

Order of the President of the People's Republic of China

No.75

The Coal Law of the People's Republic of China which has been adopted at the 21st Meeting of the Standing Committee of the Eighth National People's Congress on August 29, 1996 is hereby promulgated, and shall enter into force as of December 1, 1996.

President of the People's Republic of China: Jiang Zemin
August 29, 1996

Coal Law of the People's Republic of China

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Chapter I General Provisions

Article 1 This Law is formulated for the purposes of rationally exploiting, utilizing and protecting coal resources, standardizing coal production and management activities and promoting and guaranteeing the development of coal industry.

Article 2 This Law shall apply to coal production and management activities within the territory of the People's Republic of China and other sea areas under the jurisdiction of the People's Republic of China.

Article 3 Coal resources shall be owned by the state. The state ownership of coal resources, either near the earth's surface or underground, shall not change with the ownership or right to the use of the land which the coal resources are attached to.

Article 4 The state shall practice the policy of unified planning, rational distribution and comprehensive utilization in coal exploitation.

Article 5 The state shall protect coal resources in accordance with the law. Abusive or wasteful exploitation which is destructive to coal resources shall be forbidden.

Article 6 The state shall protect the legitimate rights and interests of those investing to exploit coal resources in accordance with the law.

The state shall guarantee the healthy development of state-owned coal mines.

The state shall implement a policy of support, transformation, consolidation, combination and improvement with regard to township coal mines in order to safeguard their standardized and rational exploitation and orderly development.

Article 7 Coal mining enterprises must adhere to the policy of "safety first and precaution foremost" for the safety in production, establish and improve the safety production responsibility system and the system of mass precaution and control.

Article 8 The people's governments at all levels and their departments and coal mining enterprises must take measures to strengthen labor protection and safeguard the safety and health of coal miners.

The state shall adopt special protective measures for workers operating in the pit.

Article 9 The state shall encourage and support the adoption of advanced science and technology and management skills in coal exploitation and utilization.

Coal mining enterprises shall strengthen and improve the operation and management, raise the labor productivity and economic results.

Article 10 The state shall safeguard the production and work order in coal mining areas, and protect facilities of coal mining enterprises.

Article 11 Exploitation and utilization of coal resources shall abide by laws and regulations concerning environmental protection, prevent and control environmental pollution, and protect the ecological environment.

Article 12 The department of coal administration under the State Council shall be responsible for the supervision and control of nationwide coal industry in accordance with the law. Other relevant departments under the State Council shall exercise supervision and control over the coal industry according to their respective authorities.

The department of coal administration and other relevant departments under the local people's governments at and above the county level shall be responsible for the supervision and control of coal industry within their respective regions.

Article 13 Coal mining bureaus are state-owned coal mining enterprises with an independent legal person status.

Coal mining bureaus and other coal mining enterprises and coal management enterprises with an independent legal person status shall, in accordance with the law, perform autonomous management, assume sole responsibility for profits and losses, and implement self-binding and self-development.

Chapter II Planning for Coal Production and Exploitation and Construction of Coal Mine

Article 14 The department of coal administration under the State Council shall, in accordance with the national planning for mineral resources exploration, work out a national planning for coal resources exploration.

Article 15 The department of coal administration under the State Council shall, in the light of coal resources set by the national planning for mineral resources, organize drawing up and implementing a planning for coal production and exploitation.

The department of coal administration under the people's governments of provinces, autonomous regions and municipalities directly under the central government shall, in the light of coal resources set by the national planning for mineral resources, organize drawing up and implementing a local planning for coal production and exploitation, and submit it for filing to the department of coal administration under the State Council.

Article 16 Planning for coal production and exploitation shall be worked out in accordance with the needs of the national economy and social development, and be incorporated in the plan of national economy and social development.

Article 17 The state shall formulate beneficial policies to support the development of coal industry and promote the construction of coal mines.

Coal mine construction projects shall conform to the planning for coal production and exploitation and the coal industrial policy.

