

SUBSIDIES

REQUEST FROM THE UNITED STATES TO CHINA PURSUANT TO ARTICLE 25.10 OF THE AGREEMENT

The following communication, dated 15 April 2016, is being circulated at the request of the Delegation of the United States.

In the report that it prepared for China's most recent Trade Policy Review, held in July 2014, the Secretariat included information that it had uncovered on 30 support programs for China's fisheries sector.¹ The Secretariat's Report noted that China had not notified any of these support programs to the Committee on Subsidies and Countervailing Measures (Committee) and that China could not verify any of the information provided to it by the Secretariat. During the ensuing Trade Policy Review meetings, China responded to Members' questions about these support programs by stating that it needed more time to identify and verify information regarding these support programs. In April of last year, the United States submitted questions to China with respect to these programs and other fishery support measures the United States had uncovered through its own efforts.² Once again, despite its obligation under Article 25.9 of the Agreement to provide answers "as quickly as possible and in a comprehensive manner", China to date has not meaningfully responded to the United States' request and has refused repeated requests to meet bilaterally to discuss the issue, and the issue of subsidy notifications more generally.

In November of last year, China submitted its latest subsidy notification covering the period 2009 through 2014.³ In this notification, China did not include: (1) any of the fishery subsidy programs identified in China's 2014 TPR report, (2) any of the additional measures identified by the United States in its Article 25.8 submission or (3) any of the fisheries subsidies measures identified in the 2014 Article 25.10 submission of the United States⁴.

¹ See, WT/TPR/S/300, page 88, paragraph 3.126, and pages 191-98, Table A3.6.

² See, G/SCM/Q2/CHN/52, April 17, 2015

³ See, G/SCM/N/220/CHN, G/SCM/N/253/CHN, G/SCM/N/284/CHN; October 30, 2015

⁴ In its 2014 Article 25.10 submission, the United States counter notified and provided full translations of the following fisheries subsidies measures: *State Council Notice on the Implementation of Refined Oil Price and Tax Reforms*, State Council, Guo Fa [2008] No. 37 (18 December 2008); *Notice on Further Refining the Subsidy Mechanism for Farmers, Some Impoverished Groups, and the Public Welfare Sectors After Refined Oil Price and Tax Reforms*, Ministry of Finance, National Development and Reform Commission, Ministry of Supervision, Ministry of Transportation, Ministry of Agriculture, National Audit Office, State Forestry Administration, Cai Jian [2009] No. 1 (7 January 2009); *Interim Measures for the Administration of the Fisheries Refined Oil Price Subsidy Special Fund*, Ministry of Finance, Ministry of Agriculture, Cai Jian [2009] No. 1006 (31 December 2009); *Shandong Province Plan for the Implementation of Fisheries Oil Price Subsidies in the First Half of 2009*, Shandong Provincial Government (13 March 2009); *Notice on Relevant Matters for the Allocation of Fisheries Diesel Oil Subsidies in the First Half of 2009*, Zhejiang Ocean and Fishery Bureau, Zhe Hai Yu Ji [2009] No. 43 (23 March 2009); *Notice on the Implementation of the Ministry of Finance and Ministry of Agriculture Interim Measures for the Administration of the Fisheries Refined Oil Price Subsidy Special Fund*, Jiangsu Provincial Oceanic and Fishery Bureau, Su Cai Jian [2012] No. 47 (27 February 2012); *Hubei Province Rules for the Implementation of the Administration of the Fisheries Refined Oil Price Subsidy Special Fund*, Hubei Provincial People's Government, E Nong Gui [2013] No. 1 (12 July 2013); *Shanghai Municipal Finance Bureau Notice on Passing Down the Fishermen and Fishery Enterprises Oil Price Subsidies for this Municipality in the First Half of 2009*, Shanghai Municipal Finance Bureau, Hu Cai Qi [2009] No. 42 (10 August 2009); *Tianjin Municipal Finance Bureau, Municipal Commission on Rural Affairs Notice on Issuing the Rules for the Implementation of the Tianjin Municipality "Interim Measures for the Administration of the Fisheries Refined Oil Price Subsidy Special Fund"*, Tianjin Municipal Finance Bureau, Municipal Commission on Rural Affairs, Jin Cai Nong [2010] No. 23 (19 May 2010); *Qidong City Public Notice on Fisheries Refined Oil Price Subsidies*, Qidong City Finance Bureau, Qidong City Ocean and Fishery Bureau (20 June 2012); *Liyang City Plan for the Disbursement of the 2012 Fisheries Refined Oil Price Reform Financial Subsidies Fund in 2012*, Liyang City People's Government, Li Nong Fa [2013] No. 207 (30 September 2013). See, G/SCM/Q2/CHN/51, 21 October 2014.

Beyond the obligations all WTO Members have to notify their subsidy programs under Article 25 of the SCM Agreement, the dire state of the world's fisheries has led to calls for greater disciplines on fisheries subsidies that contribute to overfishing and overcapacity. While reaching agreement on such disciplines has been difficult, countries have recognized that an initial step should be greater transparency with respect to the fisheries subsidy programs currently in place. For example, on 28 August 2014, at the 4th APEC Ocean-Related Ministerial Meeting, APEC Ministers agreed to the Xiamen Declaration. Paragraph 21 of this Declaration states:

In light of the Rio+20 outcome document, particularly paragraph 173, we encourage APEC members to further improve the transparency and reporting of existing fisheries subsidies programmes through the WTO, and to eliminate subsidies that contribute to overcapacity and over-fishing, and to refrain from introducing new such subsidies or from extending or enhancing existing such subsidies, without prejudice to the WTO Doha negotiations.

In light of China's failure to substantially respond to questions raised in the context of its trade policy review, and the questions submitted by the United States under Article 25.8, the United States, once again, has no other choice but to avail itself of the mechanism under Article 25.10. The United States requests that China notify the programs and measures identified below to the Committee under Article 25.10 of the Agreement. Should a notification not be made promptly, the United States reserves its right to raise the alleged subsidies for discussion at the next regular meeting of the Committee. Although not required under Article 25.10, full translations of each of the measures cited below are attached to this submission.

I. Policies to Develop Marine Fisheries

1. *Ministry of Agriculture Opinions on Promoting Sustainable and Healthy Development of Distant Marine Fishery Industry*, Ministry of Agriculture, Nong Yu Fa [2012] No. 30 (7 November 2012).⁵
2. *State Council Opinions on Promoting Sustainable and Healthy Development of Distant Marine Fishery Industry*, State Council, Guo Fa [2013] No. 11 (8 March 2013).⁶
3. *Guangdong Province Opinions on Upgrading Marine Fishery Industry*, Guangdong Provincial People's Government, Yue Fu [2013] No. 67 (21 June 2013).⁷
4. *Notice on the Issuance of Shenzhen City Interim Measure on Agriculture Development Fund Supporting Marine Distant Fishery*, Shenzhen Municipal Economy, Trade and Information Technology Commission, and Shenzhen Municipal Finance Commission, Shen Jing Mao Xin Xi Hai Yang Zi [2014] No. 22 (28 February 2014).⁸
5. *Notice on the Issuance of the "Twelfth Five Year Plan" for the Development of the Distant Water Fishery in the Zhejiang Province*, Zhejiang Provincial Ocean and Fishery Bureau (21 December 2011).⁹
6. *Zhejiang Province Measures on Funding Distant Marine Fishery Projects*, Zhejiang Province Department of Finance and Zhejiang Province Ocean and Fishery Bureau, Zhe Cai Nong [2011] No. 28 (17 February 2011).¹⁰
7. *Shandong Province Opinions on Further Accelerate Distant Marine Fishery Industry*, Shandong Provincial People's Government, Lu Zheng Ban Fa [2007] No. 76 (26 September 2007).¹¹

⁵ See 2.2a, in G/SCM/Q2/CHN/52.

⁶ See 2.2b, in G/SCM/Q2/CHN/52.

⁷ Id.

⁸ Id.

⁹ See 2.1a, in G/SCM/Q2/CHN/52.

¹⁰ See 2.2e, in G/SCM/Q2/CHN/52.

8. *Office of the Shandong Province People's Government Opinion on promoting the implementation of Building the "Maritime Granary"*, People's Government of Shandong Province, Lu Zheng Ban Fa [2014] No. 49 (4 January 2015).¹²
9. *Fujian Province Nine Measures Regarding Supporting and Furthering Marine Economy*, People's Government of the Fujian Province, Ming Zheng [2012] No. 43 (15 August 2012).¹³
10. *Notice Regarding the Issuance of the "Provisional Measures for the Administration of the Fujian Province Marine Economic Development Special Fund"*, Fujian Development and Reform Commission, Fujian Department of Finance, and Fujian Ocean and Fishery Department, Ming Cai Nong [2012] No. 125 (18 October 2012).
11. *Application Guide for 2013 Annual Second Batch Support Fund for Fujian Marine Economy*, Xiamen Municipal Ocean and Fishery Bureau, (27 January 2014).¹⁴
12. *Notice of the Fujian Provincial Department of Finance, the Fujian Provincial Development and Reform Commission, and the Fujian Provincial Ocean and Fishery Department on the Issuance of the Fujian Province Marine Economic Development Subsidy Funds Application Guide*, Fujian Development and Reform Commission, Fujian Department of Finance, and Fujian Ocean and Fishery Department (13 January 2015).¹⁵
13. *Notice of the Fujian Provincial People's Government Regarding Six Measures Accelerating the Development of the Distant Water Fishing Industry* People's Government of Fujian Province, Fujian Provincial People's Government, Ming Zhen [2014] No. 36 (4 August 2014).¹⁶

II. Support for Fishing Vessels

14. *Notice on Printing and Distributing the Zhejiang Province Measure on Managing Domestic Marine Fishing Industry Transformation and Upgrading Demonstration Projects and Funds*, Zhejiang Provincial Department of Finance and Zhejiang Provincial Ocean and Fisheries Bureau, Zhe Cai Nong [2012] No. 105 (4 May 2012).¹⁷
15. *Fujian Province Notice regarding 2014 Central Government Budget for Marine Fishing Boats Renovation*, Fuzhou Development and Reform Commission and Fuzhou Ocean and Fishery Bureau (29 Sept 2014).¹⁸
16. *Pingtang Comprehensive Experimental Zone Economic Development Bureau on the Notice of Allocating Marine Fishing Vessels Upgrading and Reconstruction Project Investment Plan in the 2012 Central Budget*, Pingtang Comprehensive Experimental Zone Economic Development Bureau (31 January 2013).¹⁹

¹¹ See 2.2c, in G/SCM/Q2/CHN/52.

¹² See 2.2d, in G/SCM/Q2/CHN/52.

¹³ See 2.2f, in G/SCM/Q2/CHN/52.

¹⁴ Id.

¹⁵ Id.

¹⁶ See 2.2g, in G/SCM/Q2/CHN/52.

¹⁷ See 2.3c, in G/SCM/Q2/CHN/52.

¹⁸ *The 2014 Central Government Budget for Marine Fishing Boats Renovation* does not appear to be publicly available. This Fujian province measure shows that funds were disbursed from the central government to various fishing companies. See 2.3a, in G/SCM/Q2/CHN/52.

¹⁹ *The 2012 Central Government Budget for Marine Fishing Boats Renovation* does not appear to be publicly available. This measure shows that funds were disbursed from the central government to various fishing companies. See 1.8, in G/SCM/Q2/CHN/52.

17. *Guangdong Province Public Announcement on Distant Marine and Nansha Fishing Boat Renovation Projects*, Guangdong Ocean and Fishery Bureau (18 December 2014).²⁰
18. *Shandong Province Interim Measures for Administration of Special Funds for Safe Fisheries*, Shandong Department of Finance and Ocean and Fishery Bureau, (19 March 2010).

III. Support for Strategic Emerging Industries in the Marine Economy

19. *Notice on Promoting Regional Demonstrative Innovative Developments in Marine Economy*, Ministry of Finance and State Oceanic Administration, Cai Jian Han [2012] No. 12 (11 May 2012).²¹
20. *Notice on the Issuance of the "Shandong Province Marine Economy Innovative Development Regional Demonstration of Administration of Special Funds Interim Measures"*, Shandong provincial Department of Finance, Lu Cai Jian [2013] No. 52 (2013).²²
21. *2014 Guangdong Province Guide for Applying Marine Economy Innovative Development Demonstration Project*, Yue Hai Yu Ban [2014] No. 5 (3 Jan 2014).²³
22. *Fujian Province Measure on Managing Special Fund for Marine Economy Innovative Development Demonstration Projects*, Fujian Ministry of Finance and Fujian Ocean and Fishery Bureau (26 November 2014).²⁴

IV. Support for Technological Upgrade in the Fishery Industry

23. *Notice on the Issuance of the Interim Measures for the Management of Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction*, Fujian Department of Finance and Fujian Ocean and Fishery Bureau, Min Cai Nong [2013] No. 74 (16 June 2013).²⁵
24. *Fujian Province Measure on Managing Special Fund on Fishery Industry Structural Adjustment*, Fujian Department of Finance and Fujian Ocean and Fishery Bureau, (23 July 2014).²⁶
25. *2013 Guangdong Province Marine Fishery Technological and Industrial Development Fund Application Guide*, Guangdong Department of Finance and Guangdong Ocean and Fishery Bureau, Yue Hai Yu [2013] No. 29 (27 March 2013).²⁷
26. *Notice on the Issuance of the 2013 Provincial Marine and Fishery Special Project Application Guide*, Jiangsu Provincial Maritime and Fishery Bureau and Department of Finance, Su Ha Ji [2013] No. 17 (25 March 2013).²⁸

²⁰ The Guangdong provincial management measures of the special fund does not appear to be publicly available. This measure shows the Guangdong provincial government's plan to disburse funds to various fishing companies. See 2.3b, in G/SCM/Q2/CHN/52.

²¹ See 2.7a, in G/SCM/Q2/CHN/52.

²² Id.

²³ Id.

²⁴ Id.

²⁵ See 2.4e, in G/SCM/Q2/CHN/52.

²⁶ See 2.4f, in G/SCM/Q2/CHN/52.

²⁷ According to the text of this measure, the guide is issued pursuant to *Notice on the Printing and Issuance of Interim Provisions for the Management of Guangdong Provincial Level Special Financial Funds* (Yue Fu [2006] Number 37) and *Management Methods of Guangdong Province Provincial Level Special Financial Funds in Marine and Fishery Project Applications*. Both of these measures do not appear to be publicly available. This application guide, however, appears to contain the substance of the Guangdong program. See 1.22-1.23, in G/SCM/Q2/CHN/52

27. *Zhejiang Provincial Department of Finance and Zhejiang Provincial Marine and Fishery Bureau Notice of Printing and Issuance of Zhejiang Provincial Marine and Fishery Science and Technology Demonstration and Promotion Project and Fund Management Measures*, Zhejiang Department of Finance and Zhejiang Provincial Administration of Ocean and Fisheries (2 May 2013).²⁹
28. *Notice on the Issuance of the Guangdong Province Measure on Managing the Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System*, Guangdong Department of Finance, Guangdong Provincial Administration of Ocean and Fisheries, Yue Cai Nong [2014] No. 143 (14 June 2014).³⁰
29. *2015 Guangdong Province Application Guide for Special Fund on Developing a Deep Water Cage Industry*, Guangdong Department of Finance and Guangdong Provincial Administration of Ocean and Fisheries, Yue Hai Yu Han [2015] No. 66 (28 January 2015).³¹

V. Vessel Reduction and Related Support

30. *Ministry of Finance and Ministry of Agriculture Measure on Managing Special Fund on Marine Fishermen Switching to Other Type of Production and Type of Work Program*, Ministry of Agriculture, Cai Ban Nong [2003] No. 116 (18 September 2003).³²
31. *Notice of the Office of the Ministry of Agriculture Regarding Opinions for 2007 Marine Fishermen Change of Production or Change of Occupation Projects*, Ministry of Agriculture, Nong Ban Yu [2007] No. 79 (1 November 2007).³³

VI. Fishers Insurance Support

32. *Nationwide Fishery Insurance Development Plan 2011-2015*, Ministry of Agriculture, Nong Ban Yu [2012] No. 83 (9 July 2012).³⁴
33. *Notice Regarding the Issuance of the Provisional Measures for the Administration of the Zhejiang Province Strategic Fishery Mutual Insurance Subsidy Special Fund*, Zhejiang Department of Finance, Zhe Cai Nong [2012] No. 55 (9 March 2012).³⁵
34. *Notice on the Printing and Distributing of the Guangdong Province Interim Measures for Managing Policy-Based Fisheries Insurance Premium Subsidy Funds*, Guangdong Department of Finance, Guangdong Provincial Administration of Ocean and Fisheries, and the Guangdong Bureau of the China Insurance Regulatory Commission, Yue Cai Nong [2012] No. 210 (14 August 2012).

²⁸ The main measure that set up this program does not appear to be publicly available. This application guide, however, contains the substance of the Jiangsu program. See 1.9 – 1.17, in G/SCM/Q2/CHN/52.

²⁹ See 2.4g, in G/SCM/Q2/CHN/52.

³⁰ See 2.4c, in G/SCM/Q2/CHN/52.

³¹ The main measure that establishes this program does not appear to be publicly available. This application guide, however, appears to contain the substance of the Guangdong program. See 2.4d, in G/SCM/Q2/CHN/52.

³² See 2.8a, in G/SCM/Q2/CHN/52.

³³ Id.

³⁴ See 2.5a, in G/SCM/Q2/CHN/52.

³⁵ See 2.5b, in G/SCM/Q2/CHN/52.

VII. Agricultural and Fisheries Support

a. Tax

35. *Public Notice on the Issues Related to the Implementation of Preferential Corporate Income Taxation for Agriculture, Forestry, Animal Husbandry and Fishery Projects*, State Administration of Taxation [2011] No. 48 (13 September 2011).³⁶

b. Support for "Leading Enterprises"

36. *State Council Opinion on Supporting the Development of Leading Enterprises in Agricultural Industrialization*, State Council, Guo Fa [2012] No. 10 (6 March 2012).³⁷
37. *Opinion on Implementing the National Development and Reform Commission's [2012] No. 10 Official Document on Further Promoting the Development of Leading Enterprises and Industrialization of Agricultural Operations*, People's Government of Shandong Province, Lu Zheng Fa [2012] No. 39 (23 October 2012).³⁸
38. *Notice of the Shandong Provincial Department of Agriculture and Shandong Provincial Department of Finance Regarding the Organization and Implementation of the 2014 Provincial-Level Financial Support Programs for Agricultural Industrialization*, Shandong Provincial Department of Agriculture and Department of Finance, Lu Nong Cai Zi [2014] No. 37 (2014).³⁹
39. *Notice of the Fujian Province Department of Finance Regarding the Issuance of the "Measures for the Administration of the Fujian Province Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization"*, Min Cai Nong [2013] No. 124 (14 October 2013).⁴⁰
40. *Notice of the Office of the Shantou Municipal People's Government for the Issuance of Opinions Regarding Preferential Policies Supporting Leading Fishery Enterprises for the Promotion of Industrialized Fishery Management*, Shan Fu Ban [2004] No. 108 (26 July 2004).⁴¹

c. Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank

41. *Notice Regarding Implementation of the Relevant Spirit of the Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank in Order to Promote Construction of a Modern Agriculture*, Ministry of Agriculture, Nong Ban Ji [2012] No. 73 (28 May 2012).⁴²

d. Support for Equipment

42. *Ministry of Agriculture 2014 Guiding Opinions on Implementing Subsidies for Purchase of Agriculture Equipment*, Ministry of Finance and Ministry of Agriculture, Nong Ban Cai [2014] No. 6 (12 February 2014).⁴³
43. *2015-2017 Guiding Opinions on Implementing Subsidies for Purchase of Agriculture Equipment*, Ministry of Finance and Ministry of Agriculture (27 January 2015).⁴⁴

³⁶ See 1.2, in G/SCM/Q2/CHN/52.

³⁷ See 2.6a, in G/SCM/Q2/CHN/52.

³⁸ Id.

³⁹ Id.

⁴⁰ Id.

⁴¹ See 2.6b, in G/SCM/Q2/CHN/52.

⁴² See 1.1, in G/SCM/Q2/CHN/52.

⁴³ See 2.9, in G/SCM/Q2/CHN/52.

e. Agriculture Modernization Fund

44. *2013 Hubei Province Agricultural Modernization Special Financial Fund Program Application Guide*, Hubei Department of Agriculture (12 July 2013).⁴⁵

⁴⁴ Id.

⁴⁵ This application guide is issued pursuant to the *Opinions of the Provincial People's Government on the Reform of the Experimental Competitive Distribution of Part of the Special Fund From Provincial Finance* (E Zheng Fa [2012] No. 107) and the *Notice from the Office of the Provincial People's Government on the Issuance of the Interim Management Measures of the Experimental Competitive Distribution of Part of the Special Fund From Provincial Finance* (E Zheng Ban [2013] No. 15). Both of these measures do not appear to be publicly available. This application guide, however, appears to contain the substance of the Hubei program. See 1.25-1.28, in G/SCM/Q2/CHN/52.

Annex 1

Ministry of Agriculture Opinions on Promoting Sustainable and Healthy Development Of Distant Marine Fishery Industry, Ministry of Agriculture, Nongyufa [2012] No. 30 (7 November 2012).

Attachment:

Ministry of Agriculture Opinions on Promoting Sustainable and Healthy Development of Distant Marine Fishery Industry

[Issuing Department] Ministry of Agriculture [Issue No.] Nongyufa [2012] No. 30
[Issue Date] 11.07.2012 [Implementation Date] 11.07.2012
[Effectiveness] In Effect [Effective Grade] Ministerial Regulatory Document
[Statutory Category] Fisheries Industry Management

Opinions of the Ministry of Agriculture Regarding the Promotion of the Sustainable and Healthy Development of the Distant Water Fishing Industry
(Nongyufa [2012] No. 30)

To thoroughly implement the key spirit of a “sustainable and strong distant water fishing industry” and the relevant requirements of the “Twelfth Five-Year Plan for National Economic and Social Development of the People’s Republic of China” of the 3rd Plenary Session of the 17th Party Committee, and guide and promote the sustainable and healthy development of China’s distant water fishing industry during the “Twelfth Five-Year Plan” and for some time in the future, after discussion with the People’s Governments of the coastal provinces, autonomous regions, direct-controlled municipalities, and municipalities designated in the state plan, and with the approval of relevant departments of the State Council, the following opinions are hereby presented.

I. Fully Recognize the Importance and Urgency of Developing the Distant Water Fishing Industry

(1) The development of the distant water fishing industry has important significance. Marine fishery resources are a precious source of wealth for human society, and the rational exploitation and use of marine fishery resources and vigorous development of the distant water fishing industry will be beneficial to mitigating China’s per capita resource deficit, ensuring the supply of high-quality animal protein, and protecting national food security; it is beneficial to implementing the “Go Global” development strategy, exploiting “two resources, two markets,” and promoting good, rapid economic development; it is beneficial to improving the industrial structure of fisheries, expanding the space for development of the fishing industry, and improving comprehensive industrial strength and international competitiveness; it is beneficial to upholding national maritime rights and interests, strengthening China’s status and influence within relevant international territories, and consolidating and deepening China’s amicable and cooperative relationship with relevant countries; and it holds important strategic significance. Simultaneously, development of the distant water fishing industry can also drive development in the design and manufacturing of vessels and equipment, refrigeration and processing of aquatic products, logistics, and other relevant industries, and also has important significance for constructing a modern fishing industry, promoting economic and social development, increasing employment and income among farmers and fishermen, balancing the supply of aquatic products in the domestic market, and so on.

(2) This is a crucial period for the development of the distant water fishing industry. After 26 years of development, China has become one of the world’s primary distant water fishing countries: in 2011, total output and total output value were respectively 1,150,000 tons and 12.6 billion Yuan, with 1628 active fishing vessels, and 630,000 tons of aquatic products shipped. Although China’s distant water fishing industry is fairly large-scale, with regard to equipment standards, productivity, scientific and technological support, comprehensive development capacity, and other aspects, there is still a rather large gap in comparison with developed distant water fishing countries and regions. At the same time, in recent years, protections for international marine resources and fishery regulations have become stricter, competition in the distant water fishing industry has become fiercer, and the maritime security environment with relevant nations has become more complex, thus the development of the distant water fishing industry faces extremely grim circumstances. However, China’s increasing overall strength and global development strategies have created favorable conditions for the development of the distant water fishing industry: China still has a relative advantage in terms of human resources, technological research, equipment manufacturing, market potential, and other aspects, and there is still a certain potential for development of mesopelagic and

epipelagic fishery resources in some international waters; there is still some room for development through mutually beneficial and reciprocal cooperation on fisheries between China and some developing countries; international fishery regulatory mechanisms and the production structure of the distant water fishing industry are currently experiencing accelerated formulation, adjustment and change, thus there are still favorable conditions to a certain extent for the development of China's distant water fishing industry. Challenges and opportunities coincide in this crucial period for the development of China's distant water fishing industry.

II. General Thinking

(3) The general thinking on the development of the distant water fishing industry during the "Twelfth Five-Year Plan" and for some time in the future is to be guided by Deng Xiaoping theory and the important ideas of the "Three Represents," profoundly implementing the scientific development perspective, with the theme of accelerating the transformation of the mode of development of the distant water fishing industry, the objectives of increasing the comprehensive strength and international competitiveness of the distant water fishing industry, and the focal points of optimizing production structures, strengthening capacity building, perfecting industrial systems, and improving management standards, while upholding the integration of market mechanisms and policy support, striving to reinforce enterprise strength and comprehensive industrial productivity, remaining committed to the interlinking of domestic management and international regulations, promoting the standardized and orderly development of the distant water fishing industry, endeavoring to build a rationally organized, optimally equipped, fully outfitted, uniformly regulated, powerfully supported modern industrial system for China's distant water fishing industry, to drive China's transformation from a great distant water fishing country into a powerful distant water fishing nation.

III. Optimize the Production Structures of the Distant Water Fishing Industry

(4) Develop a strong marine fishing industry. At present, some conventional marine catch varieties are already fully utilized, but other species resources, such as mesopelagic and epipelagic fish species, cephalopods, mollusks and Antarctic krill, still have exploitation potential. Within the framework of relevant international fisheries organizations, China must promote the orderly development of the marine fishing industry, and further strengthen its share of and development capacity for fishery resources in international waters. Strive to obtain and expand tuna catch quotas, steadily develop ultra low-temperature longline tuna fishing and tuna purse seine fishing, moderately expand fresh, frozen and ultra low-temperature tune longline fishing, and adopt feasible collaborative measures to develop tuna resources in the central and western Pacific Ocean, Indian Ocean, and island nation waters; systematically expand the scale of squid jig fishing, steadily improve the level of utilization of squid resources in the international waters of the northern Pacific Ocean, southeastern Pacific Ocean, and southwestern Atlantic Ocean, and actively explore for new fishing grounds; stabilize the mackerel fishing industry in the southeastern Pacific Ocean, and explore reserve resources and fishing grounds for a large-scale trawling and processing fleet; and actively develop saury and other mesopelagic and epipelagic fishery resources.

(5) Strengthen and improve the marine fishing industry. With the key points of transforming collaborative models, elevating regulatory standards and guarding against operational risk, strengthen bilateral intergovernmental cooperation and discussion on the fishing industry, encouraging enterprises to establish a mutually beneficial, long-term and stable collaborative relationship with fishery access countries, to promote the transformation and upgrading of the marine fishing industry. Reasonably adjust the production structures of West Africa projects, scientifically utilize mesopelagic and epipelagic fish species and demersal fishery resources, appropriately develop thermocline trawling, lure fishing, seine fishing and other operational modes, and expand the open sea fishing industry; prudently promote collaborative projects in the waters of neighboring countries, promoting fishery collaboration between China and Southeast Asian countries in a focused and measured way under the premises of standardizing regulation, avoiding risk, and guaranteeing security, and reduce incidents in violation of regulations involving foreign nationals; seek to develop fisheries collaboration with qualified countries in East Africa, Western Asia, Central and South America, and other regions, and complete pre-project risk evaluations and feasibility studies.

(6) Actively develop Antarctic marine living resources. Within the framework of the Convention for the Conservation of *Antarctic* Marine Living Resources, with the key point of developing Antarctic krill resources, extensively conduct survey studies of Antarctic marine living resources, exploring for exploitation and processing use. Further clarify resource distribution, expand the scale of exploration, promote product research and development, strive to open new markets, and explore profit models. Accelerate the renovation of and additions to fishing vessels and fishing and processing equipment, actively develop the comprehensive use and intensive processing of Antarctic krill products, increase products' added value, and improve economic efficiency. When conditions are ripe, encourage enterprises to import or independently construct specialized Antarctic krill fishing vessels, and strive to realize the exploitation of Antarctic krill on a commercial scale at an early date.

IV. Strengthen Capacity Building for the Distant Water Fishing Industry

(7) Improve equipment standards for distant water fishing vessels. With the objectives of high efficiency, saving energy, environmental conservation and safety, actively promote the replacement, renovation, and upgrading of distant water fishing vessels and marine equipment, gradually achieving the professionalization, standardization, and modernization of distant water fishing vessels. Under the premise of conformity with international fisheries management regulations and catch quotas, encourage the construction of ultra low-temperature tuna longline fishing vessels, tune purse seine fishing vessels, and large trawling and processing vessels for the replacement of old fishing vessels; encourage the construction of standardized, specialized squid jigging vessels, and promote the replacement, upgrading and updating of squid jigging vessels; construct appropriate quantities of specialized low-temperature tuna longline fishing vessels and saury fishing vessels, and improve the resource exploitation capacity; promote the upgrading and renovation of fishing vessels engaged in transoceanic operations, encourage qualified domestic coastal fishing vessels to engage in distant water fishing production after renovation, develop new specialized fishing vessels adhering to international market access standards and bilateral fishery access agreements, and improve equipment standards for transoceanic fishing vessels. Encourage the development of energy-saving, ecofriendly, safe fishing vessels, and improve the manufacturing techniques and practical application standards for fiberglass-reinforced plastic fishing vessels. Encourage large-scale domestic fishing vessel manufacturing enterprises to participate in the construction of distant water fishing vessels. Gradually eliminate double-trawl fishing vessels and other fishing vessels that cause the destruction of resources and whose development is restricted internationally.

(8) Improve the scientific research and development capacity of the distant water fishing industry. Actively implement exploratory surveys of fishery resources in international waters, particularly in the maritime space of fishery access countries and the poles, construct specialized distant water fishery resource surveying vessels, and promote regular surveying and monitoring of distant water fishery resources. Increase investment in distant water fishing technology, create an international-grade distant water fishing technology platform, strengthen development and research for advanced distant water fishing vessels, marine equipment, new fishing gear and methods, and energy-saving, consumption-reducing fishing technologies, improve the automation, informatization, and digitalization of the distant water fishing industry, strengthen the supportive and promotional effect of scientific and technological innovation on the development of the distant water fishing industry, and accelerate the transformation and application of scientific and technological achievements.

(9) Strengthen specialized personnel training for the distant water fishing industry. Focus on personnel training for the distant water fishing industry, accelerate the establishment of national core scientific research teams for the distant water fishing industry, encourage alliances between enterprises and institutions of higher education, and train operations and management personnel and technical personnel suited for the requirements of the development of a modern distant water fishing industry. Strengthen educational training for the officers and ordinary crew members of distant water fishing vessels on laws, skills, safety, foreign languages and foreign affairs, and improve the character and professional skills of the crew members. Actively rely upon the Rural Labor Transfer and Training Sunshine Project and other policies supporting agriculture, launch training for the crew members of distant water fishing vessels, guide domestic coastal fishermen to change production and engage in the distant water fishing industry, and provide the development of the distant water fishing industry with personnel support.

V. Perfect the Industrial Systems of the Distant Water Fishing Industry

(10) Extend the industrial chain of the distant water fishing industry. Encourage qualified distant water fishing enterprises, while improving their fishing capacity, to actively develop fishing-related supporting industries, strive to extend and perfect industrial chains, and promote comprehensive coordinated development of fishing, processing, circulation, supply and other links in the distant water fishing industry. Actively develop intensive processing and comprehensive utilization of staple fishing products, improve the product processing utilization ratio, and increase the products' added value; strengthen publicity and domestic and foreign market expansion work for distant water fishing products, and cultivate well-known industry brands; strengthen cold chain logistics and distribution and the construction of a domestic and international sales network, and promote linkups between fishing enterprises, wholesale markets, and supermarkets. Actively develop both international and domestic markets, and urge that distant water fishing products be shipped home to domestic markets, to enrich and balance the domestic aquatic products market.

(11) Accelerate the construction of industrial support facilities for the distant water fishing industry. Encourage qualified enterprises to establish comprehensive overseas bases for the distant water fishing industry in coastal countries and regions in maritime space with major, concentrated operations, constructing docks, refrigerated storage, fishing vessel repair yards and other infrastructure, and perfecting production support services facilities. Integrate the distribution of distant water fishing enterprises with regional advantages, establishing distant water fishing production and product processing, collection and distribution bases in key domestic coastal areas; perfect the refrigeration, processing and logistics facilities for staple catch varieties like squid and tuna, establish specialized exchange markets or platforms, and provided related support services. Accelerate the establishment of the provision of the necessary fishing materials, refrigerated transportation, and supply capacity required to support the development of the distant water fishing industry, and form integrated industrial systems for the distant water fishing industry.

VI. Strengthen Policy Support for the Distant Water Fishing Industry

(12) Increase the strength of policy support for the distant water fishing industry. Actively perfect and implement preferential policies on subsidies and taxation for the distant water fishing industry, standardize enterprise operations, strengthen monitoring of implementation, and fully utilize the promotional effect of supportive policies on the development of the distant water fishing industry. Further increase the strength of policy support for resource surveying, monitoring and exploration, fishing vessel renovation and construction, base construction, product research, development and processing, market development, and other aspects of the distant water fishing industry. Regional development objectives and key points must be integrated everywhere, unleashing proactive initiative on every issue, studying and establishing long-acting mechanisms to support the development of the distant water fishing industry, and increasing the strength of support for the development of the distant water fishing industry; it is necessary to strengthen communication and coordination, and promptly study and resolve difficulties and problems that arise in the development of the distant water fishing industry, to jointly support the sustainable and healthy development of the distant water fishing industry.

VII. Improve Management Standards for the Distant Water Fishing Industry

(13) Perfect the management system for the distant water fishing industry. Establish a strong management system commensurate with international fisheries management regulations, constantly perfect the laws, regulations, policies and measures for the management of the distant water fishing industry, adapt to new changes and new requirements in the development of the distant water fishing industry, and promote innovation of the distant water fishing industry management system. Strengthen vessel position tracking, posting of state observers, standardization of fishing logs, legal catch certification and other administrative measures for distant water fishing vessels, strictly prohibit illegal, unreported, and unregulated (IUU) fishing activity, and comprehensively improve the capacity to comply with international fishery conventions and agreements. Perfect the management system for distant water fishing vessels, expand the mode of development of the distant water fishing industry, fully utilize modern technological methods, and promote high-efficiency, scientific, and safe management of distant water fishing vessels. Improve the management systems for distant water

fishing enterprises and distant water fishing projects, raise the criteria and standards for engaging in the distant water fishing industry, strengthen the development of internal enterprise systems, teams, management and culture, strive to improve enterprise quality, character, capacity and standards, and encourage enterprises to grow and become strong.

(14) Strengthen management of distant water fishing vessel crew members. Strictly implement a system for training, examinations, licensing, and license-based employment for crew members in the distant water fishing industry, and equip the crew members of active fishing vessels in accordance with regulations. Strengthen education and training of assigned crew members in regard to production safety, discipline in foreign affairs, international management regulations, environmental conservation knowledge, and so on; improve crew members' safety awareness, skilled operations and risk prevention skills, and strictly abide by international conventions and agreements and the laws and regulations of fishery access countries. Guarantee the legal rights and interests of crew members in the distant water fishing industry, strive to improve crew members' working and living conditions and benefits, perfect and implement an insurance system for crew members in the distant water fishing industry, strengthen ideological work and psychological counselling for crew members, and promote the establishment of harmonious labor relationships.

(15) Strengthen production safety management in the distant water fishing industry. Establish a strong production safety liability system for the distant water fishing industry, and implement principal liability, ship-owner and captain liability for production safety in the distant water fishing industry. Perfect a production safety management system for enterprises and vessels, strengthen the establishment of safety management systems, improve safety risk prevention, forecasting and early warning, and accident and emergency response capabilities. Establish a strong accident reporting and emergency management system for distant water fishing vessels, perfect emergency rescue and response mechanisms for unforeseen events, strengthen special meteorological guarantees and services for emergency rescue, and promptly respond to international and safety incidents in the distant water fishing industry. Strengthen production safety supervision and management, and strictly implement systems for assessment and investigation of liability. Strengthen the outfitting of fishing vessel safety facilities and equipment as well as safety inspections work, and formulate scrapping standards for old distant water fishing vessels. Actively study and learn from international fishing vessel safety standards, and constantly improve fishing vessel safety and equipment standards. Extensively engage in production safety publicity and education work for distant water fishing vessels.

(16) Improve the level of trade organization in the distant water fishing industry. Establish and perfect trade associations and other coordinated autonomous organizations for the distant water fishing industry, and exercise the role of trade associations in organizing and coordinating production in the distant water fishing industry, standardizing enterprise conduct, strengthening industry autonomy, organizing market expansion, and other respects. Encourage and guide enterprises to unionize and collaborate, exercise the principal role of key enterprises, improve industry organization and operations and management standards, strengthen mutual cooperation on production organization, fishery harvesting and sales, logistics, supply and other aspects, and increase the capacity for self-coordination. Strengthen research work on international and domestic issues related to the development of the distant water fishing industry, actively develop bilateral and multilateral international exchange and collaboration, and provide strong support for the sustainable and healthy development of the distant water fishing industry.

Annex 2

State Council Opinions on Promoting Sustainable and Healthy Development of Distant Marine Fishery
Industry

Guo Fa [2013] No. 11

State Council Opinions on Promoting Sustainable and Healthy Development of Distant Marine Fishery Industry

Guo Fa [2013] No. 11

To the people's governments of all provinces, autonomous regions, and municipalities and to all ministries and commissions of the State Council and all subordinate organizations:

China is a maritime power, and the marine fishing industry is an important component of modern agriculture and the marine economy. After reform and opening up, the marine fishing industry has experienced fast development and the structure has continued to optimize. The yield of marine aquatic products has shown substantial growth, and the incomes of the fishing populace have seen significant increases, thus providing a strong boost for economic and social development. However, the mode of development of China's marine fishing industry is still an extensive one, and the state of its facilities and equipment is inferior, while coastal water overfishing and environmental pollution have intensified. The following opinions on the promotion of the sustainable and healthy development of the marine fishing industry are hereby put forth:

I. Overall requirements

(1) Guiding concepts: Unwavering persistence must be made for building China into a maritime power while being guided by Deng Xiaoping Theory, the important thinking of the "Three Represents," and the scientific development concept while deeply and thoroughly implementing the spirit of the 18th CPC National Congress. With the main line accelerating the transformation of the marine fishing industry's mode of development, persistence must be applied in the production guidelines of making ecology the priority, combining aquaculture and fishing, controlling coastal waters, expanding into open seas, and developing into distant waters. Efforts must be focused on strengthening the protection of marine fisheries resources and the ecological environment while constantly improving the capabilities of the marine fishing industry for sustainable development. Efforts must be focused on adjusting the production structure and layout of the marine fishing industry while accelerating the construction of a modern fisheries industrial system. Efforts must be focused on raising the level of marine fishing industry facilities and equipment and the level of organization and management while constantly improving marine fishing industry comprehensive production capabilities, risk aversion capabilities, and international competitiveness. Efforts must be focused on strengthening fishing village construction and optimizing fishing populace employment structure while practically guaranteeing and improving the people's livelihood.

(2) Basic principles

-- Persisting in the combination of resource utilization and ecological protection: Marine fisheries resources are to be reasonably developed and utilized, fishing intensity is to be strictly controlled and gradually reduced, and production and occupation transfers are to be proactively promoted for the fishing populace who engage in fishing work (hereinafter referred to as the fishing populace.) The environmental protection of marine fisheries resources is to be strengthened, aquatic biological resources are to be conserved, and the marine ecological environment is to be improved.

-- Persisting in the combination of the transformation of the mode of development and the innovation of institutions and mechanisms: Great efforts are to be exerted toward industrializing marine fishing industry operations, and the promotion of the transformation of the mode of development from being quantitative growth-oriented to qualitative result-oriented is to be accelerated. Marine fishing industry business systems are to be improved, a complete set of industry entry and exit mechanisms is to be built up, and the vitality for self-development is to be constantly strengthened.

-- Persisting in the combination of developing production and improving the people's livelihood: The level of facilities and equipment and the degree of organization of the marine fishing industry are to be raised, safe production, management, and services are to be improved, and the safety of the lives and property of the fishing populace is to be guaranteed. Fishing village construction is to be intensified, and fishing area infrastructure conditions are to be improved. The all-around development of social

undertakings in fishing areas is to be advanced, and the quality of life of the fishing populace is to be constantly improved.

-- Persisting in the combination of market regulation and government support: The foundational role of market allocation of resources is to be brought into full play, and modern fishing industry diversified investment mechanisms are to be established. The marine fishing industry is to be seen as a key field for the investment of public finances, and the infrastructure and equipment conditions are to be improved. Scientific and technological support abilities are to be improved, and a complete system of basic public services is to be built up.

(3) Development goals

By 2015, the output of marine aquatic products should remain steady at around 30 million tons, and the area of mariculture should remain steady at around 2.2 million hectares, of which, the at-sea mariculture area should be controlled to within 1.15 million hectares. The intensity of coastal water fishing should be effectively controlled, and the comprehensive production capabilities for open seas and distant water fishing should be constantly strengthened, while the scale of marine aquatic product intensive processing should be constantly expanded. The degree of fishing industry organization should be clearly raised, and the incomes of the fishing populace should be steadily increased. The level of fishing vessel equipment should be clearly improved, and safe production capabilities should be further enhanced. A modern fisheries industrial system and support and guarantee system should be basically formed. The capabilities of aquatic biological resources conservation and restoration should be clearly enhanced so that there is some improvement in the fisheries ecological environment.

By 2020, the state of marine fishing industry infrastructure should be significantly improved. The level of material and equipment is to be further raised, and scientific and technological support abilities should be significantly enhanced, while the mariculture ecology should be healthy and efficient. The quantity of fishing vessels and the intensity of fishing should be appropriately adjusted to generally adapt to the renewability of fisheries resources. The supply of marine aquatic products should have a wide variety of different types, with high safety and high quality. The marine fisheries ecological environment should be clearly improved, and the working and living conditions of the fishing populace should be significantly improved, forming into a new pattern of modern fishing industry development with good ecology, developed production, advanced equipment, high-quality products, increased income among fishermen, and peaceful harmony.

II. Strengthening the protection of marine fisheries resources and the ecological environment

(4) Undertaking fisheries resources survey in an all-around way: A complete system of fishing industry resources survey and assessment is to be built up, fishable amounts are to be determined in a scientific way, and a fisheries resources utilization plan is to be studied and formulated. A comprehensive survey of fisheries resources is to be conducted once every five years, and monitoring and assessment is to be carried out year-round. Priority is to be placed on the survey of important fisheries resources such as endangered species and aquatic germplasm and of important fishery waters such as commercialized fish spawning grounds, estuaries, and the South China Sea. Fisheries resources survey vessel construction is to be strengthened, and the monitoring network is to be completed to raise the level of fisheries resources survey and monitoring.

(5) Exerting great efforts in strengthening the protection of fisheries resources: The summer fishing moratorium system is to be strictly enforced, and the fishing industry entry system is to be proactively improved. Coastal water fishing limit pilot programs are to be initiated, and coastal water fishing intensity is to be strictly controlled. Protection of endangered aquatic wildlife and aquatic germplasm resources is to be strengthened, and a batch of natural reserves of aquatic organisms and aquatic germplasm resources protection areas are to be established. Illegal fishing, business, and shipping of aquatic wildlife species and their products are to be cracked down upon. A marine fishing vessel management system is to be improved, and the quantities of fishing vessels and the total of engine power are to be gradually reduced. Marine farms are to be developed, and the release of artificial reefs is to be strengthened. The degree of fisheries resources reproductions and releases is to be increased, and the effect of resources reproduction protection is to be scientifically assessed.

(6) Practically protecting the marine ecological environment: The construction of a marine ecological environment monitoring system is to be strengthened, and monitoring capabilities are to be improved. The emission of land-sourced pollutants into bodies of water is to be strictly controlled, and systems controlling the total volume of emissions into key sea areas are to be put into implementation. Reclamation project construction is to be strictly controlled, and the management of projects such as offshore petroleum exploration and development is to be strengthened. Fishing waters ecological environment damage assessments and biological diversity impact evaluations are to be increased, and remedial measures are to be improved and thoroughly implemented. Coastal water aquaculture density is to be controlled, input management is to be strengthened, and aquaculture pollution is to be reduced. The management of fishing in the Xisha Islands [Paracel Islands], the Zhongsha Islands [Macclesfield Bank], and the Nansha Islands [Spratly Islands] (collectively called the "Three Sha Islands") is to be practically strengthened to protect the ecological environment. The management of emissions of waste from fishing vessels such as oil and garbage is to be strengthened, and the environmental pollution in coastal waters, open seas, and distant waters is to be reduced.

III. Adjusting marine fisheries production structure and layout

(7) Scientifically developing mariculture: According to the *National Marine Functional Zoning (2011 to 2020)* and other plans related to coastal waters, aquaculture plans for waters and beaches are to be formulated and implemented, and the fishing populace is to be guided to engage in aquaculture according to the law. The degree of standardized conversion of aquatic culture ponds is to be increased. Coastal water aquaculture cage standardized conversion is to be promoted. Great efforts are to be exerted toward promoting a mode of aquaculture that is ecologically healthy. Deep water windproof and wave-proof netted pens and factory-style circulated-water culturing equipment are to be widely promoted, and qualified fishing industry enterprises are to be encouraged to expand into marine offshore aquaculture and intensive aquaculture. Aquatic product stock protection and good stock breeding are to be strengthened, and a batch of standardized and large-scale good stock production bases are to be constructed to raise the coverage rate of good aquatic product stock. Research and development in aquatic feed is to be strengthened, and the use of artificial formula feed is to be proactively promoted. Aquatic animal disease prevention and control and aquatic product quality and safety management are to be strengthened.

(8) Proactively and solidly developing fisheries in open seas and distant waters: Open seas fisheries resources are to be developed in an orderly way, and a strong open-sea fishing industry is to be developed. A cross-ocean fishing industry is to be consolidated and improved, and industry transformation and upgrading is to be promoted. The development of Antarctic marine biological resources is to be proactively participated in. Distant water fishing industry scientific and technological research and development is to be strengthened, and distant water fisheries resources survey and fishing capabilities are to be improved.

(9) Exerting great efforts toward developing marine and aquatic product processing and distribution: Marine and aquatic product intensive processing is to be proactively developed, and the research and development of processing machinery, production lines, and waste treatment equipment is to be accelerated. The levels of aquatic product processing techniques, equipment modernization, and quality and safety are to be raised in an all-around way. Construction of marine and aquatic product cold chain logistics systems and wholesale markets is to be strengthened, at-sea refrigerated processing is to be proactively developed, and the effective link-up of production regions and sales regions is to be brought about. The "two types of resources and two markets" at home and abroad are to be put to full use, and the stable and coordinated development of the international trade of aquatic products is to be maintained. The leading enterprises of the marine fishing industry and professional fishermen's cooperatives are encouraged to create brands to raise the added value of marine and aquatic products. Marine and aquatic product market information services are to be strengthened, and e-commerce is to be developed to lower distribution costs and increase distribution efficiency.

IV. Raising the level of marine fishing industry facilities and equipment

(10) Accelerating fishing vessel updating and conversion: Fishing vessels engaged in marine fishing are to be upgraded and converted. Old, outdated, and wooden fishing vessels are to be phased out, and steel fishing vessels are to be developed. The development of fishing vessels with good versatility

and that are energy-efficient is to be encouraged. The level of distant sea fishing industry equipment is to be improved all-around, and a modernized distant sea fishing industry fleet is to be cultivated. Fishing vessel construction management is to be strengthened, and the work of scrapping old, outdated fishing vessels is to be properly implemented. Fixed-location disassembly and wooden fishing boat decommissioning mechanisms are to be gradually established. Shipbuilding in violation of laws and regulations is to be resolutely prohibited, and the construction of fishing boats with operation styles such as bottom trawling, canvas stow net fishing, and single-ship large-sized light luring purse seining that cause a high degree of destruction to fisheries resources are to be strictly restricted.

(11) Strengthening fishing industry equipment research and development: The investment in fishing vessel equipment technical research and development is to be increased. By relying on institutions of higher learning, scientific research institutes, and backbone enterprises, scientific research resources are to be integrated, and research and development platforms and technological innovation alliances are to be established. A talent team equipped with fisheries knowledge and equipment design and manufacturing skills is to be cultivated, and research in generic and key technologies for fishing industry equipment is to be systematically conducted.

(12) Strengthening fishing harbor construction and management: Shoreline resources are to be scientifically planned and rationally used to perfect the fishing harbor layout and accelerate the progress of construction. A fishing harbor disaster prevention and mitigation system with central fishing harbors and tier-1 fishing harbors playing the leading role and tier-2 and tier-3 fishing harbors and typhoon anchorages playing the supporting role is to be formed as quickly as possible. The focus shall be on strengthening the construction of fishing harbor public welfare infrastructure such as breakwaters, revetments, piers, and fisheries administration law enforcement facilities. The construction and improvement of business-oriented service facilities in harbor areas such as the supply of fishery materials, ship maintenance and repair, marine and aquatic product processing, and marketing is to proceed simultaneously. Relationships between fishing harbor construction management institutions are to be smoothened out, and fishing harbor management and maintenance is to be strengthened. The ownership rights, usage rights, operation rights, and supervision rights of fishing harbor facilities are to be clarified. Sound systems for protecting fishing harbors and their facilities are to be established.

V. Making further improvements to the livelihoods of the fishing populace

(13) Proactively promoting fishing village construction: With coordinated planning and a reasonable layout, fishing harbor construction is to bring along the development of small towns and villages. Fishing area village renovation is to be carried out, and fishing area infrastructure construction is to be strengthened with the focus on solving issues such as safe drinking water, electricity supply, and road-building. The social security system is to be improved, and the all-around development of fishing area social undertakings such as education, culture, hygiene, and elderly care is to be promoted. Supporting policies are to be thoroughly implemented, and the affordable housing project that encourages the fishing populace living on boats to move ashore is to be launched and implemented.

