservoir region, and other upstream waterways is being maintained.

By 2015, total discharge of major pollutants into key waterways and rivers must continue to decrease, and total chemical oxygen demand (COD) must be reduced by 9.7 percent compared with 2010 levels. Ammonia nitrogen discharges must be decreased by 11.3 percent.

Furthermore, the plan clarifies five major points in watershed pollution prevention:

- Enhancement of protection for drinking water sources
- Increased measures of pollution prevention for industry
- Systematically increasing levels of sewage treatment for towns and villages
- Active promotion of overall environmental remediation and ecological construction
- Enhancement of coastal pollution prevention
- Strengthening of coastal risk prevention levels

Based on the requirements of implementing water quality management for the most severely polluted water resources, the plan strives to have 60 percent or more of the nation’s major river, lake and water functional areas reach the standards by 2015, and to establish a system for protecting the health of water sources (i.e., rivers and lakes) by 2020.
Shanghai City Administrative Rules for Hydrology Management

Effective July 15, 2012

The administrative rules stipulate that the Municipal Water Bureau shall supervise all hydrological work in the city of Shanghai. Pudong New District and eight other related areas and township hydrology agencies are responsible for hydrological work within their administrative areas, with the hydrological organizations under each able to commission municipal hydrology stations to undertake specific hydrological management work. The rules also clarify that, within the scope of professional responsibility of each, the city’s development and reform, planning, flood control, environmental protection, transportation and harbors, maritime affairs and weather agencies; establish a mechanism for sharing data and signing sharing agreements; and clarify the rights and responsibilities of all parties in data sharing. Moreover, citizens, juridical persons and other organizations that require hydrological organizations to provide hydrological consultation services in the course of their business activities may sign paid service contracts with the hydrological agencies. The rules clarify that no company or individual may occupy, destroy, move without permission or use without permission any hydrological testing apparatus, and may not engage in activities that would affect hydrological testing in violation of state regulations on hydrological testing and environmental protection. If, for construction purposes, a state hydrological station must be moved or rebuilt, the competent authority must grant permission. If a person should witness behavior related to the damage of hydrologic monitoring facilities or their function, they can submit a report to the hydrological supervisory agency. If the report is substantiated, an incentive reward may be granted to the reporter.

Zhejiang Province Wetlands Protection Regulations

Effective July 12, 2012

Compared to the wetlands protection laws for other provinces, these regulations have four notable unique characteristics.

First, the regulations reflect that the People’s Government has committed to focus on issues of wetlands protection. They stipulate the formation of a provincial People’s Government wetlands protection commission, responsible for the day-to-day organization, adjustment and resolution of major issues concerning wetlands preservation. Members of this commission will come from related agencies, such as the provincial forestry, marine and fisheries, construction, development and reform, financial, hydrology, agriculture, environmental protection, soil resources, and tourism departments. The regulations further clarify that the Forestry Supervisory Bureau of the People’s Government will oversee the wetlands protection commission, as well as all organization, coordination, guidance and supervision of wetland conservation and management.

Second, the regulations implement a catalog for the management of wetlands protection. They stipulate that the local People’s Government forestry supervisory agency shall coordinate with related agencies to consider wetlands protection planning, as well as ecological concerns and societal development, in creating a catalog of wetlands that require protection. Once completed, the catalog must be approved and published by the local People’s Government. The local People’s Government will thereafter be responsible for timely adjustments and updates to the catalog. The regulations require that this catalog be published within one month of their implementation.

Third, the regulations stipulate three “means of protection.” That is, based on the situation, a natural protection zone, wetlands park or wetlands protection zone will be formed to protect the wetlands. Compared with the establishment of natural protection zones, the creation of wetlands parks is more in line with the small size of Zhejiang Province, with its high population density and aggressive land use. Parks are also the most beneficial options from the three-prong perspective of economic, social and ecological considerations. Provisions 19 through 24 detail the conditions, requirements, materials, management and other aspects of establishing wetlands parks.

Fourth, the regulations stipulate that the county-or-higher level People’s Government shall establish a wetlands ecological subsidy system. Because wetlands protection and management can infringe on the legitimate rights of stakeholders, by law, subsidies must be paid. The effects on production and livelihoods must also be managed. Expenses for wetlands management and wetlands ecological subsidies will be included as a part of the financial budget.
State Nuclear Technology Safe Radiation Use Management System Regulations

Issued and implemented May 23, 2012

These regulations are comprised of general principles and system management, use and maintenance; they contain five chapters and 30 provisions.