Article 18 For establishing a coal mining enterprise, the following requirements shall be satisfied:

- (1) have a feasibility study report or mining plan for the coal mine construction project;
- (2) have definite scope of the mine and mining area, and a resources comprehensive utilization plan;
- (3) have geological, surveying and hydrological data and other relevant data needed for mining;
- (4) have a mine design conformable with the requirements for safety in production and environmental protection of coal mine;
- (5) have a rational production scale of coal shaft and funds, equipment and technical personnel suited to the production scale; and
- (6) other requirements specified by laws or regulations.

Article 19 For establishing a coal mining enterprise, an application must be submitted to the department of coal administration for examination and approval in accordance with the requirements

specified by this Law and the scope of authorities at different levels stipulated by the State Council.

For examination and approval of a coal mining enterprise, a review and opinions on the scope of mining areas and the plan for comprehensive utilization of resources shall be required from the administrative department of geology and mineral resources.

Coal mining enterprises approved to be established shall, by presenting the approval document, apply for a mining license from the administrative department of geology and mineral resources.

Article 20 The use of land for the construction of coal mines shall be handled in accordance with relevant laws and regulations. In the case of requisition of land, the land and settlement compensations shall be paid in accordance with the law, and the settlement work for the removing residents shall be done properly.

The construction of coal mines shall adhere to the principle of protection of cultivated land and rational utilization of land.

Local people's governments shall give support and assistance when there is a need to use land and remove relevant residents for the construction of a coal mine in accordance with the law.

Article 21 In construction of coal mines, coal exploitation shall be conducted in step with the protection and control of the environment. Installations for environmental protection at a coal mine construction project must be designed, built, inspected and brought into operation together with the principal part of the project.

Chapter III Coal Production and Safety in Coal Mine

Article 22 Before starting production, a coal mining enterprise shall, in accordance with the provisions of this Law, apply for a coal production license from the department of coal administration, and the latter shall conduct an examination on the enterprise's actual production and safety conditions and, where considering them conformable with the conditions prescribed by this Law, issue a coal production license.

Those without a coal production license may not engage in coal production.

Article 23 For applying for a coal production license, the following requirements shall be satisfied:

- (1) have a mining license obtained in accordance with the law;
- (2) the production system of the mine shaft is conformable with the safety rules for coal mines stipulated by the state;
- (3) the mine director has received proper training in accordance with the law and obtained a credential for mine directors;
- (4) the workers of special operation have received proper training in accordance with the law and obtained an operation credential;
- (5) the communication of production management up or down the pit, inside or outside the mine is unblocked;
- (6) have field surveying up- against down-pit engineering drawings, plain figure for excavation and figure for ventilation system;
- (7) have installations which have been completed and have passed the inspection for safeguarding the safety in production in coal mine and environmental protection; and
- (8) other requirements specified by laws or regulations.

Article 24 The department of coal administration under the State Council shall take in charge of the following coal mining enterprises in respect of the issuance and control of coal production licenses:

- (1) coal mining enterprises which have been examined and approved to establish by the State Council or the establishment of which should be examined and approved by the department of coal administration under the State Council according to law; and
- (2) coal mining enterprises involving areas of more than one provinces, autonomous regions or municipalities directly under the central government.

The department of coal administration under the people's governments of provinces, autonomous regions and municipalities directly under the central government shall be in charge of coal mining enterprises other than those mentioned in the preceding paragraph in respect of the issuance and control of coal production licenses.

The department of coal administration under the people's governments of provinces, autonomous regions and municipalities directly under the central government may authorize the department of coal administration under the people's governments of districted cities or autonomous prefectures to be responsible for the issuance and control of coal production licenses.

Article 25 The departments for issuance and control of coal production licenses shall be responsible for the supervision of coal production licenses.

Coal mining enterprises having obtained a coal production license may not transfer or hire out the license to others.

Article 26 No coal production license may be issued with regard to a mining area for which a coal production license has already been issued.

When the term of validity of a coal production license expires or the coal resources in the relevant approved mining area have been exhausted, the department issuing the coal production license shall cancel the license and make an announcement accordingly.