(14) Practically promoting production and occupation transfer for the fishing populace: A fishing populace production and occupation transfer plan is to be created, the degree of policy support for production and occupation transfer is to be increased, and the positivity of the fishing populace for vessel reduction and production transfer is to be mobilized. The development of marine aquaculture, marine and aquatic product processing, and recreational fishing is to be supported. The industry chain is to be extended, and the results from fishing are to be increased. Fishing populace production and occupation transfer and channels for increased income are to be expanded. Supporting policies related to employment and entrepreneurship are to be thoroughly implemented, and fishing populace occupational skills training is to be strengthened, while employers are to be encouraged to proactively hire fishermen for employment.

VI. Raising the levels of marine fishing industry organization and management

(15) Raising the levels of organization and of science and technology: Innovations are to be made to fishing industry organizational structure and business style, and strong professional fishermen's cooperatives and marine fishing industry leading enterprises are to be cultivated. Fishermen are

encouraged to establish all types of professional cooperative organizations such as those in the form of shareholding cooperatives, and leading enterprises are to be guided to effectively link up with cooperative organizations. Leading enterprises are encouraged to concentrate in areas with more advantages in fisheries production, a strong dominant industry is to be cultivated, and the construction of modern fishing industry demonstration areas is to be accelerated. Great efforts are to be made toward developing marine fishing industry science and technology education undertakings. Marine fishing industry scientific research organization reforms are to be deepened, and the construction of fishing industry-related specialties and disciplines is to be strengthened. Innovations are to be made to fishing industry science and technology talent cultivation modes and the cultivation of new-type fishermen and fishing industry practical talents is to be accelerated. Reforms of the aquatic product technology promotion system are to be deepened. The advantages of aquatic scientific research organizations and technology promotion departments of all levels are to be brought into full play. Professional fishermen's cooperatives and leading enterprises are to be encouraged and supported to provide socialized services such as technology promotion and disease prevention, and the capabilities for aquatic product technology promotion are to be improved.

(16) Strengthening fisheries administration law enforcement: There is to be a severe crackdown on boats without fishing licenses, boat registration certificates, or boat inspection certificates (collectively known as the "three have-not's") and those having an actual engine power that is greater than what is marked on the engine plate (known as "big engine, small marking"), as well as all types of illegal fishing and aquaculture. A catalog of fishing gear that is prohibited or restricted is to be formulated.

(17) Strengthening foreign-related fisheries management: Bilateral and multilateral fisheries cooperation is to be deepened, and there is to be proactive participation in the formulation of international fisheries treaties, agreements, and codes. A complete distant sea fishing industry management system is to be established that is adapted to international fisheries management rules, and the level of distant sea fishing industry management is to be raised. The education and management of the fishing populace and fishing industry enterprises is to be strengthened, and the related laws and regulations and international treaties are to be strictly followed.

(18) Exerting great efforts toward strengthening fishing industry safe production management: A sound system for safe production accountability and management is to be established. Publicity and training functions are to be strengthened, and the establishment of "safe fishing industry demonstration counties" and "civilized fishing harbors" is to be carried out in an in-depth way. The construction of fishing vessel information dynamic management and electronic marking systems is to be accelerated, and fishing vessel turnover management is to be further standardized, while fishing industry safety emergency management system construction is to be strengthened. Safety facilities on fishing vessels such as life rafts, ship automatic identification systems, satellite monitoring systems, and fishing vessel communications equipment are to be equipped extensively as quickly as possible. Marine fishing industry meteorological services are to be strengthened, fishing industry safety emergency plans are to be improved, and rescue forces are to be rationally allocated. Proactive guidance is to be given for production using fishing vessel formations, and encouragement is to be given for fishing vessels to provide mutual aid and conduct self-rescue and mutual rescue.

VII. Strengthening guarantee measures

(19) Supporting infrastructure construction: Support for the marine fisheries by state fixed assets investment is to be increased. The construction of infrastructure such as fisheries administrations, fishing harbors, natural reserves for aquatic organisms, and aquatic germplasm resources protection areas is to be accelerated. Support is to be continued to be given for marine fishing vessel upgrading and conversion, good aquatic product stock program, and the construction of an aquatic organisms disease prevention and control system.

(20) Increasing the degree of financial support: Subsidies for fishing populace production and occupation transfer and oil price subsidization policies for the fishing industry are to be comprehensively considered and improved. Research is to be done on raising the subsidy standards for production and occupation transfer and on adjusting the method of oil price subsidization so that there is coordination with fisheries resources protection and industrial restructuring. Marine salvage policies for the fishing industry are to be continued to be implemented. Funding is to be provided for

supporting fisheries administration, resources survey, variety resources protection, disease prevention and control, and quality and safety monitoring. Policies subsidizing reproduction and release and aquaculture ecological environment restoration are to be continued to be implemented. The degree of support for scientific and technological innovation and results transformation in areas such as aquatic product breeding, disease prevention, resources conservation, and fishing industry equipment is to be increased.

(21) Improving supporting policies related to finance and insurance: Financial institutions must develop innovative financial products and services based on the special characteristics of fishing industry production. They must reasonably set the lending scale, the interest rates, and the payment deadlines, while simplifying loan procedures, raising service efficiency, and strengthening credit support. Support should be given for the listing financing and bond issuance of qualified marine fishing industry enterprises in order to form a diversified, multi-channel marine industry investment and financing pattern. Supporting policies for fishing industry insurance are to be studied and improved, and marine aquaculture insurance is to be proactively developed. Policies for fisheries resources proliferation protection fee collection are to be adjusted and improved, and special funds are to be used for fisheries resources conservation. The fishing industry is to be included in the scope of preferential policies in the areas of water use, electricity use, and land use.

(22) Strengthening legal system construction: Fisheries-related laws, regulations, and rules are to be further studied and improved. When there is a levy on and expropriation of fishing waters and beaches, compensation and relocation arrangements must be made according to the stipulations of the Property Law, the Land Administration Law, and the Law on the Administration of the Use of Sea Areas.

XIII. Strengthening organizational leadership

(23) Strengthening inter-departmental coordination: All related departments must earnestly fulfill duties and responsibilities and closely cooperate to strengthen work guidance and intensify the degree of work while proactively implementing all policies and measures; they must further improve service to the fishing industry, simplify administrative approval matters and procedures, reduce the amount of licenses required, resolutely curtail behavior infringing on the legal rights and interests of the fishing populace such as the arbitrary charging of fishing-related fees, and truly lessen the burdens placed on the fishing populace. The National Development and Reform Commission and the Ministry of Finance must thoroughly implement funding for the acceleration of marine fishing industry development. The Ministry of Agriculture must earnestly fulfill its functions of planning guidance, supervisory management, and coordinated services to properly complete the work of marine fishing industry development and ecology protection.

(24) Thoroughly implementing local government responsibilities: Coastal provincial people's governments must assume the overall responsibility for the work of marine fishing industry development, implement accountability level by level, establish coordinated measures, and strengthen the fishing industry administrative management system and law enforcement system. Coastal region local people's governments of all levels must include marine fishing industry development as part of the local economic and social development planning, define development goals, and study and formulate implementation plans for promoting marine fishing industry development in their regions.

State Council
8 March 2013

Annex 3

Guangdong Province Opinions on Upgrading Marine Fishery Industry, Guangdong Provincial People's Government, Yuefu [2013] No. 67 (21 June 2013).

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Guangdong Provincial People's Government File

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Guangdong Province Opinions on Upgrading Marine Fishery Industry

The people's governments at or above the level of each city, county (city, district) people's government, the provincial government departments and directly affiliated agencies:

In order to fully implement the spirit of the State Council's Opinions on Promoting Sustainable and Healthy Development of Distant Marine Fishery Industry and the "Guangdong Marine Economic Comprehensive Experimental Zone Development Plan" approved by the State Council, to promote the transformation and upgrading of the marine fishery in our province, and to improve the level of development of marine fishery in our province, to speed up the pace of constructing a strong marine province, now propose the following opinions.

First, Overall Requirements and Development Objectives

(I) Overall requirements. According to the strategic deployment of the Party's 18th Congress for constructing a marine power, with accelerating the transformation of marine fishery development and enhancing the capability of protecting and developing maritime resources as the main line, to further adjust the structure of production of marine fishery, to strengthen the construction of marine fishery facilities and equipment, improve the technological support of marine fishery, protect marine fishery resources and ecological environments, strengthen the safety supervision of marine fishery, improve the degree of organization and level of industrialization of marine fishery, in order to promote the constant healthy development of marine fishery in our province, and strive to become the vanguard of the marine fishery in the whole country.

(II) Development Objectives By 2015, the output of marine products will reach 4.6 million tons, the marine aquaculture area is maintained at 210 thousand hectares, 2,500 large and medium-sized steel fishing vessels will be built, among which 300 are distant water fishing vessels. The role of marine fishery in safeguarding the nation's rights and interests is significantly improved.

By 2020, By 2020, the marine fishery production structure and layout will be further optimized, the marine fishery infrastructure will be further improved, the technological support capacity will be further enhanced, the processing of marine fishery products will reach the international advanced level; industrial development, product safety, fishery efficiency, fishermen's income increased, civilized ecology, harmonious fishing community, and powerful rights protection; the new pattern of the development of modern marine fishery is basically formed, which is the first to realize the modernization of marine fishery.

Two, Adjust and Optimize the Marine Fishery Production Structure and Layout

(III) Expand the offshore and distant water fishery. Promote the expansion of marine fishing from the littoral to offshore, promote energy-saving fishing boats and selective fishing gear and methods, in order to develop a high-production and low-consumption marine fishing operation type. In order to implement the policy supported by the country, study and formulate our province's policies and measures for supporting the acceleration of distant water fishery development. To consolidate and enhance the over-the-ocean fishery, support the capable enterprises to construct distant water fishery centers and bases in Indian Ocean, South Pacific, and Southeast Asia, to actively develop the high seas fishing in the Southeast Pacific, North Pacific, Indian Ocean and the Atlantic Ocean. By 2020, there will be 10 internationally competitive distant water fishery enterprises.

(IV) Develop new aquaculture. Deepen the development of constructing healthy aquaculture demonstration farm (district), and actively strive for support of national special funding. Vigorously develop the facility fishery, such as, factory farming, recirculating aquaculture, and deep-water net cage aquaculture, to cultivate brand-name products in bulk of shrimp, tilapia and quality seawater fish breeding. Continue to implement the aquatic breeding projects, to increase the use of aquatic selection and breeding and promote the application efforts. By 2020, to build 300 healthy aquaculture demonstration farms (districts), 15 deep-water net cage industrial parks, 3 to 5 national class modern

aquaculture breeding demonstration parks, 80 national class and provincial class breeding farms, the main breeding varieties of thoroughbred coverage rate reaches above 90%.

(V) Develop modern fishery processing and circulation systems, constructing a number of international leading aquatic products intensive processing industrial parks, in order to cultivate a numbers of well-known brands with high market share. Support the construction of a number of marine fishing products and fishery resource trading markets, creating 2 to 3 internationally influential price formation and trading centers for bulk fishery products. To promote the construction of aquatic products online trading platform, in order to develop the fishery e-commerce.

(VI) Vigorously develop the recreational fishery. Highlight the fishery advantages in all places, to expand the cultural connotation of fishery, in order to create a brand of recreational fishery with content-rich and various forms of characteristics. Combining famous towns and villages with the construction of the well-being village homes, to build a group fishing villages and fishing ports with the main characteristics of fishing landscape, fishing scenery, and sport fishing, in order to create a recreational fishery zone. Combining the national tourism and recreational plan, to construct an urban recreational fishery zone with the characteristics of line fishing, viewing appreciation, and fine dining. To carry out the popular science education as the main content of the leisure tourism in the marine and fishery natural conservation area.

Three, Strengthen the Marine Fishery Facilities and Equipment Construction

(VII) Accelerate the upgrading and reconstruction of marine fishing vessels. In accordance with the environmental protection requirements of safety, energy saving, and high efficiency, select and promote a number of steel and glass-steel standard type of vessels that are suitable for our province's marine fishing operation. Encourage the use of energy saving and environment friendly technology, such as, liquefied natural gas and electric propulsion, in order to accelerate the standardization process of marine fishing vessels. Guiding to eliminate old, aged wooden fishing vessels, and build large sized steel fishing vessels that are suitable for operating in "Sansha" (Xisha, Zhongsha, and Nansha) and offshore. Equipped with advanced and applicable fishery machinery and fishing aid navigation equipment, to build a number of modernized distant water fishing fleets, in order to comprehensively enhance the level of fishery equipment. To develop centralized trading pilot of marine fishing vessels, and to improve the market mechanism of fishing net and gear metrics integration. For the marine fishing vessel upgrading and reconstruction projects subsidized by the Central Government's funding, based on the support from the local governments, and self-funding by the enterprises or fishermen, the principle of multi-channel financing to implement the project funding.

(VIII) Improve the construction level of fishing ports. To innovate the fishing ports construction model, by pooling resources together to build 10 modernized fishing ports with improved infrastructure, and the mooring waters area, wind protection and disaster prevention conditions, the capabilities of providing supplies and maintenance that meet the demands of various types of regional fishing vessels; with fast and convenient circulation of aquatic products trading, excellent environment of the ports and surrounding waters, powerful guarantees of fishery management, safety monitoring, public security and fire protection, which exceed the national standard. Comprehensively promote the construction of 100 standard fishing ports. Increase investment in the construction of fishing port breakwater, revetment, piers and other public infrastructure, which is exempted from paying the waters using fees. Improve the fishing port's supporting facilities, enhance the fishing port's sheltered competency, to build the fishing port's disaster prevention and reduction system, which led by the first type of fishing port, and supported by the second type fishing ports and the third type of sheltered anchorage. Implement the information management of fishing ports, and install video monitoring systems on the second types and above fishing ports.

(IX) Enhance marine fishery law enforcement capability. Strengthen the building of marine fishery law enforcement's quality and capability. Accelerate the construction of provincial rights protection law enforcement bases, city and county's law enforcement piers, build a number of marine fishery law enforcement vessels and speed-boats, in order to create a smooth commanding, fast reacting, strong law enforcing marine fishery law enforcement system. Follow the national deployment, actively participate in the maritime rights protection and fishery protection actions.

Four, Strengthen the Fishing Industry's Functions of Technological Support

(X) Strengthen the construction of technological innovation system in the fishing industry. Integrate and optimize the superior forces and resources of fishery technology, promote the collaboration among the industry, academia, and research institution, in order to accelerate the construction of fishery technological innovation platform. Based on the Guangdong Province Marine and Aquatic Products High-tech Park, to build a national class of modern fishery science and

technology park. To strengthen the dominant position of technology innovation of leading enterprises in the fishing industry, and to establish the encourage mechanism of independent innovation. Support the establishment of Marine Biology, Fishery Economy and Fishery Public Management and other fishery related disciplines in the universities of Guangdong, and to accelerate the cultivation of high level fishery science and technology talents. Promote the establishment of the Guangdong Province Marine Engineering Vocational Technology Institute, focusing on the cultivation of fishery applications and skills talents.

(XI) Carry out the tackling of key technology in the fishing industry. Organize colleges, universities, scientific research institutions in Guangdong focusing on selection and breeding the dominant variety of aquaculture, prevention and control of major diseases affecting aquatic animals, quality and safety of aquatic products, healthy aquaculture technology, ecological environmental protection and other urgently to be resolved key technologies and bottleneck problems, to carry out joint tackling, to produce a number of achievements of fishery technological innovation with independent intellectual property rights. Strengthen the R&D of factory aquaculture and deep-water net cage breeding technology and facilities, aquatic products processing and modern distant water fishing technology and equipment.

(XII) The promotion system of sound aquatic technology. Deepen the reform of the aquatic technology promotion system, with technology promotion organization as the main body to build a new type of aquatic technology promotion system in which jointly participated by aquatic scientific research agencies, marine fishery associations, fishermen professional cooperative organizations, and leading enterprises in the fishing industry. Carry out the activities of constructing a fishery social service demonstration county, to build a number of demonstration counties (districts). Continue carrying out the reform and construction project of basic level aquatic technology promotion system, fully play the advantages of promoting team, actively implement the social services of technology promotion, prevention and treatment of diseases and technology to the home and so on.

Five, Earnestly Protect Marine Fishery Resources and Ecological Environment

(XIII) Carry out fishery resources monitoring investigation. Improve the fishery resources monitoring system, and establish fishery resources monitoring sites in the major coastal fishing ports and along the major rivers inland. Carry out perennial dynamic monitoring of fishing resources, every five year to organize and implement a comprehensive investigation and assessment of fishery resources.

(XIV) Promote the cultivation and protection of marine fishery resources. Earnestly implement the systems of fishing moratorium in the South China Sea and fishing ban in the Pearl River. Develop the construction plan for marine ranching. Support the implementation of ecological restoration in the Eastern and Western Guangdong with algae multiplication and breeding and shellfish bottom sowing as the main content. Continue to implement the construction of artificial reefs, and strengthen the management of cultivation and protection on the artificial reefs. Increase the efforts of fishery resources restocking, strengthen the protection and management of rare and endangered aquatic wild animals, improve the rare and endangered wild aquatic animal rescue network.

(XV) Strengthen the protection of marine ecological environment. Organize and implement the tracing of sources of pollution into the sea, strengthen the governance of land-based pollutants discharged into the sea. Promote the construction of the Pearl River estuary marine environment automatic online monitoring system, and the construction of the province-wide marine monitoring networks. Construct 10 to 15 marine observation sites in the marine intensive developing areas and islands, in order to gradually build a three-dimensional observation network. Scientific specifications of reclamation, strictly implement the impact assessment of engineering construction on marine environments. Strengthen the construction of the marine and fishery reserves, aquatic germ plasm resources conservation zones, marine special conservation zones.

Six, Enhancing the Monitor of Marine Fishery Safety

(XVI) Pay extraordinary attention to the production safety of fishing vessels. The formulation of the "Measures of Guangdong Province Fishing Vessel Production Safety Management", which clearly defines the main responsibility of fishery production safety. Implement the ten thousand fishing vessels safety project; improve the communication command system of fishery production safety in our province and the IC card management system for fishing vessels. Implement the ten thousand crew members training project. Establish the fishing vessel with the help of production system, in order to encourage mutual assistance and mutual aid among fishermen.

(XVII) Guarantee the quality and safety of aquatic products. Improve the sources monitoring of aquatic products quality and safety, and establish the market approval and tracing systems for the quality and safety of aquatic products. Adopt a combined approach of provincial subsidies taking turns

with local financial support, to support the building of monitoring capability of aquatic products quality in the Northwestern area of Eastern Guangdong. Strengthen the construction of aquatic animal disease prevention and control system, to support the construction of a number of aquatic animal disease monitoring sites and fishery disease clinic. Improve the aquatic fingerling vaccination and the major aquatic animal epidemic emergency treatment system.

Seven, Increase the Degree of Organization and Level of Industrialization of Marine Fishery

(XVIII) Cultivate and strengthen the leading enterprises of marine fishing industry. Cultivating a number of leading enterprises that lead the development of the marine fishing, distant water fishing, aquatic products processing industries, encourage them to build large marine fishery enterprise groups through mergers, restructuring, acquisition, holding and other methods. Support the marine fishery leading enterprises to cultivate their own name-brands, to expand in the international market, and support the qualified leading enterprises for listing in the stock market. By 2020, there will be 20 leading enterprises that are capable of developing deep-water fishery resources.

(XIX) Promote the construction of fishermen professional cooperative organizations. Based on the requirements of developing while regulating and equal weighting on quantity and quality, accelerate the development of fishermen professional cooperatives. Increase the financial investment projects directly to the fishermen professional cooperatives, support efforts of the cooperatives to improve the conditions of production equipment, and to enhance the management level. Explore the development of building credit for the cooperatives, and offer joint credit to the cooperatives, the capable local governments can offer loans with discounted rates. By 2015, to establish 500 fishermen professional cooperatives; by 2020, reaching 800 cooperatives.

Eight, Work Requirements

(XX) Strengthening the leadership of organizations Governments at all level along the coast shall regard the promotion of marine fishery transformation and upgrading and sustained healthy development as the major tasks of implementing the strategy of maritime power and the construction of strong maritime province, putting it on the top of the agenda, earnestly strengthen the leadership of organizations, in order to improve marine fishery administrative management system and law enforcement system. Establish a sound coordination mechanism for the collaboration among all departments, clearly establish working objectives, and implement the division of responsibilities, in order to create a strong collection of force to promote the sustained healthy development of marine fishing industry.

(XXI) Increase the degree of support. Continue to implement the policy of providing subsidies for the purchase of fishery machinery and gear, and to incorporate fishing industry into the scope of preferential policy of agricultural land, electricity, water, and so on. For those distant water fishing enterprises that obtain the "Distant Water Fishing Enterprise Qualification Certificate" issued by the Ministry of Agriculture, and engaged in distant water fishing business during the validity period, they are exempted from paying the corporate income tax. All local governments shall incorporate marine fishery into the public financial support system, increase the investment amount, and provide priority support. Continue to implement the fishermen switching jobs project, to broaden fishermen's sources of income. Vigorously promote the policy of fishery insurance, timely carry out aquaculture insurance policy pilot, in order to improve the fishery risk protection mechanism. Provide fishermen with subsidies during the fishing (ban) moratorium.

(XXII) Increase policy research and the construction of legal system. Deepen the policy research on transformation and upgrading of fishery and the development of distant water fishing industry. Strengthen the construction of legal system for the fishing industry, promote the introduction of local rules and regulations on managing the quality and safety of aquatic products, formulate the state-owned fishing waters occupancy compensation, marine ecological compensation and other normative documents. Increase the publicity efforts of the general laws of fishery, in order to enhance fishermen's awareness of legal system.

Guangdong Provincial People's Government
June 21, 2013

Annex 4

Notice on the Issuance of Shenzhen City Interim Measure on Agriculture Development Fund Supporting Marine Distant Fishery, Shenzhen Municipal Economy, Trade and Information Technology Commission, and Shenzhen Municipal Finance Commission, Shenjingmaoxinxihaiyangzi [2014] No. 22 (28 February 2014).

**Shenzhen Municipal Economy, Trade and Information Technology Commission and
Shenzhen Municipal Finance Commission, Notice on the Issuance of Shenzhen City Interim
Measure on Agriculture Development Fund Supporting Marine Distant Fishery**

Shenjingmaoxinxihaiyangzi [2014] No. 22

Fishing administrative authorities and all relevant units in all districts:

Shenzhen Municipal Interim Measures for Supporting the Development of Distant Ocean Fishing through the Special Fund for Agricultural Development has been approved and agreed to by the municipal government. It is hereby issued and please implement it accordingly.

Shenzhen Municipal Economy, Trade and Information Technology Commission, Shenzhen Municipal
Finance Commission

28 February 2014

**Shenzhen Municipal Interim Measures for Supporting the Development of Distant Ocean
Fishing through the Special Fund for Agricultural Development**

Article I. In an effort to implement and practice the important spirit of supporting the development of distant ocean fishing industry as appears in the development strategy laid out in the report to the 18th Congress of the CPC for "building a strong maritime power", *CPC Central Committee and State Council Opinions on Accelerating the Development of Modern Agriculture and Further Strengthening the Vitality of Rural Development* (Zhong Fa [2013] No. 1) and *The State Council Opinions on Promoting the Sustained and Healthy Development of Marine Fishery* (Guo Fa [2013] No. 11), we have set up, under the Special Municipal Fund for Agricultural Development, a sub-account for distant ocean fishing, which shall be used to support the development of distant ocean fishing in our municipality for the purpose of enriching the content of the citizens' vegetable baskets and building Shenzhen into a domestic center for the production, processing and distribution of distant marine products.

Article II. The current Measures shall be applicable to all distant fishing enterprises registered in our municipality. Article V of the current Measures shall be followed in providing subsidy for the return transportation expenses incurred by fishing enterprises that have registered for the dedicated Nansha program (special permit) in our municipality for the maritime products that they capture during their production trips to Nansha.

Article III. Enterprises shall be encouraged to organize modern distant ocean fleets:

(I) Support shall be provided for the building of tuna seiners, ultra-low temperature tuna longliners, fiberglass tuna longliners, steel tuna longliners, saury fishing vessels and large squid fishing vessels and other distant ocean fishing vessels that are in line with the State's aid regulations. Proactive assistance shall be provided to the enterprises in their application for state aid. For those vessels for which aid has already been received from the state, supporting aid in the amount equivalent to 20% of the state aid shall be provided from the special fund, and they shall not be eligible for repeat aid from other sources for fishing vessels.

(II) For large tuna seiners (with fishing quota, with total tonnage of 1,500 per vessel or more and under 20 years old), large saury fishing vessels and large squid fishing vessels (with total tonnage

of 1,000 per vessel and under 15 years old), ultra-low temperature tuna longliners (with fishing quota, with total tonnage of 350 per vessel or more, and under 15 years old), newly built or purchased used by enterprises, aid in an amount equivalent to 25% of the total investment (including investment in the vessel purchase and equipment renovation) shall be extended from the special fund, and the maximum aid per vessel shall not exceed respectively 8 million Yuan, 3 million Yuan and 2 million Yuan.

(III) Large trawl processing vessels (with total tonnage of 7,000 per vessel and under 20 years old) newly built or purchased used by enterprises shall be entitled to aid in an amount equivalent to 25% of the total investment (including the investment in the vessel purchase and equipment renovation) from the special fund, and the maximum amount of aid per vessel shall not exceed respectively 10 million Yuan.

(IV) Large support vessels for distant ocean fishing (with total tonnage of 2,000 per vessel and under 15 years old) and other distant ocean fishing vessels (with total tonnage of 100 per vessel or more and under 10 years old) newly built or purchased used by enterprises shall be entitled to aid in an amount equivalent to 10% of the total investment (including the investment in the vessel purchase and equipment renovation) from the special fund, among which the maximum amount of aid per vessel for large support vessels for distant ocean fishing newly built or purchased used shall not exceed respectively 8 million Yuan and 6 million Yuan, while the maximum amount of aid per vessel for large vessels for distant ocean fishing newly built or purchased used shall not exceed respectively 500,000 Yuan and 400,000 Yuan.

(V) For a large vessel for distant ocean fishing newly built or purchased used by an enterprise, after the three certificates, namely Nationality Certificate for a Chinese Fishing Vessel, Certificate of Ownership and the Vessel Inspection Certificate are obtained, the ratio between the annual amount of maritime product capture from distant ocean transported back to our municipality and the annual capacity of the enterprise's fishing vessel must reach the following number: For tuna, the quantity shipped back shall not be less than 10% and not less than 60% for other fish types for the above vessel to be eligible for aid. The monetary aid (including the State aid for shipping) shall be paid out in the ratio of 20%, 20%, 20%, 20%, and 20% respectively over a five-year period. If the amount shipped back falls below the above requirement, vessel aid for the subsequent period shall be terminated.

(VI) For distant ocean fishing vessels that already received the above aid, the entire aid amount shall be refunded if the vessel in question has relocated outside of Shenzhen within five years starting from the year of the aid. Ownership transfer of distant ocean fishing vessels of Shenzhen residence within the city of Shenzhen shall not be eligible for the above aid policy.

Article IV. Enterprises shall be encouraged to utilize overseas fishing resources adequately. For a distant ocean fishing program approved by the Ministry of Agriculture in which the fishing vessel has gone outside our territory for production and for which the fees for the use of overseas resources has been paid, if the ratio between the annual amount of maritime product capture from distant ocean shipped back to our municipality and the annual capacity of the enterprise's fishing vessels reach the following number: for the return of tuna of over 10%, but under 20%, aid in an amount equivalent to 40% of the overseas use expenses paid shall be extended; for a ratio of over 20%, but under 30%, aid in an amount equivalent to 50% of the overseas use expenses paid shall be extended; for a ratio of over 30%, aid in an amount equivalent to 60% of the overseas use expenses paid shall be extended; for the return of other fish types of over 60%, but under 70%, aid in an amount equivalent to 40% of the overseas use expenses paid shall be extended; for a ratio of over 70%, but under 80%, aid in an amount equivalent to 50% of the overseas use expenses paid shall be extended; for a ratio of over 80%, aid in an amount equivalent to 60% of the overseas use expenses paid shall be extended.

Article V. Enterprises shall be encouraged to ship back their sea product capture. A certain amount of aid shall be provided from the special fund for the shipping expenses incurred from the shipping of the sea product capture from distant ocean to our city, among which for air shipping of frozen fresh tuna at the annual ratio of under 10%, over 10% but under 30%, and over 30%

respectively, the corresponding amount of aid per ton shall be 10,000 Yuan, 11,000 Yuan, 12,000 Yuan respectively; for ocean shipping of ultra-low temperature tuna at the annual ratio of under 10%, over 10% but under 30%, and over 30% respectively, the corresponding amount of aid per ton shall be 1,000 Yuan, 1,200 Yuan, and 1,500 Yuan respectively; for the shipping of other distant ocean fish types at the annual ratio of under 60%, over 60% but under 80%, and over 80% respectively, the corresponding amount of subsidy per ton shall be 300 Yuan, 400 Yuan, and 500 Yuan respectively. For the quantity of the fish types of the Nansha maritime space shipped back, aid in an amount equivalent to 50% of the return shipping fees shall be provided in reference to the standard for other distant ocean fish types. Active assistance shall be offered to the enterprises in their application for aid from the State. For the sea product capture from distant ocean fishing whose return shipping fees have already been subsidized by the State, support from the special fund in an amount equivalent to 50% of the aid from the State shall be provided and the above aid shall not be offered again.

Article VI. Enterprises shall be encouraged to build their sea product processing factories and dedicated accessory cold storage facilities. For sea product processing factories and dedicated accessory cold storage facilities constructed through investment by distant fishing enterprises registered in Shenzhen, upon completion of the construction of the project, aid from the special fund in an amount equivalent to 10% of the total amount of investment shall be provided for an investment amount of over 30 million Yuan (including the construction of the processing factory, the dedicated accessory cold storage facilities and their corresponding cold chain accessory facilities). Aid for any single project shall not exceed the maximum of 3 million Yuan.

Article VII. Large enterprises of distant ocean fishing from both home and abroad shall be encouraged to come to our city to set up their headquarters. For an enterprise of distant ocean fishing whose headquarters is located in Shenzhen (whose annual sales income is 1 billion Yuan or more and whose number of distant ocean fishing vessels of over 1,000 in tonnage is no fewer than 5)

reward from the special fund shall be offered in one lump sum amount of 5 million Yuan. The above reward received by an enterprise must be fully refunded if its headquarters is relocated out of Shenzhen within five years starting from the year of the reward.

Article VIII. The term above used in the current Measures shall include the item number in which it appears, while in the following portion, the item number in which it appears shall not be included.

Article IX. Upon implementation of the current Measures, regular assessment mechanisms shall be established and revision and refinements shall be made based on the trend of the development of distant ocean fishing and the actual circumstances in our city. For fishing vessel projects that were approved during implementation of the former *Shenzhen Municipal Regulations on Supporting the Development of Distant Ocean Fishing* (henceforth abbreviated as the former "Several Regulations") and for which aid has not been completely fulfilled, the former stipulated standard shall apply; for projects eligible for aid that happened after the expiration of the former "Several Regulations" but before the date of implementation for the current Measures, the standard stipulated in the current Measures shall apply.

Article X. *Shenzhen Municipal Regulations for the Operation of Aid for Distant Ocean Fishing Projects* shall be formulated separately by the Municipal Fishing Administrative Authority and the Municipal Department of Finance.

Article XI. The Municipal Fishing Administrative Authority and the Municipal Department of Finance shall be responsible for interpretation of the current Measures.

Article XII. Implementation of the current Measures shall start on 12 November 2013.

Annex 5

Notice about Issuance of the “Twelfth Five Year Plan” for the Development of the Distant Water Fishery in the Zhejiang Province, Zhejiang Provincial Ocean and Fishery Bureau (21 Dec 2011).

Notice about Issuance of the "Twelfth Five Year Plan" for the Development of the Distant Water Fishery in the Zhejiang Province

Issue Time: 2013-08-15 Source: Provincial Ocean and Fishery Bureau

Coastal cities, counties (cities, districts) fishery administration bureau:

Distant water fishery is the strategic industry in our Province, according to the "Twelfth Five-Year Plan" for Fishery Development in the Zhejiang Province, the "Twelfth Five-Year Plan" for Distant Water Fishery in the Zhejiang Province has been drawn up, and is hereby issued, Please combine it with practice, and seriously get organized and implement it.

December 21, 2011

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The "Twelfth Five-Year Plan" for the Development of the Distant Water Fishery in the Zhejiang Province

Distant water fishery is the dominant industry in our Province, under the environment of Central Government's policy for advocating the accelerated development of distant water fishery, particularly in the last Five-Years, due to the attention and support of the Provincial Party Committee and Provincial Government, the distant water fishery in our Province has made considerable development, its strategic industry status is highlighted. Developing distant water fishery has become an important starting point for the fisheries in our province to implement the "Going Global" strategy, and for comprehensively carrying forward the provincial marine economic development, promoting the restructuring of fishery industry, expanding space for the fishery industry, increasing fishermen's income, and stabilizing the fishing areas. According to the planning spirit of the "Zhejiang Province National Economy and Social Development the Twelfth Five-year Plan" and the "Twelfth Five-Year Plan for the Development of Fishery Industry in the Zhejiang Province", the "Twelfth Five-Year Plan for Distant Water Fishery in the Zhejiang Province" was drawn up. The planning period is from 2011 to 2015.

I. Realistic Basis

Our Province is one of the provinces that initiated China's distant water fishery industry, After more than 20 years of exploration and practice, our province has made great progress in distant water fishery, secured the dominant status in the nation, become the first to enter the stable and expanding period, the industrial structure is optimizing continuously, the management system is constantly improved, the overall strength is on the rise steadily; it started stepping on a path in line with the development of Zhejiang.

(i) Major Accomplishments

First, the industrial scale is maintained at the leading position in the whole nation. According to statistics, in 2010, the Province has 28 qualified distant water fishery enterprises designated by the Ministry of Agriculture, the Province put 268 distant water fishing vessels into production, with an output of 165,600 tons, which is valued at 1.882 billion yuan, accounting for 25%, 13%, 15% and 16% respectively in the national figures. Wherein the scale of squid fishing comprises of 208 vessels, with an output of 124,300 tons, the output value of 1.25 billion yuan, accounting for 54%, 52% and 52% respectively in the nation. The number of distant water fishery enterprises, distant water fishing vessels, distant water output, and output value of our Province all ranks number one in the whole nation; the squid fishing industry is

at the absolutely dominant position. Distant water fishery has become a successful model of the "going global" strategy in our province's agriculture.

Second, the continuous optimizing industrial structure. Our Province, while maintaining the steady development of the cross-ocean fishery, at the same time, strives to expand the ocean fisheries, and has formed the ultra-low temperature tuna fishing industry, ocean squid fishing industry, deep-sea tuna purse seine and ocean fishery is the main mode of operation of distant water fishery production pattern. During the "Eleventh Five-Year" period, through policy support, our Province built 39 and transformed 103 distant water fishing vessels, established 3 offshore bases in Argentina, Myanmar, and large tuna purse-seine (Zhoushan), the industrial chain of distant water fishing production and transportation integration had been established.

Third, the industrial management is getting improved. During the "Eleventh Five-Year" period, improved the construction of distant water fishing vessel monitoring system, all fishing vessels in the whole province engaged in the distant water production were basically equipped with fishing vessel position monitoring equipment; the establishment of distant water fishing crew, fishing boats, vessel positioning management systems and databases to improve the level of information management in the distant water fishery. The "Construction Outline of the Distant Water Fishery Enterprises and Foreign Production Management System" (abbreviated as the "Outline"). According to the requirements of the "Outline", all distant water enterprises accordingly formulated and improved relevant management systems, established leadership organizations for production safety and foreign production governance, with designated personnel in charge of supervision of enterprise internal safety production and foreign-related management; clearly defined the responsibilities of enterprise's legal person, ship-owner, captain of the ship and the crew, and established a comprehensive management system that covered the enterprise production, business administration, and operations.

Fourth, the highlight of industrial agglomeration effect. In the key fishery areas in our Province, the Zhoushan city has gradually built up the distant water fishery industry clustering area, which takes the mass distant water as the main body and with the significant advantage of regional dominance. In 2010, the City has 18 qualified distant water fishery enterprises designated by the Ministry of Agriculture, which accounts for 64% in the province; 206 distant water fishing vessels, which accounts for 73% in the province; the production output is 90,500 tons, which accounts for 55% in the province; the output value of 979 million yuan, which accounts for 52% in the province. And initially forming a cluster of infrastructure facilities that are compatible with an industrial scale, including fishing boat workshops and dry docks, storage transport, processing, cold storage, distribution sorting hall and others, the momentum of distant water fishery industrial agglomeration is increasingly showing a demonstration effect.

Fifth, the distinctive features of industrial organization. Our Province is one of the major provinces for private economy; the organizational format of the distant water fishery in our Province has transformed successfully from the original one dominated by state-owned enterprise, with sporadic participation by the general public fishery, into an industry that is based on the general public distant water fisheries and piloted by state-owned distant water fishery enterprise; the co-existence of the state-owned and the privately owned industry has become a development model for the distant water fishery with a distinct Zhejiang characteristic. The privatization of the distant water fishery has provided the industrial mechanism with impetus and guarantee.

(ii) Environment for Development

The national government is actively supporting the development of the distant water fishery, which creates a positive environment for the development of the distant water fishery in the Zhejiang province; it will allow Zhejiang's distant water fishery to stay in the leading position in the nation.

First, the Third Plenary Session of the Party's 17th National Congress specifically proposes to "support and expand the distant water fishery", the national and party's leaders have repeatedly visited overseas bases of distant water fishery, and issued important instructions on developing the distant water fishery. The Zhejiang provincial Party committee and the provincial government attach great importance and pay close attention to the development of the distant water fishery, the provincial leaders have repeatedly conducted specific inspection, investigation and research on the distant water fishery industry; during the "Eleventh Five-Year" period, the Provincial Government enlisted the distant water fishery industry as the strategic industry of the Zhejiang province, fully affirmed the importance of developing distant water fishery, and created a positive policy environment for the development of the distant water fishery.

Second, governments at all levels are strengthening the policies that support the distant water fishery. Since the "Eleventh Five-Year", at the national level continue to implement the supporting policies, such as, tax breaks, exploratory fishing resources, fishing shipped back and others. At the provincial level, in addition to support the implementation of national policy of supporting the distant water fishery, proactively introduced the local supporting policies, such as, special financial support and credit incentives, which greatly enhanced the development potential of the distant water fishery in our province. From 2008 to 2010, the provincial treasury invested a total of 86.2 million yuan in special funding, and guided all parties of the society to invest a total of 680.73 million yuan. The support from all levels of government is an important guarantee for the development of the distant water fishery.

Third, the benefits of choosing the path of independent development and constant innovation. From the viewpoint of the development process of Zhejiang's distant water fishery, it went through the old ship alternation, importing used boats to technology updates, independent research and development, and gradually improved the level of industrial modernization. Practice has proved that, according to the basis and characteristics of the fishery industry in Zhejiang, making choice of different ways of development in different stages, independent development, grasp the opportunity, and constant innovation, to enhance the strength, is an important way for the development of Zhejiang's distant water fishery industry.

Fourth, the benefits of combining industry, academy and research as the way of development. Scientific research is the support and driving force of industrial development; the distant water fishery in our Province, has practically implemented the industrial development model of combining enterprise with the technical support from scientific research institutions and policy support from the government, the industry-academy-research combination approach, has successfully opened up the Indian Ocean, the tuna in Central and Western Pacific, North Pacific, Southeast Pacific, squid in Southwest Atlantic and other distant water fishery projects, by using the surveying while developing and applying approach to

transform scientific research results into productivity, which establishes the current tuna and squid based industrial situation in our province.

Fifth, the benefits of the management system of private economy. Most of the distant water fishery companies in our province are private enterprises. Private economy has obvious competitive advantages in terms of clearly defined ownership, flexible mechanism, cost control, human resources management, business decision-making, production data, and allocation of funding. In the highly competitive distant water fishery industry, the establishment of the private business system plays an important role in the distant water fishery in our province in the areas of seizing the opportunity and initiative for transformation and upgrading.

(iii) Existing Problems

Currently, there are four major problems in the development of distant water fishery in our province:

First, the aging equipment, the industrial development capability and safety protection capacity are diminishing. Judging on the current conditions of the distant water fishing vessels, about two-third of the distant water fishing vessels in the province are of old age, used boats, and transformed ships in poor conditions; the sophistication level of existing equipment makes it difficult to adapt to the requirements of modern distant water fishing vessels which are all-weather and equipped with mechanized fishing equipment, precision fishing and navigation instruments, and informatization of communication; the capability to expand is clearly weakened, and there are potential risks for production safety, which is inconsistent with the requirements for development. Should these fishing vessels are not upgraded or rebuilt in time, the distant water fishery in our province will gradually shrink, and get into trouble. Fishermen originally working overseas will return home and look for employment, which will bring irresolvable fishing pressure to the domestic fishing areas, resulting in shrinking of employment opportunity in the areas of fishing, processing and other related auxiliary industries, seriously affect the stability of the fishing community.

Second, the weak foundation for practicing distant water fishery, due to the lack of funding for independent development. The situation of the distant water fishery in our province relies mainly on the private joint-stock distant water fishery enterprises, the starting point of these companies is not high, mostly rely on imported used fishing boats and domestic old fishing vessels when business got started, its shortcomings include the scattered, weak, and small features and low level of organization, the capital primitive accumulation has not yet completed. In recent years, due to the rising cost of diesel fuel and the falling price of fishes, the funds for fishermen and enterprises are even shorter. The distant water fishery requires huge investment; it is powerless for the fishermen to rely on their own capacity to upgrade fishing vessels and expand production, and to maintain their developed fishing grounds.

Third, the supporting industries for the distant water fishery are incomplete, making it difficult to present the comprehensive benefit. Distant water fishery is an industry that requires higher level of

supporting industries; it objectively requires the formation of a series of industrial chain that includes production, supply, processing, marketing, trade, repair, and transportation. However, due to the limited strength of the distant water fishery in our province, namely, lack of investment and experience; presently, most of the enterprises are still confined to fishing production operation; they still cannot handle product marketing, processing and other necessary supporting services for the industry. Our province's distant water fishing fleet generally lacks comprehensive fishing bases overseas, as a result the construction and repair of fishing boats, logistics, processing and marketing are all controlled by others, which further increase the cost and uncertainty, and restrict the effect of comprehensive benefit.

Fourth, inadequate investment in scientific research, resulting in weak technical support. Distant water fishery highly depends on science and technology; it is a technology-intensive industry. However, for a long time, due to the lack of required investment on basic research on distribution of fishing resources in ocean, fishing vessels, marine equipment, fishing net and production technology, which results in low level of technological innovation and transforming achievements in the development of distant water fishery, making it still difficult to support the industrial development.

II. The Development Trend and Necessity

In recent years, the environment of distant water fishery has undergone profound changes, opportunity and challenge both exist, continuous promotion of the sustainable development of distant water fishery industry has become an important and realistic issue.

(i) Favorable Factors for Developing Distant Water Fishery

The Central Government, Provincial Party Committee and Provincial Government attach great importance to the marine development strategy, which creates a unique environment for the development of distant water fishery. The overall strength of our province continues to improve, which can provide a strong financial backing for our province's fishery industry to implement the strategy of "Going Global" successfully. The current development of distant water fishery in our province has the following favorable factors:

First, the distant water fishery in our province has gained competitive advantages. On the one hand, in the developed countries and regions, due to the increase of labor costs in arduous industries and other reasons, their distant water fishery industries are shrinking gradually, which offers the space for the development of distant water fishery in our province; on the one hand, in some of the developing countries, such as, Malaysia, Micronesia and others with small population, low level of productivity, but, they have vast sea area, full of rich resources, and the great potential for development; they have desire and request for collaboration with us for development. Our province has developed economy, a large population, the distant water fishery has a certain industrial base, not only has a better level of material equipment and technical capability than those in the developing countries, but also has more abundant human resources and lower labor costs than

those in the developed countries; our province can completely use the competitive advantages in personnel, technology, equipment and funding to expand the space for distant water fishery industry.

Second, there are still potentials for resources in the high seas. Tuna, cephalopods (squid) and others are the main fishery products of our province's distant water fishery. According to the United Nations Food and Agriculture Organization (FAO) statistics and related materials, for nearly half of a century, tuna production demonstrates basically a stable long-term growth. The annual growth rate of the total catch amount of the cephalopods (squid) maintains at about 3%, the potential cephalopods resources in the high seas is estimated at about 300 to 500 million tons, which provides our province's development of the tuna and squid fishery in the high seas with a guarantee in resources.

Third, our province has already had the conditions for expanding fishery to overseas. Since the reform and opening up, Zhejiang's economy has developed rapidly, become one of the most developed provinces in the whole country, which creates a positive condition for fishery industry to expand overseas. In 2010, the province's GDP was 2.7722 trillion yuan, per capita GDP was 58,387 yuan (equivalent to \$8,625 based on the annual average exchange rates), which constitutes a solid foundation for expanding overseas; in recent years, the fishery industry in our province has increased its effort for expanding overseas, significantly increased the pace, the distant water fishery has become a highlight of implementing the "Going Global" strategy.

Fourth, the market of distant water products has a broad space for development. With the growth of national income, the standard of living is improved, and the recognition of nutritional value of aquatic products is deepened, the high-nutrition, pollution-free pelagic fishery products are becoming more and more popular in the domestic and international markets, the increasing market demand and the expanding consumer groups provide the development of distant water fishery with tremendous marketing force.

(ii) Challenges to the Development of Distant Water Fishery

First, the international management situation is getting serious. The management of fishery resources in the high seas is getting stricter in the international community, the scope and content of the management are expanding. Production quotas of tuna and other high-end fishery resources have been completely distributed in phases, the bulk of squid, mackerel pike and other mid and top levels pelagic fish varieties start moving into the agenda of the International Convention on the Management, the implementation of the international quota management is forthcoming. The coastal countries have also adjusted their fishery cooperation policies, no longer satisfied with the license purchasing format of cooperation with us; they have put forward the demands for investment in building docks, processing plants, cold storage and other land-based facilities, to help resolve employment issue, and promote local economic development, thus increase the costs and difficulties of cooperation with our distant water fishery.

Second, the competition for developing distant water fishery is getting fierce among provinces and cities. Our province's distant water fishery is not only facing international competition, but also inter-provincial competition. In recent years, the domestic coastal provinces and cities all have promoted distant water fishery as the key industry to be supported and nurtured, new measures were introduced and implemented constantly. Guangdong, Liaoning, Shandong, Fujian, Shanghai, Shenzhen and other coastal provinces and cities to play their respective advantages, have

introduced policies and measures to promote the rapid development of distant water fishery.

Third, higher standards and requirements for the development of distant water fishery, due to ecological and environmental issues. With the increasing awareness of environmental protection in the international community, the distant water fishing vessels are required to adopt ecologically friendly fishing methods in production, to reduce the mistakes of catching sea turtles, sea birds and other organisms, in order to protect the marine ecological environment; at the same time, to reduce carbon emissions and energy consumption, the distant water fishing vessels are required to use high efficiency energy saving equipment and technology for reducing energy consumption, and improving the efficiency of energy utilization. This has put forward higher requirements for the equipment and technology used by distant water fishery in our province.

(iii) The Necessity of Developing Distant Water Fishery

The distant water fishery is an important component of implementing the "Going Global" strategy, to implement the "Going Global" strategy thoroughly, adapting to the changes in the current international marine management system, taking advantage of our province's competitive advantages, to expedite the development of distant water fishery, in order to increase the share of our province's distant water fishery industry, which is the important content of promoting the sustainable development of fishery in our province.

1. Accelerate the development of distant water fishery is the need for ensuring the food safety. The distant water fishery is a strategic resource-based industry. The oceans contain tremendous biological resources; its ability to provide food for human consumption greatly exceeds the production capacity of the land. Vigorously develop and expand the distant water fishery, fully develop and utilize the biological resources in the high seas is an important way to resolve the issue of continuous supply of high quality animal protein; it is also a strategic measure to alleviate the contradiction between population growth and land resources, and to implement the energy "substitution" and safeguard the market supply.

2. Accelerate the development of distant water fishery is the need for livelihood security. Developing distant water fishery can help fishermen effectively expand the space of production, guiding fishermen to convert to distant water production can effectively alleviate the resources pressure of domestic production; at the same time, creating employment opportunities in the sectors of processing, cold storage, transportation, logistics, construction and repair, in order to improve the employment level of the fishing community, to increase fishermen's incomes, which plays an active role in developing economy and maintaining social stability in the fishing community.

3. Accelerate the development of distant water fishery is the need for promoting the upgrade of regional economy. The distant water fishery has a strong industrial pull effect. In the fishery industry, distant water fishery is the part that most closely connected to the Secondary and the Tertiary industries. The development of distant water fishery can not only promote the development of other related industries, such as, fishing boat building, fishing machine manufacturing, logistics, processing, communications, but also can promote the technological advancement in related industries. The integration of distant water fishery and related Second and Tertiary industries will effectively enhance the level of fishery itself, and promote regional economic development, at the same time create more output value and employment opportunities.

4. Accelerate the development of distant water fishery is the need for maintaining the advantage and vitality of the marine economy in our province. The distant water fishery is a development industry that plays its own advantages, utilizing international resources, to

participate in the international competition. At the present stage, distant water fishery is the most important and most realistic form of implementing the "Going Global" strategy for fishery industry. Accelerate the development of distant water fishery is conducive to raising the proportion of marine economy, in order to maintain our province's leading advantage of marine economy in the country and the vitality of further development; it can even enhance foreign exchanges and cooperation, in order to pave the way and create opportunities for other competitive industries to successfully implement the "Go Global" strategy.

5. To accelerate the development of distant water fishery is an objective requirement of the external fishery situation. After the "United Nations Convention on the Law of the Sea" became effective, each country's 200 sea miles exclusive economic zone (EEZ) management system is getting improved, the situation of competing for the world's fishery resources is establishing. In order to protect the vested interest, some of the developed countries, while stressing to strengthen the management of EEZ, by means of manipulating or control some international and regional organizations, to carry out quota management of fishery resources in the high seas, in order to achieve the purpose of limiting the development of the latecomers. The overall shares of our nation are limited, other brother provinces are actively expanding to compete with our province, which have prompted us to enhance the competitiveness of our own distant water fishery as soon as possible, to seize our rightful share of resources, in order to put us in a favorable position in the competition for resources in the future.