The Ministry of Environmental Protection created the State Nuclear Technology Management System for Safe Radiation Use in order to achieve the following goals:

- Promote the use of information technology in nuclear technology for radiation monitoring and safety work and standardize and systematize such work
- Achieve dynamic regulation of all processes, including production, sales, transfer, import and export, off-site use and disposal of radioactive sources by closely linking the various departments and aspects of monitoring work
- Further improve monitoring efficiency

The system went online for test use in December of 2009; comprehensive use began in June of 2010.

Regulations on Procedures for the Investigation of Electrical Safety-Related Incidents

Effective August 1, 2012

These regulations codify procedural regulations for electrical supervision and management organizations in the investigation and handling of electricity-related accidents. The regulations also stipulate the scope of applicability for accident investigations, the composition of investigative teams, measures to be taken during investigations, investigation reports and tracing of responsibility for liable companies and persons.

The regulations are based on reviews of safety incident investigations, reflections on the experience of the state council organizations and methods of investigation in related electrical grid enterprises. They target five areas:

- The organization, composition and requirements of teams for investigation of electricity-related safety incidents by organizations supervising and managing electricity
- The requirement to produce an incident investigation notification, and the possible measures for obtaining on-site surveys, inspections, interviews and reviews
- Regulation of the requirements for gathering evidence and the matters that the investigative team must clarify
- Regulations governing the drafting, review, pertinent decisions and submission and filing of incident investigation reports
- Means of determining the responsible party or company, including the imposition of administrative penalties; issuance of supervisory opinions on penalties; orders for remediation and implementation of supervisory investigations; regulations on investigation of incidents related to electrical apparatus; and subcontracting surveys regarding incidents

New Conditions for the Storage Battery Industry

Effective July 1, 2012

Based on the conditions, lead storage battery producers must use automatized, mechanized, sealed production apparatus, and energy-conservation and pollution-prevention equipment with commensurate capacity based on the scope of operations. New construction, expansions, existing projects and companies producing only electrode plates must have a corresponding scope of production.

The conditions place stringent regulations on cadmium and arsenic content in lead storage batteries, while at the same time stating that, as of the end of 2012, new and expanded projects may not use tank formation methods.

This implementation of the conditions clearly states that enterprises producing lead storage batteries must actively implement a system for broadening producer responsibility, as well as either establish a recycling system for old lead storage batteries, or task a recycling company with appropriate operating permits for hazardous materials. Producers are also encouraged to jointly establish recycling and disposition systems for old batteries in partnership with companies reusing lead.
Tianjin City Energy Conservation Regulations

Effective July 1, 2012

These new regulations perfect the mechanisms, complete the incentive measures and enhance legal responsibility for energy conservation. In addition, they take into account Tianjin’s own experience in energy conservation, elevating several good practices to official laws.

The regulations implement a unified, citywide system for managing assessment and review of energy conservation in fixed-asset investment projects, and clarify that construction companies must undertake energy assessments as per state regulations. These companies must also report to energy conservation authorities for conservation audits. During the inspection and acceptance phase of projects, the construction company must review the implementation status of energy conservation assessments and reviewer suggestions. They must then report this status to the agency that initiated the survey, using source control and monitoring to inhibit “blind construction” of projects that consume large amounts of energy. With energy conservation authorities acting as the supervisory organization over energy service organizations, requiring that the service organizations do fair and objective work in providing consultation, design, assessment, monitoring, audit and approval services for energy users, energy conservation service systems are poised to improve.

Additionally, stipulations are made for the regulation of energy conservation warning, energy consumption quota management, energy monitoring, review of energy use plans for focus consumer companies, electric balance tests and thermal efficiency testing, in order to form more comprehensive energy conservation management systems with better features.

Tianjin City Construction Energy Conservation Regulations

Effective July 9, 2012

These regulations stipulate that public buildings consuming more than their energy quota, or residential buildings for which heating exceeds the standard, will be charged an over-standard premium. Private-use buildings that use less energy than the quota or standard may trade the unused energy portion on the commodities market for profit.

At the end of 2011, there were 15 million square meters of buildings in Tianjin using renewable energy sources. The city would next like to actively promote the use of solar, shallow geothermal and geothermal pumps and other sources of renewable energy. New building heating, cooling, hot water and lighting should give preferential consideration to the use of solar, shallow geothermal and other sources of renewable energy. The use of renewable energy must be planned, constructed, inspected and accepted at each stage of the building’s construction. The regulations clarify that, when marketing commercial office space, real estate development companies must accurately explain to the purchaser the energy-saving measures, insulation maintenance and other information regarding the property, as well as sales contracts. Product guarantees and user manuals must include the same level of explanation.