If there have been any changes to the production and safety conditions of a coal mining enterprise, and after being verified, the changed production and safety conditions are considered no longer to conform to the stipulations of this Law, the coal production license of the enterprise shall be revoked by the issuing department with an announcement made accordingly.

Article 27 Measures for the control of coal production licenses shall be formulated by the State Council in accordance with this Law.

The standing committee of the people's congress of provinces, autonomous regions and municipalities directly under the central government may, in accordance with this Law and relevant provisions of the State Council, formulate measures for the control of coal production licenses for implementing within their respective regions.

Article 28 The state shall conduct protective exploitation with regard to those special or scarce kinds of coal which bear importance to the national economy.

Article 29 The exploitation of coal resources must accord with the coal mining rules, abide by the rational mining order and reach the specified recovery rate of coal resources.

The recovery rates shall be determined by the department of coal administration under the State Council in the light of different resources and mining conditions.

The state encourages coal mining enterprises to do reexploitation and mine remnants of old pits or extremely poor coal.

Article 30 Coal mining enterprises shall strengthen the supervision, examination and management of the quality of coal products. The quality of coal products shall be classified according to the national or industrial standards.

Article 31 Coal production shall be conducted within the approved mining areas in accordance with the law. No exploitation beyond the approved boundary or layer shall be allowed.

In mining operation, it is forbidden to mine protective coal columns without authorization or adopt dangerous methods such as breaking dikes, demolition or making tunnels through that may endanger the safety in production of the neighboring coal mines.

Article 32 If any activities of coal exploitation cause occupation of areas of land or subsidence of, or damages to, land surface, the exploiter shall be responsible for its reclamation and restoration to the useful status; compensation shall be given if any losses have been made to others.

Article 33 Closure of mines and scraping of pits shall be handled in accordance with relevant laws and regulations as well as relevant provisions of the department of coal administration under the State Council.

Article 34 The state shall establish a system under which coal mining enterprises shall accumulate funds for shifting the line of production when the coal mine comes to its senile stage.

The state encourages and supports coal mining enterprises to develop diversified economy.

Article 35 The state encourages and supports coal mining enterprises and other enterprises to develop combined production of coal and electricity, coking, coal chemical industry and coal building materials, etc. through developing deep and fine processing of coal.

The state encourages coal mining enterprises to develop coal dressing processing, comprehensively exploit and utilize seam gas, gangue, coal mire, bone coal and peat.

Article 36 The state shall develop and promote coal cleaning technology.

The state shall take measures to ban coking with local methods. It is forbidden to newly establish coke ovens of local method; the existing ones shall be transformed within a specified time limit.

Article 37 People's governments at and above county level and their department of coal administration and other relevant departments shall strengthen the supervision and control over the work of safety in production of coal mines.

Article 38 The system of mining bureau director's and mine director's responsibility shall be adopted for the control of safety in production of coal mining enterprises.

Article 39 Mining bureau directors, mine directors and other chief persons-in-charge of the coal mining enterprises must abide by laws and regulations concerning safety in mines and safety rules and regulations of coal industry, strengthen the control over the work of safety in production of coal mines, implement the responsibility system for safety in production and adopt effective measures to prevent the occurrence of casualties and other safety accidents in production.

Article 40 Coal mining enterprises shall give their staff and workers counseling and training on safety in production; those having not received such counseling or training may not go to the operation.

Staff and workers of coal mining enterprises shall abide by laws and regulations concerning safety in production, rules and regulations of coal industry and of the enterprise.

Article 41 During underground operation in coal mines, in the case of emergencies which endanger the lives and safety of the workers and cannot be removed, the person in charge or the safety manager at the operation site shall promptly organize the workers to evacuate the scene of danger and give report to relevant person in charge without delay.

Article 42 The labor union of a coal mining enterprise shall, when discovering that the management of the enterprise gives a command contrary to the established rules and compels workers to operate under unsafe conditions, or finding in the course of production major hidden dangers of accidents which may endanger lives and safety of the workers, have the right to put forward proposals for a solution, and the management of the coal mining enterprise must make a decision without delay. If the management of the enterprise refuses to take any action, the labor union shall have the right to give criticism, inform the relevant authorities or file charges.

