

Law of the People's Republic of China on Product Quality

Full text

Chapter I General Provisions

Article 1 This Law is enacted to strengthen the supervision and control over product quality, to improve product quality, to define the liability relating thereto, to protect the legitimate rights and interests of consumers and to safeguard the social and economic order.

Article 2 Anyone who manufactures or sells any product within the territory of the People's Republic of China shall abide by this Law. For the purposes of this Law, "product" means one which is processed or manufactured for sale. This Law shall not apply to construction projects. However, it shall be applicable to those materials, components, fittings and equipment used for construction which fall within the scope of the definition mentioned in the preceding paragraph.

Article 3 Producers and sellers shall establish and improve their internal system for product quality control, and strictly apply the quality standards for jobs, the quality responsibility system and the related check measures.

Article 4 Producers and sellers shall be liable for product quality in accordance with this Law.

Article 5 It is prohibited to forge or fraudulently use authentication marks or other product quality marks; it is prohibited to forge the origin of a product, or to forge or fraudulently use the name and address of another producer; and it is prohibited to mix impurities or imitations into a product that is manufactured or for sale, or pass a fake product off as a genuine one, or pass a defective product off as a quality one.

Article 6 The State encourages the popularization of scientific methods for quality control and the adoption of advanced science and technology, and encourages enterprises to make their product quality reach and surpass their respective sectoral standards, national standards and international standards. Units and individuals that have made outstanding achievements in exercising advanced control over product quality and in raising their product quality to advanced international standards shall be awarded.

Article 7 People's governments at various levels shall incorporate the improvement of product quality into their plans for national economic and social development, improve their overall planning, organization and leadership in respect of product quality, provide guidance to producers and sellers and urge them to tighten control over product quality and improve product quality, ensure that the government departments concerned will, in accordance with law, take measures to stop any violations of this Law committed in the process of manufacture and sale of products, and guarantee that this Law is implemented.

Article 8 The department for supervision over product quality under the State Council shall be responsible for supervision over product quality throughout the country. The relevant departments under the State Council shall be responsible for supervision over product quality within the scope of their

respective functions and responsibilities. Local departments for supervision over product quality at or above the county level shall be in charge of supervision over product quality within their respective administrative regions. The relevant departments in the local people's governments at or above the county level shall be responsible for supervision over product quality within the scope of their respective functions and responsibilities. Where laws provide otherwise with respect to departments for supervision over product quality, the provisions of such laws shall apply.

Article 9 No functionaries of the local people's governments at various levels or of other State organs may abuse their power, neglect their duty, engage in malpractices for personal gain, shield or connive at violations of this Law committed in the process of manufacture or sale within their own regions, or obstruct or interfere in the investigation and handling of such violations. Where a local people's government at any level or a State organ shields or connives at violations of this Law committed in the process of manufacture or sale, the person who is chiefly responsible shall be investigated for legal responsibility in accordance with law.

Article 10 All units and individuals shall have the right to inform the departments for supervision over product quality or other relevant departments against any violations of this Law. The Departments for supervision over product quality and other relevant departments shall keep secrets for the informers, and award the them in accordance with the relevant regulations of the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government.

Article 11 No units or individuals may exclude up-to-standard products manufactured by enterprises or sectors from entering into their regions or sectors.

Chapter II Supervision over Product Quality

Article 12 The quality of a product shall undergo inspection until it proves to be up to the standards. No sub-standard product may be passed off as an up-to-standard one.

Article 13 Industrial products constituting potential threats to human health, personal safety and safety of property shall be in conformity with the national standards and sectoral standards for ensuring human health, personal safety and safety of property; with regard to products for which there are no national or sectoral standards to measure up to, products shall meet the requirements for ensuring human, personal safety and safety of property. Manufacturing and selling of industrial products that do not conform to the standards and requirements for ensuring human health, personal safety and safety of property are prohibited. The specific administrative measures shall be prescribed by the State Council.

Article 14 The State applies, in light of the quality control standards used internationally, the practice of authentication with respect to the quality series of enterprises. An enterprise may, on a voluntary basis, apply for authentication with respect to its quality series to an authentication body approved by the department for supervision over product quality under the State Council or by a department authorized by the said department. The enterprise that is authenticated as qualified shall be issued an authentication certificate for its quality series by the authentication body. The State applies, in light of the internationally advanced product standards and technical requirements, the system for product quality authentication. An enterprise may, on a voluntary basis, apply for authentication with respect to the quality of its products

to an authentication body approved by the department for supervision over product quality under the State Council or by a department authorized by the said department. The enterprise whose product quality is authenticated as up-to-standard shall be issued an authentication certificate for its product quality by the authentication body and shall be permitted to use product quality authentication mark on its products or the packages thereof.