6 Developing distant water fishery is the need for serving the national maritime interests and overall diplomatic situation. The distant water fishing vessel is the national territory that floats, it represents an extension of our nation's sovereignty; it is a concrete expression of national influence and maritime interests. The rules governing international fishery resources is "possession namely interest", resource quotas are made on the basis of historical production and distribution of existing production conditions. The earlier a country to participate in distant water fishery, the higher the historical production, the stronger the actual production capacity, the louder it will speak in striving for the international allocation of fishery resources and maritime interests. At the same time, distant water fishery is an effective way for our nation to develop foreign economic cooperation and to service diplomacy. The development of distant water fishery promotes economic exchanges and cooperation with project countries, to foster the economic and trade ties, to solidify and deepen diplomatic relationship, which is an important format of serving our nation's overall diplomatic situation.

III. The Guiding Ideology, Development Objectives, Priority Areas

(i) Guiding Ideology

Thoroughly implement the spirit of instructions from the Chinese Communist Party Central Committee, State Council and Provincial Party Committee, the Provincial Government to support the growth of distant water fishery, guided by the scientific outlook on development, fully implement the fishery "Going Global" strategy, follow the direction of technology leads, promoting modernization of distant water fishery industry, seize the opportunity to play to our strengths, lay out rationally, speed up restructuring and upgrading distant water fishery industry, in order to adapt to the new requirements of international fishery management, and to enhance the industrial comprehensive strength and competitiveness, to promote the transformation of our province from a great distant water fishery province to the greatest one.

(ii) Development Objectives

During the "Twelfth Five-Year" period, to guide the society to invest 2.1 billion yuan, focusing on modernization of distant water fishing vessels, and actively promote reconstruction of distant water fishing vessels; to construct a domestic comprehensive base for distant water fishery in Zhoushan, in which the distant water fishing, processing, storage and transportation of fishery products, distribution, fishing boats construction and repair are integrated; establish 1 to 2 overseas fishing bases; construct technology alliances and information service platform for the distant water fishery industry, and to build a domestic R & D and manufacturing base focusing on the distant water fishery equipment and technology. By the end of the "Twelfth Five-Year" period, the province is planning to have 400 distant water fishing vessels, with the fishing output at 280,000

tons, the output value of 2.5 billion yuan, and to accelerate the expansion of the distant water fishery to the field of aquaculture, processing, storage and transportation, trade, in order to realize that in both domestic (territory) and international market, resources adapted to the industry structure, thus, maintain the province's leading position and strong developing momentum in the national distant water fishery industry.

(iii) Priority Areas

1. Strengthen policy guidance, to encourage fishermen to phase out old boats, and upgrade the distant water fishing vessels, (especially the distant water fishing vessels that reached the age limit, they should be made into scrap for elimination), in order to eliminate safety hazards fundamentally. During the "Twelfth Five-Year" period, to invest 1.25 billion yuan for building and upgrading 100 distant water production fishing vessels, product processing mother ships and auxiliary supporting vessels, to raise the level of equipment and modernization of distant water fishing vessels in our province.

2. Actively guide the reconstruction of distant water production vessels, supporting and processing, and transport ships; encouraging domestic fishing vessels to participate in distant water fishery after reconstruction. Invest 500 million yuan for reconstruction of 100 distant water fishing vessels, to promote the upgrading of facilities and equipment on fishing vessels, in order to gradually improve the issue of aging of the distant water fishing vessels in our province, and to enhance the level of modernization and capacity of production safety of distant water fishing vessels.

3. Government-led organizations to carry out exploratory fishing for fishing grounds and fish species; the "Twelfth Five-Year" is to invest 200 million yuan, combining industry, academia, and research to develop scientifically distant water fishing grounds and fish species, to provide public services to the distant water fishery industry; to explore the establishment of a comprehensive service platform that matches the needs of modern distant water fishing industry, including fishing condition, management, and technology; to carry out the exploratory fishing of tuna and skipjack tuna in the Midwestern Pacific fishing ground, squid exploratory fishing in the Southeast Pacific and Southwest Atlantic, Pacific mackerel pike exploratory fishing and the test fishing of trawl and seine operation in the Myanmar waters, the initial establishment of forecasting mechanism for fishing condition.

4. Support the construction of domestic and overseas distant water fishing bases; to invest 150 million yuan for building a domestic comprehensive distant water fishing base in Zhoushan, to strive for building logistic supplies, transportation, construction and repair, cold storage, aquaculture, processing and other functional distant water fishing bases in Fiji, Peru, and Myanmar.

5. Encouraging the establishment of technology alliances and a domestic R & D and manufacturing base focusing on the distant water fishery equipment and technology. Combining the power of related scientific research institutions, organizations, enterprises both inside and outside the province, with adequate government funding, based on the principle of "benefits and risks sharing", in form of joint-stock to create an industrial technology alliance and a domestic R & D and manufacturing base focusing on the distant water fishery equipment and technology.

6. Support and promote the expansion of the distant water fishery industry to the fields of aquaculture, processing, storage and transportation, trade, and encourage the distant water enterprises to set up related industries, in order to develop domestic and international markets for fishing products.

IV. The Safeguard Measures

(i) Increase the Level of Support for Distant Water Fishery Policy During the "Twelfth Five-Year" period, the provincial treasury will allocate special funds to support the industrial development of distant water fishery, the focused areas include the reconstruction and upgrade of distant water fishing vessels, the construction of domestic and overseas supporting bases, exploratory fishing in the high seas fishing grounds,

international fishery cooperation, the construction of maritime technology support system and information management service system, domestic R&D and manufacture of equipment and technology, and industrial expansion, products shipped back and market development and so on. Local governments at all levels should actively improve the supporting policies, and increase financial investment for distant water fishery. Regions which conditions permit can set aside special shoreline and land, to introduce favorable policies for building distant water fishery industrial parks, to jointly promote the upgrade of distant water fishery in our province, and enhance the international competitiveness of our province's distant water fishery.

(ii) Establish a Diversified Investing Mechanism Financial management departments should strengthen the window guidance, develop innovated financial business, guide financial institutions to increase credit support for distant water fishery, improve the financing guarantee system, in order to expand the financing channels for distant water fishery enterprises. Encourage private capital and other industrial capital, through cooperation, joint-stock and other forms to invest in the distant water fishery and related industries in our province. Encourage domestic and foreign large distant water fishery companies to set up their headquarters or branches in Zhejiang. Actively assist key enterprises to look for preferential loans offered by international financial organizations and foreign governments.

(iii) Consolidate Resources to Cultivate Leading Enterprises Actively guide distant water fishery companies to establish a modern enterprise system, promote cooperation between enterprises, carry out reorganization of personnel, finance, and property, in order to achieve large-scale, standardized, systematic development. Under the premise of voluntary, encourage enterprises to practice "big merge with small", "big leads small", in various forms of joint-stock and joint venture to set up a close-type distant water fishery Limited corporation or group of companies; to guide and encourage small and medium size distant water fishery companies to merge and reorganize into larger enterprises. Support qualified distant water fishery enterprises listed in domestic or overseas stock markets.

(iv) Improve the Construction of Supporting Facilities Based on the steadily increase of distant water production capacity, to support the construction of the supporting industrial chain of distant water fishery, in order to promote the upgrade of distant water fishery supporting industries. Encourage construction of the supporting industrial system including fishing ports, fishing vessels, equipment, fishery logistics, product storage and transportation, and intensive processing; support shipping pelagic fishery products back to China, in order to accelerate the market development, foster the named brand, and establish cold chain logistics distribution and domestic and international marketing network.

(v) Strengthen the Management of the Distant Water Fishery Industry Adapt to the requirements of international fishery management, establish and improve daily fishing logs, production data reporting and other management systems; improve the construction of distant water fishery industry management information database; strengthen fishing vessel position monitoring, boarding and inspection in the high seas and other management measures to improve the management and performance capabilities. Increase investment in the construction of industrial organizations, allow the trade associations fully exercise the functions of self-management, self-discipline, coordination of services, and improve their work and management capabilities to manage production safety, fishing vessel regulation, market information, industry self-regulation, crew training and others.

(vi) Improve the quality of the practitioners in the distant water fishery industry. Strengthen the education and training for distant water fishery enterprise management personnel, project executives, owners, captains, crew and other practitioners at all

levels. In the areas of distant water fishery laws, regulations, industry guidelines, foreign-related discipline, production skills, operation rules, security system and others, to regulate their professional practice behaviors, and to improve their level of knowledge and awareness on foreign-related and security-related issues. Encourage enterprises to recruit talented personnel, to encourage college graduates to seek employment in the distant water fishery companies, train and develop a team of talented personnel that is excel in management, fluent in foreign languages, in order to effectively improve the quality of practitioners in the industry.

(vii) Improve the level of scientific and technological support for the distant water fishery industry. Increase investment in science and technology for distant water fishery, to establish research teams and the technology support system for distant water fishery. Support the establishment of the industrial technology alliance and the distant water fishery engineering research center that is based on scientific research institutions, supported by the main backbone enterprises, production and research combined. Support the implementation of investigation on the fishery distribution and reserves in the high seas and our focused fishing waters, fishing gear and methods, equipment and applicable technology research, in order to improve the level of scientific and technological support for distant water fishery industry.

Annex 6

Zhejiang Province Measures on Funding Distant Marine Fishery Project, Zhejiang Province Department of Finance and Zhejiang Province Ocean and Fishery Bureau, Zhecainong [2011] No. 28 (17 Feb 2011).

Notice about Issuance of "Zhejiang Province Measures on Funding Distant Marine Fishery Project"

Issue Date: 2011-02-22 Source of Information: Zhejiang Province Department of Finance

Zhecainong (2011) number 28

Cities, Counties (cities, districts) Finance Bureau, Fishery Authorities (Ningbo excluded): to strengthen and regulate distant water fishery projects and funds management, to improve the efficiency of capital use, in view of the original management measure (Zhecainong Zi (2008) number 6) has expired, the revised management measure is issued to you, please comply. Any questions or suggestions during the implementation, please feedback in time.

Zhejiang Province Department of
Finance, Zhejiang Province Bureau of
marine fisheries
February 17, 2011

Zhejiang Province Measures on Funding Distant Marine Fishery Project

Chapter One General Provisions

Article 1. In order to strengthen the management of distant water fishery projects and funds, raise the efficiency of the use of special funding, safeguard the development of distant water fishery projects, enhance the competitiveness of the distant water fishery, promote the healthy development of the distant water fishery, promote the adjustment of fishery structure in the province, according to the "Measures for the Administration of Special Agricultural Funds in Zhejiang Province" (Xhecaiong (2011) number 6) and other documents, to draw up this measure.

Article 2. The arrangement and use of the special funds is to support the fishery "Go Global" strategy and the advancement of distant water fishery in our province, for the purpose of improving the overall strength of distant water fishery in our province.

Chapter Two Grants Funding Object, Scope and Standards

Article 3. Grants Object: a qualified distant water fishery enterprise as defined by the Ministry of Agriculture's "Distant Water Fishery Enterprise Qualifications"; administrative units engaged in distant water fishery management, training, and research; industrial organizations providing services to distant water fishery.

Article 4. Distant water fishery special funding is mainly used for:

(I) Upgrade and reconstruction of distant water production fishing vessels and processing support, transport ships. Actively guide the upgrade and reconstruction of distant water squid fishing, tuna fishing, trawling and other fishing vessels and processing support, and transport ship; encourage new technologies, promote the use of new equipment and imported key equipment substituted with domestic alternative; focus on supporting private mass distant water fishing vessels for upgrading or reconstruction; encourage domestic production fishing vessels to engage in distant water fishery after reconstruction. For those projects after audit and included in the current year distant water fishing vessels upgrade or reconstruction plan, new construction or distant water fishing vessels in the technical reconstruction projects for safety, seaworthiness, and fishing performance, based on the investment amount approved by the project to give a certain percentage of grants. New distant water fishing vessels construction project can be a single project. The main supported expenditure on technological upgrading of distant water fishing vessels hull material, security facilities, fishing supporting equipment, marine propulsion, processing storage and transportation, communications and navigation, electrical, refrigeration systems, the standards are as follows:

Project with the total investment amount of 8 million yuan or more is subsidized by 10 percent, a single project grant does not exceed 2 million yuan;
project with the total investment amount under 8 million yuan and above 5 million yuan, the grants do not exceed 800 thousand yuan;
project with the total investment amount under 5 million yuan and above 3 million yuan, the grants do not exceed 500 thousand yuan;
project with the total investment amount under 3 million yuan, the grants do not exceed 300 thousand yuan.

(II) The distant water fishery new fishing grounds and exploratory fishing of new fish species. Projects with the government-led approach to organize new fishing grounds and exploratory fishing of new fish species, in order to expand production survival and operational space. Encourage projects that adopt new technological approach, equipment and method for

developing exploratory fishing; construct distant water fishery exploratory fishing database; gradually establish the mechanism of forecasting distant water fishing grounds and fishing condition. To mainly support the establishment of distant water exploratory fishing information database, fuel consumption of exploratory fishing boats, purchase of survey equipment and supplies. Exploratory fishing projects are organized and implemented by means of merit-based delegation. The provincial Oceanic and Fishery Bureau is to organize the review of exploratory fishing proposals and budget submitted by applicant units by the concerned experts, to select project undertaker by merit-based screening, and provide subsidy based on the merit of the case, the maximum grants do not exceed 3 million yuan.

(III) The distant water fishery industry training, For units that organize the training for the practitioners in distant water fishery on the knowledge and theories in the aspect of fishery laws, rules, regulations, industrial guidelines, foreign-related discipline, production skills, and operational procedures.

(IV) The construction of distant water fishery bases. Encourage the construction of domestic and overseas distant water fishery bases with production, logistics, maintenance and repair, and processing support facilities, by means of cooperation and joint ventures, in order to effectively expand the production scale and comprehensive operational capacity, thus to extend the industrial chain. To mainly support the infrastructure expenditure on water, electricity, road, equipment facilities and planning design of the distant water fishery bases. For those base-construction projects that are audited and included, are subsidized by 10 percent based on the approved investment amount, a single project grant does not exceed 2 million yuan.

(V) Constructing the management information system and the exchange and cooperation with the international fisheries. Strengthen the information management of distant water fishing vessels and crew, support the distant water fishery companies and industrial competent authorities to develop the work on information management, encourage the establishment of a unified standard management of information system, in order to build and improve the distant water fishing vessel and crew database. To mainly support the data collection and processing, software development, purchase of equipment, information networks maintenance, information dissemination, etc. To provide the implementation units with grants based on the project contents and condition of funding expenditure approved in the very year, the maximum grants do not exceed 200 thousand yuan. Actively carry out international exchanges and cooperation in fisheries, for the provincial units that carrying out international fishery science and technology exchange and cooperation, organizing the development of fisheries cooperation project, negotiation, investigation, argumentation, the R&D and introduction of fishing and fishery adaptable technologies, will be subsidized based on the merit of the case.

Chapter Three Project Application and Approval

Article 5. The distant water fishery project is required to use the "Standard Text of Agricultural Finance Capital Project Reporting" for application. The application document should truthfully reflect the conditions of the project practitioners, the project construction content, implementation plans, proposed budget, effect analysis and so on.

Article 6. Project applications are submitted jointly by the municipal or county (cities, districts) Marine and Fishery authorities and the financial departments to the provincial Marine and Fishery Bureau and the Department of Finance before the end of March each year. Application materials (in triplicated copies, two copies to the provincial Marine and Fishery Bureau, and apply online through the "Zhejiang Province Marine and Fishery Projects Management System"; one copy to the provincial department of Finance).

Article 7. The applications under Article 4, sections (I), (II), and (IV) of this "Measure" for the distant water fishery special project grants, are required to provide project feasibility study report,

among which applying for grants under section (I), must also provide the “Fishing Vessel Net Gear Metrics Ratification Paper” issued by the Ministry of Agriculture and a copy of the project investment specifications confirmed by the shipyard; application for the distant water fishery special project grants under Article 4, section (IV), must also provide a copy of the floor plan design of the base.

Article 8. The provincial Marine and Fishery Bureau in conjunction with the provincial Department of Finance will review and screen the submitted materials, after determine the merits of each application, a joint official communication on implementation plan of distant water fishery projects will be issued by the end of June each year. Provincial grants will be appropriated by the provincial Department of Finance in accordance with the budgetary levels.

Chapter Four Supervision and Management of Projects and Funds

Article 9. The arrangement and use of special funds should focus on performance, fully consider the practical significance, implementation conditions and effectiveness of the project. The arrangement and use of special funds should strictly follow the relevant financial system for implementation, any units or individuals should not withhold, misappropriate or divert the funds. After completion of the project, a report on the use of the special funds must be submitted to the provincial Marine and Fishery Bureau.

Article 10. Completion of projects under Article 4, sections (I), (II), and (IV) of this “Measure”, the provincial Marine and Fishery Bureau and the provincial Department of Finance shall organize the project inspection and acceptance; the inspection and acceptance of other completed projects will be organized by local Marine and Fishery authorities and local financial departments. Wherein, the inspection and acceptance of projects under sections (I), (II), and (IV) must provide an audit report to the auditing authorities or brokered organizations.

Article 11. The distant water fishing vessels upgrade and reconstruction project, the argumentation of the project implementation will be organized and carried out by the provincial Marine and Fishery Bureau. After the project is completed, and passed the inspection by the Fishing Vessel Inspection authority, the project managing city or county (city, district) marine and fishery authorities should work jointly with local financial departments to file the application for project inspection and acceptance to the provincial Marine and Fishery Bureau, which will organize the implementation of the project inspection and acceptance by experts in conjunction the financial department, and fill out the “Distant Water Fishing Vessels Upgrade Reconstruction Inspection and Acceptance Form”(see attachment), also attach a copy of the inspection certificate of fishing vessel upgrade and reconstruction inspection. The projects that pass the inspection and acceptance, the local financial department will allocate the provincial subsidies within 10 days.

Article 12. Exploratory fishing projects must adhere to the principle of combining the industry and academia. Project applicant unit must confirm the collaboration relationship with a scientific research institution that is capable of conducting research in the field of distant water fishery, jointly draw up the exploratory fishing implementation plan; and send key technical personnel from the scientific research institution, jointly participate in the project specific implementation, in order to provide technical support. After the exploratory fishing project is completed, a summary report on exploratory fishing must submitted to the provincial Marine and Fishery Bureau by the project undertaker, and also send a copy to the marine and fishery authority and financial department of the same level for record keeping. The conditions under which the project is completed will be reviewed by experts organized by the provincial Marine and Fishery Bureau in conjunction with the Department of Finance, the results of the review will serve as an important basis for future project assignment. The related database created by the exploratory fishing project will be under the unified management and utilization of the provincial Marine and Fishery Bureau.

Article 13. The distant water fishery bases constructed with the provincial financial support must provide convenient and preferential services to our province's distant water fishing fleet in the areas of mooring, logistics, sales of fishery harvest, maintenance and others. Distant water base construction project, the argumentation of the project implementation will be organized and carried out by the provincial Marine and Fishery Bureau, to determine the amount of subsidies. After the construction project is completed, the project undertaker shall submit the following materials, namely, the project implementation summary report, live pictures, and the use of funds report to the marine and fishery authorities at the location of the base, after audited by the local marine and fishery authorities in conjunction with local financial departments, then report to the provincial Marine and Fishery Bureau, which will organize the inspection and acceptance in conjunction with the provincial Department of Finance.

Article 14. The organization undertakes the training project for the distant water fishery shall earnestly do a good job on the list of trainers, corresponding ID numbers and testing and evaluation related information for record keeping. After the training project is completed, the project undertaker should submit in time a summary report and list of trainers and so on to the local marine and fishery authorities, after audited by the local marine and fishery authorities in conjunction with local financial departments, then report to the provincial Marine and Fishery Bureau and provincial Department of Finance for record keeping.

Article 15. Each city, county (city, district) financial departments should allocate the financial subsidies timely in accordance with the schedule to the project undertaker, the marine and fishery authorities in conjuncture with financial departments should strengthen the supervision, inspection and management of the conditions of project implementation and the use of funds. Should there are illegal behaviors, conduct investigation in accordance with the "Regulations on the Sanctions Against Illegal Financial Acts" and other related laws and regulations.

Article 16. After the project is completed, local marine and fishery authorities and financial departments should follow the requirements of the "Implementation Opinions on the Zhejiang Province Fiscal Expenditure Performance Evaluation" to conduct performance evaluation on the conditions of implementing the distant water fishery project and the use of special funds, then submit the "Zhejiang Province Fiscal Expenditure Project Performance Evaluation Report" to provincial Marine and Fishery Bureau and provincial Department of Finance. The results of the evaluation will serve as an important basis for the project arrangement in the following year.

Article 17. Any of the circumstances below occurs, the city, county (city, district) project and special funding arrangement for the next fiscal year will be canceled:

- (I) Project undertakers committed fraudulence in the application and project implementation, withholding, misappropriation and defrauding the special funds and other acts to be handled according to laws;
- (II) Unauthorized adjustment of project's subject, implementation site, implementation content and so on that involves large sum of funds and results in significant impact;
- (III) Other serious violation of rules and discipline behaviors.

Article 18. Any of the circumstances below occurs, the amount of subsidies will be reduced based on the condition of the case:

- (I) Project is not completed as scheduled (except due to force majeure);
- (II) Unauthorized adjustment of project's subject, implementation site, implementation content, but causing no significant impact;
- (III) The project has been completed and passed the inspection and acceptance, however, the subsidized fund is not redeemed timely;
- (IV) Failure to submit required information in time;

(V) Other behaviors that affect the performance of the use of special funds.

Article 19. Any of the circumstances below occurs, the financial departments may suspend or terminate funding:

(I) Commit fraudulence to defraud the state funds;

(II) Withhold and misappropriate the project funding;

(III) The required self-financing is not in place, which has negative impact on project completion;

(IV) Refused to accept the supervision and inspection by the financial departments, competent authorities, or other supervisory agencies;

(V) Other violation of rules and discipline behaviors

Article 20.

The provincial Department of Finance and provincial Marine and Fishery Bureau are responsible for explaining this measure.

Chapter Five Supplementary Provisions

Article 21. This measure will become effective 30 days after its release, valid until the end of 2015.

Annex 7

Shandong Province Opinions on Further Accelerate Distant Marine Fishery Industry, Shandong Provincial People's Government, Luzhengbanfa [2007] No. 76 (26 Sept 2007).

Shandong Province Opinions on Further Accelerate Distant Marine Fishery Industry (Lu Zheng Ban Fa [2007] No. 76)

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To all municipal people's governments, all county (city or district) people's governments, all departments of the provincial government, all organizations directly under provincial jurisdiction, all major enterprises, and all institutions of higher education:

To implement the strategic arrangements made by the provincial party committee and the provincial government on building Shandong into a strong marine economy province, to further optimize our province's fisheries structure, to push forward the transformation of the mode of fisheries growth, to accelerate the process of modern fisheries development, and to cultivate new economic growth points, the following opinions on accelerating the development of our province's distant water fishing industry are set forth as approved by the provincial government:

1. Fully understanding the importance of developing the distant water fishing industry in the new situation

Implementing the "going global" strategy and regarding the development of the distant water fishing industry as the priority for the structural adjustment of the fisheries sector are important ways to bring about sustained development of the fishing industry. In recent years, the development of the distant water fishing industry in our province has entered a beneficial cycle, which has effectively advanced the development of the distant water fishing industry in our province, eased the situation of overcrowding in offshore fishing grounds, increased employment opportunities, promoted local economic development, and safeguarded the stable livelihoods of fishermen and the social stability of fishing areas. However, factors such as the low overall development quality of the distant water fishing industry in our province; the unsound service and support system; the relatively backward level of facilities and equipment on distant water fishing vessels; the low scientific and technological content; the weak comprehensive support capabilities such as logistics supply, product sales, and transportation; the incomplete construction of bases, and the relatively low quality of employees have severely restricted the development of the distant water fishing industry.

The development of the distant water fishing industry is not only a necessity for fighting for the rights and interests of marine fisheries and for taking part in the international division of resources, but it is also the inevitable choice for optimizing the fisheries structure in our province and for accelerating the progress of modern fisheries. Only by actively participating in competition and cooperation in the international market, and by expanding the room for development of the fishing industry in our province, can we adapt to the trend of internationalization of the fisheries economy, and spur on the development of the relevant sectors such as processing, trade, transportation, and fisheries resources, which will have great

significance for promoting the shift from traditional fisheries to modern fisheries. Coastal governments at all levels and the relevant departments are to achieve a full understanding of the importance of developing the distant water fishing industry from an overall and strategic perspective and must conscientiously carry out decisions and arrangements of the provincial party committee and the provincial government concerning the development of the marine economy. They are to regard advancing the development of the export-oriented economy of fisheries and raising the competitiveness of the distant water fishing industry as an important task of agriculture and rural work in the new stage, and they are to continuously strengthen their sense of urgency and sense of mission and accelerate the pace for advancing the development of the distant water fishing industry.

2. Clarifying the overall thinking and the objectives and tasks for the development of the distant water fishing industry

The next period, and especially the "11th Five-Year" period, will be a crucial period for the development of the distant water fishing industry of our province. We must take the scientific development concept as the guide and regard economic results as the priority. We must persist in attaching equal importance to quality, safety, and ecology. We must focus on developing ocean fishing on the high seas and extend the industrial chain. We must take the path of having steady development, diversified management, leadership by leading enterprises, and a sound support system to ensure the continuous and healthy development of the distant water fishing industry in our province.

We must strive to raise the quality of fishing vessels, increase the science and technology content in the distant water fishing industry, and construct and renovate a number of distant water fishing vessels and production aid vessels meeting international standards and equipped with advanced facilities. We must improve processing, supply, and transportation sectors associated with the fishing industry. We must exert efforts to foster leading enterprises in the distant water fishing industry and promote industrial upgrading of the distant water fishing industry. In terms of the strategic layout, as we consolidate existing fishing grounds, we must focus on developing the "four major blocks" of the western central Pacific Ocean, the northwest Indian Ocean, the central eastern and southeastern Atlantic Ocean, and the southwestern Atlantic Ocean.

By the end of the "11th Five-Year" period, there will be 350 distant water fishing vessels across the province, and the output of the distant water fishing industry will reach 350,000 tons, while the output value will reach four billion yuan.

3. Consolidating resources, fostering leading enterprises, and making the distant water fishing industry bigger and stronger

We must actively push for cooperation among enterprises and enhance the overall advantage in the development of the distant water fishing industry. We must encourage enterprises, on the basis of voluntary participation, to have small ones merge with large ones and have large ones lead small ones and to set up and operate tightly-knit distant water fishing companies through various forms like equity-based joint ventures. We must reverse the situation of having

decentralized management and no organizing principle, and raise the overall strength and the ability to withstand risks to our province's fisheries.

We must gradually establish several modernized distant water fishing enterprises with large-scale production, group management, and socialized services by consolidating such resources as funds, talent, technical strength, and marketing networks. We must establish an industrialization system integrating production, supply, and sales and integrating fisheries, industry, and trade wherein various links such as technical services, fishery resources supply, and product processing and sales form a sound system and divide responsibilities to collaborate with mutual benefit. We must extend the industrial chain and increase the benefit of economies of scale to promote the progress of the industrialization of our province's distant water fishing industry.

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We must encourage and support leading enterprises to establish distant water fishing bases with a complete network of production, transportation, and sales in sea areas or neighboring countries and regions where our province's distant water fishing vessels are relatively concentrated and fishery resources are relatively stable.

4. Increasing investment and policy support for the distant water fishing industry

Based on the principle of providing support to make enterprises bigger and stronger, all levels of government are to give key support in the areas of funds and policy to leading enterprises in the distant water fishing industry. They are to regard leading enterprises in the distant water fishing industry as the focus of support provided by subsidiary special funds for leading enterprises in agricultural industrialization and are to continue to give loan subsidies to distant water fishing enterprises meeting the conditions in such areas as the construction, purchase, and renovation of distant water fishing vessels. They are to adopt comprehensive measures, enhance investment in the distant water fishing industry, accelerate technological innovation of distant water fishing vessels, promote industrial upgrading of our province's distant water fishing industry, and enhance the competitiveness of our province's distant water fishing enterprises in the international market. In allocating special funds for industrial structural adjustments, they are to give overall consideration to technological innovation projects for distant water fishing vessels and pick up the pace of renovating our province's distant water fishing vessels.

We must actively strive to obtain state policy and funding support for the distant water fishing industry. We must encourage social forces to take part in the development of the distant water fishing industry through a variety of forms like equity-based cooperatives. We must encourage fishermen to jointly invest in the distant water fishing industry based on the principle of the sharing of benefits and risks. We must actively strive to obtain preferential loans given by foreign governments and international financial organizations and attract foreign businesses to invest in industries related to the distant water fishing industry in our province. We must support distant water fishing enterprises to be publicly listed at home and abroad and encourage distant water fishing enterprises to actively take on foreign aid projects for our government.

We must actively support the development of distant water fishing enterprises abroad. The relevant departments of the provincial government are to step up coordination and collaboration and actively strive to obtain financial support from the central government in the form of

"foreign economic and technological corporation special funding." We must encourage fishing enterprises in our province to engage in fishing, processing, sales, and the development of relevant industries. We must provide subsidies for the costs of fishery resource exploration and the costs of shipping resources back. We must provide adequate subsidies for domestic mid- and long-term loans for the construction and operations of fishery cooperation projects.

We must establish a credit input mechanism for the development of the distant water fishing industry, increase the input of bank credit, actively strive to increase the size of relevant fixed asset loans for the distant water fishing industry, appropriately relax loan conditions, and implement guarantee measures. The financial sector is to give priority to distant water fishing projects which meet the national industrial policy for getting loans. The relevant departments are to step up communication with the financial sector and actively recommend distant water fishing projects with strong development potential and good production benefits. All coastal municipalities and counties (cities and districts) are to include the training of personnel engaged in the distant water fishing industry in the scope of subsidies and give them overall consideration when giving subsidies to rural resident training projects.

We must further improve emergency and risk management mechanisms for the distant water fishing industry, strengthen emergency and risk management in the distant water fishing industry, unify and include emergency and risk management in the distant water fishing industry in the provincial emergency and risk management system, and improve capabilities for risk avoidance and emergency rescue.

5. Realistically strengthening leadership of the distant water fishing industry

Governments of all coastal municipalities and counties (cities and districts) are to attach great importance to the distant water fishing industry, realistically strengthen organizational leadership, and implement relevant policies and measures. Departments at all levels in the areas of development and reform, science and technology, finance, transportation, ocean and fisheries, and foreign trade, as well as customs, inspection and quarantine, banking, and public security and border defense are to actively support the development of the distant water fishing industry, step up coordination, and forge close cooperation based on their respective responsibilities. They are to do a good job of providing guidance, services, and management and jointly promote the development of the distant water fishing industry.

We must step up macroscopic regulation and management of the distant water fishing industry. We must do a good job of preliminary risk assessment, feasibility studies, and examination of distant water fishing projects and do a good job of entry and exit management for distant water fishing vessels. It is necessary to adopt modern means to strengthen the province's tracking management of distant water fishing vessels, perfect warning and emergency response mechanisms for sudden incidents abroad, improve the capabilities and level of rights protection according to relevant international and domestic laws and regulations, and realistically safeguard the personal safety and the legitimate rights and interests of crew members. We must organize and properly complete assessment and feasibility studies for distant water fishing overseas projects, open up avenues of cooperation via multiple channels, choose the best partners, avoid detours to the maximum, and reduce the amount of project blindness. We must step up

education and training of personnel engaged in the distant water fishing industry and especially must step up training on knowledge in such areas as international law of the sea, law of resources, and law of ecological protection. We must work hard to raise their cultural quality, professional knowledge, and production skills. We must closely rely on the progress of science and technology and work hard to raise the level of productivity. It is necessary to give full consideration to factors in many areas such as resources, policies, corporate endurance capability, and the market to launch projects in stages and batches and in a gradually progressing manner to guarantee the sustainable, fast, and healthy development of the distant water fishing industry.

The General Office of the Shandong People's Government

26 September 2007

Annex 8

Office of the Shandong Province People's Government Opinion on promoting the implementation of
Building the "Maritime Granary", People's Government of Shandong Province, Luzhengbanfa [2014]
No. 49 (4 January 2015).

Office of the Shandong Province People's Government Opinion on promoting the implementation of Building the "Maritime Granary"

Luzhengbanfa (2014) No. 49

The people's governments at or above the level of each city, county (city, district) people's government, the provincial government departments, directly affiliated agencies, large enterprises, colleges and universities:

Due to the constraints of the arable land, water resources and other production conditions in our province, it is more and more difficult to sustain growth of food production, while food safety is facing serious challenges. With a large quantity of marine biological resources, wide, and renewable, the development of fisheries has significant effects on grains replacement, grain-saving, grain-promotion and ecology. In order to thoroughly implement the Central Committee of the Party's and the State Council's requirements on the deployment for ensuring food safety, to coordinate the construction of food safety and modern fisheries, with provincial government's consent, we are putting forward the following observations now on promoting the implementation of building the "Maritime Granary":

ONE. To Determine the Overall Thinking, Objectives and Tasks of Building "Maritime Granary"

The general ideas of building "maritime granary" are: adhere to ecological priority, and mainly to breed, proliferating, fishing, processing, and recreational fishery all moving forward collaboratively, to focus on cultivating five major leading industries, to implement five major projects, to construct five main supporting systems, promote the ecological, large-scaled, organizational, standardized, brand-oriented transformation and upgrading of the fishing industry, and constantly enhance the overall fishery production capacity and market competitiveness, in order to let people eat more green, safe, reliable sea food.

Objectives and tasks are: the construction of national high-quality and high-end aquatic products producing supply area, the first area to transform and upgrade the fishing industry, the leading area of fishery technology and innovation, fishery ecological civilization demonstration area. By 2020, strive to increase the province's total output of aquatic products to 10 million tons, which is equivalent to that of 400 billion kilograms of grain protein; the province-wide per capita share of aquatic products reach 100 kilograms, which accounts for 40% of the animal protein for residents in urban and rural areas; fishing industry accounts for more than 20% of the proportion of the agricultural added value in the province, the emerging industries, such as, the proliferation fishery and recreational fishing have achieved significant development, the per capita net income of fishermen has increased by more than 10%; the formation of modern fishery science and technology development and innovation systems, to build the domestic leading fishery science and technology innovation high-ground with international standards; and gradually make the marine fishing intensity and fishery resources regeneration capacity adaptable to each other, offshore fishery resource depletion problems be effectively curbed, the biological diversity gradually recovered.

TWO. Speed up the Establishment of a "Maritime Granary" Building Leading Industries

(I) Promote the aquaculture industry. Maritime aquaculture should start from the shore-based, shoals, shallow sea and expand to deep-sea and distant water, and actively develop large-scale anti-wave cage aquaculture, large movable platform "breeding working vessels" for an and actively develop large-scale anti-wave cage aquaculture, large movable platform "farming work boat" integrated farming, integrated aquaculture. Pay attention to marine algae and salinity vegetable cultivation, promote algae, shellfish (fish), the Senate (abalone) three-dimensional ecological farming model, building a number of acres, ten acres of "ecological farm", which promotes the development of no-baits no-medication comprehensive ecological chain breeding. To organize and implement the improved varieties aquatic breeding projects, focusing on the construction of genetics breeding centers and original fingerling farms for bulk and export-advantageous varieties, to create a provincial marine, freshwater aquaculture elite germplasm research and development centers, foster a number of "breeding, propagation, promotion" integrated fishery fingerling leading enterprises. Focus on cultivating advantageous aquaculture industry, and striving for making the sea cucumbers and kelp output value of the entire industrial chain both exceeding one hundred billion yuan, after five years of efforts.

(II) Expanding the proliferation fishing industry. By scientific proliferation restocking, to restore marine ecology, to recover species population, follow the path of combining regulatory fishing with resources protection, social economy with ecological efficiency, a new type of development for the fishing industry. According to the ecological environment of waters, the status of resources and conservation needs, rationally determine the proliferation function area, varieties and scales. Make use of the filter feeding fishes for water purifying functions, to implement the linkage of sea, lakes, rivers, and reservoirs, vigorously implement urban water systems and drinking water sources "Raising Water by Fish Restocking" project in the inland area, to implement 30 provincial projects of ecological restocking fishes annually, not only it provides quality aquatic products, but also protects biological diversity in the waters and clean and quality sources of drinking water. Innovate the investment mechanism of proliferation fishing industry, establishing a systematic, scientific, normalized, socialized, public welfare-oriented restocking system, and actively guide the social restocking activities. Encourage the development of carbon sequestration fishing industry, explore the development of new areas of the low-carbon economy. To implement the marine economy biological bottom sowing proliferation demonstration project. Optimize the construction layout of artificial reefs, to build an artificial reefs proliferation industry with advanced technology, unique features, reasonable layout, and significant benefits. By 2020, the new type of ecotype artificial reef area will be over 30,000 hectares.

(III) Optimize the Marine Fishing Industry Accelerate the modernization of marine fishing equipment and technology, control offshore fishing, and vigorously develop distant water fishing and speed up the transformation and upgrading of the fishing industry. Vigorously promote the adjustment of fishing methods by reducing practices, such as, dragnet, stow net, harrow spike, and actively support the practices of gill nets and fishing tackle. Encourage the elimination of small fishing vessels, and the construction of glass steel fishing vessels and large-sized refrigeration vessels, to implement the standardized reconstruction of fishing vessels, fishing machinery and fishing gear, promote energy saving and environmental friendly types of fishing vessels, in order to enhance the quality and efficiency of distant water fishing. Explore the implementation of the fishing quota system, select ecological type of artificial reef area to carry

out fishing quota pilot. Promote the efforts of abandoning old fishing vessels, encourage and regulate the use of scrapped fishing vessels for building artificial reefs. Prepare the plan for fishermen jobs conversion, implement the support policies, effectively resolve the production and living problems for fishermen. Actively and steadily develop the offshore and distant water fishing industry, orderly develop offshore fishery resources, develop and expand oceanic fishing industry, consolidate and improve the cross-ocean fishing industry. Strengthen the development of offshore and distant water fishing technology, in order to enhance the offshore and distant water fishery resources survey and exploratory fishing capability. Adhere to the combination of foreign economic aid and joint development of resources with foreign enterprises, interact with diplomacy and foreign aid, coordinate arrangements, effectively participate in the allocation of international fishery resources.

(IV) Strengthen the aquatic products processing industry. Guided by independent innovation, to promote the transformation of the aquatic products processing in our province from imported materials processing to independent materials processing, from conventional processing to intensive processing, from simple processing to the integration of processing, logistics, and trade. Focus on supporting the development of 100 aquatic products processing leading enterprises, developing 30 modern aquatic products processing industrial parks, by 2020, the output value of the province-wide aquatic products processing will reach 200 billion yuan. Focus on kelp, sea cucumber, tuna, salmon, cod, marine seasonings, frozen food processing industry development, to create a marine food processing industry cluster. Strengthen the R & D and achievement transformation of marine biological technology, focus on developing maritime functional foods and cosmetics, seaweed fertilizer, marine biological new materials, marine organism breeding, in order to build a high-level marine bio-industry base. Increase the high-value development and utilization of low-value aquatic products and processed by-products, promote the intensive processing of aquatic products, and to achieve a breakthrough in marine anti-tumor drugs, anti-cardiovascular disease and anti-radiation medication, ultra-high pressure and super cryogenic processing and R & D and industrialization in other fields. Innovate the way by which the aquatic products are circulated, such as, the development of chain operations, direct marketing and distribution, e-commerce and other new business formats.

(V) Development of recreational fishing industry. Make good use of the recreational and entertaining functions of the fishing industry, to promote the integrated development of fishing industry and tourism. By using reefs, bays, beaches, shoals and other natural resources, as well as fishing villages, fishing ports and other human resources, combining them with the aquaculture base, maritime ranch construction and proliferation restocking and other fishery production activities, to implement diversified high-quality recreational fishery projects, in order to develop comprehensive recreational fishing industry that integrates production, sightseeing, angling, dining, entertainment, shopping and other primary, secondary and tertiary industries. To build a number of provincial fishing industrial parks. Continue to develop and inherit the Shandong fishing industry's characteristics and culture. Strengthen the establishment of well-known brand of recreational fishing industry, cultivate the brand of dining in the fishing industry and consuming culture of aquatic products, in order to develop a modern recreational fishing industry cluster. Increase the support of constructing public welfare-oriented recreational fishing facilities, developing recreational fishing industry cooperative organizations and industrial association, in order to improve the standardized service systems in the recreational fishing industry.

THREE. Promote the Implementation of Key Projects for Building the “Maritime Granary”

(I) Modern fishing industry construction projects. Focus on the efforts of improving the level and cultivating special features, to build various fishing industrial parks into the main area of “maritime granary”. Integrate the funding for high-quality fishing product industry, marine economy innovation development regional demonstration and other ocean-related and fishing-related projects, concentrate on supporting the construction of ten “One Park with Multiple Subjects”, the complete industrial chain, three-dimensional ecological recycling type of provincial modern fishing demonstration park. Increase the efforts of developing saline and alkali land and pro-fishing alkali waste land, to speed up the construction of national ecological fishing base in the Yellow River Delta, to implement the model of “Upstream for Grains and Downstream for fishing”, not only it increases the fishery production capacity, but also expands the dependable high-producing grain field area. Combined with the construction of industrial parks, pay special attention to the establishment of fishermen professional cooperatives, major technical measures application, intensive processing of aquatic products and cultivating brand name, assemble the key elements of modern fishing industry development, to build the industrial parks into a new fishery economic integrated body.

(II) Marine ranch construction plan. To implement the marine ranch construction plan, with proliferation restocking, artificial reefs and algal field construction as its main content, to restore fishery resources, improve maritime environment, building marine ranch into the core area of the “marine granary”. Steadily expand the scale of proliferation restocking, by 2020, the public welfare-oriented proliferation restocking discharge will reach 10 billion units. Keep on expanding marine proliferation species, optimize the traditional species restocking, increase the restocking of reef fishes, and actively implement the restocking of typical species with important ecological and economic values, to build a new pattern of proliferation restocking in which fish, shrimp, shellfish, and algae of multiple nutrient levels are coordinately developed. Actively expand the space for marine proliferation restocking, implement shellfish bottom sowing proliferation, orderly develop offshore-50 meters within 8810 square kilometers of under the sea fishery. Start Shandong Peninsula coastal waters ecological field simulation experiment, to implement background investigation and scientific argumentation on overall and systematic marine hydrodynamics and ecotype reefs, algae field, and biological resources. To implement unified

planning for sea area, large-scale undersea reef and three-dimensional ecological aquaculture, to build 30 marine ranch demonstration zones, planning to construct “9 belt 40 group” artificial reefs field.

(III) Distant water fishing industry construction project. To implement the “fleet + base” development model, accelerate the promotion of distant water fishing vessels upgrading and reconstruction, by 2020, build 500 modern professional distant water fishing vessels, cultivate 10 distant water fishing industry leading enterprises, the province-wide distant water fishing industry annual output will reach 400 thousand tons. Perfect distant water fishing equipment and technological systems, accelerate the construction of distant water fishing vessels and key equipment R & D and manufacturing base, distant water fishing crew training base, and implement the recruitment of foreign distant water fishing crew pilot. Adhere to the development of combining fishing production with the improvement of industrial chain, to build six overseas comprehensive fishery bases, which integrates production, supplies, marketing and logistics, in Indonesia, Sri Lanka, Uruguay and other countries and regions. Actively participate in

international high seas fisheries resources, the Antarctic krill project and the world's marine biological resources survey exploratory fishing, prepare for distant water fishing industry reserve fishing grounds. Leveraging the "Maritime Silk Road" development strategy, to encourage shipping distant water fishery products back to our country, in order to enrich the domestic quality aquatic products market. Promote building "cross-strait (Penglai) fishery cooperation and exchange demonstration zone", relying on China-Japan-Korea Free Trade Agreement, construct the Japan and Korea fishery trading zone, in order to promote international exchange and cooperation in the field of distant water fishing industry.

(IV) Aquatic products cold chain logistics construction project. Relying on large-scale aquatic products processing enterprises, reasonable layout and construction of aquatic products cold chain logistics base and trading market, build a perfect logistics chain and market network, to promote the integration of production and marketing, and promote mutual development, for the construction of the "maritime granary" to build a circulation trading platform. Relying on key fishing ports, aquatic products processing industrial park, large enterprises frozen storage facilities, to speed up the construction of international aquatic products trading center and cold chain logistics base, the whole province focuses on building four distant water fishery products intensive processing and cold chain logistics clusters, and 20 national important aquatic products logistics bases. Foster large-scale aquatic products online trading platform, develop aquatic products e-commerce, promote the diversified transformation of aquatic products marketing. To do a good job in managing the operations of aquatic products online trading platform, such as, the "China Fishery Business Network", expand the China (Yantai) Tuna Trading Center, Weihai international marine products trading center, explore the establishment of Shandong Aquatic Products Commodity Trading Center, in order to build a regional distribution center for aquatic products and price formation center. To implement certifications for no public harm aquatic products, green food and organic aquatic products, strengthen the geographical indications, registration and management of aquatic products, to promote products origin identification and collective trademark of products, and to form a number of well-known business trademarks that have a strong influence on the standards both at home and abroad, in order to enhance the visibility and influence of fishery brands of our province.

(V) Recreational angling base construction project. Promote the integration of the primary, secondary and tertiary industrial development in the fishing industry, and to integrate the construction of "maritime granary" with marine tourism, vigorously develop the "picking at sea" base with recreational angling as the main way. Actively explore the business model of combining marine ranch with recreational fishing industry, the overall planning of putting in new type of reef, restocking reef fishes, constructing standard vessels, beautifying the coastline, and providing dinning, emergency assistance and other related services. Integrate the funding, to create the superimposed effect, and support the construction of a number of provincial recreational angling demonstration bases, in order to create the "new fishing grounds" with excellent fish gathering effect. Improve the technology level of constructing ecotype artificial reefs, focus on the development of new structures, new materials, new model, in order to enhance the conservation of fishery resources and fish gathering effect. To achieve integrated development of recreational offshore angling and coastal tourism, to build the brand of "Angling Fishermen", in order to drive the consumption of recreational angling tourism. By 2020, the province-wide annual revenue of recreational angling and its related industries will reach 10 billion yuan.

FOUR. Focus on Building “Maritime Granary” Construction Support System

(I) Resources environmental protection system. To establish the fisheries resources survey and evaluation system, starting from 2015, to implement a comprehensive survey of fisheries resources once in every 5 years. To list the limit of runoff into the sea in Shandong as an important subject for in-depth systematic research, in order to scientifically allocate the runoff into the sea resources, to preserve marine biological resources and the basic living environment for spawning and nursery, in order to provide the basis for restoring the marine biological resources. Increase the conservation of aquatic biological resources, build a sound conservation and management system, and constantly improve the conservation effect. To strengthen the assessment of proliferation restocking and artificial reefs construction effects, and to build a scientific assessment system for the conservation effect of aquatic biological resources. Strengthen the security management of the fishery ecology, regulate the social restocking behaviors, in order to prevent the invasion of foreign aquatic organism. Strengthen the construction of marine nature reserves and aquatic germplasm resources reserves, in order to protect important aquatic germplasm resources and rare and endangered marine organism. Accelerate the legislation of fishery waters protection, and establish the basic protection system for fishery waters, designate the protection red line for shoreline development, to declare the important areas for aquatic organism spawning, feeding, and migration channels as the year-round no fishing zones; designate the important aquaculture zones, provincial level and above modern fishing industrial parks as the protection zones for basic fishery waters and the fishermen basic living waters, to implement the mandatory protection. Strengthen the monitoring of fishery ecological environment, and to implement key water pollutant discharge control system, strictly control the discharge of land-based pollutant. Strengthen the assessment of damages to the ecological environment in the fishery waters and evaluation of its impact on the diversity of organism, improve the compensation system for polluting the shoals and waters. Vigorously implement the “fishery protection” and other special law enforcement actions, severely crack down on destructive behaviors against fishery resources, such as, electric fishing, dynamite fishing, fish poisoning, using prohibited fishing gear, etc., in order to protect biological resources for fishing industry and maintain the marine fishing production order.

(II) Modern operational system. Cultivate the strengthening of leading enterprises in the fishing industry, by means of mergers, alliance, restructuring and holding to build large-scale industrial groups. By the model of “leading enterprises + cooperatives + fishery household”, the raise the level of organized production. Make use of the functions of fishery industrial associations and professional associations, to organize various kinds of fishery production main operators, orderly participate in market competition. Speed up the work of aquaculture waters and shoal’s ownership registration and certification, for the aquaculture waters used by leading enterprises and cooperatives and other new type of business entities, to the extent permissible by laws, extend their aquaculture permits as long as possible, in order to provide a stable policy environment. Encourage the circulation of shoals waters in accordance with laws, explore the rights to use the sea surface and the separation of rights to use the middle of the sea and the seabed system, and take the road of cooperation for the characteristics of marine aquaculture. Actively implement the “Going Global” strategy for the fishing industry, and support the capable enterprises to develop overseas aquaculture, fishing, processing, trade and other fields.

(III) Technology support system. Gathering in the scientific research resources of the relevant universities and scientific research institutions in the province, strengthen the coordination and collaboration with the Central Government’s fishery research institutions in Strengthen, make

use of the functions of various research centers, engineering research centers, engineering technology research centers, key laboratories and other innovative platforms, establish the “maritime granary” construction technology system, innovate alliance to create the Central and local fishery technology collaborative innovation mechanism, in order to provide technological support for “maritime granary”. Implement the major fishery science and technology projects, to make key breakthrough in fishery resources survey and monitoring, marine ecological field simulation experiments, modern marine biological breeding, modern fishery equipment and engineering, deep sea and seabed fishery development, aquatic products healthy aquaculture and quality and safety protection technology. Implement the training plan for cultivating the talents in the fishing industry, in order to strengthen the professional and technical personnel training. Establish the incentives mechanism for the innovation of fishery technology, strengthen the fishery patent rights, new aquatic products and other property rights, to expand the scope of intellectual property rights protection. Increase the promotion efforts of fishery technology, and build a structured, two-way interactive fishery science and technology promotion mechanism, actively promote fisheries "thoroughbred good method", intelligent devices, networking and information technology, etc.