Article 43 Coal mining enterprises must provide their staff and workers with labor protection articles necessary for the guarantee of safety in production.

Article 44 Coal mining enterprises must effect accident insurance and pay the insurance expenses for the staff and workers who conduct underpit operation.

Article 45 Equipment, materials, fire products and safety instruments used by coal mining enterprises must meet the national or industrial standards.

Chapter IV Coal Management

Article 46 Coal mining enterprises having obtained a coal production license in accordance with the law shall be entitled to sell the coal produced by the enterprise itself.

Article 47 For establishing a coal managing enterprise, the following requirements must be satisfied:

- (1) have a registered capital compatible with the management scale;
- (2) have fixed premises;
- (3) have necessary installations and sites for coal storing;
- (4) have up-to-standard metrological and quality inspection equipment;
- (5) conform to the rational distribution of coal managing enterprises demanded by the state; and
- (6) other requirements specified by laws or regulations.

Article 48 For establishing a coal managing enterprise, an application must be submitted to a department designated by the State Council or by the people's government of the province, autonomous region or municipality directly under the central government; the latter shall conduct a qualification examination in accordance with the requirements specified in Article 47 of this Law and the scope of authorities at different levels stipulated by the State Council; those satisfying the requirements shall be given an approval. Only after having applied for and obtained a business license from the administrative department for industry and commerce by presenting the approval document may the applicant engage in coal management.

Article 49 In coal managing activities, coal managing enterprises shall abide by the provisions of relevant laws and regulations, improve service quality and ensure supplying. All illegal managing activities shall be forbidden.

Article 50 Intermediate links shall be reduced and irrational intermediate links shall be liquidated in coal management. It is advocated that coal mining enterprises with suitable conditions conduct direct sales of coal.

Coal users and coal managing enterprises in coal sales territories shall be entitled to purchase coal directly from coal mining enterprises. In coal production territories, coal sales and transport service agencies may be organized to handle selling and transporting business for small and medium-sized coal mines.

No administrative departments may violate the state's provisions and establish intermediate links in the course of coal supply and charge extra expenses.

Article 51 Stations, ports and other transportation enterprises engaging in coal transportation may not involve themselves in coal management and seek for illicit earnings by taking advantage of the transportation power they possess.

Article 52 The administrative department for commodity prices under the State Council shall, in conjunction with the department of coal administration and other relevant departments under the State Council, conduct supervision and control over the market prices of coal.

Article 53 The quality of coal supplied to users by coal mining enterprises and coal managing enterprises shall meet the national or industrial standards with the called grade and demanded price compatible with the actual quality. Where the user has special quality requirements, the two parties of supply and demand shall include the requirements in the contract for purchase and sale of coal.

Coal mining enterprises and coal managing enterprises may not adulterate coal or mix up coal of different grades or pass inferior coal off as quality one.

Article 54 Coal mining enterprises and coal managing enterprises shall give compensation in accordance with the law if the quality of coal supplied to users by them fails to meet the national or industrial standards or fails to conform to stipulations in the contract, or the called grade or demanded price is not compatible with the actual quality and that has caused damages to users.

Article 55 Coal mining enterprises, coal managing enterprises, transportation enterprises and coal users shall supply, transport and accept and unload coal in accordance with laws, relevant provisions of the State Council or stipulations in contracts.

Transportation enterprises shall separately load and stack coal they have accepted for carriage according to different quality of the coal.

Article 56 The import and export of coal shall be unifiedly managed in accordance with provisions of the State Council.

Large-scale coal mining enterprises with suitable conditions may engage in coal export after licensed by the administrative department for foreign trade and economic cooperation under the State Council in accordance with the law.

Article 57 Measures for administration of coal management shall be formulated by the State Council in accordance with this Law.

Chapter V Protection of Coal Mining Area

Article 58 No unit or individual may endanger power, communication, water sources, transportation or other production facilities in coal mining areas.