Article 15 The State, with respect to product quality, applies a system of supervision and inspection with random checking as the main form. Products constituting potential threats to human health, to personal safety and to safety of property, important industrial products which have a bearing on the national economy and the people's wellbeing, and products with quality problems as reported by consumers or relevant organizations shall be subjected to random checking. Samples for random checking shall, at any time, be selected from the market or from among the finished products ready for sale in the storehouse of an enterprise. Supervision and random checking shall be planned and arranged by the department for supervision over product quality under the State Council. The local departments for supervision over product quality in the people's governments at or above the county level may also make arrangements for supervision and random checking within their respective administrative regions. Where laws provide otherwise with respect to supervision over and inspection of product quality, the provisions of such laws shall apply. Local departments may not repeat random checking already conducted by State departments; departments at lower levels may not repeat random checking already conducted by departments at higher levels. Products may be inspected where random checking of such products so requires, but the amount of samples selected for inspection may not exceed the reasonable need of the inspection and no fees may be charged from the enterprises concerned. The expenses thus incurred shall be disbursed in accordance with the relevant regulations of the State Council. Where producers or sellers have objections to the result of inspection, they may, within 15 days from the date the result is received, apply to the department for supervision over product quality that has conducted the random checking or its superior for re-inspection. The department for supervision over product quality that conducts the re-inspection shall make a conclusion afterwards.

Article 16 No producers or sellers may refuse to undergo supervision over and inspection of their product quality conducted in accordance with law.

Article 17 Where the quality of a product is proved to be not up to standard after random checking is conducted in accordance with the provisions of this Law, the department for supervision over product quality that has conducted random checking shall order the producer and/or seller to improve it within a time limit. If the producer and/or seller fails to do so at the expiration of the time limit, the matter shall be announced by the department for supervision over product quality under the people's government at or above the provincial level; if the product quality fails to pass re-inspection conducted after the announcement, the producer shall be ordered to discontinue production and/or business operation for overhaul within a time limit; if it again fails to pass another re-inspection conducted at the expiration of the time limit, the producer's and/or seller's business license shall be revoked. Where a product is found through random checking to have serious quality problems, punishment shall be meted out in accordance with the relevant provisions in Chapter V of this Law.

Article 18 The departments for supervision over product quality at or above the county level may, on the basis of the obtained evidence for or information against suspected violations of this law, exercise the

following functions and powers when investigating and handling such violations:

- (1) to conduct on-the-spot inspection of the place where the party is suspected of engaging in production or sale activities in violation of this Law;
- (2) to conduct investigation among the legal representative of the party, the person who is chiefly in charge, and other persons concerned for information related to the production or sale activities engaged in by the suspected party in violation of this Law;
- (3) to look into and duplicate the contracts, invoices and account books concerning the party and other relevant material; and
- (4) to seal up or seize the products which are regarded, on the basis of evidence, as not being in conformity with the national or sectoral standards for ensuring human health, personal safety and safety of property or as having other kinds of serious quality problems, and the raw and supplementary materials, package materials and production tools that are used directly for the manufacture and sale of such products.

Administrative departments for industry and commerce at or above the county level may, within the scope of their functions and duties defined by the State Council, exercise the functions and powers mentioned in the preceding paragraph when investigating and handling suspected violations of this Law.

Article 19 Product quality inspection institutions shall have the necessary testing facilities and competence and shall undertake inspection of product quality only after being appraised and endorsed by the department for supervision over product quality under the people's government at or above the provincial level or a department authorized by the said department. Where laws or administrative regulations provide otherwise with respect to the institutions for inspection of product quality, the provisions of such laws or administrative regulations shall apply.

Article 20 Intermediary bodies for product quality inspection or authentication shall be established in accordance with law, and they may not be subordinate to or have any relationship of interest with any administrative department or other state organs.

Article 21 Institutions for product quality inspection or authentication shall, on the basis of relevant standards, be objective and impartial in issuing the result of inspection or authentication certificate. Institutions for product quality inspection or authentication shall, in accordance with the relevant regulations of the State, conduct follow-up inspection of the products bearing the authentication mark with approval; where products not conforming to the standards for authentication bear such mark, it shall demand rectification; if the circumstances are serious, the products shall be disqualified from using the mark.

