

CONSTRUCTION LAW OF THE PEOPLE'S REPUBLIC OF CHINA

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Chapter I General Provisions

Article 1 This Law is enacted for the purpose of tightening supervision over and administration of construction activities, maintaining order of construction market, ensuring construction quality and safety and promoting sound development of the construction industry.

Article 2 This Law shall be abided by in supervision over and administration of the construction activities carried out within the territory of the People's Republic of China.

The construction activities as mentioned in this Law refer to the construction of various kinds of housing and buildings as well as the facilities attached to them and the installation of supporting circuits, pipelines and equipment.

Article 3 The quality and safety of a construction project shall be ensured and the State safety standards for construction projects shall be conformed to in construction activities.

Article 4 The State assists the development of the construction industry, supports scientific and technological research in construction, improves the design of houses and buildings, encourages energy conservation and environmental protection, and advocates the use of

advanced technologies, equipment and techniques, new building materials and modern management.

Article 5 Whoever engages in construction activities shall observe laws and rules and regulations and may not harm public interests and the lawful rights and interests of others.

No unit or individual may hamper or obstruct construction activities carried out in accordance with law.

Article 6 The competent administrative department for construction under the State Council shall exercise unified supervision over and administration of the construction activities throughout the country.

Chapter II Construction Permit

Section 1 Construction Permit for a Construction Project

Article 7 Before a construction project is started, the project owner shall, in accordance with relevant State regulations, apply for construction permit to the competent administrative department for construction of the people's government at or above the county level in the place where the project is located, with the exception of the below-norm small projects specified by the competent administrative department for construction under the State Council.

No construction permit is required for a construction project, the commencement of whose construction is approved within the limits of powers and in accordance with the procedures specified by the State Council.

Article 8 The following conditions shall be satisfied before application for a construction permit is made:

- (1) Application for use of land for the construction project is granted;
- (2) The planning permit is obtained for construction of the project in the urban planning zone;
- (3) Where necessary, the houses are demolished and the residents resettled down according to schedule laid out for the construction project;
- (4) The enterprise for the construction project is decided on;
- (5) The drawings of the project and the technical data needed for construction are available;
- (6) Specific measures are taken to ensure construction quality and safety;
- (7) The funds for construction are available; and
- (8) Other conditions specified in laws and administrative rules and regulations are met.

The competent administrative department for construction shall, within 15 days from the day it receives the application, issue the construction permit to the applicant that meets the conditions.

Article 9 The project owner shall have construction commenced within three months from the day it receives the construction permit. If construction cannot be started on schedule for one reason or another, the project owner shall apply for postponement to the permit-issue department; construction may be postponed no more than twice, each time not exceeding three months. Where construction of a project is not commenced and no application is made for postponement or the period for postponement expires, the construction permit shall be automatically invalid.

Article 10 Where the on-going construction of a project is suspended for one reason or another, the project owner shall report to the permit-issue department within one month from the day construction is suspended and keep the construction project well maintained as required.

Before construction is resumed, the project owner shall report the matter to the permit-issue department; where construction is suspended for a year, the project owner shall report to the permit-issue department for permit check before construction is resumed.

Article 11 For a project, the commencement of whose construction is approved in accordance with the relevant regulations of the State Council, if construction cannot be commenced on schedule or is suspended for one reason or another, the project owner shall report the matter to the approving department without delay. If failure to commence construction exceeds six months for one reason or another, the project owner shall apply anew for commencement of construction.

Section 2 Business Qualifications

Article 12 Construction enterprises, surveying units, designing units and construction supervision units that are engaged in construction activities shall have the following qualifications:

- (1) registered capital as specified by the State;
- (2) specialized technicians with the statutory qualifications for practice commensurate with the construction activities they are engaged in;
- (3) technologies and equipment needed for the construction activities they are engaged in; and
- (4) other qualifications specified in laws and administrative rules and regulations.

Article 13 Construction enterprises, surveying units, designing units and construction supervision units engaged in construction activities shall be graded, in terms of their qualifications, on the basis of their registered capital, specialized technicians, technologies, equipment and the construction projects completed, and they may only engage in construction activities within the scope specified for them in terms of their grades after passing the qualification examination and obtaining the appropriate qualification grade certificates.

Article 14 Specialized technicians engaged in construction activities shall obtain appropriate business qualification certificates according to law and engage in construction activities within the scope specified for their qualification certificates.