(IV) Public service safeguard system. Improve the marine observation and forecasting and disaster prevention and mitigation mechanisms, improve the marine disaster emergency plan, strengthen marine fishery meteorological services, enhance the capacity of marine disaster prevention and mitigation. Strengthen maritime rescue forces joint collaboration, to guide the production of fishing fleets, strengthen the management of recreational offshore angling vessels and other new types of fishing vessels, improve the self-help and mutual aid capabilities of fishing vessels. Strictly implement the responsibility system for production safety, and lay a solid grassroots safety management foundation for fishing villages and enterprises. Accelerate the standardized construction of fishing ports, focus on the public welfare-oriented infrastructure, such as, wharf, breakwater, revetment and other fishery law enforcement facilities, improve the fishery logistic supply, ship repair, seafood processing, market and other operational facilities, in order to enhance the overall service capabilities of the fishing ports, by 2020, the province will build 40 coastal-centered fishing ports along the coast, first class fishing ports. Implement the “hundreds of thousands of fishing vessels” upgrading and reconstruction project, by 2020, to complete the upgrading and reconstruction of 100 distant water fishing vessels, reconstructing 1,000 domestic fishing vessels for equipment modernization, reconstructing 10,000 wooden fishing vessels with glass steel materials. Improve the level of fishing vessels’ safety facilities and equipment, accelerate the construction of dynamic fishing information management and electronic identification systems, install new marine communications and navigation, security assistance, positioning and collision avoidance equipment, improve the capabilities of ensuring safety production of fishing vessels. Accelerate the legislation of marine ecological compensations for damages and losses, conservation of aquatic biological resources, aquatic product quality and safety management rules and regulations, strengthen the fishing moratorium, foreign-related fishing law enforcement and management, in order to maintain order and interests of the fishermen. Strengthen the fishery disease prevention and control, improve the aquatic animal disease prevention and control organizations and equipment in province, city and county three levels of governments, to create a disease surveillance, early warning, coordination, emergency response and integrated disease control system. Strengthen aquatic products quality supervision capacity building, focus on supporting the improvement of regional and professional aquatic products quality inspection center, promote the ubiquitousness and application of rapid

detection equipment, promote the fishery standardized production, improve market access, origin approval, quality traceability systems to ensure the safety of aquatic food. Strengthen the “Jiaodong Sea Cucumber Quality Assurance Alliance”, and build the advantageous aquatic products brands of Shandong. Strengthen the construction of fishery information service system, relying on the "Sea of Shandong" network platform, to promote the integration of data and information sharing, and gradually establish an integrated management information system that covers aquaculture, science and technology, economy, law enforcement, environmental protection, fisheries resources etc.

(V) Policy support system. Governments at all levels should follow the requirements of the public finance, to incorporate the construction of “maritime granary” into the public financial support system, constantly increase the financial investment. Coordinate the existing various funds to support the construction of “maritime granary”. Regional strategy to promote special funds to support the construction of the “maritime granary”. Actively seek subsidies funding in the Central Government’s budget, to use for supporting the exploration of innovative construction of “maritime granary”. To study the mechanism of the use of financial funding, make use of the guiding function of financial funding, establish the multi-channel and diversified way of investment and financing, through the establishment of “maritime granary” construction investment fund and other way, to encourage and guide various investing entities to participate in the construction of “maritime granary”. Support eligible fishery enterprises for listing in the stock market and issuing bonds. For national and provincial key fishery projects, coordinate and promote financial institutions to provide loans, mergers and acquisitions loans, liquidity loans and other credit support. Encourage all levels of government through holding shares or becoming part of the equity financing guarantee company to help fishery enterprises to increase trust financing, increase the coverage of loans. Vigorously promote the new fishery financing model by using the user’s right mortgage loans for the shoal water aquaculture, improve the assessment mechanism and standards of aquaculture certification, in order to enhance the financing ability of the fishing industry for development. Actively explore incorporating fishery aquaculture insurance into the scope of policy-oriented insurance, support the development of fishery mutual insurance, encourage the development of business insurance for the fishing industry, and actively implement the aquaculture insurance for sea cucumber, kelp and other bulk advantageous varieties. To implement the argumentation of overall sea area uses and environmental impact assessment review for the contiguous overall planning of artificial reef areas, the individual artificial reef project within the areas will not be repeated for review. To incorporate the fishing industry into the agricultural water, electricity, land and other aspects of preferential policies, to reduce the user’s fees for the waters used by marine ranch. Increase the finance support for marine fishery resources survey and monitoring projects and island fishery infrastructure construction, support the export of local bulk aquaculture aquatic products, and intensify the support for exporting enterprises in subsidized loans, financing, import and export inspection.

FIVE. Strengthen the Organization Leadership of the “Maritime Granary” Construction

Governments at all levels and relevant departments shall regard "maritime granary" construction as the key strategies of actively adapting to the new normal of economic development, maintaining stable and healthy economic development and social harmony and stability for implementation, establish a “maritime granary” construction organizational leadership mechanism, research and coordinate the major problems of “maritime granary” construction. Provincial Development and Reform Commission, Marine and Fishery Department shall organize the preparation of the introducing Shandong Province "marine granary" construction

development plan, to incorporate the “maritime granary” construction into the provincial “Thirteen Five-Year” national economic and social development plan, and striving to be incorporated into the national agriculture and rural economic development “Thirteen Five-Year” plan and related plans. Provincial Department of Finance shall seriously study and input a stable growth mechanism, in order to provide financial support for the “maritime granary” construction. Provincial Financial Office shall actively promote innovation in the fishery financial sector, to provide comprehensive financial support for the "marine granary" construction. Provincial Science and Technology Department, Commerce Department, Foreign Affairs and other departments shall actively improve their services based on their respective functions, in order to do a good job for the “maritime granary” construction. All relevant departments shall strengthen coordination and communications with national ministries and committees, and actively seek support for policies and projects. All localities shall actively implement the innovative practice of “maritime granary” construction, sum up the promotion of typical experiences in a timely manner, accelerate the pace of “maritime granary” construction in the whole province. To strengthen public opinion propaganda, establish a new concept of marine food, enhance the awareness of marine conservation, in order to create a favorable environment for the whole society to support the “maritime granary” construction.

Appendix: Table of “Maritime Granary” Construction Projects

Office of the Shandong Province People's Government

December 31, 2014

Cc: Various departments of the Provincial Party Committee, the General Office of the provincial People's Congress, the provincial CPPCC office, the provincial court, the Provincial Procuratorate, the Jinan Military Region, the provincial military region. Provincial Committee of the Democratic Parties.

Office of the Shandong Province People's Government, issued on January 4, 2015

Annex 9

Fujian Province Nine Measures regarding Supporting and Furthering Marine Economy, People's Government of the Fujian Province, Mingzheng [2012] No. 43 (15 August 2012).

The People's Government of Fujian Province Notice on the Nine Measures Regarding Supporting and Furthering Marine Economy

MingZheng [2012] No. 43

All municipal and county (district) people's governments, Pingtan Comprehensive Experimental Zone Administration Committee, all departments of the provincial government, all agencies directly administered [by the province], all enterprises, and all colleges and universities:

For the purposes of solidly driving forward the nation's marine economy development pilot tasks, accelerating marine economy development, and constructing the strait's blue economy experimental zone, the following measures are now being proposed:

I. Enhance Guidance for Financial Funding

(I) Establish special fund for marine economy development of the province for 2012–2015; through the arrangement of the general budget from Provincial Finance and the consolidation of all types of marine-related special fund currently owned by all relevant departments at the provincial level, the amount collected each year is no less than 100 million Yuan, which is collectively used in supporting emerging marine industries, development of modern marine service industries, modern marine fishing industries, and other key marine industries, key marine technological R&D and technological achievement transformation, the construction of marine technology innovation capability, marine common service platform, and marine-related basic facilities, marine ecology and environmental protection as well as reclamation beyond the bay and coastal land remediation that are in compliance with requirements, etc.

(II) Arrange for part of the provincial marine economy development special fund to be used in guiding the establishment of the blue industry investment fund of Fujian Province and providing focused support on developing emerging marine industries, modern marine service industries, modern marine fishing industry, high-end boat and ship manufacturing, and other marine industries.

II. Implement Tax Incentives Policies

(I) For an enterprise with its primary business operation in the emerging marine industry and designated as a high-tech enterprise, a 15% preferential rate is implemented on the income tax of the enterprise; implement the national wind-power tariff taxation policy and provide value-added tax exemption and other incentive policies for equipment that generate power using wind or for imported wind-powered generators that are compliant with regulations; the cost of R&D for new technology, new products, and new processes of marine enterprises may receive a tax deduction based on relevant regulations and accelerated depreciation of fixed assets is carried out according to relevant regulations as well.

(II) Modern logistics enterprises that are in compliance with requirements will have priority in being recommended for inclusion in the list of national pilot logistics enterprises and business tax difference collection is implemented.

(III) Enterprises operating in distant water fishing that are compliant with regulations may be exempted from corporate income tax collection; those operating in mariculture that are compliant with regulations will receive a 50% tax break in corporate income tax collection.

(IV) For income from business investment of enterprises that operate in common basic facility projects in the island regions which receive key assistance from the State, or income from operating in environmental protection, and energy and water conservation projects that are in compliance with requirements, beginning with the fiscal year that the first transaction of production income was made by the project, corporate income tax will be exempted for three years, and for years four to six, a 50% tax break will be applied to corporate income tax collection; the income of enterprises in the

island regions that take advantage of resources comprehensively and receive income from manufacturing products that are compliant with national industry policy regulations and relevant standards may be reduced when calculating the amount of taxable income; the corporate income tax on the income of enterprises in the island regions that operate in agricultural, forestry, or animal husbandry projects specified by the State may be exempted or reduced; the property tax and urban land usage tax may be appropriately reduced after approval for emerging marine industries and modern marine service enterprises newly established in the island regions that have difficulties in meeting the required taxation regulations.

(V) Support the advantaged enterprises of the marine industry in carrying out scaled development through collaboration between powerhouses and trans-regional mergers and acquisitions; taxes on the land and property ownership deeds inherited during the enterprise acquisition process will be exempted for the acquiring enterprise.

(VI) From 1 January 2012 to 31 December 2015, for small low-profit enterprises related to the marine industry that have taxable income less than 60,000 Yuan (including 60,000 Yuan), the income deduction will be calculated as 50% for taxable income, and will contribute at a 20% taxation rate for corporate income tax.

III. Increase Financial Support Level

(I) All banking financial institutions shall actively strive for their head offices to provide credit scale and policy preferences to key marine industries and key projects of Fujian through methods such as separate planning, added scaling, direct loans, etc. to increase credit support, and strive for the growth rate in marine industry related loans to be higher than the average growth rate of loans throughout the province; implement the meeting minutes signed between the provincial government and China Development Bank to push the financing funds for supporting the development of our province's marine economy into its place as quickly as possible.

(II) Expand sea area usage rights-based mortgage loans, increase financial support for shoals, mariculture, and modern marine industries; trial-run asset-based mortgage loans for piers, docks, berths, etc.; innovate the structure of mortgage financing for ships under construction to adequately increase the loan amount for fishing vessel-based mortgages encourage growth-type high-tech marine enterprises to use intellectual property rights pledged financing; and regularly develop businesses in accounts receivable pledging, inventory pledging, syndicated secured loans, etc.

(III) Improve the methods of credit loan servicing to reasonably determine the loan term, interest rate, and repayment method based on development characteristics of the marine industry; encourage the use of an overall marketing strategy for core enterprises and supporting mid-, small-scale enterprises to further simplify the approval process and improve approval efficiency; establish and perfect the special statistical system for loans related to the marine industry.

(IV) Encourage marine enterprises to issue corporate bonds, short-term financing bills, medium-term notes, etc., explore and carry out the bundled issuance of collected notes or collected debt by mid- and small-scale low profit enterprises in order to provide credit increase support for the enterprise collected bonds; relevant financial institutions must actively provide financial consultation and underwriting services, and adequately lower the level of fees. Explore the issuance of private bonds of mid- and small-scale enterprises. Actively exploit and develop all types of policy embedded credit products for the purpose of providing more financing channels for marine enterprises. Encourage raising private funds through trust operations for the purpose of providing trust loan support to mid- and small-scale marine enterprises. Encourage marine enterprises to take advantage of financial leasing to implement equipment upgrading and financing.

IV. Push the Congregated Development of Marine Industrial Parks Forward

(I) Organize the designation of a group of marine industry demonstration parks at the provincial level and have the local government give out rewards of 30–50% of the increase in contributed local tax [from the enterprise] compared to the previous year for years 2012–2015 to

emerging marine enterprises in port logistics, marine tourism and cultural creativity, and other modern marine service industries, as well as marine product deep processing and distant water fishing enterprises in marine biomedicine, marine engineering equipment, seawater desalination and comprehensive utilization, etc., all of which are inside the parks and meet the industry layout plan, city and town plan, and energy conservation as well as environmental protection requirements. The county (city, district) where the enterprise is located is responsible for cashing the reward, and [for enterprises] involving provincial and municipal/district levels at a certain proportion, the same proportion of the reward will be returned to the county (municipal, district).

(II) For marine industry construction projects based in provincial level marine industry demonstration parks that are compliant with national industry policies, city and town plans, land utilization overall plans, land-use and sea-use intensive conservation, and other conditions and requirements, with reference to key project management of the province, [the project] will have priority in being considered as a key project of the province, as well as priority in guaranteed land, sea, and forest usages, and the sea area usage fee for the provincial portion will be reduced by 30%; for modern marine service projects that have moved in to the parks, the industrial land usage policy will be implemented; for high-tech marine enterprises designated by the State or the province that have moved in to the parks, the reclamation fee on their occupied land may be reduced by 30%.

(III) Implement uniform planning, uniform argumentation, uniform marine environment impact assessment, and uniform emission rights by sea regarding the sea-use of provincial level marine industry demonstration parks according to zoned sea-use.

V. Cultivate and Strengthen Leading Marine Enterprises

(I) Organize and select a group of emerging marine industries at the provincial level, modern marine service industry and modern leading marine fishing industry enterprise every year; the province will award 1 million Yuan to each leading marine industry enterprise that is considered "Top 10".

(II) Support high-quality marine enterprises that have met the requirements to develop and strengthen by being listed in overseas capital markets and financing, and the province will award 1 million Yuan to each marine enterprise that has successfully been listed on the market.

VI. Assist in the Development of Distant Waters Fishing Industry

Support the accelerated equipment updating of distant water fishing enterprises; from 2012–2015, the province will give a discount of 5% of the [enterprise's] remaining loan balance each year to all distant water fishing enterprises that have their headquarters established in Fujian or have registered and established independent legal person organizations in Fujian that are constructing or purchasing distant water fishing vessels that have fishing quotas such as large-scale tuna netters (more than 1,000 total tons), ultra-low temperature tuna longliners (more than 500 total tons), large-scale squid jiggers (more than 1,000 total tons), etc., the accumulated discount cannot exceed 6 million Yuan for each vessel.

VII. Create Featured Marine Brands

(I) Marine enterprises with newly designated well-known trademarks, geographic landmark trademarks, provincial brand name products, and provincial famous trademarks may be rewarded; additionally, the province will give out another 1 million Yuan of reward to marine enterprises that are designated as Chinese well-known trademarks; for marine enterprises (or units) that have newly registered for geographic landmark trademarks, an additional 800,000 Yuan will be rewarded; for marine enterprises that are recently awarded [the title of] provincial brand name product, or are newly designated as provincial famous trademark, an additional 300,000 Yuan will be rewarded.

(II) Support the marine industry to enhance brand advertising; the province will select around 10 advantaged and featured brands every year and give out 10% of the advertisement fees invested

in media above the provincial level by each brand throughout the year as an advertisement subsidy which shall not exceed 3 million Yuan.

VIII. Drive Forward Innovation in Marine Technology

(I) The province will give a reward of 2 million Yuan to national level engineering (key) laboratories and engineering (technological) R&D centers that are approved for construction; an appropriate construction funding subsidy will be given to engineering (key) laboratories and engineering (technological) R&D centers in the marine technology discipline designated by the province.

(II) Every year the Provincial Development and Reform Commission and the Provincial Marine and Fishery Department will arrange for no less than 5 million Yuan, respectively, from the consolidated funding to support the construction of a batch of advanced and appropriate marine technological achievement transformation projects.

IX. Provide Tariff Support to Modern Marine Fishing Industry Enterprises

For enterprises in cold chain logistics and processing of marine products that have moved to provincial-level marine industry demonstration parks, they will have priority in electrical usage as well as the ability to choose whether or not to apply for large-industry electricity pricing; for those who use the peak-valley time-of-use electricity pricing, the length of peak hours is decreased by two hours, the length of non-peak hours is correspondingly increased by two hours, and the length of valley [off-peak] hours remains unchanged.

The People's Government of Fujian Province

15 August 2012

Annex 10

Fujian Province Interim Measure regarding Management of Support Fund for Fujian Marine Economy, Fujian Development and Reform Commission, Fujian Department of Finance, and Fujian Ocean and Fishery Department, Mingcainong[2012]No.125 (18 Oct 2012).

Document of the Fujian Provincial Department of Finance, Fujian Provincial Development and Reform Commission, and Fujian Provincial Department of Ocean and Fisheries

Mingcainong [2012] No. 125

Notice Regarding the Issuance of the “Provisional Measures for the Administration of the Fujian Province Marine Economic Development Special Fund”

To All Municipal and County (District) People's Governments, Administrative Committee of the Pingtan Comprehensive Experimental Zone, All Municipal and County (District) and Pingtan Comprehensive Experimental Zone Finance Bureaus (Fiscal and Financial Bureaus), Development and Reform Commissions (Economic Development Bureaus), and Departments Responsible for the Administration of Ocean and Fisheries:

Upon the research and approval of the Provincial Government, the “Provisional Measures for the Administration of the Fujian Province Marine Economic Development Special Fund” are hereby issued to you; please conscientiously organize and implement them.

Fujian Provincial Department of Finance
[Stamp] Fujian Provincial Department of Finance

Fujian Provincial Development and Reform Commission
[Stamp] Fujian Provincial Development and Reform Commission

Fujian Provincial Department of Ocean and Fisheries
[Stamp] Fujian Provincial Department of Ocean and Fisheries

October 18, 2012

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Provisional Measures for the Administration of the Fujian Province Marine Economic Development Special Fund

Chapter 1 General Principles

Article 1 The Fujian Province Marine Economic Development Fund (hereafter abbreviated as the Special Fund) was established in accordance with the spirit of “Certain Recommendations of the CPC Fujian Provincial Committee and the Fujian Provincial People's Government Regarding the Acceleration of Marine Economic Development” (Fujian Committee-Development [2012] No. 8) and the “Notice of the Fujian Provincial People's Government Regarding Nine Measures to Support and Promote Marine Economic Development” (Fujian Government [2012] No. 43). These measures were formulated in order to standardize the administration of the Special Fund, fully exploit the benefits of fund usage, and promote the establishment of a strong provincial marine economy.

Article 2 The Special Fund is used to support the development of emerging marine industries, modern marine service industries, modern marine fisheries, and other key marine industries; research and development of key marine technologies and the transformation of scientific and technological achievements; the construction of marine scientific and technological innovation capacity, marine public service platforms, and marine-related infrastructure; conservation of the marine ecological environment; as well as out-of-harbor land reclamation and other coastal land restoration, where conditions are met.

Article 3 The administration and use of the Special Fund abide by the principles of transparency, impartiality and fairness, emphasizing key points, selecting the fittest and supporting the strong.

Article 4 The Special Fund is jointly composed of consolidated funds and subsidy funds. Consolidated funds refers to funds consolidated from existing marine-related special funds of various categories from various relevant departments at the provincial level (for details, see Attachment 1),

and subsidy funds refers to funds allocated from the general budget of the provincial finance administration for use in supporting marine economic development.

Article 5 Consolidated funds are administered and used by various relevant departments at the provincial level in accordance with the principles of “unchanging fund administration channels, emphasis on key points, and pooling of forces,” and their usage status is reported annually one month prior to the end of the year to the Provincial Department of Finance and the Office of the Leading Small Group for the Acceleration of Marine Economic Development (hereafter abbreviated as the “Provincial Marine Office”). In principle, consolidated funds and subsidy funds do not subsidize the same project in duplicate.

Chapter 2 Use of Subsidy Funds

Article 6 Subsidy funds are allocated and used in the form of awards, subsidies, and interest discounts, etc.

Article 7 The targets of support for subsidy funds are enterprises and institutions in Fujian Province with the status of an independent legal entity engaging in research and development, production and operations in the marine industry, with strong legal entity governance mechanisms, standard management, and good operating performance and credit record; production and operation enterprises should in principle have existed for more than 2 years, with total fixed assets of more than 20,000,000 yuan at the end of the year prior to applying for subsidy funds, and a debt-assets ratio not higher than 70%.

Article 8 Support Content and Standards for Subsidy Funds:

(1) For the “Top Ten” leading enterprises in the marine industry selected annually in accordance with the “Selection Measures for Fujian Province Leading Enterprises in the Marine Industry,” each shall be given a one-time award of 1,000,000 yuan.

(2) For marine enterprises recognized by the Provincial Leading Small Group for the Acceleration of Marine Economic Development as having successfully listed on a domestic or international capital market, each shall be given a one-time award of 1,000,000 yuan.

(3) For distant water fishing enterprises that build or purchase a large-scale tuna seining vessel (gross tonnage of over 1000), ultra low-temperature tuna longline fishing vessel (gross tonnage of over 500), large-scale squid jigging vessel (gross tonnage of over 1000) and other distant water fishing vessels, an annual interest discount of 5% shall be given on the basis of the year-end balance of the one-year or longer (including) mid- to long-term bank loan they signed with a domestic bank to build or purchase said vessel; the total interest discount per vessel shall not exceed the total interest actually paid on said loan, and the maximum cumulative interest discount shall not exceed 6,000,000 yuan, but interest discounts shall not additionally be granted to distant water fishing vessels eligible to obtain a Central Fishing Vessel Upgrading and Retrofitting Fund subsidy in accordance with regulations.

(4) For marine enterprises newly assessed as a Well-Known Chinese Trademark, each shall be given a one-time award of 1,000,000 yuan; marine enterprises (or institutions) which have newly completed registration as a national geographic indication or trademark shall each be given a one-time award of 800,000 yuan; marine enterprises newly assessed as a Name-Brand Provincial Product or Famous Provincial Trademark shall each be given a one-time award of 300,000 yuan.

(5) Approximately 10 advantageous, special trademarks selected annually by the Provincial Leading Small Group for the Acceleration of Marine Economic Development shall be granted a publicity subsidy according to a percentage of 10% of each trademark’s publicity expenses on media outlets at the provincial level or higher for the entire year; the maximum publicity subsidy that each organization obtains annually shall not exceed 3,000,000 yuan.

(6) For organizations that have been approved for the construction of a national-level engineering (key) laboratory or engineering (technological) research center in the marine science and technology field, each shall be given a one-time award of 2,000,000 yuan; for organizations that have gained recognition at the provincial departmental level as an engineering (key) laboratory or engineering (technological) research center in the marine science and technology field, each shall be given a one-time construction expenses subsidy of 300,000 yuan.

(7) For enterprises that have newly constructed or expanded an aquatic products wholesale market with an area of more than 50 *mu* and an annual transaction volume of more than 2 billion yuan, and have newly constructed 30,000 tons (or 30,000 square meters) of cold storage with investment exceeding 30,000,000 yuan, an appropriate one-time subsidy shall be given upon completion of construction; projects that have already obtained the support of other central or

provincial fiscal funds (including budgeted investment funds) shall not additionally be granted subsidies.

(8) In accordance with the decision of the Provincial Government, a portion of the funds from the subsidy funds shall be allocated to guide the establishment of the Fujian Province Blue Industrial Investment Fund.

(9) Other relevant matters decided by the Provincial Government.

Chapter 3 Administration of the Special Fund

Article 9 Applying for Subsidy Funds:

(1) Organizations applying for subsidy funds must submit the following basic materials:

1. Funding application documents;
2. Copy of business license, copies of relevant certificates or certifying documents (such as: Well-Known Chinese Trademark Certificate, listed company certifying documents, etc.); where the original is in a foreign language, Chinese translations must be attached;

3. Financial audit report for the previous year, audited by an accounting agency;

4. Those applying for a fishing vessel loan interest discount must also provide:

[1] Copy of vessel purchase or vessel building contract;

[2] Evidentiary materials that the fishing vessel category and tonnage, etc. meet the conditions for subsidy fund support;

[3] Fishing Vessel and Net Devices Quota Approval Letter of the Ministry of Agriculture;

[4] Certificate of ownership and vessel inspection certificate

[5] Distant Water Fishery Project Approval Notice of the Ministry of Agriculture;

[6] Copies of bank loan contracts, bank-issued loan receipts, and bank receipts for enterprise interest payments;

[7] Original certifying documents (must be stamped with bank's official seal) for the year-end loan balance of each loan, issued by the bank;

5. Those applying for publicity subsidies must also provide:

[1] Copies of publicity (advertising) contracts signed with media outlets at the provincial level or higher;

[2] Copies of bank receipts for payment of publicity expenses;

[3] Copies of formal invoices for advertising expenses issued by relevant media outlets;

(2) The Provincial Department of Finance, in conjunction with responsible departments, shall separately issue notice for regulations on the application period, procedures and other relevant application materials, etc. for subsidy funds.

Article 10 After the local finance department has conducted a preliminary review of application materials for subsidy funds in conjunction with responsible departments, a joint document shall be submitted to the higher levels.

Article 11 The Provincial Department of Finance, in conjunction with responsible departments, is responsible for organizing relevant personnel to conduct a review of subsidy fund application materials and determine the list of organizations to be awarded subsidies; if necessary, an intermediary organization may be commissioned to conduct the review and determination.

Article 12 The Provincial Department of Finance, in conjunction with responsible departments, shall make a public announcement of the list of organizations to be awarded subsidies in relevant media outlets; the public announcement period shall not be less than 7 days; if no objections are raised to the public announcement, subsidy funds shall be issued in accordance with regulations and procedures; if objections are raised to the public announcement, after the Provincial Department of Finance has conducted a reexamination in conjunction with responsible departments, subsidy funds shall then be released in accordance with regulations and procedures.

Article 13 The appropriation of subsidy funds and performance evaluations shall be handled in accordance with relevant administrative regulations for fiscal funds.

Article 14 Applications, reviews, appropriations and performance evaluations etc. for consolidated funds shall be handled in accordance with the existing fund administration measures of each relevant provincial-level department.

Chapter 4 Administration of the Fujian Province Blue Industrial Investment Fund

Article 15 In accordance with the decision of the Provincial Government, the provincial finance administration has allocated a portion of the funds from the subsidy funds to guide the establishment of the Fujian Province Blue Industrial Investment Fund, emphasizing support for emerging marine industries, modern marine service industries, modern marine fisheries and high-end shipbuilding, and other marine industrial development. The Fujian Province Blue Industrial Investment Fund (hereafter abbreviated as the "Provincial Blue Industrial Fund") is exclusively for use in equity participation in entrepreneurial investment enterprises (including equity investment enterprises, same below) founded in this province for the designated task of engaging in equity investment in enterprises in the startup phase or growth phase in the marine industry.

Article 16 The administration of the Provincial Blue Industrial Fund shall abide by the principles of "government-led, standard management, market-operated, break-even recovery."

Article 17 Equity management for the Provincial Blue Industrial Fund shall be conducted by an independent professional organization determined by means of competitive negotiations or bidding (hereafter abbreviated as the "commissioned management organization"), commissioned by the department responsible for marine economic promotion work as designated by the Provincial Government (hereafter abbreviated as the "Provincial Marine Economic Promotion Department").

Article 18 The commissioned management organization should possess the following prerequisites:

(1) Registered in Fujian Province, with independent legal entity status, and registered capital of not less than 100 million yuan RMB;

(2) Engaged in entrepreneurial investment management services for more than 5 years, with a perfected entrepreneurial investment management system;

(3) Having at least 5 practitioners with more than 5 years of relevant experience of engaging in entrepreneurial investment;

(4) Having more than 5 successful experiences in entrepreneurial investment project operations, and a successful experience in participating in the establishment and management of an entrepreneurial investment fund as the capital contributor;

(5) Continuously maintaining a good financial situation for at least 3 years or more, with no bad record of having received major penalties by responsible administrative institutions or judicial institutions, and strictly managing funds in accordance with the commissioned management agreement.

Article 19 The duties of the commissioned management organization are to:

(1) Carry out due diligence investigations and share purchase negotiations with entrepreneurial investment enterprises intended for equity participation, and conclude a share purchase investment agreement;

(2) At the commission of the Provincial Marine Economic Promotion Department, limited by the capital contribution amount, exercise capital contributor's rights and assume corresponding duties in entrepreneurial investment enterprises with equity participation.

(3) In accordance with the stipulations of the share purchase investment agreement, allocate funds to the account of the entrepreneurial investment enterprise with equity participation.

(4) Ensure that the publicly undisclosed capital raised by entrepreneurial investment enterprises with equity participation is not less than three times the equity participation of the Provincial Blue Industrial Fund;

(5) Ensure break-even recovery of the equity participation of the Provincial Blue Industrial Fund;

(6) Promptly transfer dividends, withdrawn earnings and other funds (including capital and profits) to the account stipulated by the Provincial Department of Finance in accordance with the current fiscal treasury management system;

(7) Regularly report to the Provincial Marine Office, Provincial Marine Economic Promotion Department and Provincial Department of Finance on the operating situation of entrepreneurial investment enterprises with equity participation, the situation of changes to share capital, and other major situations.

Article 20 An entrepreneurial investment enterprise, as named in these measures, refers to a corporate enterprise or limited partnership enterprise with financing and investment functions, primarily engaging in equity investment activities and explicitly investing in enterprises in the startup phase or growth phase in emerging marine industries, modern marine service industries, modern marine fisheries and high-end shipbuilding, and other marine industries, in which the capital contribution ratio of the Provincial Blue Industrial Fund does not exceed 25%.

Article 21 Said entrepreneurial investment enterprises should possess the following prerequisites:

- (1) Registered in Fujian Province;
- (2) Registered capital should be more than 50,000,000 yuan;
- (3) Primary management personnel in the management team have experience in successfully investing in and serving more than two entrepreneurial investment enterprises, with at least three practitioners with more than 3 years of relevant experience of engaging in entrepreneurial investment;
- (4) Standard management and operations, with strictly rational investment decision-making procedures and risk control mechanisms;
- (5) Other prerequisites determined by the Provincial Marine Economic Promotion Department.

Article 22 The Provincial Marine Economic Promotion Department is responsible for signing a commissioned management agreement with the commissioned management organization, which agreement shall encompass the financial consultant organizations hired by entrepreneurial investment enterprises intended for equity participation, appointments as limited partner representatives, investment schedules, investment orientation, fund withdrawal plans and corresponding recovery, and other content.

Article 23 The commissioned management organization is responsible for signing a share purchase investment agreement with entrepreneurial investment enterprises with equity participation, which agreement shall encompass ensuring the possibility of a break-even recovery of Provincial Blue Industrial Funds used for equity participation, the capital contribution deadlines for each party, the right to priority repayment enjoyed by Provincial Blue Industrial Funds used in equity participation during liquidation of entrepreneurial investment companies, and other content.

Article 24 The commissioned management organization shall come to an agreement with the other capital contributors that, under any one of the following circumstances, the Provincial Blue Industrial Fund may choose to withdraw its capital contribution in full:

- (1) The Provincial Blue Industrial Fund allocated payment for equity participation in the entrepreneurial investment enterprise more than one year ago, and the entrepreneurial investment enterprise has not carried out any investment business;
- (2) The investment orientation of the entrepreneurial investment enterprise does not conform to the stipulations of these measures;
- (3) Other capital contributors did not make a capital contribution within the specified time period as agreed.

Article 25 The methods of support for entrepreneurial enterprises by entrepreneurial investment enterprises with equity participation by the Provincial Blue Industrial Fund include:

- (1) Entrepreneurial investment. An investment method of engaging in equity investment in entrepreneurial enterprises, in the expectation that, once the investee entrepreneurial enterprise has developed to maturity or relative maturity, profit on capital appreciation will be obtained through equity withdrawal.
- (2) Phased equity participation. An investment method of engaging in equity investment in other entrepreneurial investment enterprises, and withdrawing within an agreed-upon timeframe.
- (3) Follow-up investment. An investment method of jointly engaging in investment in entrepreneurial enterprises selected for investment by other entrepreneurial investment enterprises.

Article 26 In principle, entrepreneurial investment enterprises with equity participation by the Provincial Blue Industrial Fund can only adopt one kind of support method to invest in the same project, and may not duplicate investment; in principle, the term of operations for investee projects shall not exceed 5 years.

Article 27 The funds invested and recovered by the Provincial Blue Industrial Fund shall continue to be used for entrepreneurial investment in key provincial marine economic fields in accordance with these measures.

Article 28 The Provincial Marine Office may, in accordance with the marine economic development plan of this province and in connection with practical circumstances, recommend certain projects in key marine economic fields in this province to entrepreneurial investment enterprises, with entrepreneurial investment enterprises autonomously deciding to invest in projects.

Chapter 5 Supervision and Management of the Special Fund

Article 29 Relevant national and provincial policies and regulations must be strictly enforced in the use of the Special Fund; unauthorized changes to the purpose of funds are not permitted; furthermore, transferring or diverting the Special Fund is not permitted; and it shall be subject to auditing and supervision by auditing organizations.

Article 30 Financial and relevant responsible departments at every level must strengthen supervision and management of the entire process of project implementation and fund usage, organizing and carrying out tracking inspections; for projects where problems are discovered, depending on the circumstances, there shall be reduced allocations, suspension of allocations, or even recovery of previous allocations of the Special Fund.

Article 31 The commissioned management organization for the Provincial Blue Industrial Fund shall make regular reports at the end of each quarter to the Provincial Marine Office, Provincial Marine Economic Promotion Department and Provincial Department of Finance on the investment operations, fund usage and other circumstances of the Provincial Blue Industrial Fund, promptly report on major issues in the course of operations, and submit an annual audit report audited by an agency in the accounting agency priority selection database for this province to the Provincial Marine Office, Provincial Marine Economic Promotion Department and Provincial Department of Finance within 4 months of the conclusion of each fiscal year.

Article 32 Withholding, diverting, or fraudulently obtaining Special Funds and other illegal behaviors shall be investigated and prosecuted in accordance with the *"Regulations on Penalties and Sanctions for Illegal Fiscal Acts"* and other relevant laws and regulations; where the gravity of the circumstances constitutes a crime, criminal liability shall be investigated in accordance with the law.

Article 33 If neglect of duty or dereliction of duty, diversion or withholding of funds and other conduct in violation of laws and regulations by finance departments and relevant responsible departments at every level and their personnel emerge in the course of executing the functions of supervision and management, this shall be addressed in accordance with the *"Regulations on Penalties and Sanctions for Illegal Fiscal Acts"* and other relevant regulations.

Chapter 6 Supplementary Articles

Article 34 The Provincial Department of Finance is responsible for interpreting these measures.

Article 35 These measures are implemented as of the date of release, with a period of validity extending to December 31, 2015.

Attachment: Relevant Information Sheet on the 2012-2015 Fujian Province Marine Economic Development Special Fund Consolidated Funds

Attachment:

Relevant Information Sheet on the 2012-2015 Fujian Province Marine Economic Development Special Fund Consolidated Funds

Amount Unit: Ten Thousand Yuan

Department	Annual Consolidated Funds	Support Content	Remarks
Total	94,500		Allocations of consolidated funds were reduced by half by each department in 2012.
Provincial Development and Reform Commission	5,000	Primarily allocated for the Fishing Port Construction Fund, Marine Industrial Park Construction Fund, Island Construction Fund, Marine Industrial Development Fund, Marine-Related Infrastructure Construction Fund, Sci-Tech Innovation Platform Construction Fund, Marine Sci-Tech Achievement Transformation Expenses Subsidy, etc.	
Provincial Department of Ocean and Fisheries	5,000	Primarily supports marine high-tech industrial development, marine sci-tech achievement transformation, development	

		of leading enterprises in aquatic product industrialization, marine environmental monitoring, marine pollution treatment, establishment of aquatic product quality and safety traceability systems, etc.	
Provincial Communications Department	50,000	Primarily allocated for construction of mainland-island transportation, harbor dredging roads, public shipping lanes and breakwaters, and other projects.	
Provincial Department of Land and Resources	25,000	Allocated from Land Restoration and Reclamation Grant to out-of-harbor reclamation by diking and other land restoration projects.	
Provincial Economic and Trade Commission	3,000	Allocated from the Provincial-Level Industry and Commerce Development Fund to the Marine Economic Development Special Fund, primarily for use in supporting technological transformation, technological innovation, energy conservation technology retrofits and other projects involving industrial enterprises in the marine economy in this province.	
Provincial Department of Environmental Protection	2,000	Primarily for use in pollution source control for key sea drainage basins and other comprehensive restoration projects for water environments.	
Provincial Department of Science & Technology	2,000	Allocated from Provincial Scientific and Technological Planning Program expenses to the Marine-Related Science and Technology Program expenses subsidy.	
Provincial Department of Foreign Trade and Economic Cooperation	2,000	Comprehensively allocated from the International Market Development Fund, Key Expo Subsidy Fund, Continental Harbor Support Fund, Electronic Port Construction Fund and Foreign Investment Promotion Fund for relevant expenditures on the marine economy related to the area of foreign economics and trade.	
Provincial Tourism Bureau	500	Supports the construction of coastal tourism projects.	

Annex 11

Application Guide for 2013 Annual Second Batch Support Fund for Fujian Marine Economy, Xiamen
Municipal Ocean and Fishery Bureau, (27 January 2014).

Application Guide to the 2013 Annual Second Batch Support Fund for Fujian Marine Economy

Source: Xiamen Municipal Ocean and Fishery Bureau

All related units and enterprises:

Applying for 2013 Annual Second Batch Fujian Province Subsidy Fund for Marine Economic Development, mainly include: rewards for public offering, fishing vessel loan interest discounts, award for branding and advertisement, support for marine science and technology laboratory and research center, aquatic product wholesale market, and refrigerated storage construction 7 main categories. For detailed information, please see Xiamen Municipal Ocean and Fishery Bureau website: <http://www.hyj.xm.gov.cn/Ocean> Public Notice regarding "Application Guide to the 2013 Annual Second Batch Support Fund For Fujian Marine Economy".

Qualified marine enterprises follow "Application Guide to the 2013 Annual Second Batch Support Fund For Fujian Marine Economy" and prepare 6 copies of application materials and bring the application materials to municipal ocean and fishery bureau room 1029 (municipal fasten marine economy office), electronic application can be sent to xmhaiyangjingji@163.com.

All the units should carefully read "application guide" and "interim Measure regarding Management of Support Fund for Fujian Marine Economy", qualified units should pay close attention to the preparation of the materials.

Contacts: Huang He 05925396347 13625000534

Tiang Zhong Biao 05925396353 18959219599

Xiamen Municipal Ocean and Fishery Bureau

January 27 2014

Attachment:

1. Application Guide to the 2013 Annual Second Batch Support Fund For Fujian Marine Economy
2. Fujian Province Interim Measure regarding Management of Support Fund for Fujian Marine Economy
3. Applications to the 2013 Annual Second Batch Support Fund For Fujian Marine Economy

Application Guide to the 2013 Annual Second Batch Support Fund For Fujian Marine Economy

To standardize application management work for the 2013 Annual Second Batch Fujian Province Subsidy Fund for Marine Economic Development (hereafter abbreviated as the "Subsidy Fund"), and improve the efficiency of fund usage, in accordance with the relevant provisions of the "Provincial Measures for the Administration of the Fujian Province Special Fund for Marine Economic Development" (Fujian Finance-Agriculture [2012] No. 215), notice on relevant matters is hereby given as follows:

I. Applying Organizations

(1) Basic Prerequisites for Applying Organizations

Organizations applying for the Subsidy Fund shall be enterprises and institutions with legal person status in Fujian Province, engaged in research and development, production and operations in marine industries, with strong legal entity governance mechanisms, standardized management, and good performance and credit record.

Production and operations enterprises shall be registered and founded prior to (including) December 31, 2011, with total fixed assets of more than 20,000,000 Yuan and a debt-assets ratio no higher than 70% at year-end 2012.

(2) Other Prerequisites for Applying Organizations

1. Those applying for market listing awards shall be marine enterprises successfully listed on a domestic or international capital market in 2013.

2. Those applying for fishing vessel loan interest discounts shall be:

(1) Distant water fishing enterprises which utilized a mid- to long-term bank loan in 2013 (the issue date of the "International Navigation and Shipping Port Exit Permit of the People's Republic of China" shall prevail) to build or purchase a large-scale tuna purse seining vessel or large-scale squid jigging vessel of 1000 gross tons or more (including 1000 gross tons, same below), an ultra low-temperature tuna longline fishing vessel or lamplight purse seining vessel of 500 gross tons or more, or a trawling vessel, driftnet vessel or baiting vessel of 441 kilowatts or more (including 441 kilowatts, same below);

(2) Distant water fishing enterprises that previously obtained a loan interest discount from the 2012 Fujian Province Subsidy Fund for Marine Economic Development, and still had a balance on said loan at year-end 2013;

(3) In order to support the development of the distant water fishing industry in this province, distant water fishing vessels that have previously been granted a subsidy from the Central Fishing Vessel Updating and Renovation Fund are also included in the scope of applications in this instance.

3. Those applying for trademark awards shall be:

(1) Marine enterprises (or organizations) which were assessed as a Well-Known Chinese Trademark, or which completed registration as a national geographical indication or trademark and were assessed as a Name-Brand Provincial Product or Famous Provincial Trademark after January 1, 2013;

(2) If the same enterprise has previously obtained a trademark award for being named as a Name-Brand Provincial Product or Famous Provincial Trademark, it shall not reapply for a trademark award at the same level.

4. Those applying for a subsidy for publicity expenses shall be advantaged, distinguished trademark enterprises with total annual investment in 2013 of no less than 3,000,000 Yuan (bank payment receipts shall prevail) in publicity expenses for media at the provincial level or higher; each districted municipality (including the Pingtan Comprehensive Experimental Zone, same below) may recommend no more than 5 marine enterprises.

5. Those applying for marine science and technology laboratory and research center awards shall be national-level engineering (key) laboratory or engineering (technology) research center organizations which obtained approval for construction in the marine science and technology field in 2013, or engineering (key) laboratory or engineering (technology) research center organizations in the marine science and technology field which obtained provincial department-level certification.

6. Those applying for aquatic product wholesale market subsidies shall be marine enterprises with a newly (expanded) constructed total building area of more than 50 *mu* (more than 33333 square meters) and an annual transaction volume of more than 2 billion Yuan on the aquatic product wholesale market in 2013 (excluding projects which have previously obtained the support of central, provincial or other financial funds).

7. Those applying for refrigerated storage construction subsidies shall be marine enterprises with newly (expanded) constructed refrigerated storage of more than 30,000 tons or 30,000 square meters, with total investment exceeding 30,000,000 Yuan in 2013 (excluding projects which have already obtained the support of central, provincial or other financial funds).

II. Application Procedures

The Subsidy Fund will adhere to the principle of "local applications, hierarchical review and summarization": on the basis of hierarchical relationships, applying organizations shall submit application materials to the municipal or county (district) finance department, development and

reform department, and ocean and fisheries department in their location; upon review, said competent municipal or county (district) departments shall jointly issue an official communication (including the Subsidy Fund application summary sheet) for submission to their counterparts at the next highest level. Organizations under the jurisdiction of districted municipalities shall directly submit their applications to the competent departments at the districted municipality level, and organizations under provincial jurisdiction shall direct submit their applications to the competent departments at the provincial level.

III. Application Requirements

All materials must be uniformly printed or photocopied on A4 paper, paginated, and bound in order of page numbers (use of loose-leaf binding is not necessary). When submitting application materials, applying organizations must also submit electronic files of each form (uniformly using Excel format), and ensure the consistency of the paper materials and electronic files.

(1) Requirements for Application Materials to be Submitted by Applying Organizations

1. Cover Page: "Fujian Province Subsidy Fund for Marine Economic Development Application Materials," "Date Submitted: Month, Day, Year," "Submitting Application: *****."

2. List of Application Materials (Please indicate the specific range of pages for each form and document, and all attached materials).

3. Subsidy Fund Application Document (Concisely introducing the relevant circumstances; if applying for multiple projects in a single application, separate introductions must be provided for each project).

4. The basic information sheet for applying organizations (see Attachment 1 for a sample) filled out by the applying organization; note: please visit the website of the Fujian Province Department of Ocean and Fisheries (<http://www.fjof.gov.cn>) to download this guide and all attached forms and formats.

5. The Fujian Province Subsidy Fund for Marine Economic Development application form and relevant corresponding information sheets (for samples, see Attachment 2 through Attachment 6).

6. Photocopies of the Business License or Organization Code Certificate, photocopy of the identification of the legal entity (responsible party), etc.

7. Photocopies of relevant certificates or certifying documents (such as: Certificate of Well-Known Chinese Trademark, listed company certifying documents, etc.); foreign language documents must be accompanied by a Chinese translation.

8. A 2012 financial audit report compiled by a certified accounting agency. Organizations applying for projects under the 2014 Provincial Subsidy Fund for Marine Economic Development or later years must provide an annual financial audit report compiled by a certified accounting agency in the preferred database of the Provincial Department of Finance. (Applications for this batch not included. Financial audits for listed companies are excluded where otherwise stipulated, but proof must be provided.)

9. Those applying for fishing vessel loan interest discounts must also provide: (1) Photocopy of vessel purchase or vessel construction contract; (2) Evidentiary materials for the fishing vessel type, tonnage, and other prerequisites for Subsidy Fund support; (3) Photocopy of the Fishing Vessel and Net Devices Quota Approval Letter of the Ministry of Agriculture; (4) Photocopies of the certificate of ownership and vessel inspection certificate; (5) Photocopy of Distant Water Fishing Project Approval Notice of the Ministry of Agriculture; (6) Photocopy of the International Navigation and Shipping Port Exit Permit of the People's Republic of China; (7) Photocopies of bank loan contracts, bank-issued loan receipts and bank receipts for interest payments by enterprises; (8) Original copies of evidentiary documents for year-end loan balance of each bank-issued loan (must be stamped with the bank's official seal).

10. Those applying for laboratory and engineering center awards or projects must also provide: (1) Photocopy of approval documents for project establishment or construction for national-level engineering (key) laboratories or engineering (technology) research centers in the marine science and technology field; (2) Photocopies of relevant approval certificates for provincial level engineering (key) laboratories or engineering (technology) research centers in the marine science and technology field.

11. Those applying for publicity subsidies must also provide: (1) Photocopies of contracts for publicity (advertising) in media at the provincial level or higher; (2) Relevant evidence of publicity (advertising) videos, documents, or periodicals produced as per the agreed-upon contract; (3)

Photocopies of bank receipts for payment of publicity (advertising) expenses; (4) Photocopies of formal invoices for publicity (advertising) expenses corresponding to said bank receipts.

12. Those applying for aquatic product wholesale market-building project subsidies must also provide: (1) Photocopies of approval documents issued by the local government or relevant departments approving the newly (expanded) established project; (2) Photocopies of land use certificates; (3) Photocopies of project completion and acceptance filing forms; (4) Photocopies of general layout plans; (5) Photocopies of blueprints for each building floor; (6) Photocopies of sectional diagrams for each building floor; (7) Dimensions of building roof beams; (8) Building manuals.

13. Those applying for refrigerated storage construction project subsidies must also provide: (1) Photocopies of land usage certificates; (2) Photocopies of project completion and acceptance filing forms; (3) Photocopies of project investment and financial statements; (4) Photocopies of general layout plans; (5) Photocopies of blueprints for each building floor; (6) Photocopies of sectional diagrams for each building floor; (7) Dimensions of building roof beams; (8) Building manuals.

14. Other materials that must be submitted.

(2) Requirements for Materials Jointly Submitted by Lower-Level Departments to Higher-Level Departments

1. Subsidy Fund Application Report for the local region.
2. Subsidy Fund Application Summary Form (see Attachment 5 for a sample) and its electronic file.

3. Application materials of the applying organization (include electronic version).

(3) Application Deadline and Requirements

1. In order to accelerate the rate of fund usage, the competent departments at the districted municipality level are asked to closely attend to the assignment of application work, take responsibility for reviewing and summarizing application materials from applying organizations in their respective jurisdiction, and jointly submit an official communication prior to February 20, 2014. The competent departments for organizations under provincial jurisdiction shall be responsible for conducting preliminary review and summarization work for the application materials of the applying organizations within this system, and shall submit a formal communication to the Provincial Department of Ocean and Fisheries, the Provincial Department of Finance, and the Provincial Development and Reform Commission prior to February 20, 2014.

2. Each relevant department of districted municipalities and competent departments for organizations under provincial jurisdiction shall be responsible for uniformly sending two copies of the reviewed application materials and their electronic files (recorded on a CD) to the Provincial Department Ocean and Fisheries, and 1 copy to the Provincial Department of Finance and the Provincial Development and Reform Commission.

IV. Requirements for Review and Approval

(1) Applying organizations must guarantee the accuracy and legitimacy of all applications materials and pledge to use Subsidy Funds solely for the specified purpose.

(2) Applying organizations must promise to willingly accept supervisory inspections by relevant government departments.

(3) Each relevant municipal or county (district) finance department, development and reform department, and ocean and fisheries department is responsible for reviewing all application projects and the validity and completeness of relevant accompanying evidentiary documents, and verifying the relevant photocopies and original materials according to hierarchy.

(4) The Provincial Department of Ocean and Fisheries, Provincial Department of Finance, and Provincial Development and Reform Commission (Office of the Provincial Leading Group for Accelerated Marine Economic Development, hereafter abbreviated as the Provincial Marine Economic Office) are responsible for organizing relevant personnel to review the Subsidy Fund application materials and determine the list of organizations to be awarded subsidies; if necessary, an intermediary organization may be commissioned to conduct reviews and confirmation.

(5) The Provincial Department of Ocean and Fisheries, Provincial Department of Finance, and Provincial Development and Reform Commission (Provincial Marine Economic Office) shall publish the list of organizations to be awarded subsidies in relevant media; if the announcement meets with no objections, the Subsidy Fund shall be allocated in accordance with regulatory procedures; if the

announcement meets with objections, a secondary review shall be conducted before allocating the Subsidy Fund in accordance with regulatory procedures.

V. Other

During the Fund application and review processes, the departments of finance, development and reform, and ocean and fisheries at every level shall strengthen communication and coordination with the Marine Economic Office at their level.

Contacts and Contact Numbers: ZHANG Hengyuan (Marine Economic Office of the Provincial Department of Ocean and Fisheries)

Office Number: 0591-87878745

CHEN Li (Agricultural Office of the Provincial Department of Finance)

Office Number: 0591-87097660

LUO Xinying (Regional Office of the Provincial Development and Reform Commission)

Office Number: 0591-87063223

Attachments:

1. Basic Information Sheet for Organizations Applying to the Subsidy Fund for Marine Economic Development
2. Application Form for the Subsidy Fund for Marine Economic Development
3. Domestic or International Capital Market Listing Information Sheet for Marine Enterprises
4. Fishing Vessel Loan Interest Discount Information Sheet
5. Marine Enterprise Brand Establishment Information Sheet
6. Publicity Expenditures Information Sheet
7. Application Summary Sheet for the Subsidy Fund for Marine Economic Development

Annex 12

Notice of the Fujian Provincial Department of Finance, the Fujian Provincial Development and Reform Commission, and the Fujian Provincial Ocean and Fishery Department on the Issuance of the Fujian Province Marine Economic Development Subsidy Funds Application Guide, Fujian Development and Reform Commission, Fujian Department of Finance, and Fujian Ocean and Fishery Department (13 Jan 2015).