Article 22 Consumers shall have the right to make inquiries to the producers and sellers about the quality of their products. Where a complaint is made to a department for supervision over product quality, or to an administrative department for industry and commerce, or to any other department concerned, the department that receives the complaint shall be responsible for handling the case.

Article 23 Public organizations protecting the rights and interests of consumers may suggest that the department concerned dispose of the product quality problems as reported by consumers, and may

support consumers in their efforts to bring a suit to a people's court with respect to the damage caused by quality problems of products.

Article 24 The department for supervision over product quality under the State Council and the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall regularly issue Quality Status Bulletin regarding the products which they have conducted random checking.

Article 25 No departments for supervision over product quality, or other State organs, or institutions for product quality inspection may recommend any manufacturer's products to the public, or participate in business activities in the form of supervision over the manufacture or sale of products.

Chapter III Liability and Obligation of Producers and Sellers in Respect of Product Quality

Section 1 Liability and Obligation of Producers in Respect of Product Quality

Article 26 Producers shall be liable for the quality of the products they produce. The products shall meet the following quality requirements:

- (1) constituting no unreasonable threats to personal safety or safety of property, and conforming to the national standards or the sectoral standards for ensuring human health, personal safety and safety of property, where there are such standards;
- (2) possessing the properties as required, except for those with directions stating their functional defects; and
- (3) conforming to the product standards marked on the products or on the packages thereof, and to the quality conditions indicated by way of product directions, samples, etc.

Article 27 Marks on the products or on the packages thereof shall be authentic and meet the following requirements:

- (1) with certificate showing that the product has passed quality inspection;
- (2) with name of the product, name and address of the producer, all marked in Chinese;
- (3) with the necessary indications in Chinese regarding the specifications and grade of the product, the main ingredients and their quantities contained in the product, where such particulars are required to be indicated according to the characteristics and the instructions for use of the product; with the indications on the package of information necessary for consumers to know in advance, or providing consumers in advance with documents indicating such information;
- (4) with production date, safe-use period or date of expiry clearly indicated in easily spotted areas if the product is to be used within a time limit; and
- (5) with a warning mark or statement in Chinese for a product which, if improperly used, may cause damage to the product itself, or may endanger personal safety or safety of property.

Food products without package and other non-packed products which are difficult to be marked due to their special nature may dispense with product marks.

Article 28 The packages of dangerous products, such as fragile, inflammable, explosive, poisonous,

corrosive, radioactive products, of products that should be kept upright during storage and transportation, and of other products with special requirements shall meet the necessary requirements in respect of their quality and carry warning marks or statements in Chinese indicating directions for storage and transportation, as required by relevant State regulations.

Article 29 No producer may produce any product that has been eliminated by State orders.

Article 30 No producer may forge the origin of a product, or forge or illegally use another producer's name and address.

Article 31 No producer may forge or illegally use another producer's authentication marks or other product quality marks.

Article 32 In producing products, no producer may mix impurities or imitations into the products, or substitute a fake product for a genuine one, a defective product for a high-quality one, or pass a substandard product off as an up-to-standard one.

Section 2 Liability and Obligation of Sellers in Respect of Product Quality

Article 33 A seller shall establish and practise a check-for-acceptance system for replenishment of his stock, and examine the quality certificates and other marks.

Article 34 A seller shall adopt measures to keep the products for sale in good quality.

Article 35 No seller may sell products which are eliminated and the sale of which is stopped by State organs, or expired and deteriorated products.

Article 36 The marks of a seller's products shall conform to the provisions of Article 27 of this Law.

Article 37 No seller may forge the origin of a product, or forge or fraudulently use another producer's name and address.

Article 38 No seller may forge or fraudulently use another producer's authentication marks or other product quality marks.

Article 39 In selling products, no seller may mix impurities or imitations into the products, or substitute a fake product for a genuine one, a defective product for a high-quality one, or pass a substandard product off as an up-to-standard one.

Chapter IV Compensation for Damage

Article 40 A seller shall be responsible for repair or change of the product, or for refund of the purchase price if the product he sold is found to be in any of the following conditions and, if losses are caused to the consumer who bought the product, the seller shall compensate for the losses:

(1) The product does not possess the properties as required and there are no prior indications of the

same;

(2) The product does not conform to the product standards marked on it or its package; or

(3) The product does not conform to the quality conditions indicated by way of product directions, samples, etc.