Chapter III Letting and Undertaking a Contract for a Construction Project

Section 1 General Stipulations

Article 15 The contract letting unit and the contract undertaking unit for a construction project shall sign a written contract to clearly define the rights and obligations of both parties.

The contract letting unit and the contract undertaking unit shall fulfill all the obligations specified in the contract. Any of the units that fails to do so shall, in accordance with law, bear the responsibility for breach of contract.

Article 16 In inviting or submitting tenders, the contract letting unit and the contract undertaking unit for a construction project shall act in accordance with the principles of openness, fairness and equal competition, and the former shall select the best contract undertaking unit.

Where there are no provisions in this Law governing the invitation or submission of a tender for a construction project, the provisions in laws governing such invitation or submission shall be applied.

Article 17 No contract letting units or their employees may take bribes or commissions or demand any other benefits in the course of letting a contract for a construction project.

No contract undertaking units or their employees may undertake a contract for a project by illegitimate means, such as offering bribes or commission or offering other benefits to the contract letting units or their employees.

Article 18 The cost of a construction project shall, in accordance with relevant State regulations, be stipulated in the contract between the contract letting unit and the contract undertaking unit. Where the contract letting unit invites a tender openly, the cost of the project shall be stipulated in accordance with the provisions of laws governing invitation and submission of tenders.

The contract letting unit shall allocate funds for the project without delay, as agreed in the contract.

Section 2 Letting a Contract

Article 19 A contract for a construction project shall be let through bid inviting according to law. Where it is not appropriate to do so, the contract may be let directly.

Article 20 Where a bid is openly invited for a construction project, the contract letting unit shall make an announcement for the purpose through legal procedures and ways, providing documents containing information of the main technological requirements, the principal contract terms, standards and methods for evaluating a bid as well as the procedures of opening, evaluating and finalizing the bid.

Bid opening shall be done in public at the time and place specified in the bid documents. After bid opening, the book of bidding shall be evaluated and compared against the bid-evaluating standards and according to the procedures specified in the bid documents before selecting the best from among the qualified bidders.

Article 21 The opening, evaluating and finalizing of the bids for a construction project shall be organized in accordance with law by the project owner and supervised by the administrative departments concerned.

Article 22 Where the contract letting unit invites bid for a construction project, it shall, in accordance with law, let the selected unit undertake the contract for the project. Where the contract for a construction project is let directly, the contract letting unit shall allow the unit that is appropriately qualified to undertake the contract for the project .

Article 23 No government or its affiliated departments may abuse the administrative power to make a contract letting unit allow the unit it designates to undertake the contract for a project for which bid is invited.

Article 24 It is encouraged that the contract for a construction project shall be undertaken as a whole; no such contract may be let piecemeal.

The contract letting unit may allow one single unit to undertake the prospecting, designing, construction and procurement of equipment for a construction project and may also allow one single unit to undertake one or more items among prospecting, designing, construction and procurement of equipment; however, it may not divide a construction project that should be completed by one single unit into a number of parts among several undertaking units.

Article 25 Where, as stipulated in the contract, building materials, building components and fittings, and equipment are to be purchased by the contract undertaking unit, the contract letting unit may not make the contract undertaking unit buy the kinds of building materials, building components and fittings and equipment it decides on or buy them from the manufacturers or suppliers it designates.

Section 3 Undertaking a Contract

Article 26 The unit undertaking a contract for a construction project shall have the legal certificate of qualification and undertake projects within the scope specified for the qualification grade certificate it holds.

No construction enterprise may undertake a project beyond its business scope allowed for its qualification grade certificate or do so in the name of another construction enterprise in any form. No construction enterprise may allow, in any form, another unit or individual to use its qualification certificate or its business license, in undertaking a project in its name.

Article 27 A big or complicated construction project may be jointly undertaken by two or more than two units. All the undertaking parties shall bear joint and several liability for performing the contract.

Where two or more than two units with different grades of qualifications jointly undertake a construction project, they shall do so within the business scope specified for the unit with the lowest grade of qualification.

Article 28 No contract undertaking unit may sublet the whole project to another unit or divide the project into several parts and sublet them to other units.

Article 29 The unit that undertakes a whole construction project may sublet part of the project to a unit with the necessary qualifications; however, for the parts not included in the

general contract agreement, approval by the project owner shall be necessary. Where a unit undertakes the whole of a construction project, it shall, by itself, complete the construction of the main structure of the project.