All units and individuals are forbidden to disrupt order in production and other work of coal mining areas.

Article 59 Any unit and individual shall have the right to inform the relevant authorities of or file charges against acts of stealing or destroying installations or equipment of coal mining areas or other acts endangering the safety in coal mining areas.

Article 60 Without permission of the coal mining enterprise, no unit or individual may make planting, breeding or earth-gathering or construct any buildings or structures within the validity period of the right to use land obtained by the coal mining enterprise in accordance with the law on the land concerned.

Article 61 Without permission of the coal mining enterprise, no unit or individual may occupy the rail line, road, waterway, wharf, power lines or water-supply pipes for special use of the enterprise.

Article 62 When there is a need to conduct operation in the mining area of a coal mine and the operation may endanger the safety in the coal mine, only after having obtained permission from the coal mining enterprise and the approval of the department of coal administration and taken proper safety measures may relevant unit or individual start the operation.

When there is a need to conduct public engineering or other engineering within a coal mining area, only after having consulted and reached agreement with the coal mining enterprise may the relevant unit start the operation.

Chapter VI Supervision and Inspection

Article 63 The department of coal administration and other relevant departments shall, in accordance with the law, conduct supervision and inspection on coal mining enterprises and coal managing enterprises with respect to their implementing of coal laws and regulations.

Article 64 Supervisors and inspectors from the department of coal administration and other relevant departments shall familiarize themselves with coal laws and regulations, grasp the specialized technology in the field of coal, conduct themselves fairly and honestly and enforce the law justly.

Article 65 When performing supervision and inspection, supervisors and inspectors from the department of coal administration and other relevant departments shall have the power to inquire the situation about the implementation of coal laws and regulations of coal mining enterprises, coal managing enterprises and users, consult relevant data and enter the field to make on-the-spot inspection.

Coal mining enterprises, coal managing enterprises and users shall provide facilities to the supervisors and inspectors from the department of coal administration and other relevant departments in performing their duties of supervision and inspection.

Article 66 Supervisors and inspectors from the department of coal administration and other relevant departments shall have the power to order the coal mining enterprise or coal managing enterprise to correct their acts violating coal laws or regulations.

Supervisors and inspectors from the department of coal administration and other relevant departments shall produce their certifications when performing supervision and inspection.

Chapter VII Legal Responsibility

Article 67 If anyone violates the provisions of Article 22 of this Law and engages in coal production without a coal production license, the department of coal administration shall order it to halt the production, confiscate the illegal earnings and may impose a fine ranging from one to five times the illegal earnings; if the offender refuses to halt the production, the local people's government at or above the county level shall make an order to cut off its power supply.

Article 68 If anyone violates the provisions of Article 25 of this Law and transfers or hires out its coal production license, the department of coal administration shall revoke its coal production license, confiscate the illegal earnings and impose a fine ranging from one to five times the illegal earnings.

Article 69 If anyone violates the provisions of Article 29 of this Law and mines coal resources without reaching the coal resources recovery rate stipulated by the department of coal administration under the State Council, the department of coal administration shall order the offender to make corrections within a specified time limit; those failing to reach the specified recovery rate within the specified time limit shall be revoked of their coal production license.

Article 70 If anyone violates the provisions of Article 31 of this Law and mines the protective coal columns or adopts dangerous methods which may endanger the safety in production of the neighboring coal mine, the department of labor administration shall, in conduction with the department of coal administration, order the offender to halt the operation; the department of coal administration shall confiscate the illegal earnings, impose a fine ranging from one to five times the illegal earnings and revoke the coal production license; if a crime is constituted, the judicial organ

shall make an investigation for criminal responsibility in accordance with the law; if any losses have been caused, the offender shall be responsible for compensation in accordance with the law.

Article 71 If anyone violates the provisions of Article 48 of this Law and engages in coal managing activities without examination and approval, the department responsible for the examination and approval shall order the offender to halt the business, confiscate the illegal earnings and may impose a fine ranging from one to five times the illegal earnings.