After the repair, change, refund or compensation has been made in accordance with the provisions of the preceding paragraph, if it is the producer or another seller who supplied the product to the seller (hereinafter referred to as supplier) that should bear the liability, the seller shall have the right to recover his loss from the producer or the supplier. Where a seller fails to make the repair, change, refund, or compensation in accordance with the provisions in the first paragraph, the department for supervision over product quality or the administrative department for industry and commerce shall order the seller to do it. Where the sale contract or processing contract concluded between a producer and another, a seller and another or between a producer and a seller provides otherwise, the parties concerned shall act in accordance with the provisions of the contract.

Article 41 If a producer's defective product causes physical injury to a person or damage to property other than the defective product itself (hereinafter referred to as another person's property), he shall be liable for compensation. A producer shall not be liable for compensation if he can prove the existence of any of the following circumstances:

(1) The product has not been put in circulation;

(2) The defect causing the damage does not exist at the time when the product is put in circulation; or

(3) The science and technology at the time the product is put in circulation is at a level incapable of detecting the defect.

Article 42 Where physical injury is caused to a person or damage to another person's property by a product's defect resulting from the seller's fault, the seller shall be liable for compensation.

Where the seller can identify neither the producer of the defective product nor the supplier thereof, he shall be liable for compensation.

Article 43 Where a defective product causes physical injury to a person or damage to another person's property, the victim may claim compensation from the producer or from the seller of such product. Where the seller has made the compensation when it is the producer that should bear the liability, the seller shall have the right to recover the loss from the producer. Where the producer has made the compensation when it is the seller that should bear the liability, the producer shall have the right to recover the loss from the seller.

Article 44 Where physical injury is caused by defects in a product, the person liable shall compensate the victim for the expenses of medical treatment, expenses of nursing care during treatment, and the decreased earnings due to the loss of his working time; where the victim is disabled, the person liable shall, in addition, pay for the self-care equipment, subsistence allowances, disability compensation to the victim, living expenses necessary for any other person(s) supported by the victim, etc. Where such defects cause death to the victim, the person liable shall also pay for the funeral expenses, compensation for death, and the living expenses necessary for any other person(s) supported by the deceased before his death, etc. Where the damage to the property of the victim is caused by the defect in a product, the person liable shall restore the damaged property to its original state, or pay compensation at the market

price. If the victims suffer other serious losses, the person liable shall compensate for such losses.

Article 45 The limitation period for bringing an action claiming compensation for the damage done by the defect in a product is two years, counting from the date on which the party concerned knows of or should know of the infringement of his rights and interests.

The right to claim compensation for the damage done by the defective product shall be forfeited upon the expiry of a period of ten years from the date on which the defective product causing the damage is delivered to the first consumer, except where the clearly stated period of safe-use has not expired.

Article 46 For the purposes of this Law, “defect” means one that constitutes an unreasonable threat to personal safety or to safety of another person’s property; where there are national or sectoral standards for ensuring human health, personal safety and safety of property to measure up to, ‘defect’ means failure to measure up to such standards.

Article 47 Where a civil dispute over product quality arises, the parties may seek settlement through negotiation or mediation. If the parties are not willing to do so, or if negotiation or mediation fails, they may apply to an arbitration institution for arbitration, as agreed upon between the parties; if the parties fail to reach an agreement for arbitration or the agreement is invalid, they may bring a suit directly before a people’s court.

Article 48 The arbitration institution or the people’s court may entrust a product quality inspection institution, as mentioned in Article 19 of this Law, with the inspection of a product quality.

Chapter V Penalty Provisions

Article 49 Any producer or seller that produces or sells products not up to the relevant national or sectoral standards for ensuring human health, personal safety and safety of property shall be ordered to discontinue production or sale of such products, the products illegally produced or ready for sale shall be confiscated, he shall be fined a sum equal to the amount of but not more than three times the value of the products illegally produced or ready for sale (including those already sold and those not yet sold, the same hereinafter); the illegal gains, if any, shall also be confiscated; if the circumstances are serious, the business license shall be revoked; if a crime is constituted, criminal responsibility shall be investigated according to law.

Article 50 Where a producer or a seller mixes impurities or imitations into a product, or substitutes a fake product off as a genuine one, or a defective product for a quality one, or passes a substandard product off as an up-to-date one, he shall be ordered to discontinue production or sale, the products illegally produced or for sale shall be confiscated, he shall be fined not less than 50 percent of but not more than three times the value of the products illegally manufactured or ready for sale; the unlawful earnings, if any, shall be confiscated; if the circumstances are serious, the business license shall be revoked; if a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 51 Any producer that produces products which are eliminated by State orders or any seller that sells products which are eliminated and the sale of which is stopped by State orders shall be ordered to discontinue production or sale of such products, the products illegally produced or for sale shall be confiscated, and a fine not more than the value of the products illegally produced or for sale shall be

imposed; the illegal gains, if any, shall be confiscated; if the circumstances are serious, the business license shall be revoked.