The unit that undertakes the contract for the whole of a construction project shall, in accordance with the stipulations in the contract for the whole project, be responsible to the project owner; the sub-contracting units shall, in accordance with the stipulations in the subcontract, be responsible to the unit that undertakes the contract for the whole of the project. The unit that undertakes the contract for the whole of the project and the sub-contracting units shall bear joint and several liability to the project owner.

No unit that undertakes the contract for the whole of a project may sublet the contract to units without the necessary qualifications. No sub-contracting units may sublet the contract again.

Chapter IV Supervision over a Construction Project

Article 30 The State applies a system of supervision over construction projects. The State Council may define the construction projects over which supervision shall be enforced.

Article 31 A construction project subject to supervision shall be supervised by a construction supervision unit with the necessary qualifications that is entrusted by the project owner. The project owner shall sign a written entrustment contract for supervision with the construction supervision unit it entrusts.

Article 32 The construction supervision unit shall, on behalf of the project owner, exercise supervision over the undertaking unit in its construction quality, construction period and its use of construction funds on the basis of law, administrative rules and regulations and the relevant technological standards, design documents and construction contract.

Where construction supervisors believe that construction of the project does not meet the designed requirements or construction technological standards or conform with the contractual specifications, they shall have the right to ask the construction enterprise to set it right.

Where construction supervisors find that the project design does not conform to the standards for construction or meet the requirements for quality as agreed in the contract, they shall suggest to the project owner that it ask the designing unit to make corrections.

Article 33 Prior to the exercise of supervision over a construction project, the project owner shall inform in writing the construction enterprise subject to supervision of the unit it entrusts with supervision, the items under supervision and the limits of power for supervision.

Article 34 A construction supervision unit shall undertake the business within the scope defined for its qualification grade certificate.

The construction supervision unit shall carry out the task of supervision objectively and impartially, as is entrusted by the project owner.

The relationship between the construction supervision unit and the undertaking unit subject to its supervision as well as the suppliers of building materials, building components and

fittings and equipment shall not be one between the superior and the subordinate or one affected by interests.

No construction supervision unit may transfer its business of supervision to others.

Article 35 Where a construction supervision unit fails to fulfill its duty as agreed in the entrustment contract for supervision or fails to check the items as it should or to check according to regulations, thus bringing losses to the project owner, it shall bear appropriate liability of compensation.

Where a construction supervision unit colludes with a contract undertaking unit to bring illegal profits to the latter, thus bringing losses to the project owner, the two shall bear joint and several liability of compensation.

Chapter V Construction Safety Control

Article 36 In order to ensure construction safety, the principle of safety and prevention first shall be applied, and the responsibility system for construction safety and the system for prevention and control by the masses shall be established and strengthened.

Article 37 The design of a construction project shall conform to the rules of construction safety and technical standards formulated in accordance with State regulations and ensure safety of the project.

Article 38 When drawing up plans for construction, the construction enterprise shall take appropriate technical measures for safety in the light of the characteristics of a specific construction project; with respect to projects with highly special characteristics, special plans for construction safety shall be drawn up in addition to the technical measures for safety.

Article 39 Construction enterprises shall take measures for construction sites to ensure safety and prevent dangers and fires; where conditions permit, they shall administer closed management on the construction sites.

Where the construction site may do harm to the buildings, structures, and special working environments in the neighborhood, the construction enterprise shall take protective, safety measures.

Article 40 The project owner shall provide the construction enterprise with data of the buried pipelines under the construction site, which the enterprise shall take measures to protect.

Article 41 Construction enterprises shall abide by laws and rules and regulations regarding environmental protection and safe production and take measures to control and dispose of the various kinds of dust, waste gas, waste water and solid waste, and noise and vibration emitted from the construction site that pollute and harm the environment.

Article 42 When the project owner needs to do any of the following, it shall apply for approval as required by relevant State regulations:

- (1) temporary occupation of land beyond the planned area approved;
- (2) possible damaging of some public utilities such as roads, pipelines, power supply, post and telecommunications;

(3) temporary stoppage of water and power supply or suspension of traffic;

(4) demolition blasting; and

(5) others that need approval as required by laws and regulations.

Article 43 The administrative departments for construction shall be responsible for construction safety and shall, in accordance with law, be subject to guidance and supervision of the administrative departments for labor in respect of construction safety.

Article 44 Construction enterprises shall, in accordance with law, redouble their efforts to ensure construction safety, implement the responsibility system for safe production, take effective measures to prevent injury, death and other accidents.

The legal representatives of construction enterprises shall be responsible for safe production of their own enterprises.