Notice of the Fujian Provincial Department of Finance, the Fujian Provincial Development and Reform Commission, and the Fujian Provincial Ocean and Fishery Department on the Issuance of the Fujian Province Marine Economic Development Subsidy Funds Application Guide

To all the finance bureaus, development and reform commissions, and authoritative departments for ocean and fishery administration of all related cities and counties (districts) and the Finance Bureau and the Economic Development Bureau of the Pingtan Comprehensive Experimental Area:

As stipulated by the "Fujian Province Interim Measures for Managing Marine Economic Development Special Funds" (Min Cai Nong [2012] No. 125), we have formulated the "Fujian Province Marine Economic Development Subsidy Funds Application Guide" (hereinafter referred to as the "Application Guide") for the purposes of properly handling the work of submitting applications for marine economic development subsidy funds (hereinafter referred to as the "subsidy funds") and hereby issue it to you. Please properly handle the subsidy funds application work according to the requirements of the Application Guide.

Provincial Department of Finance
Provincial Development and Reform Commission
Provincial Department of Ocean and Fisheries
13 January 2015

Fujian Province Marine Economic Development Subsidy Funds Application Guide

According to the related stipulations of the "Fujian Province Interim Measures for Managing Marine Economic Development Special Funds" (Min Cai Nong [2012] No. 215), notice is hereby given for the following related matters in order to standardize the work of application management for Fujian Province marine economic development subsidy funds (hereinafter, the "subsidy funds") and to raise the efficiency of funds usage:

I. Applicant units

(1) Basic qualifications of applicant units

Units that apply for the subsidy funds should be enterprise and government units with corporate capacity that engage in marine industrial research and development, production, and operations and that have sound corporate governance mechanisms and standardized management, as well as good records in terms of performance and credit.

Production and operations enterprises should be registered and founded by 31 December 2012 or before, with a total of RMB 20 million in non-fixed assets and an asset-liability ratio no higher than 70 percent at the end of 2013.

(2) Other qualifications of applicant units:

1. Those applying for listing incentives should be marine enterprises that have successfully been listed on Chinese or foreign capital markets (including enterprises that have been successfully listed on the main board of the stock market and the new third board of the stock market.)

2. Those applying for discount loans for fishing vessels should meet the following qualifications:

(1) Distant water fishing enterprises that used mid- to long-term bank loans in 2014 (based on the time of the issuance of the Chinese Port Permit for International Navigation Ships) to build or purchase large-sized tuna purse-seiners and large-sized squid jiggers of 1,000 gross tonnage or higher; super-cold tuna longliners and light-luring purse-seiners of 500 gross tonnage or higher; and trawlers, gillnetters, and jiggers of 441 kilowatts or higher.

(2) Distant water fishing vessels that were built in 2014 but have not received interest subsidies can also make joint applications for loans that were made before 2014.

(3) Distant water fishing vessels for which loans have been repaid during 2014 can apply for interest subsidies according to the actual term of the loan.

3. Those applying for brand incentives should meet the following qualifications:

(1) Marine enterprises (or units) that have been selected as Famous Trademarks of China, that have been registered as National Geographical Indication Trademarks, and that have been selected as provincial famous brand products or provincial famous trademarks after 1 January 2014.

(2) Enterprises that have already received brand incentives as either a provincial famous brand product or a provincial famous trademark cannot apply for brand incentives of the same class.

4. Those applying for publicity subsidies should be enterprises with advantageous and distinctive brands that have spent no less than RMB three million in publicity expenses in media of the province level or higher for the whole year of 2014 or that have actually spent no less than RMB 1.5 million in publicity expenses in media of the province level or higher for the second half of 2014 (based on bank payment memos).

5. Those applying for incentives for laboratories and research centers in the field of marine science and technology should meet the following qualifications:

Project (key) laboratories and project (technology) research centers in the field of marine science and technology that have received construction approval or recognition from the National Development and Reform Commission, the Ministry of Science and Technology, the Ministry of Agriculture, and the State Oceanic Administration, as well as the Provincial Development and Reform Commission, Department of Science and Technology, and Department of Ocean and Fisheries in 2012-2014.

6. Those applying for aquatic product wholesale market subsidies should be marine enterprises with aquatic product wholesale markets with 50 mu (33,333 square meters) or more of newly built (or expanded) area in 2014 and with an annual transaction volume of RMB two billion or more (excluding those projects that have already received support from other central government or provincial fiscal funds.)

7. Applications for 2014 newly built refrigerated storage subsidies are divided into two different categories:

(1) Newly built refrigerated storage of 10,000 to 30,000 ton class with total investment exceeding RMB 10 million.

(2) Newly built refrigerated storage of 30,000 ton class and higher with total investment exceeding RMB 30 million.

II. Subsidy standards

(1) Listed company incentives: Incentives of RMB one million are provided for each marine enterprise that is successfully listed on the main board of a Chinese or foreign stock market, and incentives of RMB 500,000 are provided for each marine enterprise that is successfully listed on the new third board of a Chinese or foreign stock market.

(2) Distant water fishing vessel loan discounts: Interest subsidies of five percent of the actual loan balance are provided for distant water fishing vessel updating and renovation projects that meet the qualifications (calculated based on the actual loan term).

(3) Brand incentives: Subsidies of RMB one million are provided for each unit awarded Famous Trademark of China designation in 2014, subsidies of RMB 800,000 are provided for each unit awarded National Geographical Indication Trademark designation in 2014, and subsidies of RMB

300,000 are provided for each unit awarded provincial famous name brand product or famous trademark designation in 2014.

(4) Publicity subsidies: Subsidies equal to 10 percent of publicity expenses spent in media of the province level or higher totaling no less than RMB three million for the whole year of 2014 or publicity expenses actually spent in media of the province level or higher totaling no less than RMB 1.5 million for the second half of 2014 are provided for, with a subsidy cap of RMB three million.

(5) Project laboratory (project research center) incentives: Incentives of RMB two million are provided for each unit approved to build a national-level project (key) laboratory or project (technology) research center in the field of marine science and technology in 2014. Incentives of RMB 300,000 are provided for each unit approved to build a province-level project (key) laboratory or project (technology) research center in the field of marine science and technology in 2014.

(6) Aquatic product wholesale market construction subsidies: Subsidies of RMB two million are provided for aquatic product wholesale markets with 50 mu (33,333 square meters) or more of newly built (or expanded) area in 2014 and with an annual transaction volume of RMB two billion or more.

(7) Refrigerated storage construction subsidies: Subsidies of RMB 500,000 are provided for refrigerated storage of 10,000 to 30,000 ton class meeting qualifications newly built in 2014. Subsidies of RMB one million are provided for refrigerated storage of 30,000 ton or higher class meeting qualifications newly built in 2014.

III. Application procedure

Project applications are to be made by the applicant units according to the principle of "submitting applications to local jurisdictions," with application materials being submitted to the local county (city/district) ocean and fishery administrations and the local development and reform commissions according to which jurisdiction they are in. After doing review and summarization, the aforementioned county (city/district) authorities are to officially and jointly submit all applications (including the subsidy funds application summary table) to the Provincial Department of Ocean and Fisheries, Provincial Department of Finance, and Provincial Development and Reform Commission. Units from cities divided into districts are to directly apply with the city-level authorities. Units subordinate to the province are to apply through their province-level administrative authority.

IV. Application requirements

All application materials must be uniformly printed or copied on A4 size paper with numbered pages and bound into binder format in the order of the page numbers (loose-leaf binding not allowed.) When the applicant unit delivers the application materials, they must also deliver the electronic files of the forms (all in Excel format) and ensure the consistency between the paper materials and the electronic files.

(1) Requirements of the application materials that the applicant unit must deliver:

1. Cover page: "Fujian Province Marine Economic Development Subsidy Funds Application Package", "Preparation Date: Y/M/D", "Preparation Unit: "*****".

2. Application package table of contents (clearly indicating the specific range of page numbers for all forms, documents, and attachments).

3. Documents for applying for subsidy funds (brief introduction of related situation and with separate introductions of individual projects when more than one project is applied for at the same time).

4. Applicant unit basic situation form filled in by the applicant unit (see Attachment 1 for a sample of the form). Note: Download this Guide and the formats for all its attached forms from the website of the Fujian Provincial Department of Ocean and Fisheries (<http://www.fjof.gov.cn>).

5. Fujian Province Marine Economic Development Subsidy Funds Application Form and its related situation form (see Attachments 2 to 6).

6. Copy of business license or organization code certificate and copy of the ID of the corporate representative (or person in charge).

7. Copies of related certificates or evidentiary documents (such as Famous Trademark of China Certificate, listed company evidentiary documents, etc.). Documents in foreign languages must be translated into Chinese.

8. 2013 audited financial statements audited by a preferred accounting firm listed by the Provincial Department of Finance (credentials must be presented, except where otherwise stipulated for financial auditing of listed companies).

9. For underreporting items from 2013, these must be provided: (1) audited financial statements for both 2012 and 2013; (2) explanation of reasons why it was omitted (must be verified by the local authoritative departments for industrial administration and by ocean and fishery administrations with official seals affixed).

10. When applying for fishing vessel loan interest subsidies, it is also required to provide the following: (1) copies of vessel purchase or vessel construction contract; (2) evidentiary

documents showing that the fishing vessel type and tonnage meet the conditions for receiving subsidy funds support; (3) copy of Ministry of Agriculture Approval Letter for Fishing Vessel and Net Devices Quota; (4) copies of ownership certificate and boat inspection certificate; (5) copy of Ministry of Agriculture Distant Water Fishing Industry Project Permit; (6) copy of Chinese Port Permit for International Navigation Ships; (7) copies of bank loan contract, bank actually issued loan memo, and bank memos for enterprise repayment (principal) and interest payment; and (8) originals of evidentiary documents issued by the bank (official bank seal required) for loan balances for all loans as of the end of December 2014. (Those that have been constructed and went into operation in 2013 but which have not received loan interest subsidies should also provide evidence of the bank loan balance at the end of 2013, and the interest subsidies will be provided according to the actual length of the loan in 2014).

11. When applying for laboratory and project center incentives, it is also required to provide the following: (1) copies of the construction initiation approval for national-level project (key) laboratory or project (technology) research center in the field of marine science and technology; (2) copies of the related documents proving the recognition as a province-level project (key) laboratory or project (technology) research center in the field of marine science and technology; (3) description of undertaking province-level or higher projects since the establishment of the project (key) laboratory or project (technology) research center (including project initiation approval processes by all departments or bureaus.)

12. When applying for publicity subsidies, it is also required to provide the following: (1) copies of publicity (advertising) contracts with media outlets of province level or higher; (2) related evidentiary materials proving that publicity (advertising) was released via video, print, or periodical as stipulated by the contract; (3) copies of bank memos for payment of publicity (advertising) expenses; and (4) copies of formal invoices for publicity (advertising) expenses corresponding to the aforesaid bank memos.

13. When applying for aquatic product wholesale market construction project subsidies, it is also required to provide the following: (1) copies of construction (expansion) project initiation approval documents from the local government or related departments; (2) copies of land use permits; (3) copies of project construction acceptance records or property ownership certificates; (4) copy of general layout plan; (5) copies of layout plans for each floor of the building; (6) copies of sectional plans for each floor of the building; (7) dimensions of building beams; and (8) building user manuals.

14. When applying for aquatic product wholesale market construction project subsidies, it is also required to provide the following: (1) copies of construction (expansion) project initiation approval documents from the local government or related departments; (2) copies of land use permits; (3) copies of project construction acceptance records or property ownership certificates; (4) copy of general layout plan; (5) copies of layout plans for each floor of the building; (6) copies of sectional plans for each floor of the building; (7) dimensions of building beams; and (8) building user manuals.

15. Other materials that need to be submitted.

(2) Requirements for materials jointly submitted by lower-level authoritative departments to the province-level authoritative departments:

1. Subsidy funds application report for the local region.

2. Subsidy funds application summary table (Attachment 5) and its electronic files.

3. Applicant unit's application package (including electronic files; scans must be of the originals of the application materials.)

(3) Application deadline and requirements

1. In order to accelerate the progress of funds usage, authoritative departments of all levels should pay close attention to the arrangement of the application work and take responsibility for the review and summarization of application materials submitted by applicant units in their jurisdiction. The applications are to be jointly reported before 28 February 2015, and those that are reported late will not be accepted. The authoritative departments of units subordinate to the province are responsible for the review and summarization work of application materials of applicant units within their own systems and are to officially submit the applications to the Provincial Department of Ocean and Fisheries, Provincial Department of Finance, and Provincial Development and Reform Commission before 28 February 2015.

2. The authoritative departments of all related cities, counties, and districts and the authoritative departments of units subordinate to the province are to be responsible for mailing four copies of the reviewed application packages and electronic files (burned onto a CD-ROM with the scans of the originals of all evidentiary materials) to the Provincial Department of Ocean and Fisheries.

V. Review and approval requirements

(1) Applicant units must guarantee the genuineness and lawfulness of all application materials and must guarantee that subsidy funds will only be used for the specific projects.

(2) Applicant units must pledge that they are willing to accept supervision and inspection by the related government agencies.

(3) The finance departments, development and reform departments, and ocean and fishery departments of all related cities and counties (districts) are responsible for reviewing the genuineness and completeness of all applied-for projects along with the attached related evidentiary materials and are to check the copies against the originals of the related materials according to their jurisdictions.

(4) The Provincial Department of Ocean and Fisheries, Provincial Department of Finance, and Provincial Development and Reform Commission (the Office of the Provincial Leading Group for Accelerating Marine Economic Development, hereinafter referred to as the "Provincial Marine Economy Office") are responsible for organizing the related personnel to carry out review of the subsidy funds application materials and to confirm the list of units receiving subsidies and can, when necessary, commission intermediate organizations to carry out review and confirmation.

(5) The Provincial Department of Ocean and Fisheries, Provincial Department of Finance, and Provincial Development and Reform Commission (Provincial Marine Economy Office) are to publicly announce the list of units receiving subsidies on the related media outlets. The subsidy funds will be

issued according to the prescribed procedures to announced awardees with no objections. When there are objections raised by announced awardees, the subsidy funds will be issued according to the prescribed procedures after a review is conducted.

VI. Other

In the process of funds application and review, the ocean and fisheries, the finance, and the development and reform departments of all levels must exert greater efforts to improve communication and coordination with the marine economic offices of the same level. The names and phone numbers of contact persons are as follows:

Zhang Hengyan (Marine Economy Office of the Provincial Department of Ocean and Fisheries); office phone number: 0591-87878745.

Chen Li (Agricultural Office of the Provincial Department of Finance); office phone number: 0591-87097660.

Chen Huifang (Regional Office of the Provincial Development and Reform Commission); office phone number: 0591-87063552.

Attachments:

1. Marine Economic Development Subsidy Funds Applicant Unit Basic Situation Form
2. Marine Economic Development Subsidy Funds Application Form
3. Marine Enterprise Chinese and Foreign Capital Market Listing Situation Form
4. Fishing Vessel Loan Interest Subsidies Situation Form
5. Marine Enterprise Brand-Building Situation Form
6. Publicities Expenses Payment Situation Form
7. Marine Economic Development Subsidy Funds Application Summary Table

Download attachment:

Fujian Province Marine Economic Development Special Fund Application Guide Attached Forms (Attachments 1–7).xls

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Issuing Organization: Fujian Provincial People's Government Publication Date: 08-04-2014

Annex 13

Notice of the Fujian Provincial People's Government Regarding Six Measures Accelerating the Development of the Distant Water Fishing Industry People's Government of Fujian Province, Fujian Provincial People's Government, Mingzhen [2014] No. 36 (4 August 2014).

Notice of the Fujian Provincial People's Government Regarding Six Measures Accelerating the Development of the Distant Water Fishing Industry

To All Municipal and County (District) People's Governments, Administrative Committee of the Pingtan Comprehensive Experimental Zone, All Departments and Direct-Controlled Organizations of the Provincial People's Government, All Large Enterprises, and All Institutions of Higher Education:

In order to proactively participate in and promote the construction and development of the 21st Century Maritime Silk Road, accelerate our establishment as a province with a strong marine economy, expand and strengthen distant water fishing industries in this province, and strive to increase the scale of distant water fishing vessels in the entire province to 700 vessels by 2017, with distant water capture production of 600,000 tons, and output value of 8 billion Yuan; as well as cultivating 10 leading enterprises in the distant water fishing industry with output value of more than 100 million Yuan, and establishing 15 domestic and international distant water fishing industrial bases, forming a leading and driving, rationally organized, excellently equipped, fully outfitted modern distant water fishing industrial system with standardized management, the following measures are hereby presented:

I. Accelerate the Updating and Renovation of Distant Water Fishing Vessels

(1) Thoroughly implement the state's preferential policies to encourage the updating and renovation of distant water fishing vessels, actively promoting updates, renovations and upgrades for distant water fishing vessels and marine equipment, and gradually achieving the professionalization, standardization, and modernization of distant water fishing vessels. (Responsible Organizations: Led by the Provincial Development and Reform Commission, in coordination with the Provincial Department of Ocean and Fisheries and Department of Finance)

(2) Support accelerated equipment updates for distant water fishing enterprises: an interest discount of 5% shall be granted annually within the province on the basis of loan balance to any distant water fishing enterprise headquartered in Fujian or registered in Fujian as an independent legal entity or organization which builds or purchases a large-scale tuna purse seining vessel (gross tonnage of over 1000), ultra low-temperature tuna longline fishing vessel (gross tonnage of over 500), large-scale squid jigging vessel (gross tonnage of over 1000) or other distant water fishing vessel with fishing quotas, with the total per vessel not exceeding 6,000,000 Yuan; at the same time, the provincial-level and districted municipality financial administrations shall separately provide expense subsidies of 5% of fishing vessel construction costs for the updating and renovation of small-scale transoceanic distant water fishing vessels with vessel length of less than 24 meters. Distant water fishing vessels included in the national updating and renovation subsidies may enjoy the interest discount subsidy policy of the Provincial Special Fund for Marine Economic Development. (Responsible Organizations: Led by the Provincial Department of Ocean and Fisheries, in coordination with the Provincial Development and Reform Commission and Department of Finance, the governments of all districted municipalities, and the Administrative Committee of the Pingtan Comprehensive Experimental Zone)

(3) Establish development and design platforms for distant water fishing vessels, organize domestic and international vessel design experts, and launch independent design, development and popularization of advanced distant water fishing vessels and marine equipment; for each vessel-related R&D, the provincial-level financial administration shall provide a subsidy of 1,500,000 Yuan, improving smartness and automation standards for distant water fishing vessels. (Responsible Organizations: Led by the Provincial Department of Ocean and Fisheries, in coordination with the Provincial Department of Finance)

II. Construct Comprehensive Bases for the Distant Water Fishing Industry

(4) Each locality shall formulate supportive policies in accordance with practical circumstances, encouraging distant water fishing enterprises to "Go Global," proactively exploiting fishery resources in the Pacific Ocean, Indian Ocean, Atlantic Ocean, and other international waters, and developing the

oceanic distant water fishing industry; expanding fishing grounds by fishery access countries in ASEAN, Africa, Central and South America, and other areas, and consolidating and improving the transoceanic fishing industry. Departments responsible for fishery management shall proactively launch early-stage project guidance, accelerate the review and approval of distant water fishing industry projects, and strive to acquire more quotas for fishing vessels, nets and gear. (Responsible Organizations: All municipal and county (district) governments, the Administrative Committee of the Pingtan Comprehensive Experimental Zone, and the Provincial Department of Ocean and Fisheries)

(5) Support qualified localities in the establishment of industrial parks for the distant water fishing industry, in accordance with the requirements of high-level planning, high construction standards, economic and intensive use of land, and green, circular, low-carbon development. Priority guarantees for land and sea rights shall be granted to park projects: the minimum price for land transactions shall not be less than 70% of the "National Standards for Minimum Transaction Prices for Land for Industrial Use" corresponding to the land grade of that locality, while sea area usage fees may be implemented as 30% of that portion of the preferential policy for provincial-level key projects reserved for local use. The Investment Fund of the provincial budget shall grant appropriate subsidies or interest discounts to industrial parks for the distant water fishing industry approved by the Provincial Development and Reform Commission and Department of Ocean and Fisheries, with a maximum of up to 5,000,000 Yuan, for use on water, electricity, roads, public service platforms, equipment and facilities, planning and design, and other basic park construction. (Responsible Organizations: Led by all municipal and county (district) governments and the Administrative Committee of the Pingtan Comprehensive Experimental Zone, in coordination with the Provincial Development and Reform Commission, Department of Finance, Department of Land, and Department of Ocean and Fisheries)

III. Improve Intensive Processing and Comprehensive Exploitation of Distant Water Fishing Products

(6) Proactively guide distant water fishing enterprises to develop intensive processing for staple fishing products, cultivate name-brand products, and increase product processing utilization ratios and added product value. Peak and valley time-of-use electricity pricing shall be implemented for electricity usage by distant water fishing enterprises for independently-owned refrigerated storage for aquatic products, with valley-period electricity prices applied to electricity usage during ordinary periods. (Responsible Organizations: Led by the Provincial Price Bureau and Department of Ocean and Fisheries, in coordination with the Provincial Economic and Information Commission and power companies)

(7) Encourage domestic processing and sale of return-shipped distant water fishing products: for self-caught aquatic products return-shipped by distant water fishing enterprises in this province via ports in this province, on the basis of the actual quantity shipped, declared, and imported, the financial administration of the districted municipality in which the enterprise is located shall provide a shipping expense subsidy, and the provincial-level financial administration shall provide an additional subsidy at a 1-1 ratio (the maximum standard for subsidies from the provincial-level financial administration is 50 Yuan per ton). (Responsible Organizations: Led by the governments of all districted municipalities, Administrative Committee of the Pingtan Comprehensive Experimental Zone, and Provincial Department of Commerce, in coordination with the Provincial Department of Finance and Department of Ocean and Fisheries)

IV. Strengthen Scientific and Technological Innovation and Personnel Training

(8) Implement exploratory surveys and studies of distant water fishing resources: distant water fishing enterprises shall ally with the Fujian Institute of Oceanography, the provincial Aquatic Products Research Institute, and other research institutes involved in marine and fisheries science to implement exploration of fishery resources in assigned fishing grounds for the distant water fishing industry and related scientific research work; 3 fishing grounds shall be selected annually, with 1,000,000 Yuan to support each project. (Responsible Organizations: Led by the Provincial Department of Ocean and Fisheries, in coordination with the Provincial Department of Science and Technology)

(9) Strengthen basic skills and officer training for crew members in the distant water fishing industry: with the support of Xiamen Ocean Vocational College, provincial marine technology schools, and other top-level training institutions for crew members in the fishing industry, 1000 officers in the distant water fishing industry and 3000 crew members in the distant water fishing industry shall be trained annually; distant water fishing enterprises which organize personnel within the given organization to participate in training may apply for a training expense subsidy in accordance with the provisions of the “Measures for the Administration of the Fujian Province Employment Special Fund” (Fujian Finance-Social [2012] No. 72). (Responsible Organizations: Provincial Department of Ocean and Fisheries and Department of Human Resources and Social Security)

(10) Implement the “Blue Hundred, Thousand and Ten Thousand Talent Project” (one hundred or more high-end leading personnel, one thousand or more science and technology personnel, and ten thousand or more practical personnel): support Jimei University, Fujian Chuanzheng Communications College, Xiamen Ocean Vocational College, the Quanzhou Ocean Institute, and other institutions of higher education in expanding the scale of student recruitment for ship navigation, marine engines, the capture fishing industry, and other related vocations, to provide personnel support for the development of the distant water fishing industry. (Responsible Organization: Provincial Department of Education)

(11) Support the Provincial Distant Water Fisheries Association in formulating plans for the development of the distant water fishing industry, organizing enterprises to hold international fishing exchanges and collaboration, launching investigations of overseas bases and production in the distant water fishing industry, operating and upgrading information systems in the distant water fishing industry, and strengthening foreign-related security training for crew members in the distant water fishing, to provide powerful support for the sustainable and healthy development of the distant water fishing industry. (Responsible Organizations: Led by the Provincial Department of Finance, in coordination with the Provincial Department of Ocean and Fisheries)

V. Strengthen Financial and Banking Support

(12) Distant water fishing industry crew member and fishing vessel insurance throughout the province shall be included in fisheries mutual insurance subsidization, implementing a financial insurance premium subsidy policy equivalent to that for coastal fishing vessels and fishermen (the provincial and municipal/county financial administrations shall respectively grant insurance premium subsidies of 30% and 10%). (Responsible Organizations: Led by the Provincial Department of Ocean and Fisheries, in coordination with the Provincial Department of Finance)

(13) Proactively innovate financial aid policies for the distant water fishing industry, including distant water fishing enterprises in the existing support framework of the Government Risk Compensation Fund for Guarantee Funds and Loans to Marine Industries. (Responsible Organizations: Led by the Provincial Department of Ocean and Fisheries, in coordination with the Provincial Department of Finance)

VI. Improve the Efficiency of Customs Clearance for the Distant Water Fishing Industry

(14) Customs, inspection and quarantine, border defense, maritime affairs, and other port inspections departments shall proactively support the development of the distant water fishing industry: when processing seafarer's passports for distant water fishing crew members, port entry and exit for crew members and fishing vessels, exit of necessary fishing materials, entry of self-caught aquatic products, and other matters, simplify the review and approval procedures, improve processing efficiency, and reduce fee standards. Further optimize the customs clearance environment: in areas where the distant water fishing industry is concentrated, select public docks to serve as customs clearance docks for the distant water fishing industry; distant water fishery harvests shall accept supervision and handle customs clearance procedures at the designated docks. (Responsible Organizations: Led by the Provincial Port Authority, in coordination with the Provincial Border Defense Corps, Fujian Maritime Affairs Bureau, Fuzhou Customs, Xiamen Customs, Fujian Inspection and Quarantine Bureau, and Xiamen Inspection and Quarantine Bureau)

(15) Where port inspection conditions permit, inspection and quarantine departments shall implement a centralized inspection model for distant water fishery harvests, further shortening customs clearance time; for refrigerated aquatic product containers primarily containing stored and imported distant water fishery harvests, the inspection and quarantine departments shall supervise and complete inspection, quarantine and record-keeping work. (Responsible Organizations: Fujian Inspection and Quarantine Bureau, Xiamen Inspection and Quarantine Bureau)

(16) If distant water fishing vessels return to home port to shelter from weather or under other emergency circumstances, the maritime affairs department shall uniformly notify the relevant customs control department; the crew members of distant water fishing vessels entering port to shelter from weather may first go ashore in designated areas for centralized management, and then handle the customs clearance procedures for entry. (Responsible Organizations: Led by the Fujian Maritime Affairs Bureau, in coordination with the Provincial Border Defense Corps, Fuzhou Customs, and Xiamen Customs.

Fujian Provincial People's Government

July 31, 2014

II. Support for Fishing Vessels

Annex 14

Notice on Printing and Distributing the Zhejiang Province Measure on Managing Domestic Marine Fishing Industry Transformation and Upgrading Demonstration Projects and Funds, Zhejiang Provincial Department of Finance and Zhejiang Provincial Ocean and Fisheries Bureau, Zhecainong [2012]No.105 (4 May 2012).

Notice on Printing and Distributing the Zhejiang Province Measure on Managing Domestic Marine Fishing Industry Transformation and Upgrading Demonstration Projects and Funds

Zhe Cai Nong (2012) No. 105

Issued to all municipal and county (city/district) finance bureaus and authoritative departments for oceanic and fishery administration (with the exception of Ningbo):,

The Zhejiang Province Measure on Managing Domestic Marine Fishing Industry Transformation and Upgrading Demonstration Projects and Funds is hereby printed and distributed to you for you to put into implementation accordingly. If there are any questions or suggestions during the process of implementation, please provide feedback in a timely manner.

Zhejiang Provincial Department of Finance
Zhejiang Provincial Ocean and Fisheries Bureau

4 May 2012

Zhejiang Province Measure on Managing Domestic Marine Fishing Industry Transformation and Upgrading Demonstration Projects and Funds

Section 1 General principles

Article 1 This Measure is formulated according to the spirit of related documents such as the "Zhejiang Province Financial Measure on Managing Agricultural Special Funds" (Zhe Cai Nong [2011] No. 6) issued by the Provincial Department of Finance. Its purposes are to improve the management of the province's domestic marine fishing industry transformation and upgrading demonstration projects and funds and to increase the effectiveness of use of special financial funds.

Article 2 The Provincial Department of Finance establishes the "Zhejiang Province Domestic Marine Fishing Industry Transformation and Upgrading Special Funds" (hereinafter abbreviated as the "special funds") to be used for the updating and construction of the province's domestic marine fishing vessels, the conversion of onboard facilities, and the adjustment of working methods and operations modes to promote the enhancement of the traditional marine fishing industry, to speed up the establishment of a marine fishing industrial system that is resource-conserving and environmentally friendly, and to guarantee the sustainable development of the marine fishing industry.

Section 2 Targets, scope, and standards of subsidy funds

Article 3 The targets of subsidies of the special funds are the institutions or individuals engaged in Zhejiang Province domestic marine fishing industry transformation and upgrading demonstration projects (hereinafter abbreviated as "transformation and upgrading demonstration projects." Their fishing vessels, supported as part of the project, must be fishing vessels that are included in the fishing vessel management database and that are lawfully engaged in domestic marine fishing and production work (including boats used for assisting marine fishing.)

Article 4 Scope of subsidies

(1) Fishing vessel updating and construction: Updating and constructing modernized fishing vessels in line with the orientation of fishery industrial policy with optimized vessel types and advanced production techniques, and configuring the main equipment and facilities such as the engines, safety facilities, energy conservation, hygiene facilities, and communications equipment according to the standard requirements.

(2) Adjustment of working methods: Engaging in the introduction, development, and promotion of resources-conserving and environmentally friendly fishing gear and fishing methods and optimized vessel types, supporting the facilities conversion and improvement for fishing vessels that support operations with good versatility such as hook fishing, and transforming and improving operating

fishing vessels switching from netting and trawling types to other types with relatively lower resource destruction.

(3) Adjustment of operations models: Exploring marine cold chain construction and constructing and developing fishing vessels (refrigerated fishing vessels) of 300 gross tons or larger with the functions of catch cooling, quick freezing, and refrigeration for freshness, or fishing vessels (fish factory vessels) that directly process the catch while at sea to bring about comprehensive production by fishing vessels, and to raise aquatic product quality and fishing efficiency.

(4) Conversion of fishing vessel safety facilities: On the basis of fishing vessels being safe and seaworthy, fully outfitting vessels with safety equipment and facilities that include the three types of equipment of the universal emergency alert system, very high frequency radio devices (with DSC), and whistles.

(5) Conversion of fishing vessel hygiene facilities: With the goal of improving hygiene and freshness facilities, and the at-sea working and living conditions of fishermen, renovate fishing vessel fish holds, kitchens, and bathroom facilities as required; renovate fish hold exterior sealing materials or install freshness facilities and equipment to improve the capabilities for keeping aquatic products fresh; renovate kitchen and bathroom floors, ceilings, and walls; and, install easily cleaned and disinfected ceramic fittings, sanitary fittings, and faucets operated by foot pedal or sensor.

(6) Fishing vessel renovation for energy efficiency and consumption reduction: The demonstration and promotion of updating and revamping old diesel engines, the promotion and application of energy-efficient products and devices on fishing vessels, and the demonstration and promotion of energy-efficient vessel types and engine-propeller matching techniques. Assistance is not provided for the updating of equipment not included in the catalog of new-type energy-efficient diesel engine products issued by the Provincial Ocean and Fisheries Bureau. Energy-efficient products and devices must be tested and approved by departments of quality and technical supervision at the city level or higher or their commissioned organizations and must have passed onboard testing organized by the city-level authoritative departments for oceanic and fishery administration and be publicly announced.

Article 5 Subsidy standards

(1) Fishing vessel updating and construction: Different categories of assistance are provided according to the degrees of resource destruction caused by fishing vessel construction materials and fishing vessel working methods. The specific standards for individual vessels are: RMB 2,000 of subsidies for fishing vessels with new materials such as fiberglass reinforced plastic per each kilowatt of engine power, with the subsidy for an individual vessel not to exceed RMB 400,000; RMB 2,000 of assistance for metal fishing vessels per each kilowatt of engine power, with the subsidy for an individual vessel not to exceed RMB 400,000; RMB 1,000 of assistance for metal fishing vessels engaged in gill net and light luring seine net (excluding large bag seine net), and cage and pot fishing per each kilowatt of engine power, with the subsidy for an individual vessel not to exceed RMB 200,000.

(2) Adjustment of working methods: Assistance is provided for 30% of the investment in fishing vessel facilities renovation and fishing gear facilities configuration, with the subsidy for an individual vessel not to exceed RMB 150,000.

(3) Adjustment of operations models: Assistance of RMB 400,000 per fishing vessel is provided for the construction and development of fish factory vessels. Assistance of RMB 200,000 per fishing vessel is provided for the construction and development of refrigerated fishing vessels.

(4) Renovation of fishing vessel safety facilities: Assistance is provided for 30% of the investment in safety facilities.

(5) Renovation of fishing vessel hygiene facilities: Assistance of RMB 8,000 per fishing vessel is provided for the renovation of kitchens and bathrooms according to the requirements of the related standards. Assistance is provided for 50% of the investment in fish hold renovation, with the subsidy for an individual vessel not to exceed RMB 80,000.

(6) Fishing vessel renovation for energy efficiency and consumption reduction: Assistance is provided for updating and revamping old diesel engines based on 20% of the purchase price of a new-type energy-efficient diesel engine, with the subsidy for an individual vessel not to exceed RMB 80,000. Assistance is provided for fishing vessel energy-efficient products and devices based on 30% of the purchase price, with the assistance for a single device or product not to exceed RMB 10,000. Assistance is provided for the demonstration and promotion of energy-efficient vessel types and engine-propeller matching techniques based on 30% of the authorized investment amount.

Section 3 Project application and approval

Article 6 Application procedure

(1) When applying for a transformation and upgrading demonstration project, the project undertaker must fill out the "Agricultural Fiscal Funds Project Application Standard Form" and the Project Initiation Application Form (Attachment 1 or 2) and attach the fishing vessel fishing license (or shipbuilding permit). The application documents should accurately reflect the basic situation of the project undertaker, the details of the project construction, the implementation plan, the funding estimation, and the cost-effectiveness analysis. The project undertaker must take responsibility for the genuineness of the reported project materials.

(2) The project application is to be completed by the construction unit or the fishing vessel owner according to the details of actual implementation. Fishing vessels of the same project undertaker are to be reported all together according to the project categories. The updating and construction projects are not to be concurrently reported with other transformation and upgrading projects for the same fishing vessel.

(3) After an application package for a transformation and upgrading demonstration project is carefully reviewed by the municipal or county (city/district) fishery administration and finance bureau, the materials are jointly submitted to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance before the end of March each year. The application package is to include the joint application documents and the "Agricultural Fiscal Funds Application Standard Form." While being reported online using the "Zhejiang Province Oceanic and Fishery Project Management System," the above application materials are also to be submitted in writing, with two copies going to the Provincial Ocean and Fisheries Bureau and one copy going to the Provincial Department of Finance.

Article 7 After a project application is received, the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance will review and screen the application materials meeting the criteria. After the most highly qualified applications are determined, the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance will jointly issue the project implementation plan before the end of June each year. The provincial subsidy funds will be separately appropriated by the Provincial Department of Finance according to the budgetary levels.

Section 4 Project and funds supervision and management

Article 8 In the arrangement and use of the special funds, importance should be placed on actual performance and full consideration should be taken of the actual meaning, the implementation situation, and the effect of the project. The arrangement and use of the special funds must strictly follow the related financial policies, and no institution or individual is allowed to seize, misappropriate, or divert these funds.

Article 9 After a transformation and upgrading product is completely implemented, project acceptance must be completed.

The local authoritative department for oceanic and fishery administration and finance department will organize acceptance within one month after the project is completely implemented. The "Work Completion Acceptance Form" (Attachment 3 or 4) is to be filled out. Projects involving fishing vessel construction or fishing vessel hull renovation must also attach a copy of the shipbuilding inspection certificate. The acceptance results are reported to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance. The Provincial Ocean and Fisheries Bureau and the Provincial

Department of Finance will organize supervision and spot checks of accepted projects at the appropriate times.

Article 10 After the project passes inspection, the municipal or county (city/district) finance department should pay the fiscal subsidy funds to the project implementation unit in a timely manner. The authoritative department for fishery administration and the finance department should focus efforts on supervisory inspection and management of the project implementation situation and the funds usage situation. If there is any illegal use of fiscal funds, it should be investigated according to the relevant laws and regulations such as the "Regulation on Penalties and Sanctions Against Illegal Fiscal Acts."

Article 11 After work is completed for the project, the local authoritative department for fishery administration and finance department should do a performance assessment of the implementation situation and special fund usage situation of the transformation and upgrading demonstration project according to the requirements of the "Zhejiang Province Regulations for Implementing Fiscal Expenditure Performance Assessment (Zhe Cai Ji Xiao [2009] No. 5) and should report the "Zhejiang Province Fiscal Expenditure Item Performance Assessment Report" to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance. The assessment results are to be used as important evidence for the arrangement of the following year's projects.

Article 12 In any of the following situations, the projects and special funding arrangements for the following year for that municipality or county (city/district) will be canceled:

- (1) There is falsification or misappropriation, diversion, and fraudulent obtainment of the special funds by the project undertaker during project application or implementation.
- (2) There is unauthorized adjustment of the project implementation entity, the project implementation location, or the project implementation details.
- (3) There are other serious law or discipline violations.

Article 13 In any of the following situations, the amount of subsidies can be deducted at the discretion of the authorities:

- (1) The project is not completed according to the stipulated deadline (except where due to force majeure).
- (2) The project has been completely implemented and has passed acceptance, but the subsidy funds are not promptly paid.
- (3) The application materials are not submitted in time.
- (4) There is other behavior that affects the performance or use of fiscal special funds.

Article 14 In any of the following situations, the finance department can order that improvements be made by a specific deadline, can suspend or halt the payments, or can seek recovery of fiscal subsidy funds:

- (1) Falsification or fraudulent obtainment of state funds.
- (2) Seizure or diversion of project funds.
- (3) Insufficiency of self-raised funds, which affects the project work.
- (4) Refusal to accept the supervision and inspection by the finance department, authoritative department, or other regulatory department.
- (5) Other law and discipline violations.

Section 5 Supplementary provisions

Article 15 The Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance have the right of interpretation for this Measure.

Article 16 This Measure goes into effect 30 days after the date of issuance.

Annex 15

Fujian Province Notice regarding 2014 Central Government Budget for Marine Fishing Boats Renovation, Fuzhou Development and Reform Commission and Fuzhou Ocean and Fishery Bureau (29 Sept 2014).

Fujian Province Notice regarding 2014 Central Government Budget for Marine Fishing Boats Renovation

To Fuzhou Honglong Marine Aquatic Products Co., Ltd. and Fuzhou Dongxinlong Distant Water Fisheries Co., Ltd.: As required by the Notice of the Fujian Provincial Development and Reform Commission and the Fujian Provincial Ocean and Fishery Department Regarding the Forwarding of the 2014 Central Government Budgetary Investment Plan for Distant Water Fishing Vessel Updating and Renovation Projects (Min Fa Gai Nong Ye [2014] No. 573), the province is to issue RMB 41.64 million from the 2014 central government budgetary investment plan to our city for distant water fishing vessel updating and renovation projects. The investment plan is now forwarded to you (see attachment for details) to be implemented accordingly. Related matters are notified as follows:

1. The priority of support for the issuance of this batch of funds for the updating and renovation of distant water fishing vessels is distant water fishing vessels that have already been built. The funds for updating and renovation are to be mainly self-raised by the enterprise and to be supplemented by investment subsidies arranged by the central government. The central government investment subsidy is not to exceed 30% of the total investment for each fishing vessel, and in principle, it should not exceed the ceiling of the fishing vessel investment subsidy standard.

2. Strengthening inter-departmental coordination: The development and reform commissions and the ocean and fishery departments of all related counties (or cities) are to strengthen coordination and establish effective mechanisms for communication and consultation, and for collaboration on division of work. They are to jointly perform project organization and implementation, and they are to practically strengthen supervision and management of project quality, progress, and funds arrangement and usage to ensure that projects successfully produce the most effective results.

3. Strengthening project funds management: The development and reform commissions and the ocean and fishery departments of all related counties (or cities) are to submit, in a timely manner, relevant vouchers indicating funds being paid to the project units, to the provincial or city development and reform commissions, and the ocean and fishery departments (or bureaus) for the record. They must ensure that the subsidy funds from the central government budget are used for the construction of marine fishing vessel, structural work, and the purchase of main equipment. These funds are not to be used for paying back arrearages and are not to be used for purchasing imported equipment. The misappropriation, diversion, or delayed payment of subsidy funds is not allowed. Related expenses such as management fees are not provided for.

4. In order to ensure that the subsidy funds are used properly, the method of paying subsidy funds after the completion of projects is to be adopted. For a distant water fishing vessel to be included in the 2014 updating and renovation central government investment plan, it is required that it already have been completely built, and the one-time payment is not to be made until after the certificates (fishing vessel inspection certificate, fishing vessel nationality certificate, and fishing vessel ownership certificate) are obtained. In addition, no transactions involving distant water fishing vessels are allowed within ten years after they receive the benefit of the national updating and renovation subsidies. In special circumstances where sales are necessary, such as ship owner disability or death, the subsidies are to be returned to the national treasury based on the proportion of national subsidies.

5. Strengthening project construction information system work: The development and reform commissions of all related counties (or cities) are to report on the project implementation progress and funds payment situation to the Provincial Development and Reform Commission two days before the beginning of each quarter, using the "Project Management Information System" on the Jinhong Network. The ocean and fishery departments of the related counties (or cities) are to report on the project progress situation to the Provincial Ocean and Fishery Department.

Attachment: Forwarding Form for the 2014 Central Government Budgetary Investment Plan for Distant Water Fishing Vessel Updating and Renovation Projects

Fuzhou City Development and Reform Commission and
Fuzhou City Oceanic and Fishery Bureau

29 September 2014

File download: Rong Fa Gai Nong Ye 30 Attachment.xls

Annex 16

Pingtang Comprehensive Experimental Zone Economic Development Bureau on the Notice of Allocating Marine Fishing Vessels Upgrading and Reconstruction Project Investment Plan in the 2012 Central Budget, Pingtang Comprehensive Experimental Zone Economic Development Bureau (31 January 2013).

Pingtang Comprehensive Experimental Zone Economic Development Bureau on the Notice of Allocating Marine Fishing Vessels Upgrading and Reconstruction Project Investment Plan in the 2012 Central Budget

Pingtang County Economic Development Bureau, the County Rural Development Bureau, the County Distant Water Fishing Group Co., Ltd., County Anda Distant Water Fishing Co., Ltd., County Hengli Fishing Co., Ltd., Zheng Changxin, Chen Tiancai etc. units:

According to the requirements of the "Fujian Provincial Development and Reform Commission and Fujian Provincial Oceanic and Fishery Department on the Notice of Allocating Marine Fishing Vessels Upgrading and Reconstruction Project Investment Plan in the 2012 Central Budget "(Min Fa Gai Agriculture [2012] No. 1278), the Province allocates 118.401 million yuan to our district for the 2012 marine fishing vessels upgrading and reconstruction project investment plan in the central budget, now the investment plan is allocated to you (see Appendix), please follow for implementation, and the relevant matters are hereby notified as follows:

First, strengthen cooperation among departments. County Economic Development Bureau, Bureau of Rural Development shall strengthen cooperation and establish effective communication, consultation and cooperation mechanism, jointly to do a good job on organizing the work of project implementation, earnestly strengthen the supervision and administration of project quality, progress, the use of investment arrangements, to ensure the early completion of project and to give full play to the benefits.

Second, strengthen the management of project funds. County Economic Development Bureau, Bureau of Rural Development shall submit the relevant credence of disbursement of the funds to the project unit timely to the Provincial Development and Reform Commission and the Oceanic and Fishery Department for the record. To ensure that the subsidized funding of the central budget is used for the main body of the marine fishing vessels construction project and main equipment purchase; it shall not be used for repayment of the arrears, for the purchase of imported equipment; diversion, misappropriation, and delay of subsidized funding are prohibited; it shall not be provided for management fees and other related costs. According to the central subsidies, enterprises or fishermen self-financing multi-channels fund-raising principle, to implement the matching funds as soon as possible, to ensure there would be no gap.

Third, to ensure the formation of physical engineering quantity before February 18, 2013. This batch of investment subsidies for marine fishing vessels from the central budget shall hurry up to purchase shipbuilding materials and equipment. Drawing up construction progress plan, to ensure the construction gets started in the beginning of 2013, and the formation of physical engineering quantity before February 18, 2013. Under the premise of implementing project legal person and matching funds and signing shipbuilding contracts, should it become difficult to start the construction in time, due to the availability issue of shipyard and slipway, it can purchase shipbuilding materials and equipment first.

Fourth, to allocate subsidized funding in accordance with construction progress. In order to ensure the subsidized funding is spent wisely, to allocate the subsidized funding in three installments in accordance with construction progress. For the first installment, to disburse 30% of the fund, after the fishing vessels inspection departments issue the certificate for the installment of the keel of the fishing vessel (department in charge of fishing industry shall submit a copy of the certificate to the

Development and Reform Department, same as the following); the second installment, disbursement of 30% of the fund, after the fishing vessels inspection departments issue the certificate for launching of the fishing vessel; the third installment of disbursing 40% of the fund, after the supervisory departments of the fishing harbors issue the vessels' ownership registration certificate. At the same time, the marine fishing vessels benefited from the national upgrading and reconstruction subsidies policy cannot be sold within ten years, sold after ten years, the proceed will be returned to the State in accordance with the proportion of national subsidies.

Fifth, strengthen the work of project construction statistical information. The County Economic Development Bureau, the Bureau of Rural Development and various fishing companies shall report the progress of the project by the 2nd day of each month to the District Economic Development Bureau. Appendix: 2012 Pingtan Marine Fishing Vessels Upgrading and Reconstruction Project Construction Plan Approved Table

Pingtang Comprehensive Experimental Zone Economic Development Bureau

January 31, 2013

Annex 17

Guangdong Province Public Announcement on Distant Marine and Nansha Fishing Boat Renovation Projects, Guangdong Ocean and Fishery Bureau (18 Dec 2014).

Guangdong Province Public Announcement on Distant Marine and Nansha Fishing Boat Renovation Projects, Guangdong Ocean and Fishery Bureau

Based on the relevant requirements from the management measures of the special fund from Provincial Finance, the relevant content of the *Suggestions for the Establishment Plan on the Guangdong Province Distant Marine and Nansha Fishing Boat Renovation Projects* is hereby announced as follows (see Appendix for details). Public notice period is 18 to 26 December 2014, seven business days in total. If any objections shall arise regarding the displayed content, please report it to the Provincial Administration of Ocean and Fisheries, or the Provincial Department of Finance. For circumstances reported by individuals, please provide truthful names, contact methods, evidence of the reported items, etc.; for circumstances reported on behalf of units (of organizations), please provide the truthful name of the unit (affixed with the official stamp), person to contact, contact method, evidence of the reported items, etc.

Contact for the Provincial Administration of Ocean and Fisheries: Sun Qiyong, Tel.: 020-84109223

Contact for the Provincial Department of Finance: Xiong Wei, Tel.: 020-83170167

[Suggestions for the Establishment Plan on the Guangdong Province Distant Marine and Nansha Fishing Boat Renovation Projects.pdf](#)

Appendix

Suggestions for the Establishment Plan on the Guangdong Province Distant Marine and Nansha Fishing Boat Renovation Projects

No.	Program Unit	Primary Construction Details and Scale	Total Investment (In units of 10,000 Yuan)	Amount of Funding for Application (In units of 10,000 Yuan)	Plan Suggestions (In units of 10,000 Yuan)
1	Guangdong Guangyuan Fishing Industry Group Co., Ltd.	Two steel tuna longliners with a total length of 40.9 meters each were built with the total host power of each of the fishing vessels at 540 kilowatts, the total tonnage at 280 tons, beam at 7.1 meters, draft at 3.7 meters, the designed navigation speed at 11.5 nautical miles/hour, and the operating areas are in the Western and Central Pacific high seas.	1570	160	150
2	Guangdong Xinghai Distant Water Fishing Industry Co., Ltd.	10 steel single trawlers with a total length of 43.8 meters each were built with the total host power of each of the fishing vessels at 1,000 kilowatts, total tonnage of 290 tons, beam at 7.18 meters, draft at 3.5 meters, designed navigation speed at 11.5 nautical miles/hour, operating area is in Thai waters,	7930	800	750

		and the total investment for each vessel is 7.93 million Yuan.			
3	Guangdong Longmei Fishing Industry Co., Ltd.	Six steel trawlers with a total length of 50 meters each were built with the total host power of each of the fishing vessels at 960 kilowatts, total tonnage of 390 tons, beam at 8 meters, draft at 4 meters, designed navigation speed at 12 nautical miles/hour, the operating area is in Malaysian waters, and the total investment for each vessel is 7.98 million Yuan.	4788	720	660
4	Guangdong Ruishun Distant Water Fishing Industry Co., Ltd.	Six steel trawlers with a total length of 47 meters each were built with the total host power of each of the fishing vessels at 1,000 kilowatts, total tonnage of 338 tons, beam at 7.4 meters, draft at 3.75 meters, designed navigation speed at 12 nautical miles/hour, the operating area is in Sri Lankan waters, and the total investment for each vessel is 8.08 million Yuan.	4848	720	660
5	Leizhou City Qishui Township Shun'an Fishing Industry Cooperatives	One steel light-covering netter with a total length of 58 meters was built with the total host power of the fishing vessel at 681 kilowatts, total tonnage of 720 tons, beam at 9 meters, draft at 4.7 meters, designed navigation speed at 11.5 nautical miles/hour, and the operating area is at 17 degrees south of the Southwestern Saudi Arabian waters.	1202.6	200	170
6	Xinhui District Honghai Fishing Industry Cooperatives	Two steel light seiners with a total length of 45.8 meters each were built with the total host power of the fishing vessels at 807 kilowatts, total tonnage of 372 tons, beam at 7.2 meters, draft at 4 meters, designed navigation speed at 12 nautical miles/hour, and the operating area is in the C3-type fishing zone.	1056	240	220
7	Taishan City Nansha	One steel light-covering netter with	1360	200	170

	Fishermen's Association (Program founder: Zhang Guilian)	a total length of 60.8 meters was built with the total host power of the fishing vessel at 658 kilowatts, total tonnage of 866 tons, beam at 9.2 meters, draft at 4.8 meters, designed navigation speed at 11 nautical miles/hour, and the operating areas are in the C3-type fishing zone and the A-type fishing zone of Guangdong Province.			
8	Taishan Nansha Fishermen's Association (Program founder: Guoke)	City One steel barbed fishing boat with a total length of 51.8 meters was built with the total host power of the fishing vessel at 558 kilowatts, total tonnage of 424 tons, beam at 8.3 meters, draft at 4.75 meters, designed navigation speed at 12.5 nautical miles/hour, and the operating area is in the C3-type fishing zone.	1225.53	120	110
9	Taishan Nansha Fishermen's Association (Program founder: Dahuan)	City One steel barbed fishing boat with a total length of 42.8 meters was built with the total host power of the fishing vessel at 571 kilowatts, total tonnage of 433 tons, beam at 8.3 meters, draft at 4.8 meters, designed navigation speed at 12.5 nautical miles/hour, and the operating area is at 17 degrees south of the Southwestern Saudi Arabian waters.	1099.82	120	110
Total			25079.95	3280	3000

Description of the situation with the program establishment plan: funding for the Guangdong Province Distant Marine and Nansha Fishing Boat Renovation Projects is 30 million Yuan; according to reports on application, a total of nine units and 30 fishing vessels have applied throughout the province (not including Shenzhen) and the program fund for application is 32.8 million Yuan, which exceeds the program fund by 2.8 million Yuan. Based on the review status, the respective nine projects and 30 fishing vessels have all met the requirements and conditions for application, and the review specialists have all agreed to include them in the establishment plan. After a consultation between our department and the Provincial Department of Finance, [we have decided to] decrease the incentive standards for the Guangdong Province Distant Marine and Nansha Fishing Boat Renovation Projects correspondingly: for fishing vessels that are longer than 35 meters and weigh more than 200 total tons but less than 300 tons, each vessel will be awarded no more than 800,000 Yuan based on the standards, [the award] is adjusted to 750,000 Yuan; for fishing vessels that are longer than 35 meters and weigh more than 300 total tons (included) but less than 500 total tons, each vessel will be awarded no more than 1.2 million Yuan based on the standards, [the award] is adjusted to 1.1 million Yuan; for fishing vessels that are longer than 35 meters and weigh more than 500 total tons (included), each vessel will be awarded no more than 2 million Yuan according to standards, [the award] is adjusted to 1.7 million Yuan.