Article 52 Any seller that sells expired or deteriorated products shall be ordered to discontinue sale, the products for illegal sale shall be confiscated, and fine not more than twice the value of the products for illegal sale shall be imposed; the illegal gains, if any, shall be confiscated; if the circumstances are serious, the business license shall be revoked; if a crime is constituted, criminal liability shall be investigated in accordance with law.

Article 53 Anyone producer or seller that forges or fraudulently uses another producer's name and address, or forges or fraudulently uses authentication marks or other product quality marks shall be ordered to rectify, the products illegally produced or for sale shall be confiscated, a fine not more than the value of the products illegally produced or for sale shall be imposed; the illegal gains, if any, shall be confiscated; if the circumstances are serious; the business license shall be revoked.

Article 54 Where the marks of a product do not conform to the provisions of Article 27 of this Law, the producer or seller concerned shall be ordered to make rectification. Where the marks on a packed product do not conform to the provisions of sub-paragraphs (4) and (5) of Article 27 of this Law, if the circumstances are serious, the producer or seller concerned shall be ordered to discontinue production or sale of such products, and a fine not more than 30 percent of the value of the products illegally produced or for sale shall be imposed; the illegal gains, if any, shall be confiscated.

Article 55 A seller who sells products prohibited for sale as specified in the provisions from Article 49 to Article 53 of this Law presents sufficient evidence to show that he is ignorant of the fact that sale of the products is prohibited and gives true information about the source of the products may be given lighter or mitigated punishment.

Article 56 Any producer or seller that refuses to undergo supervision and inspection over product quality conducted in accordance with law shall be given a disciplinary warning and be ordered to rectify; if he refuses to rectify, he shall be ordered to discontinue operation for overhaul; if the circumstances are especially serious, his business license shall be revoked.

Article 57 Any product quality inspection institution or authentication body that forges an inspection result or issues an unauthentic certificate shall be ordered to rectify and be fined not less than 50,000 yuan but not more than 100,000 yuan, the persons who are directly in charge and the other persons who are directly responsible shall be fined not less than 10,000 yuan but not more than 50,000 yuan; the illegal gains, if any, shall be confiscated; if the circumstances are serious, the inspection institution or authentication body shall be disqualified for the job; if the a crime is constituted, criminal responsibility shall be investigated in accordance with law. Any product quality inspection institution or authentication body that issues an untruthful inspection result or certificate and thus causes losses shall bear liability of compensation for the same amount of losses caused; if major losses are caused, the inspection institution or the authentication body shall be disqualified for the job. Where a product quality authentication body that, in violation of the provisions of the second paragraph of Article 21 of this Law, fails to demand, as required by law, rectification with respect to a product which is not up to the standards for authentication but on which the authentication mark is used, or disqualify the product from using the

mark, if losses are caused to consumers due to the fact that the product is not up to standard, the said body shall bear joint and several liability with the producer and the seller; if the circumstances are serious, the authentication body shall be disqualified for the job.

Article 58 Where a public organization or an intermediary agency undertakes to guarantee the quality of a product, if the product is not up to the quality standard as guaranteed and losses are caused to consumers, it shall bear joint and several liability with the producer and the seller of the product.

Article 59 Where false advertisements regarding product quality are published to cheat or mislead consumers, the advertiser shall be investigated for legal responsibility in accordance with the Advertisement Law of the People's Republic of China.

Article 60 The raw and supplementary material, packaging material and production tools specially used for the production of products as mentioned in Articles 49 and 51 of this Law or for the production of fake products shall be confiscated.

Article 61 Where a person who knows or should know that the manufacture or sale of a product is prohibited by this Law offers conveniences for the transportation, keeping and storage of such product, or offers technologies for the manufacture of the products, all his earnings therefrom shall be confiscated, and he shall be fined not less than 50 percent of but not more than three times the unlawful earnings; if a crime is constituted, he shall be investigated for criminal responsibility.