Article 45 Construction enterprises shall be responsible for safety of the construction sites. Where the construction enterprise undertakes the whole of a project, it shall be responsible for safety of the whole project. The construction enterprise that undertakes part of a project shall be responsible to the one that undertakes the whole of the project and subordinate to the latter in ensuring safe production on the construction site.

Article 46 Construction enterprises shall establish and improve the training system for occupational safety, enhance education and training among the workers in safe production; before receiving such education and training, no one may take the job.

Article 47 Construction enterprises and their workers shall, in the course of construction, abide by laws and regulations concerning safe production and the rules and regulations for occupational safety in the construction industry, and may not give directions or work in violation of the rules and regulations. The workers shall have the right to put forward suggestions for improving the operation procedures and conditions that affect people's health and have the right to be provided with the protective kit needed for safe production. The workers shall have the right to criticize, inform against and accuse acts that endanger people's lives and health.

Article 48 Construction enterprises shall insure the workers who are engaged with dangerous tasks against accidents and pay the premium.

Article 49 Where the finishing project need change the main building structure or the load-bearing structure, the project owner shall, before construction starts, entrust the original designing unit or another designing unit that is appropriately qualified for the job with formulating a design scheme; construction may not start in the absence of such a scheme.

Article 50 Houses shall be dismantled by construction units qualified to ensure safety and the persons in charge of the construction units shall be responsible for safety.

Article 51 When an accident happens during construction, the construction enterprise shall take emergency measures to reduce casualties and losses and report the matter to the department concerned according to relevant State regulations.

Chapter VI Construction Quality Control

Article 52 The survey, design and construction quality of a construction project shall conform to the safety standards as required by the State for construction projects, and the specific measures for the administration thereof shall be formulated by the State Council.

When State standards for construction safety fail to meet the requirements for ensuring such safety, they shall be revised without delay.

Article 53 The State applies a system of quality certification to enterprises engaged in construction activities. Such enterprises may, on a voluntary basis, apply for certification of quality assurance to the administrative department for supervision over and administration of product quality under the State Council or the certification department authorized by the said department. Those qualified shall be issued certificates of quality assurance by the certification department.

Article 54 No project owner may, for any reason, ask the architectural design unit or the construction enterprise, in the course of designing or construction operation, to lower construction quality in violation of laws, administrative rules and regulations or standards for construction quality and safety.

The architectural design unit and the construction enterprise shall reject any demand made, in violation of the provisions in the preceding paragraph, by the project owner to lower construction quality.

Article 55 Where an enterprise undertakes the contract for construction of a whole project, it shall be responsible for construction quality of the whole project; if it sublets the contract to other enterprises, it shall bear joint and several liability for construction quality with them. The subcontractors shall be subject to quality control by the general contractor.

Article 56 Surveying and designing units of a construction project shall be responsible for the quality of the survey and design. The survey and design documents shall conform to the provisions of relevant laws, administrative rules and regulations, the quality and safety standards and the technical norms of survey and design for construction projects as well as the contractual specifications. The technical indicators of specifications, models and properties for the building materials, building components and fittings and equipment selected for use shall be made clear in the design documents and the requirements for their quality shall conform to State standards.

Article 57 The architectural design units may not designate the manufacturers or suppliers for procurement of the building materials, building components and fittings and equipment selected in the design documents.

Article 58 The construction enterprise shall be responsible for construction quality of a project.

The construction enterprise shall carry out construction in accordance with the design drawings and the technical standards for construction of the project; it may not cheat on workmanship or material. The original designing unit shall be responsible for revision of the project design; the construction enterprise may not revise the design without authorization.

Article 59 The construction enterprise shall inspect the building materials, building components and fittings and equipment against the requirements designed, the technical

standards for construction and the contractual specifications; those unqualified may not be used.

Article 60 Within the rational service life of a building, the quality of its base structure of the foundation and the main structure shall be ensured.

Upon completion of a construction project, there shall be no quality defects such as leakage or cracking in the roofs or walls; once such defects are found, the construction enterprise shall remedy them.

Article 61 A completed construction project delivered for acceptance inspection shall conform to the quality standards specified for the project, there shall be available a whole series of technical and economic data as well as a signed warranty, and the project shall meet other requirements of the State for completion of a construction project.

Construction projects shall be delivered for use only after passing the acceptance inspection; those which are not inspected or fail to pass the inspection may not be delivered for use.

Article 62 The system of warranty of quality shall be applied for construction projects.