Annex 18

Shandong Province Interim Measures for Administration of Special Funds for Safe Fisheries, Shandong Department of Finance and Ocean and Fishery Bureau, (19 March 2010).

Provincial Department of Finance, Provincial Ocean and Fishery Bureau Jointly Develop and Print “Shandong Province Interim Measures of Administration of Special Funds for Safe Fisheries”

Source: Finance Planning Office Time: 2010-3-19

In order to fully strength level of safe fisheries production and safeguard life and property of fishermen, the provincial government established special funds for safe fisheries. To further strength management of the special funds, the provincial Department of Finance and the provincial Ocean and Fishery Bureau developed “Shandong Province Interim Measures of Administration of Special Funds for Safe Fisheries” and issued it to municipality and townships.

“Shandong Province Interim Measures of Administration of Special Funds for Safe Fisheries” has proposed regulatory requirements in areas regarding responsibilities of each department, usage of the funds, project application and approval, management and supervision. It has significant meaning in strength management and supervision of special funds for safe fisheries and ensure efficiency in the use of funds.

Attachment: Shandong Province Interim Measures of Administration of Special Funds for Safe Fisheries.

Shandong Province, Interim Measures of Administration of Special Funds for Safe Fisheries

Chapter One: General Provisions

Article 1: In order to standardize and strengthen the administration of special funds for safe fisheries, increase the benefits of using the funds, in accordance with relevant policies of national work safety in the fishing industry and related provisions of financial administration of special funds, to draw up these measures.

Article 2: The term special funds for safe fisheries in these measures refers to the provincial budget arrangements funding for the safe fisheries project.

Article 3: The Provincial Department of Finance and Provincial Oceanic and Fishery Department are responsible for the allocation, use and administration of the special funds for safe fisheries. The Provincial Department of Finance is mainly responsible for examination, verification and implementation of the safe fisheries special funds budget, the allocation and disbursement of the safe fisheries special funds, and the administration and supervision of the use of the funds; the Provincial Oceanic and Fishery Department is mainly responsible for preparing annual budget of the funds and the annual project plan, in accordance with the safe fisheries construction plan, and managing and inspecting project implementation and the use of the funds, organizing for the final project acceptance after completion etc. City, county (city, district) financial, Oceanic and fishery departments are responsible for the specific implementation.

Financial and Oceanic and Fishery departments at all levels shall fulfill their duties and responsibilities, in accordance with the division of responsibilities, fully cooperate with each other, and collaborate closely, and jointly do a good job in all works.

Article 4: The financial departments of the city, county (city, district) shall, according to the province-wide safe fisheries construction plan, continue to increase capital investment, earnestly strengthen administration of the funds, and actively encourage and guide social capital to invest in the safe fisheries construction, strive for forming a diversified investment mechanism that is guided by government financial investment, while the social investment as the mainstay.

Chapter Two: Use of the Funds

Article 5: The Scope of Usage

(I) The Construction of Fishing Vessel Positioning System. Mainly includes CDMA, fishing vessels automatic identification equipment (collision prevention), satellite positioning equipment,

construction, maintenance and system operation of fishery safety communication ground stations etc..

(II) The construction of Fishing Vessels Hedging System. Mainly includes fishing vessels entering and leaving port intelligent identification equipment, fishing vessels in the port fire and safety monitoring equipment, fishery navigation marking equipment etc..

(III) The Construction of Fishery Rescue System. Mainly includes fishing vessels lifesaving equipment, fishery law enforcement vessels search and rescue equipment.

(IV) The provincial level organizations plan for compilation of developing technical standards, project management and inspection for acceptance etc..

Article 6: The Standards of Subsidies

(I) The investment of fishing vessels positioning system construction is determined under two conditions: the funding for construction, maintenance and system operation of fishery safety communication ground stations will be assumed by the provincial financial authority; the configuration funding for fishing vessels automatic identification equipment (collision prevention), satellite positioning equipment etc., the provincial financial authority will be subsidized by the provincial financial authority by the proportion of no more than 50% of the total investment amount;

(II) The investment of fishing vessels hedging system construction is determined under two conditions: the configuration funding for fishing vessels entering and leaving port intelligent identification equipment will be assumed by the provincial financial authority; the configuration funding for fishing vessels in the port fire and safety monitoring equipment, fishery navigation marking equipment etc. will be subsidized by the provincial financial authority by the proportion of no more than 50% of the total investment amount;

(III) The investment of fishery rescue system construction is determined under two conditions: the configuration funding for provincial fishery law enforcement vessels will be assumed by the provincial financial authority; the configuration funding for the search and rescue equipment on local fishery law enforcement vessels and lifesaving equipment on fishing vessels will be subsidized by the provincial financial authority by the proportion of no more than 40% of the total investment amount.

Chapter Three: Project Reporting and Approval

Article 7: According to the province-wide safe fisheries construction plan and the annual budget arrangements for funding, the Provincial Oceanic and Fishery Department and Provincial Department of Finance to draw up the annual allocation of safe fisheries construction project reporting guidelines, to clearly determine the objectives of annual tasks, priority of assistance, and work requirements etc..

Article 8: The Oceanic and Fishery Departments of all cities and counties directly supervised by Province (cities) in conjunction with financial departments, organize the project reporting, in accordance with project reporting guidelines and local safe fisheries construction plans.

Article 9: The Provincial Oceanic and Fishery Department and Provincial Department of Finance shall organize experts to review and verify the project reports submitted by all cities and counties directly supervised by Province (cities), to propose the projects review comments, considering the factors of the natural conditions of all cities and counties (cities, districts), working conditions, foundation of fishery work safety, the capital investments by financial authorities at city and county levels, to determine specific projects eligible for subsidies and the amount of subsidized funding, and jointly allocate the annual safe fisheries construction project plan. Provincial Department of Finance allocates the funds accordingly.

Article 10: The Oceanic and Fishery Departments of all cities and counties are directly supervised by Province (cities) in conjunction with financial departments, according to the allocation of the annual project plan, to organize the development of project implementation plans, and submit it to the Provincial Oceanic and Fishery Department and Provincial Department of Finance for approval.

Chapter Four: Administration and Supervision

Article 11: The Oceanic and Fishery Departments and financial departments of all cities and counties directly supervised by Province (cities) shall strictly follow the annual safe fisheries construction project plan allocated by the Provincial Oceanic and Fishery Department and Provincial Department of Finance, to organize the project implementation, to implement fully the city-county financial funds and other self-raised funds, there will be no unauthorized changes of project location, scale, standards and construction content; should any changes or adjustments are

warranted, they should be submitted to the Provincial Oceanic and Fishery Department and Provincial Department of Finance for approval.

Article 12: During the process of construction implementation, the funds and project supervision responsibility system and accountability system, shall be established, and actively promote the project publicity system, project legal person responsibility system, project construction bidding system, government procurement of bulk materials system, project construction supervision system etc. effective means of management, sunshine operations, standardized administration, to ensure the smooth implementation of the project.

Article 13: After completion of the project, counties directly supervised by the Province (cities) shall file application for final inspection and acceptance to the Provincial Oceanic and Fishery Department and Provincial Department of Finance, then the Provincial Oceanic and Fishery Department and Provincial Department of Finance shall organize directly for the final inspection and acceptance; other projects county (city, district) shall file application for final inspection and acceptance to the municipal Oceanic and Fishery Department and municipal Department of Finance, then the city shall organize directly for the final inspection and acceptance, and timely submit the report of final inspection and acceptance to the Provincial Oceanic and Fishery Department and Provincial Department of Finance.

The Province will organize to conduct random checks on the completed projects, should the projects fail to pass the random checks, the eligibility of the project county (city, district) for the similar projects in the following year will be suspended. Article 14: To establish a safe fisheries special fund performance evaluation system, results of the evaluation shall be used as an important basis for the project approval and project funding allocation in next year.

Article 15: All levels of financial authorities, Departments of Oceanic and Fishery shall strengthen the administration and supervision of special funds for safe fisheries, to ensure the earmarking and benefits exerted by using the funds. Any units and individuals shall not engage in misappropriation, diversion, and withholding of special funds for safe fisheries, any such violations, the financial authorities shall follow the "Illegal Financial Activities Penalties and Sanctions Ordinance" (State Council Decree No. 427) and the relevant laws and regulations to handle these cases according to laws.

Chapter Five: Supplementary Provisions

Article 16: All cities, counties directly supervised by Province (cities) can, according to these measures, draw up the implementation details in combination with the local actual conditions, and report it to the Provincial Department of Finance and Provincial Oceanic and Fishery Department for the record.

Article 17: The Provincial Department of Finance and Provincial Oceanic and Fishery Department are responsible for interpretation of these measures.

Article 18: These measures shall become effective on the date of promulgation.

III. Support for Strategic Emerging Industries in Marine Economy

Annex 19

Notice on Promoting Regional Demonstrative Innovative Developments in Marine Economy,
Ministry of Finance and State Oceanic Administration, Caijianhan [2012] No. 12 (11 May 2012).

Notice on Promoting Regional Demonstrative Innovative Developments in Marine Economy

Caijianhan [2012] No. 12

To the Provincial (Municipal) People's Governments of Shandong, Qingdao, Zhejiang, Ningbo, Fujian, Xiamen, Guangdong, and Shenzhen:

In order to thoroughly implement the important guiding spirit of General Secretary HU Jintao regarding the vigorous development of the marine economy, scientific exploitation of marine resources, cultivation of advantageous marine industries, and forging of a blue economic zone, as well as the "Resolution of the State Council Regarding the Accelerated Cultivation and Development of Strategic Rising Industries," the Ministry of Finance and the State Oceanic Administration (hereafter abbreviated as the Two Departments) have resolved to take up the task of developing marine life and other strategic rising industries, supporting certain regions in creating regional models for marine economic innovation and development, and providing support for related work through four special funds: the Special Development Fund for Strategic Rising Industries, Sea Area Usage Fees, the Special R&D Fund for Publicly Beneficial Marine Industries, and the Special Fund for Increasing Innovativeness at Institutions of Higher Education. The relevant requirements are as follows:

I. General Requirements

With the guidance of DENG Xiaoping Theory and the important ideas of the "Three Represents," to profoundly implement the scientific development perspective, innovate systems and mechanisms, uphold the integration of the market leading and the government facilitating; to make scientific plans and rational arrangements in accordance with the requirements of the integration of production, education, scientific research, and practical applications; to explore synergistic and innovative new modes and mechanisms via models; to make breakthroughs on core and major technologies for the development of restricted marine life and other strategic rising industries, successfully transform a batch of major technological achievements, develop a batch of model enterprises in strategic rising industries, cultivate a certain number of strategic rising industry cluster zones with clear distinguishing features and outstanding advantages, and promote the leapfrog development of the marine economy.

Model areas shall be arranged according to the overall scheme of relevant national industrial development plans, integrating local features and advantages, selecting industrial fields with priority development in the given province, screening for the state of development, resource distribution, advantages, strengths, etc., finding existing problems and the direction of future development, and completing a top-down design and plan. The designing of innovative chains shall be emphasized, forming innovative mechanisms with close links between every key cycle of production, education, scientific research, and practical applications, division of labor, and rational profit allocation. At the same time, organizational and safeguard mechanisms must be established for the model work of the given province (municipality), formulating relevant supporting policies, creating the conditions for carrying out the model work, and building a good environment.

II. Specific Requirements

(1) Innovation of Systems and Mechanisms.

Model provinces must build innovation platforms to innovate systems and mechanisms, establishing work coordination mechanisms with the participation of provincial (municipal) leaders and the directors of relevant organizations, with the focal points of completing a top-down design and scientific plan, and promoting the concentration of funds, resources, talented personnel and other essential elements, which are currently scattered between relevant central departmental channels (institutions of higher education, scientific research institutes) and various relevant local organizations, around fields and technologies for priority development.

(2) Innovation of Support Methods.

Model provinces must consider the different stages and characteristics of industrial development in respectively applying various effective methods such as subsidies, interest discounts, venture capital, and insurance premium subsidies, particularly focusing on exercising the flexible advantages of the fiscal funding support method, strengthening connections with financial institutions in the area, guiding financial institutions to participate and innovate financial products, and guiding social funds to invest more in the marine economy.

(3) Integration of Production, Education, Scientific Research, and Practical Applications

On the basis of the concept of integrated development of production, education, scientific research, and practical applications, linked by rational profit allocation, model provinces shall strongly promote cooperative innovation among enterprises, scientific research institutes, and institutions of higher education, seeking to establish a model for the consolidated development of production, education, scientific research, and practical applications suited to different needs and diverse forms.

1. School-to-school (or school-to-institute, institute-to-institute) collaboration. This shall target the major requirements for the development of the marine economy, relying on superior and distinguishing disciplines at institutions of higher education, forming strong alliances with high-level domestic and international universities and scientific research institutes, establishing systems for coordination and innovation, cooperating to tackle strategic problems, achieving substantive breakthroughs in key fields, and powerfully supporting the development of the regional marine economy.

2. Enterprise-to-school (or enterprise-to-institute) collaboration. Enterprises shall be the principal actors in launching collaboration. On the one hand, on the basis of their grasp of the market situation, enterprises may promptly commission institutions of higher education or scientific research institutes to take on the task of developing the core general technologies urgently required by the industry; on the other hand, enterprises shall attend to the transformation, industrialization, and market cultivation of their own scientific research achievements, and ally with institutions of higher education or scientific research institutes by means of a rational profit mechanism to promote the transformation of achievements by schools or institutes.

3. The establishment of substantive collaborative relationships between upstream and downstream enterprises shall be promoted, stimulating close links between the raw materials supply and intensive processing cycles, achieving integrated, coordinated development of bases, raw materials, and related products.

(4) Outstanding Local Features.

To concentrate advantageous resources and rapidly promote leading breakthroughs in certain fields, model provinces shall select the most fundamental among the three fields of high-efficiency, healthy cultivation of marine life, marine medicines and biological products, and marine equipment to serve as their model focus (for details, see Attachment 1).

(5) Quantification and Executability of Objectives.

Model provinces shall formulate implementation plans on the basis of the above requirements: such implementation plans must clarify the overall implementation objectives, and separate the implementation objectives by year; the objectives must be easy to assess, with the targets primarily including: the status of innovation of systems and mechanisms, the status of financial innovation, investment in scientific research, the number of achievements that have taken shape, the number of achievements that have been transformed, the number of projects completed, industrial scale, sales income, new increases to output value, payment of taxes, etc.

III. Support Methods and Key Points for National Subsidy Funds

(1) Support Methods

The Special Development Fund for Strategic Rising Industries shall adopt the methods of target assessment, rolling support, and accountability for usage: once a plan is approved, the start-up funds portion shall be allocated in advance, and thereafter, in conjunction with the State Oceanic Administration and on the basis of the approved budget objectives submitted by the model provinces, the Ministry of Finance shall annually conduct a comprehensive assessment of the status of execution of the implementation plan and review the results, issuing subsidy funds by year. Sea Area Usage Fees, the Special R&D Fund for Publicly Beneficial Marine Industries, and the Special Fund for Increasing Innovativeness at Institutions of Higher Education shall be implemented in accordance with current regulations and measures for the administration of special funds.

(2) Key Points of Support

1. The transformation, industrialization, and market cultivation of scientific and technological achievements for strategic rising industries in marine life and other fields, as formed under the Special Development Fund for Strategic Rising Industries for the support of the State Science and Technology Plan, the Special R&D Fund for Publicly Beneficial Marine Industries, Special Fund for Increasing Innovativeness at Institutions of Higher Education, local fiscal funds and social funds, etc.; support for the establishment of marine industry public service platforms.

2. The Special R&D Fund for Publicly Beneficial Marine Industries shall support applied technological research and development and applied demonstrations for marine life and other strategic rising industries.

3. The Special Fund for Increasing Innovativeness at Institutions of Higher Education shall focus on support targeting the marine economy, with institutions of higher education as the principal actors, particularly in regard to launching collaborative innovation of the core general problems and major requirements for regional development of marine life and other strategic rising industries (for details, see Education Technology [2012] No. 6).

4. Sea Area Usage Fees shall support the renovation and restoration of sea areas and coastlines, focusing on integration with the cultivation and development of marine life and other strategic rising industries, and providing a base platform for the development of marine life and other strategic rising industries.

IV. Organization and Implementation Procedures

(1) Formulating plans. In accordance with the above requirements, model provinces shall uniformly formulate an overall implementation plan, as well as implementation plans for the 5 sub-projects of achievement transformation and industrialization, publicly beneficial scientific research, plans for increasing innovativeness at institutions of higher education, public service platforms, and sea area and coastline renovation and restoration (the plan implementation period is 2012-2015; for details on the formulation outline of the overall implementation plan and the implementation plans for the 4 sub-projects of achievement transformation and industrialization, publicly beneficial scientific research, public service platforms, and sea area and coastline renovation and restoration, see Attachments 2-6); these shall be printed and bound in the order of the attachments, and submitted to the Two Departments prior to June 15, 2012 (include an electronic copy, and submit 4 copies of each). In addition, 3 copies of plans for increasing innovativeness at institutions of higher education must be submitted to the Office of the "2011 Plan" Leading Group.

In consideration of unified regional development, in order to improve the efficiency of resource utilization and avoid duplicate construction, implementation plans shall be uniformly formulated by the model provinces in conjunction with the municipalities designated in the state plan under their jurisdiction; the tasks and objectives undertaken by the municipalities designated in the state plan must be individually indicated and individually approved by the relevant departments, with subsidy funds individually distributed, to be individually organized and implemented by the municipalities designated in the state plan.

(2) Plan Evaluation. On the basis of the overall implementation plan and sub-project implementation plans formulated by the model provinces, the Two Departments shall organize experts

or commission a third party to conduct an evaluation of the plans' content, focusing on verification of the status of system and mechanism innovation, innovation of support methods, financial innovation, innovation in the coordination of production, education and scientific research, budget objectives, etc. The review and determination methods for plans for increasing innovativeness at institutions of higher education shall be implemented in accordance with the "2011 Plan."

(3) Approval of Plans. Once the model provinces have revised and perfected the content of the plans in accordance with the conclusions and recommendations of the review, the overall implementation plan and sub-project implementation plans shall be formally submitted; the Two Departments shall issue a joint approval of the overall implementation plan following a review. Upon the approval of the overall implementation plan, the People's Government of the model provinces shall sign a letter of commitment with the Two Departments (for details, see Attachment 7). In the process of implementation, the model provinces (municipalities) may adjust the sub-project implementation plans on the basis of practical circumstances, and shall report the circumstances of the adjustments to the Two Departments to be put on file.

(4) Funding Appropriations. Upon the approval of the implementation plans, the subsidy funds of the central financial administration shall respectively be issued via existing channels. Namely: the Ministry of Finance shall allocate the start-up funds portion from the Special Development Fund for Strategic Rising Industries in accordance with relevant regulations, and the Two Departments shall allocate subsidy funds for the second year and following years on the basis of the annual task assessment results of the model provinces. Follow-up subsidy funds shall be allocated to those that pass assessment; follow-up funds shall not be further appropriated for those that do not pass assessment, and subsidy funds from previous years may be recalled depending on the situation. Sea Area Usage Fees, the Special R&D Fund for Publicly Beneficial Marine Industries, and the Special Fund for Increasing Innovativeness at Institutions of Higher Education shall be reviewed and issued via existing channels.

(5) Assessment and Inspections. The model provinces shall submit a written report on the implementation status and annual task and objective completion status of the overall implementation plan and sub-project implementation plans over the previous year to the Two Departments by early February of the following year, and the Two Departments shall organize forces to conduct an assessment of the objective completion status of the model provinces over the previous year. At the same time, the Two Departments shall also organize irregular spot inspections.

Ministry of Finance State Oceanic Administration

May 11, 2012

Download Attachments:

Attachment 1: Focal Fields of Regional Models for Marine Economic Innovation and Development.doc
Attachment 2: Formulation Outline of the Overall Implementation Plan for Regional Models for Marine Economic Innovation and Development.doc
Attachment 3-1: Formulation Outline of Achievement Transformation and Industrialization for Regional Models for Marine Economic Innovation and Development.doc
Attachment 3-2: Summary Sheet (2012-2015) of Achievement Transformation and Industrialization Projects for Regional Models for Marine Economic Innovation and Development.xls
Attachment 4-1: Formulation Outline of Scientific Research Tasks and Requirements for Publicly Beneficial Industries.doc
Attachment 4-2: Summary Sheet of Scientific Research Tasks for Publicly Beneficial Industries within Regional Models for Marine Economic Innovation and Development.xls
Attachment 5-1: Formulation Outline for Marine Industry Public Service Platform Projects.doc
Attachment 5-2: Summary Sheet of Marine Industry Public Service Platforms for Regional Models for Marine Economic Innovation and Development.xls
Attachment 6-1: Formulation Outline for Sea Area and Coastline Renovation and Restoration Projects.doc
Attachment 6-2: Summary Sheet of Sea Area and Coastline Renovation and Restoration Projects for Regional Models for Marine Economic Innovation and Development.xls

Attachment 7: Sample Letter of Commitment for Regional Models for Marine Economic Innovation and Development.doc

Attachment 1

Focal Fields of Regional Models for Marine Economic Innovation and Development

I. High-Efficiency, Healthy Cultivation of Marine Life

1. High-efficiency cultivation of algae for industrial use and new animal germplasms. Targeting the practical need in the food industry and pharmaceutical industry for agar-agar, carrageenans, fucoidan, highly unsaturated fatty acids, carotenoid, biotoxins, and other staple products, focusing on support for the cultivation of high-content, high-yield exceptional algae and animal materials, to form a high-efficiency, healthy cultivation system. Primarily involving the industrialized large-scale cultivation of seaweed with agar-agar content of greater than 28%, carrageenan content of 35% or fucoidan content of 22% or more, with a respective annual output capacity of 2000 tons (dry goods) or more; industrialized cultivation of marine microalgae with DHA content of greater than 22%, or EPA content of more than 7%, or astaxanthin content of greater than 4%, or lutein content of more than 0.8%, with a respective annual output capacity of 100 tons (dry weight) or more; as well as the industrialization of new germplasms for seahorses, toxin-producing blowfish, and other marine organisms sourced for pharmaceuticals.

2. Industrialization of cyclical aquatic cultivation. Centering on precisely controlled, environmentally friendly, intensive industrialized cultivation of marine organisms, supporting industrialization models for precise, high-density, cyclical Chinese softshell turtle and shrimp cultures with an annual output of more than 200 tons, with online real-time monitoring and control, automatic regulation and baiting, water circulation rate reaching 90%, high-quality, health products, and other features, forming precise production systems integrating living organisms, information, and engineering technology.

3. Offshore smart deep water cage cultures. Targeting limited scale, decentralization and other issues related to the development of marine cage cultures, supporting offshore smart deep water cage cultivation systems with annual output of greater than 60 and suitable for depths of 20-30 meters, launching industrialization models with an annual output of 300 tons of fish cultures, forming integrated operational models from fingerling cultivation to processing and sale, and establishing a standardized system for the deep water cage culture industry.

II. Pharmaceuticals and Manufactured Products Derived from Marine Organisms

4. Innovative pharmaceuticals derived from marine organisms. Exercising the special advantages of marine life resources, focusing on supporting innovative marine pharmaceuticals (including secondary development) and Chinese medicines with independent intellectual property rights, outstanding treatment efficacy, and broad market prospects; industrialization of highly sensitive and highly idiosyncratic diagnostic kits; marine small-molecule compounds and other marine pharmaceutical intermediates with annual output of more than 50 tons; marine microbial vaccines, antimicrobials, and anti-parasitic veterinary medications, establishing models for immunity applications with an annual output capacity of 50,000,000 fish. Must obtain a certificate issued by the SFDA or GMP certification at the time of project completion.

5. New products derived from marine organisms. Applying modern bioengineering technology for green, safe, high-efficiency research, manufacturing, and industrialization of new functional products derived from marine organisms. Primarily including proteinase, lipase, cellulase, phytase and other new marine enzymes with annual output of more than 150 tons; marine carbohydrates, lipids, proteins (peptides), special amino acids, and other active substances derived from marine organisms, with annual output of more than 15 tons and significant physiologically active functions; marine polysaccharide and protein (peptide) feed additives, seaweed biofertilizers, new antimicrobial pesticides and other green marine agricultural products with annual output of more than 300 tons. Promoting the development and application of genetically engineering products derived from marine organisms, products derived from marine organisms from extreme environments, new chemical compounds derived from marine organisms, and other new functional biological products with important application prospects.

6. New materials derived from marine organisms. Supporting new materials derived from marine organisms that are functionally unique or are substitutes for imports. Primarily including hemostatic materials, anti-block materials, sustained-release materials, and interventional embolic materials with annual output of 500,000 servings; excipient materials and medical capsule

materials with respective annual output of more than 50 tons and more than 1 billion pills; medical-grade and laboratory-use agar-agar, carrageenans, fucoidans, chitosan oligosaccharides and other materials derived from marine life with annual output of more than 150 tons. Must pass GMP certification at the time of project completion.

III. Marine Equipment

7. Marine observation and surveying equipment. Centering on safeguarding the marine environment and prospecting and development of marine resources, promoting the development and industrialization of equipment technology and products for marine observations and surveying. Including: high-precision conventional marine monitoring sensors; rapid measurement equipment for use in thermohaline deep-sea surveying vessels; marine offshore wave and tide surveying instruments; marine sounding radar equipment; marine water quality field testing equipment; hydrological and meteorological observation buoys; marine acoustics measurement and surveying equipment; undersea cable-controlled vehicles; undersea cables and winches for transport shuttles and vessels, and other general marine equipment.

8. Equipment for the marine life industry. Centering on the demands that the development of the marine life industry places on engineering equipment, developing the manufacturing of highly automated marine engineering equipment suited to special environments. Primarily including offshore cultivation and disaster prevention equipment, high-efficiency marine life cultivation equipment for automated cultivation, special cultures, etc., equipment for the large-scale preparation of functional marine chemical products, monitoring and evaluation equipment, and other marine biochemical engineering equipment.

9. Supporting equipment and facilities for marine engineering. Targeting requirements for the development of marine engineering, developing specialized construction and technical equipment for welding, sea-floor cable laying, sea-floor facilities maintenance, and other aspects of marine engineering, as well as marine platform electric station equipment, etc.

IV. Public Service Platforms for Marine Industries

10. Basic Resource Platforms for the Marine Life Industry.

Germplasm resource banks of marine organisms sourced for pharmaceuticals. With marine animals, plants and microorganisms (including microalgae) sourced for pharmaceuticals as the primary targets, collecting and preparing germplasm resource materials (cells, tissue, embryos, genetic materials, etc.) that can be preserved and replicated, establishing physical banks for the preservation of germplasm resources, with each bank storing more than 6000 germplasm resources; establishing a smart database and information service platform corresponding to the items in the banks, and seeking to establishing a marketized operations mechanism.

Banks of natural marine life products and chemical compounds. With marine organisms (animals, plants, and microorganisms) as the primary targets, collecting and preparing natural marine products, establishing physical banks for natural marine life products and chemical compounds, and founding a national natural marine life product and chemical compounds bank; the banks shall hold no less than 2000 unduplicated chemical components and elements, with purity above 95%; each element sample shall weigh more than 15 milligrams, and more than 20% of the chemical compounds shall be bioactive; establishing a smart database and information service platform corresponding to the items in the banks, and seeking to established a marketized operations mechanism.

11. Public service platforms for marine industry development. Centered on the strategic requirements of expanding and strengthening marine life and other industries, establishing advanced, engineered equipment conditions and experimental facilities with integrated systems for the research and development of industrial technologies; founding functionally perfect and innovative service platforms for marine life and other areas; supporting the establishment of engineering research centers and other facilities with regional distinctions and advantages; supporting small-scale offshore testing grounds in the service of marine observation experiments.

Annex 20

Notice about the Issuance of the “Shandong Province Marine Economy Innovative Development Regional Demonstration of Administration of Special Funds Interim Measures”, Shandong provincial Department of Finance, Lucaijian [2013] No. 52 (2013).

Notice about the issuance of the “Shandong Province Marine Economy Innovation Development Regional Demonstration of Administration of Special Funds Interim Measures”

Relevant municipal finance bureau, the provincial finance directly managed Counties (cities) finance bureau:

In order to standardize and improve the Shandong province marine economy innovation development regional demonstration of administration of special funds, improve the efficiency of the use of the funds, the provincial Department of Finance, in consultation with province Department of Marine and Fishery, the Shandong Peninsula Blue Economic Zone Construction Office and other departments (units) on the basis of their opinions, to study and formulate the “Shandong Province Marine Economy Innovation Development Regional Demonstration of Administration of Special Funds Interim Measures”, now it is issued to you, please comply. Any questions or suggestions during the implementation, please feedback in time.

Shandong Province Marine Economy Innovation Development Regional Demonstration of Administration of Special Funds Interim Measures

Chapter One. General Provisions

Article One. In order to promote the regional demonstration of marine economy innovation development, enhance marine economy technology innovative capability, accelerate the building of the strong province of marine economy; according to the spirit of “Notice on Promoting Marine Economy Innovation Development Regional Demonstration” and “Letter on Replying Shandong Province Marine Economy innovation Development Regional Demonstration Implementation Plan” issued by the Ministry of Finance and the State Oceanic Administration, to establish the special funds for demonstrating Shandong province marine economy innovation development region (hereinafter referred to as special funds). To improve the administration of funds, this measure is drawn up.

Article Two. Special funds are composed of Central Government and provincial governments financial budget funds, while integrating other special funds and provincial entrusted loans, together with special funds to support the regional demonstrative work of marine economy.

Article Three. Shandong province marine economy innovation development region covers six cities including Dongying, Yantai, Weifang, Weihai, Rizhao, and Binzhou . The special funds, in principle, support the marine economy development projects within the region.

Article Four. Establish the joint conference system for the Shandong Province Marine Economy Innovation Development Regional Demonstration. The joint conference is responsible for organizing coordination, overall balancing, studying and formulating key support of special funds, releasing the “Marine Innovation Development Regional Demonstration Implementation Plan” the preparation requirements and project reporting guidelines, building evaluation experts database, formulating relevant administrative measures and other regulations and systems, implementing administration of project funding, supervising inspection and performance evaluation, carrying out

research works and releasing information and propaganda work. Unit Members of the joint conference consist of provincial Department of Finance, provincial Marine and Fishery Department, the Shandong Peninsula Blue Economic Zone Construction Office, provincial Department of Technology, provincial Economy and Informatization Committee.

Article Five. The management and use of special funds adhere to the principle of “highlight the focused, choose the superior and support the strong one, giving priority to efficiency, fairness and justice”, overall consideration of the current situation of economic development and expected objectives, in order to effectively play the leading role of governmental investment.

Chapter Two. The Methods of Special Funds Support

Article Six. Innovative way of financial support is the key point to implement marine economy innovation development regional demonstration, the methods of special funds support include investment grants, subsidized loans, incentives, risk investment, etc.

Article Seven. Playing the guiding and adsorbing functions of the government financial funding, to establish the mechanism of “financial bank cooperation”, effectively guide the financial capital to follow-up investment, based on the multiples of financial investment to increase the loans, in order to support the key enterprises of marine economy.

Article Eight. Encourage and guide various types of funds to invest in the marine economy innovation development regional demonstration.

Chapter Three Fields of Support and Scope of Use of Special Funds

Article Nine. Special funds focus on supporting the transformation of regional technological achievements and the construction of public service platform. Mainly include:

(I) High efficient and healthy breeding of marine organisms. Mainly refers to industrial algae and animal germplasm high efficient breeding, industrial recirculating aquaculture, and offshore intelligent deep-water net cage aquaculture, etc.

(II) Marine biomedicine and products. Mainly refers to marine biological innovative medicine, new type of marine biological products, new types of marine biological materials, new types of functional foods.

(III) Marine equipment. Mainly refers to marine observation and probing equipment, marine biology industrial equipment and marine engineering auxiliary devices and equipment.

1. Marine observation and probing equipment. Surrounding marine environmental protection and marine resources exploration and development, to promote the R & D and industrialization of marine observation and probing equipment and technological products. Mainly include the high precision marine conventional monitoring sensors, thermohaline deep ocean survey ship fast measurement equipment, marine near-shore wave and tidal measuring instruments, marine radar detection equipment, marine water quality field testing equipment, hydro-meteorological observation buoys, marine acoustic measurement and probing equipment, underwater cable navigator, underwater cables and connection and other general marine equipment.

2. Marine biology industrial equipment. Surrounding the demands of marine biology industrial development for engineering equipment, to develop the manufacture of marine engineering equipment with high degree of automation and adaptability to special environment. Mainly include offshore aquaculture and disaster protection equipment, automated breeding and special cultivation and other marine biological high efficient aquaculture equipment, large-scale preparation equipment for marine functional products, probing evaluation equipment and other marine biological engineering equipment.

3. Marine engineering devices auxiliary devices and equipment. Focusing on the needs of marine engineering development, to develop marine engineering welding, underwater cable processing, underwater facilities maintenance and other special construction equipment, offshore power station platform equipment, general vessel equipment, etc.

(IV) Marine industrial public service platform. Mainly include marine source of drugs biological germplasm resources banks, marine biology natural products and compound banks and other marine biology industrial resources foundation platform, and the development of public R & D and service platform in the marine industry.

Article Ten. For special funds arranged in the form of subsidized loans, they are earmarked for paying the loan interest. For special funds arranged in the forms of grants and rewards, they are earmarked for:

(I) Support the improvement of building innovation capacity, mainly including: purchase independent innovation platform testing and detection instruments and equipment, recruiting leading talents and teams of science and technology, the introduction of new high-tech adaptable technology, cultivating technical talents, and the collaboration among the enterprises, universities and research institutes, etc.

(II) To support the transformation of scientific and technological achievements, mainly include: the transformation of key technology and industrialized or engineering technology R & D, transformation and optimization of the production process equipment and testing conditions, the construction of complete sets of industrialized or engineering verification equipment, and testing equipment, the expenditures on promoting key new product application.

Article Eleven. Special funds shall not be used for expenditures in the following areas:

- (I) Factory building, laboratories and other ground-based production infrastructure;
- (II) Office, living quarters and other non-productive facilities construction;
- (III) Obtaining the rights of land use;
- (IV) R & D excluded non-productive equipment;
- (V) Corporate administrative fees, staff salaries subsidies, bonuses and other expenditures unrelated to the projects.

Chapter Four. The Standard of Special Funds Support

Article Twelve. The supporting amount of special funds is determined by overall consideration of the project's development prospect and its importance, industrial features and development conditions, degree of risk, regional layout and other factors, based on the project's total investment amount, a certain percentage of it will be approved. Excluding the major projects, the proportion and amount of project funding arrangement, in principle, are to be implemented by following the criteria below:

(I) Achievement transformation and industrialization projects. In principle, financial investment does not exceed 30% of the project's total investment amount, interest rates of the subsidized loans not to exceed the current bank benchmark lending rates, interest subsidizing period is limited to three years.

(IV) Marine industrial public service and public welfare projects. In principle, financial investment does not exceed 50% of the project's total investment amount, interest rates of the subsidized loans not to exceed the current bank benchmark lending rates, interest subsidizing period is limited to three years.

(III) Projects applying for provincial finances entrusted loans. The loan amount of a single investment project, in principle, does not exceed 20% of the project's total investment amount, the maximum total amount shall not exceed 10 million yuan.

Article Thirteen. The project undertaker cannot simultaneously apply for financial incentives and grants and subsidized loans from banks.

Article Fourteen. For construction projects that apply for provincial investment subsidies, subsidized loans and incentives, based on the relevant requirements and the actual situation, cities and counties should actively implement the joint financial support.

Chapter Five. Application of Special Funds

Article Fifteen. Application of special funds must satisfy all the following conditions:

1. The applicant is a qualified independent legal-person enterprise or business unit that is registered within the Shandong Province Marine Economy Innovation Development Region;
 2. Corporate governance practices, assets and operations are in good order, with high credit ratings, asset-liability ratio does not exceed 70%, R & D investment accounted for more than 2% of sales revenue;
 3. The duration of the enterprise is more than two years, and the registered capital must reach a certain amount: Marine biology high efficient and healthy aquaculture enterprise is not less than RMB 5 million yuan, marine biological medicine and products, marine equipment and public platform enterprise not less than RMB 10 million yuan;
- Projects applying for the support must in compliance with national industrial policies, meet the requirements of the "Shandong Peninsula Blue Economic Zone Development Plan" and "Letter on Replying Shandong Province Marine Economy Innovation Development Regional Demonstration Implementation Plan" issued by the Ministry of Finance and the State Oceanic Administration;
5. Project implementation period is within 3 years (included);
 6. In line with the investment direction of special funds;
 7. The project funding sources have been implemented;
 8. No bad records of misappropriation of funds and taking of financial funds.

Article Sixteen. The applying units and projects must submit the following materials:

1. Materials required by the "Notice on organization prepared report about <Marine Economy Innovation Development Regional Demonstration Implementation Plan>" (Lucaijiang (2012) number 164); Lucaijian (2013) Number 1.
2. The previous annual corporate financial statement;
3. The corporate operation license;
4. Project set-up approval and other procedures;
5. Identification certificate for achievements of reserve technology and industrial technology, issued by the science and technology department above the provincial level;
6. Certificates issued by the provincial (included) level or above Enterprise Technology Center, Engineering Technology Research Center and other platforms;
7. Background information and cooperation agreement of the leading talents;
8. Investment budget approved by city county finances, or audited and passed by the qualified third party agencies;
9. The proofing materials of enterprise's implementation of project funds;
10. Other materials should be submitted.

Article Seventeen. Application procedure of special funds. Enterprises and business units, in accordance with the territorial principle, apply to the Finance, Marine and Fishery and the Blue Economic Zone Construction departments at the same level. Municipal Department of Finance in conjunction with the Marine and Fishery and the Blue Economic Zone Construction departments, in accordance with the requirements of this measures, after passing the preliminary review, submit the summary report to provincial Department of Finance, provincial Marine and Fishery Department and Shandong Peninsula Blue Economic Zone Construction Office. Enterprises managed by the provincial State-owned Assets Supervision and Administration Commission (SASAC) and provincial institutions, counties (cities) directly managed by the provincial Department of Finance can apply directly to the provincial Department of Finance, provincial Marine and Fishery Department and Shandong Peninsula Blue Economic Zone Construction Office.

Chapter Six. Project Management

Article Eighteen. The provincial Department of Finance in conjunction with the provincial Marine and Fishery Department, the Shandong Peninsula Blue Economic Zone Construction Office, provincial Department of Technology, provincial Economy and Informatization Committee to conduct review of the submitted projects by all cities (counties), departments (units), and organize experts for evaluation. According to the experts' assessment and opinions, combining the factors of the national industrial policies, development status, and regional layout, to establish a provincial class of project bank and follow the requirements of this measures to determine the current year project support amount.

Article Nineteen. The legal person of the unit implementing the project takes the full responsibility of project implementation and the use of funds, in accordance with the relevant laws and regulations, be responsible for the project planning, financing, construction, operation, etc., and be cooperative in doing a good job on inspections, examinations and audits on the use of financial funds, and follow the regulations to submit and report relevant information.

Article Twenty. The project undertaking unit should strictly stick to the implementation plans passed by the audits to organize the project implementation; it is not allowed to arbitrarily alter the project construction content, scale, standards and related tasks. In the process of implementing the project, any major situations occur must be reported at any time. Due to force majeure or other special reasons, the contract of the project cannot be fulfilled, the project undertaking unit shall submit application, according to the prescribed procedure, report to the province step by step.

Article Twenty-one. Establish project evaluation, consultation, inspection, and acceptance systems. Financial departments at all levels in conjunction with the relevant departments to strengthen the management of the project, by means of delegation, to recruit senior scientific research and consultation third-party institutions for the purposes of providing technical support on project consultation, inspection, acceptance, and performance evaluation, which strengthen the scientific approach, objectivity and impartiality of project management, in order to improve the project management system.

Article Twenty-two. After the project is completed, cities and relevant departments (units) are to organize the project inspection and acceptance in accordance with the division of functions. The inspection and acceptance of project shall be based on the contents of project application documents and implementation plans and determined technical metrics for assessment; the main contents of inspection and acceptance include: Project implementation conditions based on the contents of the metrics stipulated in the application materials and the contract; the conditions of application of scientific and technological achievements and intellectual property protection; the rationality and normativeness of appropriation of funds and use of funds. The data of project inspection and acceptance are archived in real-time; the ownership and management of data and information, achievements and intellectual property rights obtained in the process of project implementation, shall be handled in accordance with the provisions of relevant national laws, rules and policy normative documents.

Chapter Seven. Supervisory Management

Article Twenty-three. Establish information feedback system. By the end of October each year, cities and units shall jointly file an official written report to the provincial Department of Finance, provincial Marine and Fishery Department, the Shandong Peninsula Blue Economic Zone

Construction Office, which includes project schedule, use of funds, existing problems, resolution measures, and suggestions.

Article Twenty-four. Establish project mid-term inspection and assessment system. For industrialization and achievement transformation projects, to conduct assessment on the industrial scale, technical level and enhancement of core competitiveness, economic efficiency, and for innovation service platform project, to assess the planned metrics of building innovation capacity, resources sharing, open to the public service functions, etc.

Article Twenty-five. Establish supervision and inspection and special funds' performance evaluation mechanisms. Cities, by the end of January each year, shall conduct supervision and inspection of the project conditions, summarize the progress of implementation plan since last year, the conditions of annual completion of mission objectives, and propose the mission objectives and fund-raising plan for next year, and submit a written report to the province. Each year, the province shall organize forces to conduct supervision and inspection on the use of special funds and other works, and the inspection results will be an important basis for future annual adjustment of special funds arrangement.

Article Twenty-six. Establish supervisory management mechanism. Strengthen the supervision on the use of funds, to ensure the safe use of funds. The following behaviors will be handled seriously.

1. Project units found misappropriation or defraud the special funds in audit, financial supervision and inspection, shall become ineligible for applying for provincial financial construction funds for the next 3 years.

2. Withholding and misappropriation of special funds, shall be handled strictly by the relevant provisions of the "Financial Illegal Acts Penalties Punishment Ordinance" (State Council, number 427), relevant units and personnel shall be held accountable in accordance with laws.

3. Unauthorized change of main construction contents and project metrics, or stop project constructing, the special funds shall be recovered or terminated for disbursement.

Chapter Eight. Supplementary Provisions

Article Twenty-seven. The provincial Department of Finance is responsible for the interpretation of this measures.

Article Twenty-eight. The measures shall be implemented since the date of its public release.

Annex 21

2014 Guangdong Province Guide for Applying Marine Economy Innovative Development
Demonstration Project, yuehaiyuban [2014]No.5 (3 Jan 2014).

2014 Guangdong Province Guide for Applying Marine Economy Innovative Development Demonstration Project

Approval Document: yuehaiyuban [2014] No. 5

Source: Guangdong Ocean and Fisheries

Author: Guangdong Ocean and Fisheries

Issue Date: 01-03-2014, 15:18:36

To All Municipal Departments of Ocean and Fisheries Above the Local Level:

In accordance with the relevant requirements of the "Notice Regarding the Good Performance of Work on Regional Models for Marine Economic Innovation and Development" of the State Oceanic Administration, notice is hereby given regarding matters relevant to the work of organizing and launching applications for 2014 Special Projects for Regional Models for Marine Economic Innovation and Development as follows:

I. Basic Principles

Continue the thorough implementation of the "General Work Implementation Plan for Guangdong Province Regional Models for Marine Economic Innovation and Development," revolving around the establishment of the strategic objective of "promoting cluster zones for innovation in marine science and technology and the high-efficiency transformation of achievements," closely integrating the distinguishing features and advantages of marine economic development in Guangdong, concentrating financial support for the rapid development of strategic rising marine industries, encouraging collaboration, chain coordination and innovation between industry and educational and research institutions, continuing the task of transforming achievements in national key or major scientific and technological projects and research, striving to promote the transformation and industrialization of technological achievements in related fields, rapidly making breakthroughs on developmental bottlenecks for strategic rising marine industries, accelerating the transformation and upgrading of the marine industrial structure, and providing an exemplary model for marine economic innovation and development across the country.

II. Key Fields for Support

Integrating the current status, strategic objectives, regional structure, and resource advantages for the development of strategic rising marine industries in this province, the Special Fund shall focus on support for the construction of public service platforms for high-efficiency and healthy marine organism aquaculture, the marine organism pharmaceuticals and manufactured goods industries, the marine equipment industry, and marine industries (see Attachment 3).

III. Project Arrangement

The Special Projects for Regional Models for Marine Economic Innovation and Development are arranged under the three categories of achievement transformation, industrialization, and public service platforms:

(1) Achievement Transformation Category: Focusing on support for projects involving previously completed practical technological research in the marine organism and other industrial fields (the information as clarified by the two state departments shall prevail for the specifics), having passed an appraisal of scientific and technological achievements or acquired relevant technological invention patents, with relatively high technical standards and development potential, possessed of the prerequisites for testing and industrialization, able to give shape to new products, new materials, or new techniques through the implementation of said project, having obtained the corresponding product production permit or approval number, and able to implement batch production and sales.

(2) Industrialization Category: Focusing on support for projects involving marine organism and other industrial fields (the information as clarified by the two state departments shall prevail for the specifics) at an advanced and mature technological level, with broad market prospects and a significant driving and clustering effect on the upgrading and transformation of traditional industries and the development of rising industries, possessing a good foundation for industrialization and the

basic prerequisites for implementing project construction and the ability to give shape to large-scale production through the implementation of said project, and producing significant economic and social benefits.

(3) Public Service Platform Category: Focusing on support for the construction of experimental platforms and engineering research centers satisfying the demand of regional marine organism industries for technological research and development and services; supporting the construction of germplasm resource banks for marine organisms sourced for pharmaceuticals and chemical compound banks for natural products of marine organisms.

The above projects support the implementation of transformation for imported, assimilated, and re-innovated scientific and technological achievements and advanced domestic technological achievements within Guangdong Province.

IV. Fund Support Method

The Special Fund shall provide appropriate support on the basis of project investment quotas and in the form of financial subsidies to projects in the scientific and technological achievement transformation category, industrialization category, and public service platform category in strategic rising marine industries and fields; funds shall be distributed using a competitive allocation method. In accordance with the methods of target assessment, rolling support, and accountability for usage, the start-up fund portion shall be allocated in advance, and in subsequent years the province shall coordinate with the Ministry of Finance and the State Oceanic Administration to conduct assessments of the implementation status of the project, and issue subsidy funds by year on the basis of the assessment results.

V. Project Application Requirements

(1) Project Requirements

1. Projects under application shall be in compliance with the relevant development plans for strategic rising marine industries in this province, be able to promote breakthrough advances in marine industry in this province, and stimulate both positive and rapid development of the regional marine economy.

2. Projects under application must conform to the key field categories of the Regional Models for Marine Economic Innovation and Development (Attachment 3): applications exceeding the scope or exceeding the categories are not permitted. The project implementation period is 1-3 years.

3. The technological and scientific achievements adopted by projects (including independent intellectual property rights, importations, assimilations or re-innovations, joint domestic and foreign developments, etc.) shall be domestically leading and internationally advanced, with good popularization and application value, and the prerequisites for implementation of achievement transformation and industrialization. Applying organizations (or organizations collaborating on projects) must hold relevant achievement appraisals, invention patents, certificates issued by authoritative institutions or technological inspection reports and other evidentiary materials, the necessary authentication and production permits, etc.

4. The primary objectives of the projects are the transformation and industrialization of advanced and new technological achievements in marine fields: general, fundamental and practical research does not belong under the support category of said special projects.

(2) Requirements for Organizations Applying for Projects: Refer to the relevant provisions of the "Measures for the Administration of Guangdong Special Projects for Regional Models for Marine Economic Innovation and Development."