Article 62 Any operator in the service industry who uses in services the products prohibited for sale, as mentioned in the provisions from Articles 49 to Article 52 of this Law, shall be ordered to discontinue their use; those who know or should know that sale of the products they use is prohibited by this Law shall be punished in accordance with the provisions of this Law for the punishment of the seller of such products and on the basis of the value of the illegally used products (including those all ready used and those not yet used).

Article 63 Anyone who conceals, moves to other places, sells or destroy goods sealed up or seized by departments for supervision over product quality or administrative departments for industry and commerce shall be fined not less than the amount of but not more than three times the value of the said goods; the illegal gains, if any, shall be confiscated.

Article 64 If the property of a person who violates the provisions of this Law and who therefore shall bear the civil liability of compensation and is required to pay a fine, is insufficient for paying both the compensation and the fine, such person shall first bear the civil liability of compensation.

Article 65 Functionaries of the people's governments at various levels or of State organs who commit any of the following acts shall be given administrative sanctions an accordance with law; if the act constitutes a crime, criminal responsibility shall be investigated an accordance with law:

- (1) shielding or conniving at violations of this Law committed in the process of manufacture or sale of products;
- (2) divulging information to the parties who engage in production or sale activities in violation of the

provisions of this Law and helping them to evade investigation and handling; or
(3) obstructing or interfering in the investigation and handling of the violations of this Law committed in the process of manufacture and sale of products conducted by departments for supervision over product quality or administrative departments for industry and commerce, and thus causing serious consequences.

Article 66 If a department for supervision over product quality, when conducting random checking, asks for samples in excess of the specifies amount or charges fees from the inspected, it shall be ordered by the department for supervision over product quality at a higher level or the supervisory organ to return the extra samples or the fees; if the circumstances are serious, the persons who are directly in charge and the other persons who are directly responsible shall be given administrative sanctions in accordance with law.

Article 67 If a department for supervision over product quality or any other State organ, in violation of the provisions of Article 25 of this Law, recommends to the public a manufacturer's product, or participates in business activities in the form of supervision over the manufacture or sale of products, it shall be ordered by its superior or the supervisory organ to rectify to offset the negative effect, and its unlawful earnings, if any, shall be confiscated; if the circumstances are serious, the persons who are directly in charge and the other persons who are directly responsible shall be given administrative sanctions in accordance with law. If a product quality inspection institution commits the illegal activities mentioned in the preceding paragraph, it shall be ordered by the department for supervision over product quality to rectify to offset the negative effect, and its unlawful earnings, if any, shall be confiscated and it may also be fined not more than the amount of its unlawful earnings; if the circumstance are serious, it shall be disqualified for quality inspection.

Article 68 Any functionary of the department for supervision over product quality or of the administrative department for industry and commerce who abuses his power, neglects his duty, or engages in malpractices for personal gains, if a crime is constituted, shall be investigated for criminal responsibility in accordance with law; otherwise he shall be given administrative sanctions in accordance with law.

Article 69 Anyone who obstructs, by means of violence or intimidation, functionaries of the departments for supervision over product quality or of the administrative departments for industry and commerce from performing their duties according to law shall be investigated for criminal responsibility in accordance with law; anyone who prevents or obstructs, without resorting to violence or intimidation, the said functionaries from performing their duties shall be punished by the public security organs in accordance with the provisions of the Regulations on Administrative Penalties for Public Security.

Article 70 An administrative sanction involving revocation of business license, as provided for in this Law, shall be decided by the administrative department for industry and commerce, and the administrative sanctions, as provided for in the provisions from Articles 49 to Article 57 and in Articles 60 to 63, shall be decided by the department for supervision over product quality or the administrative department for industry and commerce within the scope of their functions and powers prescribed by the State Council. Where laws or administrative regulations provide otherwise as to the authorities exercising the power of administrative sanction, the provisions of such laws and administrative regulations shall apply.

Article 71 Products confiscated in accordance with the provisions of this Law shall be disposed of or handled by other means in accordance with the relevant regulations of the State.

Article 72 The value of the products mentioned in the provisions from Article 49 to Article 54, Articles 62 and 63 shall be calculated on the basis of the marked prices of the products illegally manufactured or for sale; where such prices are not available, it shall be calculated on the basis of the market prices for similar products.

Chapter VI Supplementary Provisions

Article 73 Measures for supervision over the quality of military industrial products shall be formulated separately by the State Council and the Central Military Commission. Where laws or administrative regulations provide otherwise as to the liability of compensation for damages caused by nucleus facilities or products, the provisions of such laws or regulations shall apply.

Article 74 This Law shall go into effect as of September 1, 1993.