This year, Tianjin will promote the “three areas one zone” green construction plan for Zhongxin Shengtaicheng, Cuiping Xincheng, Tuanbo Xincheng and Jiefang South Road, meant to further reduce the load from heating and electricity use in buildings.

Administrative Rules for Safe Monitoring of Hazardous Chemical Construction Projects

Effective April 1, 2012

Overall, the rules fall within the framework of the Workplace Safety Act and Regulations. They focus on special characteristics of hazardous chemical projects, and the key points and difficulties of safety management. They address regulating the extent and requirements for review at various stages, including the review of safety conditions, the review of safety equipment design, inspection and acceptance of safety equipment and production test plan filing. They also clarify the responsibilities and duties of workplace safety monitoring and management agencies, construction companies, safety assessment organizations, design firms and operations companies.

This revision includes 10 primary aspects:

- Changes to chapter titles and scope of applicability
- Changes in the division of responsibilities
- Clarification of the scope for subcontracting review and approval
- Details and clarifications on qualifications for design firms
- Changes to demonstration of safety conditions
- Changes to design of safety equipment
- Changes to production testing
- Linkage with other workplace safety administration permits
- Changes to legal liability
- Changes to phased inspections for construction projects
Administrative Rules for Registration of Hazardous Chemical Products

Effective August 1, 2012

The Administrative Rules for Registration of Hazardous Chemical Products went into effect on August 1, 2012. Originally promulgated on October 8, 2002, by the State Economic and Trade Commission, the old rules were abolished on the day that the new rules, which enhance penalties for violations, went into effect.

Article 19 of the rules stipulates that companies that fail to register a hazardous chemical, change the type registered or fail to revise the content of registration for a hazardous chemical produced or imported may be fined not more than RMB 50,000, and will be required to remedy the problem. Those who refuse to remedy the situation will face a fine of not less than RMB 50,000 nor more than RMB 100,000.

In severe cases, an order to cease production and cease business operations may be issued. The administrative rules issued in 2002 stipulated maximum fines of RMB 30,000.

The new rules have also enhanced responsibility of registrant enterprises and agencies responsible for workplace safety, adding two chapters—Registrant Enterprises and Supervision and Management.

Catalog of Hazardous Prohibited, Limited and Controlled Chemicals in Shanghai (Part 1) (Provisional)

Promulgated June 4, 2012

Based on the catalog, the production, storage, operations, transportation and use of 139 types of hazardous chemicals are prohibited throughout the city of Shanghai. The production, storage, operations (excluding wholesaling), transportation and use of 170 types of hazardous chemicals, as well as the retail sale of 159 types of hazardous chemicals (excluding chemical reagents) are prohibited within the outer ring road.

The Municipal Office of Safety Monitoring states that Shanghai is a major chemical engineering base in China, with over 11,000 companies doing business in hazardous chemicals. Hazardous chemicals exist in large quantities within many companies, and have broad distribution within this particularly large city. The drafting of this recent catalog will increase strict control and limitation measures, and raise the level of management of the production, storage, business, use and transportation links of hazardous chemicals.

For more information, click here.

Guidelines for Collection and Use of Electronic Waste Disposal Funds

Effective July 1, 2012

The formulation and implementation of these guidelines look to the experiences of other developed nations in implementing “producer responsibility systems,” and apply them in China. The guidelines will be significant in the establishment of a long-term and effective system for the disposal and recycling of electronic waste.

The guidelines promote producer responsibility for the recycling and disposal of electronic waste, support disposal companies and establish an effective constraint and incentive system to make producers, recycling companies and processing enterprises more willing to participate in the recycling and disposal of electronic waste. The intention is to form an effective life cycle system from production through sales, to recycling and/or disposal.

The guidelines stipulate that companies processing electronic waste will be given a subsidy quota based on the actual quantity of completely dismantled electronic waste products. Based on the cost of recycling and disposal of electronic waste and enabling processing enterprises to earn a fair profit, the guidelines set different subsidy standards by waste type. Of these, television sets are subsidized at RMB 85/unit, electric refrigerators at RMB 80/unit, washing machines at RMB 35/unit, room air conditioners at RMB 35/unit and microcomputers at RMB 85/unit. These subsidies may be adjusted based on the actual cost of recycling or disposal. The Ministry of Finance shall coordinate with related agencies in adjusting the fund subsidy standards.