The scope of warranty of quality for construction projects shall cover the civil engineering projects, such as the base structure of the foundation, the main structure and waterproof roofing as well as installation of electric circuits, water supply and sewer pipelines, heating and cooling systems, etc.; the warranty period shall be defined in accordance with the principles of guaranteeing the normal use of the building within its rational service life and protecting the user's, lawful rights and interests. The specific scope of warranty of quality and the minimum period of warranty shall be prescribed by the State Council.

Article 63 All units and individuals shall have the right to inform against, accuse and complain about any quality mishaps and defects of construction projects to the competent administrative department for construction or to other departments concerned.

Chapter VII Legal Liability

Article 64 Any unit that, in violation of the provisions of this Law, starts construction without obtaining a construction permit or without obtaining approval for its application to start construction shall be ordered to set it right; any unit that is not qualified for starting construction but starts construction shall be ordered to stop construction and may be fined.

Article 65 A contract letting unit that lets the contract for a project to a unit that is not qualified for undertaking such a project or, in violation of the provisions of this Law, divides the project and sublets it shall be ordered to set it right and be fined.

Any unit that undertakes a project beyond its graded qualifications shall be ordered to stop violating the Law and be fined and may be ordered to suspend business for rectification and be degraded in its qualifications; if the circumstances are serious, its qualification certificate shall be withdrawn; if it obtains any illegal gains, such gains shall be confiscated.

Any unit that, without obtaining a qualification certificate, undertakes a project shall be banned and fined; if it obtains any illegal gains, such gains shall be confiscated.

If a unit obtains its qualification certificate by fraudulent means, the certificate shall be withdrawn and the unit shall be fined; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Article 66 Where a construction enterprise transfers or lends its qualification certificate or allows another to undertake projects in its name by other means, it shall be ordered to set it right, its illegal gains shall be confiscated and it shall be fined, it may also be ordered to suspend business for rectification and its qualification be degraded; if the circumstances are serious, its qualification certificate shall be withdrawn. If losses are caused due to the fact that the project undertaken fails to meet the specified quality standards, the construction enterprise shall bear joint and several liability with the unit or individual that uses its name.

Article 67 Any unit that transfers a contract it undertakes or sublets the contract in violation of the provisions of this Law shall be ordered to set it right, its illegal gains shall be confiscated and it shall be fined, it may also be ordered to suspend business for rectification and its qualification be degraded; if the circumstances are serious, its qualification certificate shall be withdrawn.

Any undertaking unit that commits any illegal act mentioned in the preceding paragraph shall bear joint and several liability of compensation with the unit that accepts a contract transferred or sublet for the losses caused due to the fact that the project transferred or sublet fails to meet the specified quality standards.

Article 68 Anyone who, in the course of letting or undertaking a contract for a project, demands, accepts or offers bribes, if the offence constitutes a crime, shall be investigated for criminal liability in accordance with law; otherwise, he shall be fined, the bribes shall be confiscated, and the persons who are directly in charge and the other persons who are directly responsible for the offence shall be given disciplinary sanctions.

Any unit that offers bribes for undertaking a contract for a project, besides being penalized according to the provisions of the preceding paragraph, may be ordered to suspend business for rectification, its qualification degraded or its qualification certificate withdrawn.

Article 69 Where the construction supervision unit colludes with the project owner or the construction enterprise to lower the quality of a construction project by fraudulent means, they shall be ordered to set it right and be fined, their qualification shall be degraded or their qualification certificates shall be withdrawn; their illegal gains, if any, shall be confiscated; if losses are caused, they shall bear joint and several liability of compensation; if their offence constitutes a crime, they shall be investigated for criminal liability in accordance with law.

Where a construction supervision unit transfers its business of supervision, it shall be ordered to set it right, its illegal gains shall be confiscated, and it may be ordered to suspend business for rectification and its qualification degraded; if the circumstances are serious, its qualification certificate shall be withdrawn.

Article 70 Any construction enterprise that, in violation of the provisions of this Law, changes the main building structure or the load-bearing structure for construction of the finishing project shall be ordered to set it right and be fined; if losses are caused, it shall bear the liability of compensation; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Article 71 Where a construction enterprise, in violation of the provisions of this Law, fails to take measures to remove hidden dangers of accidents, it shall be ordered to make amends and may be fined; if the circumstances are serious, it shall be ordered to suspend business for rectification, its qualification shall be degraded or its qualification certificate withdrawn; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Where managers of a construction enterprise give orders against rules and regulations and compel workers to operate at risk, thus causing heavy casualties or other serious consequences, they shall be investigated for criminal liability in accordance with law.