(3) Other

1. Enterprises (including subordinate, holding, shareholding and other affiliated enterprises) which have previously undertaken a special project for a Regional Model for Marine Economic Innovation and Development in this province in 2012 and 2013 need not reapply;

2. Each organization is limited to applying for one project; for organizations involved in technological collaboration on projects, the parties responsible for the technology (holders of patent technology) are limited to participation in one project (including participation and collaboration in previous years);

3. Priority support shall be given for listed national key field categories which have not yet implemented transformation of new technology or new achievements; for projects involving relevant technological fields and directions previously supported in 2012 and 2013, support shall not be duplicated (for relevant information, search for the public project status). This year shall focus on support for projects for the transformation and industrialization of technology in the marine equipment field.

4. Projects shall emphasize linking achievement transformation and industrialization projects to science and technology projects, with priority support for scientific research projects for publicly beneficial marine industries and the transformation of scientific and technological achievements under the "863" Plan and the "2011 Plan."

5. In order to promote collaboration between industry and educational and research institutions, enterprises shall be encouraged to carry out joint applications with universities and colleges, scientific research institutes and other organizations. Projects shall be encouraged to absorb and introduce entrepreneurial investment, venture capital, bank loans, and other capital investment.

VI. Application Requirements

(1) In accordance with the principle of management by local jurisdiction, applying organizations shall apply to the competent departments of ocean and fisheries in their location (if there is no competent department of ocean and fisheries, the local government shall specify a department to be responsible for projects, same below); competent municipal ocean and fisheries departments above the local level shall conduct a preliminary review of requirements for the projects under application (for the contents of the review, see Attachment 5), issue relevant review recommendations for projects that pass the review, and submit the collected applications to the Provincial Administration of Ocean and Fisheries.

Central and provincial state-owned and state-controlled organizations may directly apply to the Provincial Administration of Ocean and Fisheries, simultaneously copying the competent local municipal department of ocean and fisheries at the project's location.

(2) Achievement transformation and industrialization projects comprise the 3 fields of high-efficiency, healthy aquaculture of marine organisms, manufactured goods and pharmaceuticals derived from marine organisms, and marine equipment manufacturing; for the project funding application report, see Attachment 1. For the formulation outline for a proposal for a marine industry public service platform project, see Attachment 2.

(3) Organizations applying for projects shall submit a project funding application report, and the competent local municipal departments shall be responsible for compiling and submitting a "Project Summary Sheet" (see Attachment 4).

(4) Application documents shall uniformly use A4 paper, printed with size No. 4 characters in the Song font with double-sided printing (including attachments), and must be bound into a volume with a hard white cover.

(5) 10 paper copies of the application materials shall be submitted prior to 17:00 on January 20, 2014, and an electronic version of the materials shall simultaneously be submitted (file names shall uniformly be: "Project Name—Project Category—Project Organization), with no acceptances after

the deadline. Please log in to the website of the Provincial Administration of Ocean and Fisheries (<http://www.gdofa.gov.cn/>) to download electronic versions of the attachments related to this notice.

Contacts: WU Rong 020-84109258, 13802542506
HUANG Longzhou 020-84109551, 13560181275
Email: khc84109266@163.com

Attachments:

Attachment 1—Strategic Rising Marine Industry Special Achievement Transformation and Industrialization Project Funding Application Report.doc

Attachment 2—Marine Industry Public Service Platform Project Proposal Formulation Outline.doc

Attachment 3—Key Fields for Regional Models for Marine Economic Innovation and Development.doc

Attachment 4—Summary Sheet for Regional Model Projects for Marine Economic Innovation and Development.xls

Attachment 5—Preliminary Requirement Review Sheet for Regional Model Projects for Marine Economic Innovation and Development

Office of the Administration of Ocean and Fisheries of Guangdong Province

January 3, 2014

Annex 22

Fujian Province Measure on Managing Special Fund for Marine Economy Innovative Development Demonstration Project, Fujian Ministry of Finance and Fujian Ocean and Fishery Bureau (26 Nov 2014).

Fujian Province Measure on Managing Special Fund for Marine Economy Innovative Development Demonstration Project

Min Cai Nong [2014] No. 105

Issuing Office: Finance Department Time of Issuance: 2014-11-29

Notice on the Issuance of *Fujian Province Interim Measure on Managing Special Fund for the Marine Economy Innovative Development Demonstration Project*

All relevant finance departments and responsible marine and fishery administrative departments of cities, counties (districts), and the Bureau of Finance and Banking and Bureau of Economic Development of Pingtan Comprehensive Pilot Zone:

In an effort to further standardize and strengthen the management of the special fund for the marine economy innovative development regional demonstration projects in Fujian Province and to improve efficiency in the use of the fund, the Provincial Finance Department and the Marine and Fishery Department have revised the *Fujian Province Interim Measure on Managing Special Fund for the Marine Economy Innovative Development Regional Demonstration Project* (Min Cai Nong [2012] No. 147) based on the implementation status of the project. The revised Measure is hereby issued to you and please implement it accordingly.

Fujian Provincial Finance Department

Fujian Marine and Fishery Department

26 November 2014

Fujian Province Interim Measure on Managing Special Fund for the Marine Economy Innovative Development Regional Demonstration Project

Chapter I. General Provisions

Article I. As part of the effort to strengthen the management of the Special Fund for the Marine Economy Innovative Development Regional Demonstration Project (henceforth "Special Fund" for short), the current Measure has been formulated based on the *Notice on Further Promoting the Marine Economy Innovative Development Regional Demonstration Project* (Cai Jian Han [2012] No. 11) by the Ministry of Finance and the State Oceanic Administration (henceforth the "two state departments" for short), and the *Overall Implementation Plan for the Marine Economy Innovative Development Regional Demonstration Project in Fujian Province* by the two state departments.

Article II. Marine Economy Innovative Development Regional Demonstration Project in Fujian Province (henceforth "Regional Demonstration Project" for short) as used in the current Measure shall refer to:

(I) Projects of the special fund for the development of strategic and emerging marine industries

1. Projects for the transformation and industrialization of achievements

(1) Project for the efficient and healthy breeding of marine life: It refers to projects that involve the transformation and industrialization of the achievements made in the areas of efficient farming of algae for industrial use and new animal germplasm, industrialized aquaculture with water recycling, or offshore intelligent deep water cage aquaculture;

(2) Projects for marine biopharmaceuticals and products: Projects for the transformation and industrialization of achievements in the areas of innovative marine biopharmaceuticals, new marine biological products and new marine biological materials;

(3) Projects for marine equipment: Projects for the transformation and industrialization of achievements in the areas of equipment for marine observation and detection, equipment for the marine biology industry, and ancillary equipment and supply for marine engineering.

2. Projects of common service platforms: Projects for the platforms of basic resources for the marine industry (including projects of libraries of biological germplasm resources for marine drug source, projects of compound libraries of natural products from marine organisms), projects of common platforms for development of the marine industry, etc.

(II) Public welfare projects of special fund for industry-specific scientific studies.

(III) Projects for the fees for use of maritime space.

Article III. Special fund as used in the current Measure shall refer to the special fund that is issued from the central financial system to our province (excluding Xiamen) as an aid for projects involving the regional demonstration of the marine economy innovative development.

Public welfare projects of special fund for industry-specific scientific studies and projects for the fees for use of maritime space shall be reviewed and issued through the original channels and the former Measure shall apply in their management.

Article IV. The provincial government shall establish a leadership work group for the regional demonstration of the marine economy innovative development in Fujian Province (henceforth "leadership group" for short), under which an office shall be set up. Membership of the office shall consist of the relevant personnel from the Provincial Finance Department and the Provincial Marine and Fishery Department (henceforth the "two provincial departments" for short).

Article V. The leadership group shall be responsible for studying and resolving issues concerning major matters in the regional demonstration of the marine economy innovative development. The office shall be responsible for drafting policies and implementation measures related to project management, organizing project applications, review, and acceptance inspection at completion, and supervising and inspecting the status of the projects' implementation, etc.

Article VI. Finance departments, marine and fishery departments, and other relevant departments at all levels, under the leadership of the corresponding level of government shall take specific responsibility for organizing the application and implementation of the projects, and providing guidance, supervision, inspection, and mid-term evaluation for the implementation of the projects within their respective jurisdictions.

Chapter II. Project Application and Review

Article VII. Applicants for the marine economy innovative development regional demonstration projects shall meet all of the following qualifying conditions:

(I) The applicant entity

1. Those registered within the jurisdiction of this province (excluding Xiamen) with an independent legal person status;

2. Those with strong capacities for technological development, fund raising, project implementation, and with good credit rating;

3. Applicant entity for the transformation and industrialization project shall be an enterprise whose registered capital and actual available capital shall be 3 million Yuan or more and whose debt/asset ratio shall be 70% or lower; applicant entities for the common service platform projects shall be institutions of scientific and technological research, colleges, or universities, or other service institutions.

(II) Projects eligible for subsidy application

1. Those that meet the requirements set forth in the *Fujian Strait Development Plan for the Pilot Zone of a Blue Economy* and the *Fujian Province Development Plan for Emerging Marine Industries* and those that meet requirements set forth in the *Reply Letter Approving the Implementation Plan for the Fujian Province Marine Economy Innovative Development Regional Demonstration Project* by the two state departments;

2. Requirements for total project investment: 15 million Yuan or more for projects for the efficient and healthy farming of marine life, 20 million Yuan or more for projects of marine biopharmaceuticals or products or for marine equipment and supply, 10 million Yuan or more for projects of common service platforms; circulating capital shall not be included in the total project investment.

3. The implementation cycle for the projects shall generally be three years or less.

Article VIII. Application for regional demonstration projects shall be accompanied with the following documents in writing:

(I) Project application report;

(II) Project feasibility report (including: project feasibility, technology road map, construction content and investment estimates, advanced nature of the technology, applicability and driving impact; financial status, operational capacity, market prospects, and economic benefits, etc.);

(III) Xerox copy of the unit's certificate of legal person status;

(IV) Xerox copy of the document certifying scientific and technological achievements: Technical test reports, patent certificates, etc. certified or issued by an agency of authority. Those whose originals are in a foreign language must be accompanied with their Chinese translation produced by an agency with the relevant qualifications for translation;

(V) The annual audit report produced through audits performed by an accounting office from the library of our province's preferred accounting offices;

(VI) Other documents required to be submitted.

Article IX. The "application based on place of residence and step-by-step review and aggregation" principle shall be followed for the projects. The applicant unit shall submit its application materials to the Finance Department and Marine and Fishery Department of the county (city, district) of its residence based on its relationship of affiliation, which shall be reviewed and aggregated by the competent authorities in the county (city, district) or district with affiliate districts (or Pingtan Comprehensive Pilot Zone) from one level to the next one up and submitted to the two provincial government departments accompanied with their own official government documents. Units directly administered by cities with affiliate districts and under the Pingtan Comprehensive Pilot Zone shall submit their applications directly to the government authorities at the same level and units directly administered by the provincial government shall submit their applications directly to the two provincial government departments.

Article X. The two provincial government departments shall follow the regulations for the application for the annual regional demonstration projects by the two state government departments and issue the guidance for project application and the notice for application.

Article XI. After the State conclusion is issued for review, the two provincial government departments shall use the State review conclusion as an important basis and organize on-site inspections of the projects that have been listed in the project library. The project implementation unit should fill out the *Fujian Province Joint Study and Inspection Recording Form for the Marine*

Economy Innovative Development Regional Demonstration Projects (see Annex 1 for format details) and provide the following original documents for validation:

- (I) The enterprise's business license;
- (II) Certificate for scientific and technological achievements and Certificate for technological support;
- (III) Financial audit report, enterprise's capital verification report, and the certificate for implementation of the enterprise's own fund raising effort;
- (IV) Document of approval or pre-review opinion concerning the land space use, sea space use, environment protection and planning;

Article XII. The opinion on the on-site inspection shall be reviewed and finalized by the two provincial government departments before the projects are proposed for support, which shall be published through the media for public announcement and the duration of the public announcement shall not be fewer than five calendar days. Projects against which no objection is raised after the public announcement shall be formally identified as projects for support; projects against which objection is raised after the public announcement shall be reviewed by the two provincial government departments before a decision can be made.

Chapter III. Management of the Special Fund

Article XIII. Projects for the transformation and industrialization of achievements and projects of common service platforms supported through the special fund. Funding sources for project construction shall include the self-financed fund by the project implementation unit (including the project implementation unit's own fund, loans, grants from other departments, and other funds raised) and the special fund for regional demonstration. The primary component shall be the project implementation unit's self-financed fund. Where the self-financed fund includes grants from other departments (including grants from all departments at all levels), a detailed description shall be provided of the total grant received, the department it is granted by, the use of the grant, and other relevant information and furthermore, relevant documents shall be provided when the project application document is compiled.

Article XIV. The method of direct aid shall be primarily used in the support provided through the special fund rather than other methods such as subsidy for loan interest, incentives, venture capital investment, or other means of support (separate notices shall be issued for specific measures).

Article XV. The unit that is confirmed as the unit to implement the subsidized project shall compile a specific implementation plan for the construction of the project (for templates, please refer to Annexes 2 and 3) in accordance with the requirements by the two provincial government departments. The implementation plan shall include the content of the project's construction for implementation, the assessment indicators, the phased assessment objectives, fund budget, financing plan, project budget application form, explanatory documents, etc. which shall be reviewed by the Finance Department and Marine and Fishery Department that have jurisdiction over the project implementation unit before such documents are submitted to the two provincial government departments accompanied with the relevant official document. Project implementation units that are directly administered by the provincial government shall be reviewed by their competent government authority, which shall then submit the application with the official government document to the two provincial government departments.

Article XVI. The two provincial government departments shall organize the experts to review the specific project implementation plan and the project budget application document submitted by the project implementation unit, and shall use the opinion provided from the expert review in determining the volume of support from the special fund and issue a reply.

Article XVII. The amount of aid received from the special fund for projects involving the

transformation and industrialization of achievements shall be categorically determined in an amount not higher than 50% of the balance of the total new investment less the funds granted by other departments for the project confirmed by the experts, with the highest amount of aid from the special fund for any individual project not to exceed 25 million Yuan; for a new construction project, the amount of new investment shall be calculated based on the construction or investment plan, and for a project under construction or one for renovation (one that is in line with the areas of key support by the State), the amount of new investment shall be calculated based on the relevancy of the project in question.

The amount of aid received from the special fund for projects involving common service platforms shall be in an amount not higher than 70% of the balance of the total new investment (namely expenses incurred from the software development required for the construction of the project and for internal use, the procurement of the lab testing devices and equipment, and the fund needed for the construction or renovation of the labs) less the funds granted by other departments for the project confirmed by the experts, with the highest amount of aid from the special fund for any individual project not to exceed 25 million Yuan.

Article XVIII. The special fund received for projects involving the transformation of achievements shall be mainly used for technological research and development and subsequent experiments that are used to support the transformation, industrialization, or engineering application of the key technologies in the project; the procurement of the necessary software, instruments, and equipment; innovation of the equipment for the production process and testing conditions; the construction of complete equipment sets or lab equipment to be used for verification of the industrialization or engineering application processes; the construction of the necessary ancillary facilities; new construction, or renovation of factory buildings, etc.

The special fund received for common service platform projects shall be primarily used for the development of software needed for the project, the procurement of instruments and equipment for lab testing, and for the construction and renovation of labs.

Special funds shall not be used by the project implementation units for the construction of common infrastructure facilities or facilities for office, recreation, or other non-production purposes; they shall not be used to pay for management fees, technology transfer fees, personnel salary allowances, bonus allowances, or any other expenses from research units that bear no direct relationship to the project in question.

Article XIX. For an approved project, the Provincial Finance Department shall first allocate an amount equivalent to 70% of the special fund as aid based on the relationship of financial affiliation of the project implementation unit, and shall then be allocated to the project implementation unit by the Finance Department and the Marine and Fishery Department to which the project implementation unit is subordinate to. In this amount, an amount equivalent to 30% of the aid from the special fund shall be allocated after the project is started and another amount equivalent to 40% of the aid from the special fund shall be allocated when the project passes mid-term evaluation. After the project passes the acceptance inspection for project completion, the Finance Department shall allocate the balance of the special fund.

Article XX. The term "project is started" as used in the current Measure shall refer to the fact that all the necessary documents of approval for the project have been achieved such as those for the use of land and sea space, and for planning and construction, etc., that the *Fujian Province Environmental Impact Report Form for Construction Projects* has been reviewed and approved by the competent environmental protection government authority, and that one of the following conditions has been satisfied for the project construction:

(I) The project implementation unit has actually invested an amount equivalent to 10% of the aid from the special fund into the implementation of the construction of the project;

(II) Agreements have been signed for the procurement of the equipment needed for implementation of the project, and if the implementation of the project involves the construction or

renovation of factory buildings (including nursery rooms, breeding ponds, etc.), construction of the factory building has already started, and for those that involve the renting of sites, preparation of the sites has been completed.

Chapter IV. Project Management

Article XXI. The project implementation unit accountability system shall be adopted for the regional demonstration projects, in which the legal person for the project implementation unit shall be held comprehensively accountable for the project's implementation and the use of the fund; for the planning, financing, construction, operation, etc. of the project in accordance with the relevant laws and regulations; and for cooperating with the relevant state government authorities and the two provincial government departments in conscientiously conducting work related to the examination, acceptance inspection, and auditing related to the fund of subsidy provided by the State. The project technical support unit shall provide cooperation to the project implementation unit in terms of technical support and other relevant management requirements for implementation of the project in question and furthermore shall be held accountable for the technical tasks related to the project it has undertaken.

Article XXII. For an approved project, the project implementation unit shall submit the *Agreement of Task Commitment by the Project Implementation Unit* (see Annex 4) to the Finance Department and the Marine and Fishery Department to which it is subordinate, and the project shall be managed in accordance with the Agreement of Task Commitment. If a project implementation unit is directly administered by the provincial government, the project implementation unit shall issue the *Agreement of Task Commitment by the Project Implementation Unit* to the government authority that has direct jurisdiction over it.

Article XXIII. The Finance Department and the Marine and Fishery Department that have direct jurisdiction over the project implementation unit shall submit the *Agreement of Task Commitment* to the two provincial government departments after approval is obtained from the same level people's government (See Annex 5). Its main content shall include: Construction of the project shall be conducted in strict accordance with the content of the construction, the implementation period, the investment plan, and the anticipated goals; priority shall be given to the supply of land space, sea space, forest, electricity, and other elements needed for the project construction; financial fund management and accountability tracking shall be strengthened in strict accordance with the relevant regulations to ensure security, standardization, and efficiency in the use of the fund.

If a project implementation unit is directly administered by the provincial government, the government authority that has direct jurisdiction over it shall submit the *Agreement of Task Commitment* to the two provincial government departments to ensure effective supervision over the project implementation unit so that the project construction is executed as planned.

Article XXIV. The project implementation unit shall organize the implementation of the project in accordance with the implementation plan reviewed by and filed with the two provincial departments. It is not allowed to change the content, scale, performance evaluation goals, or other related tasks of the project without prior authorization. Anything major that happens during the process of the project's implementation shall be promptly reported to the two provincial government departments.

Article XXV. It is not allowed to change any critical content of the construction to which commitment has been made during the execution of the project's implementation. For any part of the commitment that cannot be fulfilled due to forces majeure or other special reasons, an application shall be filed by the project implementation unit in accordance with the reporting procedures outlined above and the two government departments shall review and submit the application from one level to the next and the two provincial government departments shall organize experts for consultation before a decision can be made.

Article XXVI. For projects that receive aid from the special fund, if bidding and RFP processes are required during the construction phase or if government procurement is required to be

implemented according to the relevant laws or regulations, the relevant regulations shall be followed.

Article XXVII. During the course of the project implementation, the project implementation unit should regularly submit progress reports on the project implementation, and the two provincial departments shall conduct inspections of the project from time to time, the results of which shall serve as an important basis for the arrangement of and adjustment to the special fund.

Article XXVIII. For the mid-term evaluation and the acceptance inspection at the overall completion of the project, requirements set forth in the *Fujian Province Interim Measure on Management of the Mid-Term Evaluation and the Acceptance Inspection at the Overall Completion of the Marine Economy Innovative Development Regional Demonstration Project* (Min Cai Nong [2013] No. 155) and the *Notice on Simplifying the Mid-Term Evaluation of the Marine Economy Innovative Development Regional Demonstration Project* (Min Cai Nong [2014] No. 64) shall apply.

Article XXIX. The relevant laws and regulations shall be followed for patents, copyrights and other ownerships of intellectual property obtained during the course of the project implementation. After the project is completed, fixed assets formed through the special fund shall not be transferred or sold by the project implementation unit within a period of three years by any method, which, if found out otherwise, shall become grounds for the provincial financial department to retrieve the special fund already granted for the project. For those units that fall into the categories of state-owned, state holding enterprises, or administrative or service institutions, the project implementation unit shall also be required to conduct registration and recording of the properties in accordance with the relevant regulations, which shall be filed with the competent government authority for record keeping as part of the effort to strengthen the management of fixed assets and to prevent the loss of state-owned assets.

Article XXX. Marine and fishery industry authorities and departments of finance that have direct jurisdiction over the project implementation units shall conscientiously conduct performance evaluations of the projects implemented within their individual jurisdictions, and the report on the performance evaluation shall be submitted to the Provincial Marine and Fishery Department and the Provincial Finance Department after the project passes the acceptance inspection for overall completion.

Chapter V. Inspection and Supervision

Article XXXI. Relevant state and provincial policy regulations shall be strictly observed in the use of the special funds and it is not allowed to change the use of the funds, not to mention the transfer or misappropriation of the special funds, all of which shall be subject to auditing and supervision from the auditing and supervisory authorities.

Article XXXII. Marine and fishery industry authorities and departments of finance at all government levels shall strengthen their supervision and management of the entire processes of project implementation and fund use. Follow-up examinations shall be organized and any problematic projects uncovered shall be subject to the reduction, suspension, or even retrieval of the special fund already granted; furthermore the project implementation unit of the project in question shall be stripped of its eligibility to apply for any financial aid fund for a period of three years.

Article XXXIII. Any illegal acts involving the withholding, misappropriation, defrauding, etc. of special funds shall be investigated and handled in accordance with the *Regulations on the Punishment and Sanctions Against Acts of Financial Law Violation* and other relevant laws and regulations. For more serious cases that constitute crimes, the perpetrator shall be pursued for criminal liabilities.

Chapter VI. Supplemental Provisions

Article XXXIV. The current Measure shall take effect from the date of issuance and the *Fujian Province Interim Measure on Managing Special Fund for the Marine Economy Innovative Development Regional Demonstration Project* (Min Cai Nong [2012] No. 147) which was formulated by the two provincial departments on 31 December 2012 shall be discontinued at the same time.

- Annexes:
1. Fujian Province Joint Study and Inspection Recording Form for Marine Economy Innovative Development Regional Demonstration Projects
 2. Fujian Province Specific Implementation Plan for Marine Economy Innovative Development Regional Demonstration Projects
 3. Fujian Province Budget Application Form for Marine Economy Innovative Development Regional Demonstration Projects
 4. Fujian Province Project Implementation Unit Task Commitment Agreement for Marine Economy Innovative Development Regional Demonstration Projects
 5. Fujian Province Task Commitment Agreement for Marine Economy Innovative Development Regional Demonstration Projects

IV. Support for Technological Upgrade in Fishery Industry

Annex 23

Fujian Province Measure on Managing Special Fund on Constructing Marine Fishery Technology, Fujian Department of Finance and Fujian Ocean and Fishery Bureau, Mingcainong [2013] No. 74 (16 June 2013).

Notice on the Issuance of the *Interim Measures for the Management of Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction*

Min Cai Nong (2013) No. 74

Publishing office: Provincial Department of Finance

Release date: 19 June 2013

Notice on the Issuance of the *Interim Measures for the Management of Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction*

To all city and county (district) finance bureaus and authoritative departments for oceanic and fishery administration, the Finance Bureau and the Economic Development Bureau of the Pingtan Comprehensive Experimental Zone, and relevant units directly under the jurisdiction of Fujian Province:

To standardize and strengthen the management of Fujian Province special funds for oceanic and fisheries scientific and technological system construction and to improve the efficient use of the funds and in accordance with the relevant regulations of Fujian Province special funds management, the Fujian Provincial Department of Finance and the Fujian Provincial Department of Ocean and Fisheries have drafted the *Interim Measures for the Management of Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction*, and hereby issue them. Please conscientiously organize their implementation.

Fujian Provincial Department of Finance Fujian Provincial Department of Ocean and Fisheries
16 June 2013

Attachment: *Interim Measures for the Management of Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction*

Interim Measures for the Management of Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction

Article 1 To further strengthen and standardize the management of the special funds for oceanic and fisheries scientific and technological system construction and to improve the efficient use of the funds, these measures are specially formulated in accordance with relevant regulations of Fujian Province special funds management.

Article 2 The special funds for scientific and technological system construction stated in the measures (hereinafter referred to as the "special funds") refer to special funding arranged by the provincial finance department to provide subsidies for such tasks as oceanic and fisheries scientific and technological innovation system construction and the promotion of the "five new" (namely, new varieties, new techniques, new feed, new fishery medicine, and new machines and tools) for fisheries.

Article 3 According to the principles of being fair and impartial, making overall plans and taking all factors into consideration, strict management, and seeking performance results, the Provincial Department of Finance and the Provincial Department of Ocean and Fisheries are jointly responsible for arranging the use and management of the special funds.

Article 4 The scope of subsidies of the special funds:

(1) Modern fisheries scientific and technological innovation system construction, including: key technology research for the industrialization of well-known and high-quality aquaculture, technological research for aquaculture disease prevention and control, research and development and application of aquatic product processing techniques, demonstration of factory farming facilities and technologies, and development and application of fishery compound feed and machinery equipment.

(2) Comprehensive marine management, including: the protection of marine resources and environment, marine disaster prevention and reduction, and the development and application of technology in such areas as the management of sea area use.

(3) The introduction, testing, demonstration, and promotion of new fishery varieties, new fishery techniques, new fishery medicine, new fishery feed, and new fishery machines and tools.

(4) Technical training of fishery professional technical personnel and fishermen.

(5) Other matters related to marine and fishery scientific and technological system construction.

Article 5 The targets of support of the special funds:

(1) The targets of support for modern fishery scientific and technological innovation system construction are institutions of higher education, scientific research institutes, and companies with research and development capabilities.

(2) The targets of support for the promotion of the "new five" of fisheries are authoritative departments for oceanic and fishery administration of county (district) level or higher; aquatic technology promotion centers; scientific research institutes; colleges and universities; and units engaged in such sectors as aquaculture, production, and processing.

Article 6 Units applying for subsidy projects listed in items (1) to (3) of Article 4 must also submit the "Application Form for Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction" (see the attached form) when making such applications.

Article 7 Authoritative departments for oceanic and fishery administration of the county (district) level or higher and finance departments at the same level shall apply for special funds to the Provincial Department of Ocean and Fisheries. Units at the provincial level shall directly apply for special funds to the Provincial Department of Ocean and Fisheries and the Provincial Department of Finance.

Article 8 Project applicant units are responsible for the authenticity and standardization concerning projects they apply for and the material they provide. City and county (district) authoritative departments for oceanic and fishery administration and finance departments at the same level should check the fairness and impartiality of applied-for projects and application materials and assume the corresponding responsibility.

Article 9 Special funds should be applied for prior to 15 April every year, and applications made past that date will not be accepted.

Article 10 Based on the scale of investment of project implementation units, the economic results and social effect expected to be achieved, and the degree of difficulty of work, and in full consideration of the priorities of annual oceanic and fisheries work and the situation of how work is unfolding in various places, the Provincial Department of Ocean and Fisheries and the Provincial Department Finance shall determine the fund subsidy scheme and allocate special funds based on budgetary relationships.

Article 11 The performance evaluation of special funds shall be conducted according to relevant management regulations on fiscal funds.

Article 12 Special funds can be used for the research and development of key technologies and subsequent testing-related expenses; testing facilities and equipment needed for project implementation; materials for special use such as seed, fishery medicine, feed, tests; and relevant expenses, such as merchandise and services for organizing and carrying out projects.

Special funds must not be used for other expenses unrelated to the project such as receptions, entertainment, personnel pay allowances, and bonus subsidies.

Article 13 Authoritative departments for oceanic and fishery administration and finance departments at all levels should step up the entire process of supervision and management of project implementation and fund use and should organize and conduct follow-up inspections. They should reduce or stop appropriations for projects identified as having problems, depending on the conditions, until appropriated special funds have been recovered.

Article 14 Conduct involving violations such as withholding, misappropriating, or defrauding special funds should be investigated in accordance with relevant laws and regulations such as the *Regulation on Penalties and Sanctions against Illegal Fiscal Acts*, and cases which are serious enough to constitute a crime should be investigated for criminal responsibility according to the law.

Article 15 The measures shall take effect upon promulgation and remain in effect for five years.

Attached form: Application Form for Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction

Application Form for Fujian Province Special Funds for Oceanic and Fisheries Scientific and Technological System Construction

Application Form

Project Title: _____

Project Location: _____

Undertaking Unit (affix seal): _____

Starting and Ending Date: from ____year____month to ____year____month

1. General Project Information

Project Title		Project Category	
Undertaking Unit		Nature of the Unit	
Project Implementation Site		Corporate Representative	
Undertaking Unit Address		Postal Code	
Undertaking Unit Contact Person		Contact Number	
Size of Investment (RMB 10,000's)		Subsidy Fund Applied For (RMB 10,000's)	

2. Project Summary

Project Summary and Size	
Importance and Necessity	

Main Technology and Economic Targets	
Expected Goals	

Investment Estimate and Sources	
---------------------------------	--

3. Project Units and Participants

Project Undertaking Unit:					
Project Collaboration Unit:					
Main Participants	Name	Work Unit	Position/Job Title	Specialty	Duties

4. Project Progress

Starting and Ending Date		Duration (months)

5. Project Expenses

Project Expenses Scope of Use	Project Expenditure Classification and Investment Estimate			Distribution of Expenditure of Subsidies Applied For		Notes
	No.	Type of Expenditure	Investment Estimate (RMB 10,000's)	Distribution Proportion of Expenditure (%)	Distribution Amount of Expenditure (RMB 10,000's)	
	1					

	2					
	3					
	4					
	5					
	6					
	Total					

Annex 24

Fujian Province Measure on Managing Special Fund on Fishery Industry Structural Adjustment, Fujian Department of Finance and Fujian Ocean and Fishery Bureau, (23 July 2014).

Notice regarding Printing and Issuing “Fujian Province Measure on Managing Special Fund on Fishery Industry Structural Adjustment”

Publication date: 2014-7-25

City, county (district) Department of Finance, the Administrative Department of Marine and Fisheries, Pingtan comprehensive experimental zone of Finance Bureau, the Economic Development Board , the relevant provincial units:

In order to regulate and strength the management of Fujian Province special funds for fisheries structural adjustment, improve efficiency of fund uses, according to Fujian provincial financial special fund management and its relevant regulations, the provincial Department of Finance and the administrative department of marine and fisheries developed “Interim Measures for the Management of Fujian Province Special Funds for Fisheries Structural Adjustment”, now issue it to you, please carefully organize implementation.

Attachment: Interim Measures for the Management of Fujian Province Special Funds for Fisheries Structural Adjustment

Fujian Department of Finance Administrative Department of Marine and Fisheries

July 23, 2014

Interim Measures for the Management of Fujian Province Special Funds for Fisheries Structural Adjustment

Article 1 To further strengthen and standardize the management of special funds for fisheries structural adjustment and to raise the efficient use of funds, these Measures are specially formulated in accordance with the relevant regulations of Fujian Province special funds management.

Article 2 The special funds for fisheries structural adjustment stated in these Measures (hereinafter referred to as the "special funds") refer to special subsidy funds arranged by the Provincial Department of Finance to promote the transformation of the modes of economic development of the fishing industry and to bring about continued increases of efficiency in the fishing industry and income increases for fishermen.

Article 3 According to the principles of being fair and impartial, making overall plans and taking all factors into consideration, strict management, and seeking performance results, the Provincial Department of Finance and the Provincial Department of Ocean and Fisheries are jointly responsible for arranging the use and management of the special funds.

Article 4 Subsidy scope of the special funds for fisheries structural adjustment:

- (1) Developing ecologically sound and highly effective breeding and aquaculture of well-known and high-quality new varieties.
- (2) Applying modern equipment and technology to develop fisheries' facilities.
- (3) Improving infrastructure for aquatic product seed production.
- (4) Expanding the scale of breeding of new varieties.
- (5) Promoting the use of high-efficiency, energy-saving, and environmentally-friendly technologies in marine fishing.
- (6) Other projects that promote fisheries structural adjustment.

Article 5 The recipients that can apply for special funds are authoritative departments for oceanic and fishery administration at county (district) level and higher; aquatic technology promotion centers; scientific research institutes; and units engaged in such sectors as aquaculture, production, and processing.

Article 6 Applied-for projects shall play a relatively strong exemplary and leading role, take "high quality, ecology, safety, and efficiency" as the development objective, and be able to promote efficiency increases in the fishing industry and income increases for fishermen. The maximum subsidies obtained by each project shall not exceed RMB 300,000.

Article 7 Authoritative departments for oceanic and fishery administration of the county (district) level or higher and finance departments at the same level shall apply for special funds to the Provincial Department of Ocean and Fisheries. Units at the provincial level shall directly apply for special funds to the Provincial Department of Ocean and Fisheries and the Provincial Department of Finance.

Article 8 Project applicant units are responsible for the authenticity and standardization concerning projects they apply for and the materials they provide. City and county (district) authoritative departments for oceanic and fishery administration and finance departments at the same level should verify the applied-for projects and materials and assume the corresponding responsibility.

Article 9 Special funds should be applied for prior to 15 April every year, and applications made past that date will not be accepted.

Article 10 Based on the annual priorities of oceanic and fisheries work and in full consideration of the situation of how work is unfolding in various places, the Provincial Department of Ocean and Fisheries and the Provincial Department of Finance shall determine the fund subsidy scheme and allocate special funds based on budgetary relationships.

Article 11 The performance evaluation of special funds shall be conducted according to relevant management regulations on fiscal funds.

Article 12 Special funds can be used to subsidize fishing equipment required for project implementation; materials for special use such as seed, fishery medicine, feed, and tests; and merchandise and service expenses such as travel, training, publicity, and labor for the purpose of organizing and carrying out projects.

Special funds must not be used for other expenses unrelated to the project such as receptions, entertainment, personnel pay allowances, and bonus subsidies.

Article 13 Authoritative departments for oceanic and fishery administration and finance departments at all levels should step up the entire process of supervision and management of project implementation and fund use and should organize and conduct follow-up inspections. They should reduce or stop appropriations for projects identified as having problems, depending on the conditions, until appropriated special funds have been recovered.

Article 14 Conduct involving violations such as withholding, misappropriating, or defrauding special funds should be investigated in accordance with relevant laws and regulations such as the *Regulation on Penalties and Sanctions against Illegal Fiscal Acts*, and cases which are serious enough to constitute a crime should be investigated for criminal responsibility according to the law.

Article 15 The Measures shall take effect upon promulgation and remain in effect for five years.

Annex 25

2013 Guangdong Province Marine Fishery Technological and Industrial Development Fund Application Guide, Guangdong Department of Finance and Guangdong Ocean and Fishery Bureau, yuehaiyu[2013]No.29 (27 March 2013).

2013 Guangdong Province Marine Fishery Technological and Industrial Development Fund Application Guide

To further properly perform the implementation work of projects for marine and fishery science and technology promotion in Guangdong Province, according to the relevant provisions in the provincial government's *Notice on the Printing and Issuance of Interim Provisions for the Management of Guangdong Provincial Level Special Financial Funds* (Yue Fu [2006] Number 37) as well as the *Management Methods of Guangdong Province Provincial Level Special Financial Funds in Marine and Fishery Project Applications* (Trial Version) jointly issued by the Provincial Marine and Fishery Bureau and the Provincial Department of Finance (Yue Hai Yu [2006] Number 148), these project application guidelines have been hereby formulated.

I. Purpose, significance, and performance goals

Use the achievement of breakthroughs and research and development in science and technology to drive the implementation of a batch of major, urgent and critical marine and fishery science and technology projects, focus on the demonstration of a marine economic innovation and development zone, achieve breakthroughs in critical common technologies that support the development of a marine biological industry. Achieve breakthroughs in the cultivation and aquaculture of outstanding pearl varieties, effective and healthy aquaculture of marine life, the medicinal and functional products of marine life, marine and fishery equipment, marine environment and ecological remediation, etc. and generate a batch of results of innovations in marine and fishery science and technology with independent intellectual property rights and promote them. Through the conversion and demonstrations of the results, accelerate integrated innovations and intermediate tests, and the maturing of technological results and products. Cultivate a batch of technology oriented leading enterprises. Support small and medium-sized science and technology enterprises and give play to their role as a new force in innovations of marine science and technology.

II. Applicants

Organizations such as scientific research institutions, institutions of higher learning, promotion agencies, enterprises and institutions and marine associations, etc., in Guangdong Province in marine, and fishery related fields (including organizations of the central government in Guangdong Province) that qualify as independent legal persons may all apply.

III. Use of the fund

This special fund shall be used to support research, development and technological demonstrations and promotion of marine and fishery science and technology projects and shall be mainly used to pay various expenses directly related to research, development and promotion work during the organization and implementation of the projects, including the cost of raw materials (parents, fish fries, fodder and testing agents, etc.), equipment acquisition and usage fees, professional service fees (including test, analysis and processing fees, inspection fees, fuel and power charges, cooperation and exchange fees, consultancies, information/material and fees for intellectual property right affairs, etc.).

IV. Contents of the applications

(I) Tackling key scientific and technological issues and conducting research and development (hereinafter referred to as scientific research): Focus on improvement of the capability of independent innovations in marine and fishery science and technology as the core, using the development of strategic, emerging industries such as marine biology, etc., as the starting point, achieve breakthroughs in a batch of core and major technologies that limit the development of strategies, emerging industries, such as marine biology, etc., successfully convert a batch of major technological results, strengthen the close combination of production, study and research and provide technical support for marine economic innovation and development zone demonstrations in our province. The contents shall include 6 special subjects (see the attachment).

(II) Technological promotion (hereinafter referred to as the promotion):

Conduct development applications before the results of marine and fishery science and technology are used for production. Effectively support transferring of scientific and technological results into real productivity. Accelerate the integrated innovations of technological results and products and their intermediate testing and maturing. Comprehensively push for the conversion

and applications of scientific and technological results. The contents shall include 3 special subjects (see attachment).

V. Forms of applications

(I) Scientific research projects: These shall be divided into 3 categories, including major, priority and general, etc.

1. In major projects, key issues are tackled surrounding bottlenecks that require an urgent solution in industrialized development and conversion of results. 1.2-1.5 million Yuan of funds shall be provided for each project. Applicant organizations for major projects need to provide defense during expert evaluations.

2. Priority projects: they shall resolve key technological issues for dominant breeds in our province in terms of production, research, and development. 800,000-1 million Yuan shall be provided for each project.

3. General projects: Conduct research and development of technologies on breeds that promote industry development. 300,000- 500,000 Yuan shall be provided for each project.

(II) Promotion projects: To be divided into 2 categories, including priority and general, etc.

1. Priority projects: Key technologies and priority breeds being promoted throughout the province. 800,000-1 million Yuan shall be provided for each project.

2. General projects: Conduct demonstrations of breeds of technologies or breeds. 200,000-400,000 Yuan shall be provided for each project.

VI. Conditions for applications

(I) Conditions for applications for major scientific research projects:

1. Application entities must combine production, study, and research, and have two application parties that including institutions of higher learning or scientific research institutes and enterprises. Other composition shall not be subject to limitations. Institutions of higher learning and scientific research institutes must be key units directly subordinate to the Ministry and Guangdong Province. Enterprises must be registered in Guangdong Province and are qualified as independent legal persons.

2. Applicant organizations shall have a relatively high strength in scientific research and standardized operations management; they shall have lead persons in academic disciplines that shall be capable of undertaking research tasks related to the present project and controlling the direction of development of the academic disciplines, and shall have a technical team with a rational age and academic discipline structure and relatively steady personnel.

3. Applicant organizations must undertake major work in the projects applied for, have the research strength related to the contents of the projects and a foundation for preliminary research, have strong conditions for a technological development platform and large, industrialized production and experience for operations management, and are capable of providing support funds corresponding to the trial demonstrations.

4. Joint applicants must execute joint application agreements that clarify the tasks, priority goals, funding arrangements and ownership of intellectual property rights, etc. Lead organizations shall review the application qualifications of the joint applicants and shall assume the overall responsibility as the primary responsible person.

(II) Application conditions for other scientific research projects:

1. Applicant organizations shall have the appropriate scientific research and development strength and a relatively steady technical team, with standardized operations management.

2. Applicant organizations must undertake primary work in the project applied for and shall have the work foundation, facility conditions and operations management experience necessary for conducting such work.

3. Encourage joint applications for production, study, and research entities. Lead applicant organizations shall assume the overall responsibility as the primary responsible persons.

4. Applicant organizations (including any party to a joint application) and project leaders shall not file duplicate and cross applications for the same research contents in a year.

(III) Application conditions for promotion projects:

1. As a priority, provide support for aquatic technology promotion institutions at various levels. Institutions of higher learning, scientific research institutes and enterprises, etc., may jointly apply with aquatic technology promotion stations at various levels.

2. Applicant organizations must have trial demonstrations sites and appropriate facilities and conditions and provide the relevant evidentiary materials.

3. Applicant organizations must have the strength to conduct technology promotions and have the relatively steady technical team, standardized operations management, as well as the working foundation for conducting such work and operations management experience.

4. Applicant organizations, project leaders and all participants shall not file duplicate and cross applications for the same special subject in a year.

(IV) Conditions for applicants for project leaders:

1. Leaders that apply for major and priority scientific research projects must have senior technical titles; leaders that apply for general scientific research projects must have secondary senior technical titles or have graduated from a doctorate degree program and have been engaged in related work for more than 3 years (inclusive of 3 years). Leaders that apply for promotion projects must have technical titles above the intermediate level.

2. The employers of project leaders must be consistent with leading applicant organizations.

3. Project leaders must have permanent employers and be free from any record of bad behavior. They shall not exceed 60 years of age (as of June 2013) and shall have engaged in technical work related to the project being applied for more than 3 years.

4. The same leader can only apply for 1 project in a year.

VII. Application procedures

(I) Application procedures for organizations below the municipality level:

1. A project applicant organization shall submit an application with the marine and fishery administrative authorities at the same level.

2. After the marine and fishery administrative authorities at the county level perform a joint review with financial authorities at the same level, they shall submit the application to the marine and fishery administrative authorities of a municipality at the prefecture level.

3. The marine and fishery administrative authorities of the municipality at the prefecture level shall aggregate the projects being applied for in their own municipality and the counties (municipalities and districts) under their jurisdiction and shall submit documents, jointly with the municipal financial authorities, to the Provincial Marine and Fishery Bureau and the Provincial Financial Department.

(II) Application procedures for county organizations under the direct jurisdiction of the province: After competent county marine and fishery administrative authorities under the direct jurisdiction of the province perform a review together with the financial authorities at the same level, they shall file documents directly with the Provincial Marine and Fishery Bureau and the Provincial Department of Finance.

(III) Application procedures for organizations under the direct jurisdiction of the province: Applicant organizations, such as enterprise and business organizations under the direct jurisdiction of the province, universities, colleges and scientific research institutes within the province and universities, colleges and scientific research institutes of the central government in the province shall directly file documents with the Provincial Marine and Fishery Bureau and the Provincial Department of Finance for applications.

VIII. Application requirements

(I) Requirements for application for projects:

1. File applications in strict compliance with the scope of contents and within limit of funds specified in these guidelines.

2. Prepare an expense budget in strict compliance with the specified use of fund. When an organization applies for expenses of more than 800,000 Yuan, a qualified accounting organization shall perform a review of the reasonableness and compliance of the expense budget as well as the economic ability of the organization to undertake the project.

(II) Application materials:

1. Application documents;

2. A project recommendation letter issued by an aquatic technology promotion agency of a municipality above the prefecture level (required in an application for a promotion project);

3. A project application;

4. A feasibility study (required in an application for a scientific research project);

5. The certificate of legal person of the applicant organization and certificate of the job title of the leader, etc. (photocopies);

6. The balance sheets and statements of loss and profit of the applicant organization in the last 3 years;

7. The review opinion report of the accounting organization (required for an organization that applies for more than 800,000 Yuan of expenses);

8. Relevant evidentiary materials for the trial demonstrations site of the applicant organization (required in an application for a promotion project).

(III) Methods and dates of applications:

1. Log into the website of the provincial Marine and Fishery Bureau (www.gdofa.gov.cn). Download *Application Forms for Guangdong Province Marine and Fishery Science and Technology Special Promotion Project and Feasibility Study* and fill in with the relevant materials required for project application.

2. Bind written application materials, such as the application, feasibility the feasibility study and attachments, etc., into a book form in eight copies and submit them to the Science and Technology Exchange Cooperation Office of the Provincial Marine and Fishery Bureau and at the same time, send an electronic version (Email: kwc@gdofa.gov.cn).

3. The cutoff deadline for applications shall be May 15, 2013; materials submitted shall be subject to the date of acknowledgment of receipt and shall no longer be accepted after the deadline.

IX. Review requirements

(I) Municipal and county marine and fishery authorities shall be responsible for reviewing the truthfulness, completeness and feasibility of the projects submitted and the relevant evidentiary materials attached. They must verify photocopies of the relevant evidentiary materials. After verifying that there is no error, they shall issue a review opinion of "consistent with the original copy" and affix their official seals thereto. Municipal and county financial authorities shall be responsible for reviewing the compliance of the projects being submitted and the relevant materials attached.

(II) When an organization under the direct jurisdiction of the province files an application, the science and technology management department of the applicant organization shall be responsible for reviewing the truthfulness, completeness, feasibility, and compliance of the project being submitted and the relevant evidentiary materials attached.

(III) A project applicant organization shall ensure the legitimacy, truthfulness, and feasibility of the project being applied for and its application. It must commit to accepting the supervision and inspections by government authorities and conscientiously organize implementation in strict compliance with the project implementation plan approved by the competent marine and fishery authorities at the same level and shall complete and submit a result report in a timely manner.

(IV) When the province organizes experts for an evaluation and on-site defense, in accordance with the principles of "being fair, impartial and open" and determine whether the project should be supported according to the results of the expert evaluation and on-site defense.

X. Miscellaneous items

(I) The Provincial Marine and Fishery Bureau and the Provincial Department of Finance shall be responsible for interpreting these guidelines.

(II) These guidelines shall be implemented as of the date of their printing and issuance.

Annex 26

Notice on the Issuance of the 2013 Provincial Marine and Fishery Special Project Application Guide, Jiangsu Provincial Maritime and Fishery Bureau and Department of Finance, suhaji[2013]No.17 (25 March 2013).

Notice on the Issuance of the 2013 Provincial Marine and Fishery Special Project Application Guide

Su Hai Ji [2013] No.17

SU Cai Nong [2013] No. 36

The Provincial Maritime and Fishery Bureau and the Provincial Department of Finance Notice on the Issuance of the 2013 Provincial Marine and Fishery Special Project Application Guide

All maritime and fishing industry authorities, departments of finance and other relevant units at the municipality and county (city) levels:

In an effort to conscientiously carry out the work related to the application for the 2013 Provincial Marine and Fishery Special Projects, we hereby issue the application guide for the Provincial High-Efficiency Facility of the Fishing Industry among a total of six projects for the year of 2013 to you and please follow the requirements in the guide to promptly act upon the organization of the project application.

Notice is hereby given as follows on the related matters:

I. All maritime and fishing industry authorities and departments of finance at the municipality and county (city) levels shall be in charge of organizing the work related to the project application at their respective localities and the principle of transparency of government affairs shall be observed in timely publicizing the project application guide, procedures, contact methods, and other related information in the local areas.

II. All maritime and fishing industry authorities and departments of finance at the municipality and county (city) levels shall, in joint effort with the same level department of finance, review the application documents submitted by all the units and submit the applications through selection by merit within the control quota for the project application issued by the provincial government. Among them, the maritime and fishing industry authorities shall be held accountable for the truthfulness of the application documents and the feasibility for the execution of the projects, while the Departments of Finance shall be held accountable for compliance and the feasibility of the budget compilation related to the projects in question.

III. For those projects that have passed the review process, the maritime and fishing industry authorities and the departments of finance at the municipality and county (city) levels shall organize the compilation of the application documents and conduct the application process through the "Jiangsu Provincial Maritime and Fishing Industry Project Administration System" (<http://jsxm.cnfm.com.cn>), and submit the project application documents together with the respective official documents to the Provincial Maritime and Fishing Administration and the Provincial Department of Finance by 25 April 2013, after which the system will be shut down and no further applications shall be accepted. All projects at the county (city) levels shall be submitted by the counties (cities) directly (where specific requirements are laid out in the Guide, such requirements shall be followed in the execution); all projects under the city jurisdiction shall be congregated by the municipalities directly administered by the provincial government to be submitted; application for all provincial level units, research institutions, and universities shall be submitted directly to the Provincial Maritime and Fishing Administration and the Provincial Department of Finance.

IV. All project-related hard copy documents (including the project application documents, the aggregated form, the application document and other necessary supplemental documents) shall be prepared in copies of five, which shall be submitted respectively to the Office of Agriculture of the

Provincial Department of Finance (one copy) and the Provincial Maritime and Fishery Administration (four copies, two for the planning and finance department and two for the relevant administrative offices).

Annexes: 1. 2013 Application Guide for the Provincial High-Efficiency Facility Fishery Projects

2. 2013 Provincial Triple-Innovation Project Application Guide

3. Application Guide for the 2013 Provincial Fund for Projects Dedicated to the Quality Building of Aquatic Products

4. Application Guide for the 2013 Provincial Comprehensive Oceanic Governance and Industry Development Projects

5. Application Guide for the 2013 Projects Dedicated to Law Enforcement in the Provincial Maritime Surveillance and Fishery Administration and Safety Supervision

6. Application Guide for the 2103 Projects Dedicated to Environment Protection in the Provincial Maritime and Fishing Resources

Provincial Maritime and Fishery Bureau Provincial Department of Finance

25 March 2013

Annex 1:

2013 Application Guide for the Provincial High-Efficiency Facility Fishery Projects

I. Support Orientation of the Project

The support shall primarily be focused on the building of a high-efficiency facility fishery industry (export-oriented), including hundred-billion Yuan fishing bases in the coastal areas, public platforms for modern provincial fishery industrial parks, exquisite modern fishery parks, modern fishery demonstration sites (bases), new fishery bases of high-efficiency facilities, demonstration bases for the exportation of aquatic products (demonstration zones), and construction and renovation of inland fishing ports, etc. Support shall be given to the construction of new high-efficiency productive infrastructure in the fishery industry (export-oriented), including the ecological and standardized construction or renovation of freshwater and seawater ponds, and the supportive water, electric lines and other facilities; support shall be given to the construction of the facility fishery industry, including the construction and renovation of floating rafts on shallow sea water, the net-cage aquaculture and industrialized aquaculture, and other productive infrastructure, as well as the supporting equipment for oxygen enhancement, temperature retention, water recycling, and water quality monitoring, etc.; support shall also be given to the maintenance and renovation of inland fishing piers, revetments, harbor basin dredging, and other public welfare facilities.