The State Administration of Taxation and the General Administration of Customs will make timely adjustments to specific measures for collection of funds, including determining how levies will be paid; the timing of responsibility for payment; calculation of costs; and the time, location and procedures for filing. This will facilitate a clearer understanding of the policy on the part of those who pay into the fund. The aforementioned agencies will also create and print the forms necessary for collecting such levies, and develop and test information and training systems to ensure the smooth implementation of collections. The Ministry of Finance, the Environmental Protection Agency and other agencies will, on the foundation of a comprehensive audit of a disposal company’s qualifications, publish a list of such companies that have been granted subsidy funds, and further clarify the method and content of audits on the fund subsidies. This will optimize the audit process, improve business training for disposal companies, create a prerequisite of guarding the safety of the fund and increase the effectiveness of audits and support related to the subsidy funds.
Administrative Rules for Kitchen Waste in Chengdu City

Effective October 1, 2012

These rules stipulate that companies engaged in the collection and shipment or handling of kitchen waste in Chengdu City must obtain a city residential garbage operations shipment and handling services permit. Companies that have not obtained the permit may not engage in kitchen waste collection, shipment or handling. To stringently track the whereabouts of kitchen waste, the rules require a ledger system from the point of production all the way to the final disposal of waste. Ledger data must be kept for at least two years, in case of an audit.

The rules clarify that, without approval, companies engaged in the collection, shipment and disposal of kitchen waste may not cease operations or suspend operations for inspection or repairs. In cases where such stoppage, suspension or inspection and repairs are genuinely necessary, 15 days’ advance notice must be given to the city or zone authority, and approval obtained.

Turning kitchen waste over to an unpermitted company or individual for collection, shipping or handling will be respectively handled by departments such as the food and drug authority, or quality assurance, commerce or agriculture agencies, in order to ensure remediation of the situation within a reasonable period of time. Companies shall be fined not less than 5,000 RMB nor more than 10,000 RMB; individuals shall be fined not less than 200 RMB nor more than 1,000 RMB. Those engaging in the collection, shipment or disposal of kitchen waste without obtaining the appropriate permits from the city management agencies shall be ordered to stop the illegal behavior, and shall be fined not less than 10,000 RMB nor more than 30,000 RMB; Individuals shall be fined not less than 200 RMB nor more than 1,000 RMB. In cases of operators who halt or suspend operations or stop for inspection or maintenance without approval, the city management agency will order them to remedy the situation within a reasonable period of time, and a fine of not less than 20,000 RMB nor more than 30,000 RMB will be imposed. If damage is caused due to illegal stoppage or suspension, liability for payment will be determined as provided by law.

Regulations for Discharge Rights Exchange in Chengdu City

Effective August 1, 2012

The regulations state that discharge rights indices for companies that are building, expanding or renovating (and therefore, discharging pollutants) shall be based on the discharge amount set in the environmental impact assessment. The rights can be obtained through on-site trading through the environmental exchange, and subsequently validated through permit issuance by the relevant county environmental protection administrative organization. The period of validity is five years, and when that period expires, rights must be re-purchased. Companies that have not paid discharge indices must gradually implement them.

The regulations also stipulate the environmental protection agency may buy back emissions rights from any companies that intentionally leave emissions indices idle for two consecutive years or fail to use 80 percent of their emissions indices for two consecutive years. In cases of falsification of emissions indices, they may be reclaimed without payment.

Based on the regulations, emissions exchange must be bid upon competitively and openly via electronic or other open means. In the case of an exchange for which only one interested bidder submits a conforming bid, the environmental exchange organization will arrange for both parties to complete the exchange at the listing price.

The regulations state that companies with the following status may not exchange discharge rights indices:

- Listed as having poor environmental credit
- Implementation of environmental protection is being supervised
- Currently in the initial period of pollution remediation
- Being criticized on local limits
- Experiencing other relevant circumstances as provided by law or regulation

The regulations state that income from the transfer of discharge rights indices is non-taxable government income, and is to be entered into the financial budget on the basis of government issued receipts. Ledger items from fees for transfer of discharge rights indices shall be used to buy back discharge rights indices, build the discharge rights exchange system and remediate pollution in the area.

Administrative Rules for Kitchen Waste in Shenzhen

Effective August 1, 2012

The rules state that the collection, shipping and processing of kitchen waste in Shenzhen is to be subject to a special operating permit system. Companies producing kitchen waste must turn it over to an enterprise with a special operating permit for transportation and handling. Enterprises or individuals without special operating permits may not engage in the collection or handling of kitchen waste. Authorized enterprises are to collect, ship and handle kitchen waste using unified operations within their zone (that is, kitchen waste is collected, shipped and handled by a single company).