Article 72 Where a project owner, in violation of the provisions of this Law, requires that the architectural design unit or the construction enterprise violate the quality or safety standards for a construction project or lower the quality of the project, shall be ordered to set it right and may be fined; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Article 73 Where a architectural design unit fails to design in accordance with the quality and safety standards for construction projects, it shall be ordered to make amends and be fined; if an accident occurs due to quality of the project, it shall be ordered to suspend business for rectification, its qualification shall be degraded or its qualification certificate withdrawn, its illegal gains shall be confiscated and it shall also be fined; if losses are caused, it shall bear the liability of compensation; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Article 74 Where a construction enterprise cheats on workmanship or material in the course of construction, uses substandard building materials, building components and fittings and equipment or commits other acts in disregard of the project design drawings or construction technical standards, it shall be ordered to make amends and be fined; if the circumstances are serious, it shall be ordered to suspend business for rectification, its qualification shall be degraded or its qualification certificate withdrawn; if the project quality does not conform to the specified quality standards, it shall be responsible for doing the poorly done work over again or making repairs and compensating the losses thus caused; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Article 75 Where a construction enterprise, in violation of the provisions of this Law, refuses to fulfill its commitment of warranty or delays such fulfillment, it shall be ordered to set it right and may be fined; it shall bear the liability of compensation for the losses caused by quality defects within the period of warranty, such as leakage or crack on roofs and walls.

Article 76 The administrative penalties prescribed in this Law, such as suspension of business for rectification, degrading of qualification and withdrawal of qualification certificate, shall be decided on by the department that issues qualification certificates; the other administrative penalties shall be decided on by the competent administrative department for construction or other departments concerned within the limits of their powers and functions prescribed by law or the State Council.

With regard to units whose qualification certificates are withdrawn in accordance with the provisions of this Law, their business licenses shall be revoked by the administrative department for industry and commerce.

Article 77 Where a department, in violation of the provisions of this Law, issues a qualification grade certificate to a unit that is not qualified for the grade, the department above it shall order that it withdraw the certificate, the persons who are directly in charge and the other persons who are directly responsible for the offence shall be given administrative sanctions; if the offence constitutes a crime, it shall be investigated for criminal liability in accordance with law.

Article 78 Where an official of a government or of a department affiliated to it, in violation of the provisions of this Law, orders a contract letting unit to let the project for bid inviting to a unit he designates, he shall be ordered by the department at a higher level to set it right; if the offence constitutes a crime, he shall be investigated for criminal liability in accordance with law.

Article 79 Where the department or any of its members that is responsible for issuing construction permits issues such permits to unqualified construction projects, where the department or any of its members that is responsible for supervision over and inspection of project quality or for acceptance inspection upon completion of a project issues to an unqualified project qualification certificate or accepts such a project as qualified, the offender shall be ordered by the department at a higher level to set it right and the persons who are responsible for the offence shall be given administrative sanctions; if the offence constitutes a crime, the offender shall be investigated for criminal liability in accordance with law; if losses are caused, the said department shall bear the liability of compensation accordingly.

Article 80 Anyone who, within the rational service life of a building, is harmed by an unqualified project shall have the right to ask for compensation from the responsible person.

Chapter VIII Supplementary Provisions

Article 81 The provisions in this Law concerning construction permit, examination of the qualification of a construction enterprise, letting and undertaking of a contract for a construction project, prohibition of transferring a project, construction supervision and construction safety and quality control shall be applicable to construction activities of other special construction projects; the specific measures therefor shall be formulated by the State Council.

Article 82 The competent administrative department for construction and the other departments concerned shall collect no other fees for supervision and administration they exercise with respect to construction activities than the ones they collect in accordance with the relevant regulations of the State Council.

Article 83 This Law shall be applied mutatis mutandis to construction activities of the small housing projects determined by the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

The maintenance and repairs of memorial buildings and ancient architectures appraised and decided in accordance with law for protection as historical relics shall be done in accordance with the relevant provisions of laws regarding preservation of relics.

This Law shall not be applicable to construction activities for dealing with emergencies and providing disaster relief or building temporary houses as well as construction activities engaged by farmers to build low houses for themselves.

Article 84 The specific measures for administration of construction activities of housing projects for military purposes shall be formulated by the State Council and the Central Military Commission on the basis of this Law.

Article 85 This Law shall go into effect as of March 1, 1998.