Article 72 If anyone violates the provisions of Article 53 of this Law and adulterates coal or mixes up coal of different grades or passes inferior coal as quality one, it shall be ordered to halt the sales with the illegal earnings confiscated and a fine ranging from one to five times the illegal earnings imposed and it may be revoked of its coal production license or disqualified from coal management; if a crime is constituted, the judicial organ shall make an investigation for criminal responsibility in accordance with the law.

Article 73 If anyone violates the provisions of Article 60 of this Law and, without the permission of the coal mining enterprise, constructs buildings or structures within the validity period of the right to use land obtained by the coal mining enterprise in accordance with the law on the land concerned, the local people's government shall mobilize the offender to demolish the building or structure; in the case of refusal to demolish it, the offender shall be ordered to do so.

Article 74 If anyone violates the provisions of Article 61 of this Law and, without permission of the coal mining enterprise, occupies rail line, road, waterway, wharf, power lines or water-supply pipes for special use of the coal mining enterprise, the local people's government at or above the county level shall order it to make corrections within a specified time limit; those failing to make corrections within the specified time limit shall be compelled to remove; if any losses have been caused, the offender shall be responsible for compensation in accordance with the law.

Article 75 If anyone violates the provisions of Article 62 of this Law and, without obtaining approval or taking proper safety measures, conducts operation in the mining area of a coal mine that may endanger the safety in the coal mine, the department of coal administration shall order the offender to halt the operation and impose a fine up to 50,000 yuan; if any losses have been caused, the offender shall be responsible for compensation in accordance with the law.

Article 76 Anyone committing any of the following acts shall be punished by the public security organ in accordance with relevant provisions of the regulations on administrative penalties for public security or, if a crime is constituted, be investigated for criminal responsibility by the judicial organ:

(1) impede the construction of a coal mine and make it impossible for the construction to go on smoothly;

(2) intentionally damage the power, communication, water sources, transportation or other production facilities in coal mining areas;

(3) disturb the order in a coal mining area and make it impossible for the production or other work to go on smoothly; or

(4) refuse or obstruct supervisors or inspectors who are carrying out their functions according to law.

Article 77 Those issuing a coal production license to a coal mining enterprise that fails to satisfy the requirements specified by this Law or granting approval to an application for establishing a coal managing enterprise without satisfying the requirements specified by this Law shall be ordered to make corrections by the competent authorities of higher level or by the supervisory organ with a disciplinary sanction given to the person in charge directly responsible and other person directly responsible; if a crime is constituted, the judicial organ shall make an investigation for criminal responsibility in accordance with the law.

Article 78 Any executive of a coal mining enterprise who gives a command contrary to the established rules and compels workers to operate under unsafe conditions and thereby causes accidents involving serious casualties shall be investigated for criminal responsibility by applying mutatis mutandis the provisions of Article 114 of the Criminal Law.

Article 79 Any executive of a coal mining enterprise who fails to take measures to remove the hidden dangers of accidents and thereby causes accidents involving serious casualties shall be investigated for criminal responsibility by applying mutatis mutandis the provisions of Article 187 of the Criminal Law.

Article 80 Any functionary of the department of coal administration or other relevant departments

who neglects his duty, practices favoritism and irregularities or abuses his power shall be given a disciplinary sanction; if the act constitute a crime, the offender shall be investigated for criminal responsibility by the judicial organ in accordance with the law.

Chapter VIII Supplementary Provisions

Article 81 This Law shall enter into force on December 1, 1996.

Attachment:

Relevant Provisions of the Criminal Law

Article 114 If any staff member or worker of a factory, mine, forestry center, construction enterprise or other enterprise or institution disobeys management and violates the rules and regulations or forces workers to work in a hazardous way in violation of the rules and thereby causes a serious accident involving injury or death and serious consequences, he shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention; if the circumstances are especially flagrant, he shall be sentenced to fixed-term imprisonment of not less than three years and not more than seven years.

Article 187 Any state functionary who, because of neglect of duty, causes public property or the interests of the state and the people to suffer heavy losses shall be sentenced to fix-term imprisonment of not more than five years or criminal detention.