II. Specific Matters Related to the Application

1. The applicant entity. The application for the project dedicated to the building of a high-efficiency facility fishery industry (export-oriented) shall submitted by the local township government, specialized fishing village, or specialized fishing co-op economic organization, etc. where such project is located; the application for the project for the provincial modern fishery industry park shall be submitted by the administrative committee of the respective park; the application for aquatic product exportation demonstration bases (demonstration zones) shall be submitted by the project's construction unit, or by the rural specialized co-op or the village level collective economy organization, which has established a contract production relationship with the export enterprise; the application for the maintenance and renovation of inland fishing piers shall be organized by the county level fishing industry authority where such fishing piers are located.

2. The method of subsidy. The method of direct subsidy to the cultivation households may be adopted for projects whose applications are submitted by the township level government, specialized fishing villages and specialized fishing co-op economy organizations, and in principle, monetary subsidy shall be the primary method used, which shall be distributed using the "one account for all" system; or alternatively, the method of in-kind subsidy may also be adopted, which in principle shall be conducted by the county (city, district) level government in accordance with the procurement regulations; or alternatively it may be conducted through the method of unified organization, centralized construction, etc. The subsidy schedule and the implementation schedule shall be quantified to the level of individual households and publicly displayed locally, and subsidy to specialized fishing co-op economy organizations that has become physical assets, shall be quantified to the level of member accounts. For projects of construction and renovation of provincial modern fishery industrial parks, exquisite modern fishery parks, modern fishery demonstration sites (bases), demonstration bases for the exportation of aquatic products (demonstration zones) and inland fishing piers, etc., the fixed subsidy method shall be adopted for unified planning and centralized construction.

3. Subsidy standard. For projects submitted by the township governments, specialized villages, and specialized co-op fishing economy organizations the financial monetary subsidy provided shall not be more than 1/3 of the new investment made and subsidy provided for non-productive infrastructure facilities shall not be more than 20% of the total financial subsidy. For each new high-efficiency facility fishery project, the financial monetary subsidy shall be in the amount of approximately 800,000 Yuan; for those that meet the requirements for the provincial modern fishery industrial parks and the exquisite modern fishery parks, a financial monetary subsidy in the amount of approximately 2 million Yuan shall be provided for each project; for those that meet the requirements for modern fishing industry demonstration bases (site), a financial monetary subsidy in the amount of approximately 1 million Yuan shall be provided for each project; for each demonstration base for the exportation of aquatic products (demonstration zones) that is recognized by the province for 2013, a financial monetary subsidy in the amount of 1-2 million Yuan shall be provided; for the year of 2013, five projects dedicated to the maintenance and renovation of inland fishing piers have been planned, and a financial monetary subsidy in the amount of approximately 3 million Yuan shall be provided for each.

III. Conscientious Performance of Project Studies

Project related documents shall be compiled based on the "visible, tangible, measurable, and examinable" requirements, and elaboration shall be focused on the project's construction site (all applicant projects shall be identified through GPS in four to five directions for implementation of the bases), the content of the implementation, links where the subsidy fund will be used, the amount of work accomplished, the objectives, etc.; projects of provincial modern fishery industrial parks, exquisite modern fishery parks, and modern fishery industry demonstration sites (bases) shall be constructed in accordance with the relevant provincial construction requirements (please refer to Su Hai Yu [2012] Appendix 13 for more details); maintenance and renovation of inland fishing piers must be approved by the relevant local government before the project may be registered, and the allowable number of fishing boats to be docked shall be more than 200 for lakes, and more than 100 for the Yangtze River.

Guideline for the number of projects has been determined on the basis of the fishing industry output and aquatic product cultivation area of the respective localities in 2012, the tasks assigned by the province for 2013 for high-efficiency facility fishery industry, the financial support policies for the development of North Jiangsu and the assessment of the related work, etc., and the financial monetary subsidy for an individual project shall be in the amount of 800,000 Yuan. All local areas shall strictly follow the guideline for the total number of projects assigned by the province (Annex Form 1-3 and the guideline number shall not include inland fishing pier projects or the provincial fishing industrial park projects recognized by the provincial government for 2012) in making recommendations of the applicant projects to the province. For projects whose quota is two or more, the applications for the project fund may be combined in the submission and the number for the projects for application shall be reduced accordingly. For each county (city) or district under the municipality level, the application for the exquisite modern fishery park project shall be limited to one.

The application for the provincial modern fishery industrial parks shall be submitted by the parks recognized by the provincial government. Under equivalent conditions, those exquisite modern fishery parks or modern fishery demonstration sites (bases), or demonstration bases for the exportation of aquatic products (demonstration zones) that have been recognized at the provincial level but have not yet received any support for the relevant project in the year in question shall have priority in receiving support. If the applicant projects fail to meet the requirements in the guide, the quota for the number of projects and the fund thereof shall be reduced accordingly, the surplus of which shall be rearranged and redistributed by the province.

IV. The Application Documents

1. The following information must be supplied in the application: The official document of application, the aggregated form of application (Annex Form 1-1), copy of the project application (Annex Form 1-2) and other relevant support information. For projects of provincial modern fishery industrial parks and exquisite modern fishery parks, the application shall be accompanied with the implementation plan (Annex Form 1-4); for construction of modern fishing industry demonstration sites (bases), a construction plan shall be provided (including a detailed design, a diagram depicting the current status, and the planning design drawing and the implementation plan); for projects of maintenance and renovation of inland fishing piers, the registration and approval document, the implementation plan, the fund raising plan, etc. for the project shall be provided.

2. For projects involving the following information, Xerox copies must be provided: Certificate for aquatic cultivation in water bodies and beach areas or a Xerox copy of the maritime space certificate (required for those involving the construction of cultivation bases); a valid legal person business license; purchase order, procurement contract, cooperation agreement, record of the cultivating household, certificate of share participation, seed supply contract, technical service agreement; procurement contract, agreement etc. signed with the fishing individual. For new high-efficiency facility fishery base projects constructed in coastal and beach areas, documents certifying the completion of the enclosure process, the legal person business license for the entity of implementation, etc. shall also be provided. For projects of modern exquisite fishery parks, the official letter of approval for the establishment of the administration and operating body of the park issued by the county level government fishery industry authority or by the township government, as well as the mid- and long-term development plan, etc. must also be provided.

V. The Submission Procedure

The applicant units shall submit the application documents of qualified projects to the local Maritime and Fishing Industry (aquatic product) Bureau and Department of Finance, and the local Maritime and Fishing Industry (aquatic product) Bureau and Department of Finance shall review the application documents submitted for the projects after which applications shall be submitted through selection by merit based on the guideline quota issued at the provincial level. Provincial level units may submit their applications directly to the Provincial Maritime and Fishery Bureau and the Provincial Department of Finance.

VI. Contact Methods

Provincial Maritime and Fishing Industry Administration: Planning and Accounting Department: Bi Zhu, 025-83581224; Fishing Industry Department, Qi Jianfeng, 025-83581230; Foreign Economic Cooperation Office (export-oriented projects), Dong Xiaoping, 025-83581253.

Office of Agriculture of the Provincial Department of Finance: You Zhaoxiang, 025-83633155.

Annex Form: 1-1. Aggregated Form for Application for the 2013 Provincial High-Efficiency Facility Fishery Project

1-2. Application Form for the 2013 Provincial High-Efficiency Facility Fishery Project

- 1-3. Quota Distribution Form for Application for the 2013 Provincial High-Efficiency Facility Fishery Project
- 1-4. Implementation plan for the construction projects of exquisite modern fishery parks (provincial modern fishery industrial parks)

Annex Form 1-3:

Quota Distribution Form for Application for the 2013 Provincial High-Efficiency Facility Fishery Project

District	Number of items:	District	Number of items:
Nanjing Municipality	18	Huai'an Municipality Level	8
Nanjing Municipality Level	11	Lianshui County	3
Lishui District	3	Hongze County	4
Gaochun District	4	Xuyi County	5
Wuxi Municipality	10	Jinhu County	4
Wuxi Municipality Level	3	Yancheng Municipality	51
Jiangyin Municipality	3	Yancheng Municipality Level	9
Yixing Municipality	4	Xiangshui County	4
Xuzhou Municipality	17	Binhai County	4
Xuzhou Municipality Level	6	Funing County	3
Fengxian County	1	Sheyang County	8
Peixian County	2	Jianhu County	5
Suining County	2	Dongtai Municipality	9
Xinyi Municipality	4	Dafeng Municipality	9
Pizhou Municipality	2	Yangzhou Municipality	28
Changzhou Municipality	17	Yangzhou Municipality Level	8
Changzhou Municipality Level	5	Baoying County	9
Liyang Municipality	6	Yizheng Municipality	2
Jintan Municipality	6	Gaoyou Municipality	9
Suzhou Municipality	29	Zhenjiang Municipality	12
Suzhou Municipality Level	15	Zhenjiang Municipality Level	3
Changshu Municipality	4	Danyang Municipality	4
Zhangjiagang Municipality	2	Yangzhong Municipality	2
Kunshan Municipality	5	Jurong Municipality	3
Taicang Municipality	3	Taizhou Municipality	20
Nangtong	43	Taizhou Corresponding Level	5
Nangtong Municipality	6	Xinghua Municipality	11
Hai'an County	5	Jingjiang Municipality	2
Rudong County	13	Taixing Municipality	2
Qidong Municipality	12	Suqian Municipality	18
Rugao Municipality	2	Suqian Municipality Level	5
Haimen Municipality	5	Shuyang County	2
Lianyungang Municipality	26	Siyang County	5
Lianyungang Municipality Level	7	Sihong County	6
Ganyu County	11	Provincial Agricultural Reclamation Corp	3

Donghai County	3	Provincial Coastal Development Group	3
Guanyun County	3	Other Provincial Level Projects	5
Guan'nan County	2	Total	324
Huai'an Municipality	24		

Annex 2:
2013 Provincial Triple-Innovation Project Application Guide

I. Application Content

(I) Project for the Improved Variety of Aquatic Products

1. Project for capacity development on sites of improved varieties. Support shall be provided to strengthen the building of the system for improved protospecies and improved species in all local areas. Emphasis shall be given to the construction of productive infrastructure facilities for protospecies and improved species backup parent and improved varieties, the provision of the necessary devices and equipment, and the collection and storage of genetic materials in support of the development of an integrated system of "breeding, reproduction, and promotion" of aquatic product cultivation.

2. Project for the preservation of improved species. Support shall be given to approved and listed aquatic product protospecies, improved species farms, and aquatic product species introduction and breeding centers at the provincial level or above to engage in the preservation of protospecies and improved species for 2013 and subsidy shall be provided for parent selection, production, and parent backup supply of protospecies and improved species and other public welfare tasks of species preservation.

3. Projects for the upgrading of improved species. Support shall be given to the updating of improved species of the four major domesticated fish, yezoensis, allogynogenetic crucian carp, megalobrama amblycephala, river crab, freshwater shrimp, macrobrachium Rosenbergii, channel catfish, and other species.

(II) Demonstration projects for the exploitation and utilization of fishery species and for the integration of new technologies and new modes. Support shall be given to the protection, exploitation, and utilization of the Germplasm resources of rare salt and fresh water fishery species, the exploitation of local specialty species and species with potential, selected breeding of new species (strain) among the predominant species for aquatic production, and the quantity reproduction of the predominant varieties, and the cultivation of large-size species in our province; support shall be given to the ecological remediation of integrated demonstration lakes and ponds, aquatic cultivation with recycled lake and pond water, cultivation and propagation in ponds and lakes, and other new technologies, high-efficiency, ecological, healthy, and safe aquatic cultivation modes shall be promoted; support shall be given to facility fishery production, deep and refined processing of aquatic products, the development and promotion of fishing technology and equipment, etc.; support shall be given to information technology in the fishing industry, etc.

(III) Projects for the Integration and Demonstration of Major Technologies in the Fishing Industry

1. Demonstration and promotion of the technology for large-scale breeding and cultivation of Channa Odontobutis. Large-scale breeding of the Channa Odontobutis seeds shall be carried out and Channa Odontobutis seed breeding bases shall be established with an annual breeding volume of over 10 million; or the technology shall be demonstrated and promoted for the mixed cultivation of Channa Odontobutis with river crabs, freshwater shrimps, crawfish and other species, and the area for the demonstration of mixed cultivation mode shall be no smaller than 5,000 Mu, with an output of 20–25 kilos per Mu, so that one to two high-efficiency and healthy mixed modes will be formed for the cultivation of Channa Odontobutis.

2. Demonstration and promotion of the technology for the breeding and cultivation of large-size yellow-head catfish. Technology research and integration shall be carried out for the cultivation of the large-size fry of *Channa Odontobutis* and its summer flower fry, and for the first feeds to help achieve a survival rate of the summer flower fry of *Channa Odontobutis* of 70% or more; over 400 mu of second tier fry farms shall be built with the annual volume of fry breeding of 70 million and the annual breeding of 50 million of the summer flower species; technological operation regulations shall be formulated for the large-scale cultivation of large-size *Channa Odontobutis*.

3. Demonstration and promotion of the technology for large-scale breeding and healthy cultivation of largemouth black bass, "Superior Bass No. 1". One hundred Mu of fry reproduction bases for largemouth black bass, "Superior Bass No. 1" shall be established with an annual reproduction volume of over 100 million; over 400 Mu shall be constructed as the bases for the cultivation of the summer flower fry, together with over 800 Mu of core demonstration areas, with an output of 1,000 kilos per Mu. There shall be over 8,000 Mu as the primary cultivation area for promotion with an output of 800 kilos per Mu so that one to two healthy and high-efficiency cultivation modes will be formed.

4. Integration and demonstration of the technology for the cultivation of the four-gill perch fry. Technological research shall be carried out for the artificial breeding, fry rearing, artificial cultivation, and somatic cell cultivation of the four-gill perch, with the goal of 50,000 for the summer flower fry to be bred, a survival rate of over 40% for artificial cultivation, and over 3000 of the four-gill perch and two cell lines preserved. A complete suite of mature and effective applied technologies shall be developed for the recovery and exploitation of the four-gill perch resources.

5. Selected breeding of new species of freshwater shrimps. Multi-trait aggregated selected breeding shall be carried out for freshwater shrimps, in consideration of their growth rate, resistance to hypoxia, wintering ability and other traits; 20 highly polymorphic molecular markers shall be selected through screening; 10 molecular markers associated with important traits shall be selected through screening; 50 pedigrees shall be established, and three good breeding materials shall be obtained through selected breeding.

6. Demonstration of the integration and application of key technologies in the prevention and control of major diseases among aquatic animals in Jiangsu province. Survey shall be completed for the project areas on the prevalence of bacterial diseases, the use of antimicrobial drugs in the fishery industry and the status of the use of fishery drugs. Focus shall be on finding technological solutions to the control of major harmful bacterial diseases that pose a threat to production; more than 20 strains of pathogenic bacteria shall be isolated and identified; two to three methods shall be established for the speedy identification of bacterial and viral pathogens; drug susceptibility of major pathogens shall be basically ascertained, so that a clear description can be given for the mutational status and pattern of susceptibility of the pathogenic bacteria in the aquatic animals in Jiangsu Province to the various types of antibiotic drugs for fishery use. Key fishery counties shall be selected for experiment demonstration and technological promotion and the cure rate of the diseases in the demonstration areas shall be improved by over 10%.

7. Integration and demonstration of the technology for deep and refined processing of bulk freshwater fish. In consideration of consumer demand on the domestic market, one to three frozen prepared products made with channel catfish shall be developed to realize quantity production; one to three products of instant and leisure food series shall be developed around low-value freshwater fish to realize quantity production.

8. Demonstration of the research and integration of multi-species primary cultivation modes. Demonstration of the research and integration of multi-species primary cultivation modes shall be carried out for the predominant species and species with potential in our province. Research on multi-species primary cultivation modes shall be completed on *Macrobrachium rosenbergii*, among a total of over 10 species of shrimp so that three to five mature cultivation modes will be formed to be promoted for application, so that efficiency will be significantly improved for the use of the feeds, the water quality environment will be improved, disease harms will be reduced, and comprehensive production capacity and overall economic efficiency will be enhanced.

II. Application Requirements

1. Application for projects devoted to the site capacity development for improved species of aquatic products shall be submitted by qualified units; projects for the preservation and upgrading of improved species shall be assigned based on the status of completion of the provincial tasks and no application shall be necessary.

2. For projects of variety development and utilization, and of integration and demonstration of new technologies and new modes for aquatic products, and those of integration, demonstration, and promotion of major aquatic product technologies, each county (city) shall be limited to one project to be submitted; each city directly under the province and its corresponding level (including districts) shall be allowed to submit three projects; and a research or teaching unit above the provincial level shall be allowed to submit two. Any project submitted by a unit which has any project not yet inspected for acceptance one year after the expiration date shall be rejected. The system of presiding expert and project leader shall be adopted for the projects and each presiding expert shall be limited to one project for application. An expert who has any project that has not been inspected for acceptance one year after the expiration date shall not be allowed to act in the capacity of a project's presiding expert.

III. The Applicant Entity

1. For projects of capacity development of improved variety farms, the applicant entity shall be the provincial level aquatic product farm of protospecies and improved species, the provincial level aquatic product farm for the breeding (rearing) of improved species, etc.

2. For projects for the preservation of improved species, the applicant entity shall be the officially registered aquatic farm of protospecies and improved species and the center for aquatic product seed introduction and breeding at the provincial level or above, which undertook the tasks of species preservation from the province in 2013.

3. For projects for the upgrading of improved varieties, the applicant entity shall be the provincial level aquatic product farm for the breeding of improved species, the aquatic farm for the rearing of the improved species of river crabs, the aquatic base for the rearing of the improved species of freshwater shrimps and other relevant seed breeding units.

4. For projects of variety development and utilization, and of integration and demonstration of new technologies and new modes for aquatic products, and those of integration, demonstration, and promotion of major aquatic product technologies, the application shall be submitted by the respective research institute or academy, university, technology promotion department or an enterprise, or alternatively in a joint manner. Encouragement shall be given to professional aquatic product co-ops (alliances) or cultivation demonstration households to participate in the implementation of the project in question and priority shall be given to them in terms of support. For projects devoted to the integration, demonstration, and promotion of major technologies in aquatic products, the presiding expert accountability system shall be adopted, in which the presiding expert shall be responsible for the top level design and technological guidance of the project in question during its execution, its financial supervision, organization and management, integration of the achievements at the later phase of the project, etc.

5. Key labs, research and development centers, and bases for the conversion of scientific research achievements in the fishing industry recognized at the provincial level or above shall receive priority in project registration with support from their units. Priority shall be given to the support of projects that have the potential of being granted independent intellectual property rights or projects that are devoted to research, development, and demonstration of key common technologies of the industry through cooperation among the enterprises, research institutes, and universities.

IV. Subsidy Standard and the Purpose of the Fund

(I) Project for the Improved Variety of Aquatic Products

1. Project for capacity development on sites of improved varieties. Subsidy in the amount of 800,000–1 million Yuan shall be provided from the provincial finance for each project and the subsidy fund shall be used primarily for the renovation and expansion of the productive

infrastructure in the relevant units for the preservation and breeding of seeds and propagation. Approximately 10 will be supported in the province.

2. Project for the preservation of improved species. Subsidy from the provincial finance shall not be more than 250,000 Yuan for each project and the subsidy fund shall be used primarily for parent breeding, production, and parent backup supply of protospecies and improved species. Approximately 20 will be supported in the province.

3. Projects for the upgrading of improved species. Subsidy from the provincial finance shall not be more than 20,000 Yuan for each project and the subsidy fund shall be used primarily for breeding farms, rearing farms, the upgrading of reproductive parent on propagation bases for the breeding and rearing of improved seeds and fry. Approximately 10 will be supported in the province.

(II). Projects for the development and utilization of the varieties of aquatic products, and for the integration and demonstration of new technologies and new modes. Subsidy from the provincial finance shall not be more than 500,000 Yuan, which shall be used primarily in technology integration, application promotion, etc. Approximately 45 will be supported in the province.

(III) Projects for the integration, demonstration and promotion of major technologies in the fishery industry. Support shall be provided for four projects for the "demonstration and promotion of the technologies for the large-scale breeding and cultivation of *Channa Odontobutis*," four projects for the "demonstration and promotion of the technologies for large-scale breeding and cultivation of the large-size seeds of yellow-head catfish," two projects for the "demonstration and promotion of the technologies for the large-scale breeding and healthy cultivation of largemouth black bass, Superior Bass No. 1," one project for the demonstration and promotion of the technologies for deep and refined processing of bulk freshwater fish, not more than five projects for the integration, demonstration, and promotion of key technologies in the prevention and control of major aquatic animal diseases in Jiangsu Province. For all of the above projects, subsidy for each single project shall not exceed 1 million Yuan; one project each for "the integration and demonstration of the technologies for the four-gill perch fry breeding and cultivation," the "selected breeding of new species of the freshwater shrimps," "research and integration demonstration for the multi-species primary cultivation mode", and the subsidy for each project shall not exceed the amount of 1.5 million Yuan. Subsidy from the provincial finance shall be used primarily for technology integration and application promotion, etc.

VI. Contact Methods

Provincial Maritime and Fishing Industry Administration: Planning and Accounting Department: Bi Zhu, 025-83581224; Fishing Industry Department [Category I], Qi Jianfeng, 025-83581230; Science and Education Department [Category II, III Projects], Gao Song, 025-83581245.

Office of Agriculture of the Provincial Department of Finance: Wang Fan, 025-83633155.

Annex Form: 2-1. Aggregated Form for Application for the 2013 Provincial Triple-Innovation Project

2-2. Application Form for the 2013 Provincial Triple-Innovation Project

Annex 3:

Application Guide for the 2013 Provincial Fund for Projects Dedicated to the Quality Building of Aquatic Products

I. Content of the Project for Application

(I) Quality safety testing of aquatic products, including spot checking of places of origin, product quality monitoring, and expedited testing

1. Spot checking of places of origin. Focus shall be placed on the supervision and spot-checking of the environment of the places of origin for certified pollution-free and organic aquatic products. It is planned that 820 samples shall be drawn for testing for the year.

2. Product quality monitoring. Residues of prohibited matter in aquatic products on the market shall be monitored and approximately 800 samples shall be drawn for testing for the year. Supervision and spot-checking of certified pollution-free aquatic products and other place of origin products shall be performed and supervision and spot-checking shall be performed on fry, crawfish, river crabs, and other aquatic products that are susceptible to potential quality hazards. It is planned that 2,200 samples shall be drawn for testing for the year.

3. Expedited testing. In accordance with the requirements set forth in the *Notice on the Second Batch of the 2012 and the First Batch of the 2013 Special Funds for Building the Quality of Aquatic Products*, (Su Cai Nong [2012] No. 219, Su Hai Ji [2012] No. 116), expedited testing labs shall be established in 34 key fishery counties (cities, districts) for drug residue in aquatic products; furthermore, expedited testing of furazolidone metabolite and malachite green residue in aquatic products shall be carried out; expedited testing shall be conducted in the 22 counties (cities, districts) and one wholesale market where expedited testing labs have been established. Three hundred to 500 samples shall be tested annually in each county (city, district).

4. Establishment of an information system for monitoring the quality safety of aquatic products. An information system for monitoring the quality safety of aquatic products in Jiangsu Province shall be established for the collection and storage of quality monitoring information of aquatic products from all the units undertaking the testing tasks and for the aggregation of the information of the quality safety monitoring of aquatic products throughout the province, while giving consideration to its compatibility with the state system for the monitoring of the safety of aquatic products.

(II) Reward for the quality certification of aquatic products. Reward shall be provided by certificates for pollution-free and geographical landmarks of aquatic products newly recognized. Rewards for the building of export brands of aquatic products are provided for the brand registered overseas in 2012 by an enterprise that has made actual achievements in export or for overseas certification achieved for quality safety control.

(III) The building of a tracking system for the quality of aquatic products and the establishment of model counties of supervision. Efforts shall be made to strengthen the construction of the monitoring system, the monitoring of input products, standardized production, testing and inspection, quality safety law enforcement, and long-term mechanisms to help create a host of model counties in the supervision of quality safety of aquatic products. Support shall be provided to approximately 10 counties (cities, districts) of relatively mature conditions to engage in the building of a quality safety tracking system to perfect the standard for the collection, coding, labeling, marking, and inquiry of traceable information on the quality safety of aquatic products. Databases shall be constructed of information on the places of origin, circulation, sales, etc. of aquatic products for the perfection of a tracking system for the quality safety of aquatic products. Model counties in the supervision of the quality safety of aquatic products shall be established in accordance with requirements by the Ministry of Agriculture.

(IV) Reward for work of excellence in the supervision of the quality safety of aquatic products. Annual assessment shall be conducted of the supervision of the quality safety of aquatic products for 2013 and rewards shall be provided based on the assessments to the city/county level government authorities in the aquatic industry that have made outstanding achievements (separate notices shall be issued for the measures of reward and specific requirements).

II. Application Requirements

(I) Quality safety testing of aquatic products. Based on requirements set forth in *Notice on Monitoring the Quality Safety of Aquatic Products in Jiangsu Province in 2013* by the provincial Maritime and Fishery Administration (Su Hai Yu (2013) No. 10), agencies undertaking the tasks of quality safety testing of aquatic products and those relevant units undertaking expedited testing tasks shall be required to complete their testing work by 20 November 2013 and submit the supporting documents for the relevant testing results to the province and no application shall be required. Among those, the fund for expedited testing projects for 2012 has been issued in

advance (Su Cai Nong (2012) No. 219, Su Hai Ji (2012) No. 116) and no reapplication shall be filed.

(II) Reward for the certification of quality safety of aquatic products. The candidates for the reward shall be units certified for pollution-free agricultural (aquatic) products or for geographical landmarks of agricultural (aquatic) products formally announced in a public notice by a state government authority. The applicant units for export brand reward shall be enterprises that had been registered or certified in 2012 with a certificate of registration or certificate of certification and with actual achievement in exportation. A brand registered overseas must be owned by a Chinese entity and furthermore, the name of the owner must be consistent with the name of the applicant unit.

(III) Building a tracking system for quality safety of aquatic products and the creation of model counties of supervision. Based on the status of the work foundation, support shall be provided to approximately 10 key fishery counties (cities, districts) to engage in the building of information databases for places of origin, circulation, sales, etc. of aquatic products for the perfection of a tracing platform for the quality safety of aquatic products so that a tracking system will be formed for the quality safety of aquatic products, internally controllable and externally traceable. Based on the status of the project implementation, approximately two to three counties (cities, districts) of obvious fishery industry uniqueness and relatively high levels of quality safety supervision in aquatic products shall be selected for the building of provincial level model counties in the quality safety supervision of aquatic products.

III. The Applicant Entity

(I) Quality safety testing of aquatic products. No application shall be required for spot-checking the environment of the place of origin, product quality monitoring, or expedited testing. Application for the building of the information system for monitoring the safety quality of aquatic products shall be submitted by the provincial quality-testing center for aquatic products.

(II) Reward for the certification of quality safety of aquatic products. The application shall be submitted by the licensed unit or the enterprise that holds the trademark or certificate.

(III) Building a tracking system for quality safety of aquatic products and the creation of model counties of supervision. With the Provincial Center for the Monitoring of the Ecological Environment of the Fishery Industry acting as the unit of technical assistance, the application shall be submitted by the relevant key counties (cities, districts) of the fishery industry.

IV. Subsidy Standard and the Purpose of the Fund

(I) Quality Safety Testing of Aquatic Products. The province, based on the status of work completed in the testing provided by the Agency for the Testing of the Quality Safety of Aquatic Products assigned to undertake the testing tasks, shall issue the subsidy after the necessary verification and the subsidy fund shall be used primarily for the purchase of the samples for sampling, the testing of the samples, etc. Among those:

1. Spot checking of places of origin. The maximum amount of subsidy for each sample shall be 2,000 Yuan.

2. Product quality monitoring. For the monitoring of aquatic products on the market, the amount of subsidy for the drawing of each sample shall be 300 Yuan and the maximum amount of subsidy for the monitoring shall be 2,000 Yuan. For the monitoring of places of origin of aquatic products, the amount of subsidy for the drawing of each sample shall be 500 Yuan and the maximum amount of subsidy for the monitoring shall be 3,000 Yuan.

3. Expedited testing. Each county (city, district) that has been assigned the task of building expedited testing labs shall provide a subsidy in the amount of 200,000–300,000 Yuan; subsidy for those counties (cities, district) that have already had their expedited testing labs built shall be provided based on the actual number of samples tested, with 400 Yuan of subsidy provided for each sample.

4. Establishment of an information system for monitoring the quality safety of aquatic products. The subsidy fund shall be used for hardware installation, software procurement and maintenance, system commissioning, operator training, etc. associated with the information system. Total amount of the fund shall be kept around 400,000 Yuan.

(II) Reward for Quality Certification of Aquatic Products

1. Reward for certification achieved for pollution-free aquatic products shall be in the amount of 10,000 Yuan per certificate. Reward for the geographic landmark of aquatic products shall be in the amount of 50,000 Yuan each. The maximum amount of reward received by the same unit for the same category of certificates shall not exceed 50,000 Yuan. If a reward has been given for the same category of certificates, no additional reward shall be given again.

2. Rewards provided for the building of export brands of aquatic products. A reward in the amount of 30,000 Yuan shall be given for each trademark of export aquatic product (based on the individual country) registered overseas. For those that have been certified through the Quality Safety Control System for Enterprises of Export Aquatic Products implemented at the destination export market country and other related industry certification systems, a reward in the amount of 30,000 Yuan shall be provided for each certification achieved. For each qualified unit, the maximum amount of reward applied for from the provincial finance shall be no more than 150,000 Yuan.

(III) Building a tracking system for quality safety of aquatic products and the creation of model counties of supervision. The subsidy fund shall be used for the creation of model counties for supervision of the quality safety of aquatic products, the formulation of the standard for the quality tracking system, data collection, database construction, integration of the information platform for safety tracking, development of IC cards, etc. Subsidy in the amount of 800,000 Yuan shall be provided for each project devoted to building a traceable system for the quality safety of aquatic products and meanwhile a subsidy in the amount of 1.2 million Yuan shall be provided for each demonstration county of supervision created.

V. Application Requirements

The "Copy of the Standard for the Administration of the Special Agricultural Financial Fund" shall be used for project application. For the application of the reward for pollution-free aquatic products, geographical landmarks of aquatic products and the building export brands of aquatic products, Xerox copies of the certificates obtained, invoices for the payment of the certification fees, and the certificate for exportation achievements made in 2012 must be provided.

VI. Contact Methods

Provincial Maritime and Fishery Industry Administration: Planning and Accounting Office, Ma Junbin, 025-83581221; Office of the Fishery Industry, Wang Wei, 025-83581231.

Office of Agriculture of the Provincial Department of Finance: You Zhaoxiang, 025-83633155.

Annex Form: 3-1. Aggregated Form for Application for the 2013 Provincial Special Fund for the Quality Building of Aquatic Products

3-2. Copy of the Requirements for the Application for the Agricultural Fund Project from the Finance Department

Annex 4:

Application Guide for the 2013 Provincial Comprehensive Oceanic Governance and Industry Development Projects

I. Content of the Project for Application

1. Monitoring and assessment of marine economy operations. Support shall be given to provinces, municipalities, and counties in the monitoring and assessment of the operation of

marine economy, and marine economy accounting shall be conducted at the province and county levels. Support shall be given to the operation and maintenance of the system for monitoring and assessment of marine economy.

2. Subsidy for the administration of maritime space and islands. Support shall be provided to the various levels of maritime space and island administrative authorities in their use of online monitoring, satellite remote sensing, drones and other means of modern science and technology to strengthen the surveillance and monitoring of the status of use of the maritime space and islands. Support shall be provided for the comprehensive survey of island resources, innovation in the management of real rights to maritime space, assessment of the use of right to maritime space, and the registration of property rights to offshore construction. Construction of drone bases shall be started.

3. The establishment of volunteer oceanic survey fleets. Among maritime vessels registered and approved in our province (vessels for maritime surveillance, maritime affairs, fishery administration and maritime fishing vessels), conditional solicitation shall be extended for volunteer maritime observation and forecast vessels, which will be equipped with atmospheric, oceanic, and other automated observational and surveillance devices and equipment for the exploration and survey of oceanic elements together with the all-weather observation of multiple meteorological elements on the sea including temperature, pressure, humidity, wind, etc. Surveillance data obtained shall be transmitted to the provincial Center for the Surveillance and Forecast of the Maritime Environment so that the Maritime Alert and Forecast System of our province will be perfected. Five volunteer vessels shall be solicited and renovated for 2013. Subsidy shall be provided for the operation and maintenance of the 20 volunteer vessels that have already started to conduct observatory tasks.

4. Repair and renovation of oceanic fishing harbors. Key support shall be given to the construction of coastal oceanic fishing harbors in our province that are newly registered and approved and for which construction is already underway and shall include repairs and renovations of harbors, revetments, breakwaters, port roads and other infrastructure facilities, the dredging of harbor basins and the improvement of lighting, firefighting, navigation, and security surveillance facilities, etc.

5. Standardized upgrading and renovation of maritime fishing vessels. Standardized upgrading and renovation of maritime fishing vessels shall continue in 2013 and subsidy shall be available for three types of vessels:

(1) 24-meter steel maritime fishing vessels. Method of Operation: Operation conducted with stationary nets, drift nets, etc., with the vessel measuring 24 meters or more in length, with the power of the main engine at 110–184 KW.

(2) 36-meter steel maritime fishing vessels. Method of Operation: Operation conducted with stationary nets, drift nets, trawl nets, etc., with the vessel measuring 36 meters or more in length, with the power of the main engine at 184-300 KW.

(3) 45-meter steel maritime fishing vessels. Method of Operation: Operation conducted with drift nets, purse seines, etc., with the vessel measuring 45 meters or more in length, with the power of the main engine over 300 KW.

Support shall be given to the purchase and building of distant oceanic and overseas oceanic fishing vessels with the power of the main engine less than 300 KW. Application shall not be submitted for projects involving the upgrading and renovation of oceanic fishing vessels of over 300 KW that have already been subsidized through the central finance system. Support shall be provided for the training of people engaged in distant oceanic fishing.

II. Application Requirements

1. Monitoring and assessment of the operation of marine economy. The applicant unit must have a solid foundation for the monitoring and assessment of the operation of marine economy and must have the technical expertise to accomplish the tasks.

2. Subsidy for the administration of maritime space and islands. The applicant unit must have a solid foundation for the dynamic surveillance and monitoring of maritime space and islands and must have the technical expertise to conduct the dynamic surveillance and monitoring of maritime space and islands. Units undertaking the construction of drone base projects shall have the necessary infrastructure condition and technical expertise.

3. The establishment of volunteer oceanic survey fleets. A volunteer vessel must be a steel one within the valid period of vessel inspection, fewer than 10 years in age, with the total tonnage of over 100 and a power of over 250kw for the main engine. The travel range of a volunteer vessel shall cover the coastal waters of our province and some distant waters, with the total annual accumulated voyage of no fewer than 90 days and with no accidents in the past three years. The fishing range for oceanic fishing vessels shall be in the provincial Category A and Provincial Category C2 fishing areas. After becoming a volunteer observatory and forecasting vessel, the vessel in question shall not be allowed to be rented or sold within five years without approval by the provincial Maritime and Fishing Bureau.

4. Repair and renovation of oceanic fishing harbors. A coastal fishing harbor for which application is submitted for the current project must be one listed under the Name list of Planned Coastal Fishing Harbors by the Ministry of Agriculture and the Province and must be a State center fishing harbor or Tier I fishing harbor that is newly registered and for which construction is underway.

5. Standardized upgrading and renovation of maritime fishing vessels. According to the provisions set forth in *Measures for the Administration of Safe Production in the Fishing Industry in Jiangsu*, oceanic fishing vessels that have reached the age limit of use must be upgraded and renovated; aged, worn and bad oceanic fishing vessels that have not reached the age limit of use may also be upgraded or renovated. Vessel owners who are applying for standardized upgrading and renovation must have the quota source for fishing vessels, nets and tools. Those who do not have the adequate quota shall resolve the issue through the purchase of other legal fishing vessels. Those who have already secured the Letter of Approval for the Quota for Fishing Vessels, Nets, and Tools but have not built the fishing vessels yet shall also be eligible to apply. A fishing vessel for which application is submitted for renovation must be with the "Fishing Vessel Certificate of Inspection", "Fishing Vessel Certificate of Registration", "Fishing Vessel Certificate of Ownership" and "Permit for Fishing", must be one incorporated into the management system of the Administrative Database for Fishing Vessels by the Ministry of Agriculture and must be one not listed in the Production and Industry Transfer for Maritime Fishermen. The vessel owner shall promise that the standardized fishing vessel built will not be bought or sold across provinces within 10 years.

For a project involving the purchase of a vessel for distant oceanic fishing, the application shall be submitted by a distant oceanic fishing enterprise which has an independent legal person status. The application must be accompanied with the Letter of Approval by the Ministry of Agriculture for the Quota of Vessels, Nets, and Tools and the Procurement Contract for Distant Oceanic Fishing Vessels. An enterprise that engages in distant oceanic fishing through an agency shall provide the agency agreement.

III. The Applicant Entity and Procedure

1. Monitoring and assessment of marine economy operations. The relevant units directly under the provincial bureau and the Maritime and Fishing Administrative Authorities of the municipalities and counties along the coast shall be in charge of the application.

2. Subsidy for the administration of maritime space and islands. Dynamic surveillance and monitoring organizations at the provincial, municipal, and county levels shall be in charge of the application. For projects involving the construction of drone bases, the relevant maritime administrative organization shall apply.

3. The establishment of volunteer oceanic survey fleets. The "Application Form for Volunteer Vessels for the Oceanic Observation and Forecasting in Jiangsu Province" (Annex Form 4-4) shall be completed by the unit to which the vessel is titled or the owner of the vessel and the application shall be submitted to the local government maritime authority at the county or city level. Upon review and approval by the government maritime authority and finance department at the county or city level, such applications shall be submitted to the provincial government

maritime and fishery authority and the provincial finance department for approval through an official letter. For 2013 the volunteer vessels submitted for the application shall not exceed a total of two for each municipality, county (city).

4. Repair and renovation of oceanic fishing harbors. The relevant organization in charge of the construction and operational management of the fishing harbor in question shall be in charge of the application.

5. Standardized upgrading and renovation of maritime fishing vessels. All eligible vessel owners (individuals or units) may file their applications with their local government fishery authority and truthfully complete the Application Form for the Standardized Upgrading and Renovation of Maritime Fishing Vessels (Annex Form 4-3). The local government fishery authority at the county level, in joint effort with the same level finance department shall conduct a review of the applications submitted by the vessel owners in their respective county, after which the "Aggregated Form for Applications for the Standardized Upgrading and Renovation of Oceanic Fishing Vessels in Jiangsu Province" (Annex Form 4-2) shall be completed and the applications shall be submitted to the provincial government maritime and fishery authority and the provincial finance department through an official letter for review and approval.

For a project involving the purchase of a vessel for distant oceanic fishing, the application shall be submitted by an eligible enterprise for distant oceanic fishing. For projects involving personnel training for distant oceanic fishing, the application shall be submitted by an organization qualified for the training of personnel in distant oceanic fishing.

IV. Subsidy Standard and the Purpose of the Fund

1. Monitoring and assessment of marine economy operations. Subsidy in an amount less than 300,000 Yuan shall be provided to those projects at the provincial level and 100,000 Yuan shall be provided for each city or county. The subsidy fund shall be used primarily for the equipment maintenance, online monitoring, the performance of assessment, and information publication for the various levels of marine economy monitoring and assessment systems; marine economy accounting shall be performed in cooperation with the statistics department at all levels.

2. Subsidy for the administration of maritime space and islands. Subsidy in the amount of approximately 300,000 Yuan shall be provided to an organization engaged in dynamic surveillance and monitoring at the provincial level and approximately 200,000 Yuan shall be provided to an organization engaged in dynamic surveillance and monitoring at the city/county level. The subsidy fund shall be used primarily by the various levels of monitoring organizations for online monitoring, satellite remote sensing, dynamic surveillance and monitoring conducted by drones, the supply of drones, engagement in the innovation of real-time management of maritime space, registration of offshore buildings and structures, comprehensive survey of island resources, and other tasks. There shall be two projects for the construction of drone bases and a subsidy in the amount of 1 million Yuan shall be provided for each.

3. The establishment of volunteer oceanic survey fleets. The provincial finance shall provide a subsidy in the amount 400,000 Yuan/vessel for the purchase of the devices and equipment installed on the volunteer vessel, the renovation of the vessel body, personnel training, and the monitoring expenditure. Among those: Approximately 300,000 Yuan/vessel for device and equipment purchase, approximately 50,000 Yuan/vessel for the renovation of the vessel body and personnel training, approximately 50,000 Yuan/vessel as subsidy for monitoring by the volunteer vessel. Subsidy in the amount of 50,000 Yuan/vessel shall be provided for the operation and maintenance of the 20 volunteer vessels that are already engaged in observatory tasks.

4. Repair and renovation of oceanic fishing harbors. Subsidy in the amount of approximately 5 million Yuan each shall be provided for a state center fishing harbor and subsidy in the amount of approximately 3 million Yuan each shall be provided for a state tier I fishing harbor. The subsidy fund shall be used primarily for repairs and renovations of harbors and revetments, the dredging of harbor basins, and the maintenance of roads, firefighting, communication, navigation and other accessory facilities in the port areas.

5. Standardized upgrading and renovation of maritime fishing vessels. Subsidy shall be expected to be provided for 180 standardized fishing vessels in 2013. Subsidy in the amount of

200,000 Yuan shall be provided by the provincial finance for 70 vessels of sizes of 24 meters or more; subsidy in the amount of 300,000 Yuan shall be provided by the provincial finance for 90 vessels of sizes of 36 meters or more; subsidy in the amount of 450,000 Yuan shall be provided by the provincial finance for 20 vessels of sizes of 40 meters or more. Fund from the provincial subsidy shall be used for the building of fishing vessels.

Subsidy in the amount of approximately 500,000 Yuan shall be provided for each overseas distant ocean fishing vessel, and subsidy in the amount of approximately 1 million Yuan shall be provided for each oceanic distant ocean fishing vessel. Fund from the provincial subsidy shall be used for the expenditure incurred in the purchase of distant ocean fishing vessels. A project for the training of people engaged in distant ocean fishing shall be kept under 300,000 Yuan.

V. Application Requirements

The "Copy of the Standard for the Application for Special Agricultural Financial Fund" shall be used for project application.

VI. Contact Methods

Provincial Maritime and Fishery Industry Administration: Planning and Accounting Office, Ma Junbin, 025-83581221; Maritime Planning Office (Monitoring and Assessment Project for Marine Economy), Pei Pei, 025-83581213; Administrative Office for Islands and Maritime Space (maritime and island administration project), Hu Yongge, 025-83581227; Maritime Surveillance and Fishery Administration Office (standardized renovation projects for volunteer vessels and fishing vessels), Xu Sheng, 025-83580655; Office of Foreign Economy and Cooperation (distant ocean fishing vessel projects), Dong Xiaoping, 025-83581253.

Office of Agriculture of the Provincial Department of Finance: Gu Cai'e, 025-83633158.

Annex Form: 4-1. Aggregated Form for Application for the 2013 Provincial Projects Devoted to Comprehensive Oceanic Governance and Industry Development

4-2. Application Form for Volunteer Vessels in Jiangsu Province for Maritime Observation and Forecasting

4-3. Aggregated Form for Application for the Standardized Upgrading and Renovation of Maritime Fishing Vessels in Jiangsu Province

4-4. Application Form for the Standardized Upgrading and Renovation of Maritime Fishing Vessels in Jiangsu Province

Annex 5:

Application Guide for the 2013 Projects Dedicated to Law Enforcement in the Provincial Maritime Surveillance and Fishery Administration and Safety Supervision

I. Content of the Project for Application

1. Aquatic animal disease forecasting. Test and report of epidemic diseases of aquatic animals shall be organized and executed at the city and county levels, together with the investigative studies of the epidemiology of "gill bleeding" among allogynogenetic crucian carp and other work. A system shall be formed in which common and frequently occurring diseases are monitored at the county level and effectively prevented and treated at the township level.

2. Monitor and control of major epidemic diseases. Testing and monitoring shall be conducted for the Spring Viremia of Carp (SVC) in the carp family and white spot syndrome (WSS) viruses in shrimps and other major epidemic diseases. Work shall be performed in areas related to technical training for the prevention and control of epidemic diseases and remote diagnosis of fish diseases.

3. Fuel subsidy for special law enforcement activities. Fuel subsidy shall be provided for law enforcement vehicles and vessels (vessels dispatched by the state or province) in dedicated

maritime and fishery industry law enforcement activities organized by the state or province. Special law enforcement activities shall include: patrol cruises for maritime rights protection, "Sea Shield 2013", "Blue Sea 2013", "Island Protection", "protection of cables", protection of underwater cultural relics and other special law enforcement activities; patrol cruises for the 200 nautical-mile exclusive economic zone, "Fishing Escort 2013", administration of the maritime summer fishing moratorium and the Yangtze River fishing moratorium, quality safety law enforcement for aquatic products; dedicated order restoration in the safe production of the fishing industry, safety, search, and rescue on water bodies, etc.

4. Capacity building for law enforcement. Effort shall be made to strengthen the building of the equipment for maritime surveillance and fishery administrative law enforcement. Support shall be provided for the purchase and building of maritime surveillance and fishery law enforcement vessels and light boats, and video surveillance equipment for maritime law enforcement vessels shall be installed.

5. Capacity building for security assurance. Support shall be provided for the upgrading and maintenance of safety communication facilities in the fishing industry and navigation marks for fishing, and support shall also be provided for the maintenance and renovation of safety assurance facilities for fishing harbors (rescue, firefighting, communication, surveillance, etc.).

II. Application Requirements

1. Aquatic animal disease forecasting. The specific implementation plan shall be submitted by the relevant agency for the prevention and control of epidemic diseases for aquatic animals undertaking the work and tasks assigned by the provincial administration for 2013 for the forecasting and report of diseases.

2. Monitor and control of major epidemic diseases. The specific implementation plan shall be submitted by the provincial center for the prevention and control of epidemic diseases for aquatic animals in accordance with the tasks for the monitoring of major epidemic diseases for 2013 assigned by the provincial administration.

3. Fuel subsidy for special law enforcement activities. The Provincial Maritime and Fishery Bureau shall be responsible for the assignment of special law enforcement tasks, specifying the law enforcement tasks at the state and provincial level. While conducting special law enforcement tasks, government fishery authorities, maritime surveillance and fishery administration departments at all levels shall complete their own law enforcement logs, which shall be promptly submitted to the Provincial Maritime and Fishery Bureau upon completion of the tasks.

For items 1–3 above, subsidy shall be provided based upon the tasks assigned by the provincial government and no application shall be required.

4. Law enforcement capacity building. An organization or agency applying for a project involving capacity building for maritime surveillance and fishery administration must have a sound organizational structure and the capability to conduct law enforcement tasks.

5. Security assurance capacity building. For projects involving the maintenance of facilities for safe fishing communication, the application shall include a list of the specific content of the implementation and the expense budget. Specific coordinate positions shall be marked for the locations of the fishing navigation marks and fishing harbors.

III. The Applicant Entity

1. Aquatic animal disease forecasting. The applicant entity shall be the relevant organization engaged in the prevention and control of epidemic diseases for aquatic animals undertaking the work and tasks assigned by the provincial administration for 2013 for the forecasting and reporting of epidemic diseases of aquatic animals and research on the epidemiology of "gill bleeding" for the allogynogenetic crucian carp.

2. Monitor and control of major epidemic diseases. The applicant entity shall be the provincial center of prevention and control of epidemic diseases of aquatic animals.

3. Fuel subsidy for special law enforcement activities. Subsidy shall be provided based on the tasks undertaken at individual localities.

4. Law enforcement and security assurance capacity building. Application shall be filed by the respective fishery authorities where the agencies of maritime surveillance, fishery administration, fishery radio management, fishing harbor supervision, fishing vessel inspection are located. For the maintenance of the information system of safety and rescue for oceanic fishing, the application shall be filed by provincial Fishery Supervision Corp.

IV. Subsidy Standard and the Purpose of the Fund

1. Aquatic animal disease forecasting. Subsidy in the amount of approximately 200,000 Yuan shall be provided for each project from the provincial finance and a total of around 40 projects shall be supported in the province. For the epidemiology studies involving the "gill bleeding" disease among allogynogenetic crucian carp, subsidy in a fixed amount shall be adopted with 50,000 Yuan for each project and a total three projects shall be arranged. The fund shall be used primarily for the purchase, packaging, and transport of samples for disease testing and reporting, as well as for the transmission of diagnoses, epidemiology study, control, prevention, and treatment of epidemic diseases, personnel training, and the handling of epidemic prevention, etc.

2. Subsidy for the monitoring of major epidemic diseases. Subsidy shall be provided in a fixed amount of under 2 million Yuan. The fund shall be used primarily for the purchase, packaging, and transport of samples, as well as for the diagnostic information platform, control, prevention, and treatment of epidemic diseases, training of testing and reporting personnel, and the handling of epidemic prevention, etc.

3. Fuel subsidy for special law enforcement activities. Total amount of the subsidy shall be approximately 40 million Yuan for the whole province. Fuel subsidy shall be provided for law enforcement vehicles and vessels participating in dedicated maritime and fishery industry law enforcement activities organized by the state or province.

4. Law enforcement capacity building. Five 30-ton grade vessels shall be provided in 2013 for inland fishing law enforcement and subsidy shall be provided in the amount of 300,000 Yuan each; 20 light boats shall be provided for inland fishing law enforcement and subsidy shall be provided in the amount of 100,000 Yuan each; 10 sets of video surveillance equipment shall be provided for maritime fishing law enforcement and subsidy shall be provided in the amount of 60,000 Yuan each.

5. Construction of a security assurance system. Subsidy in the amount of 50,000 Yuan/each shall be provided in the province for a total of 20 base stations and land stations for the communication of safety information for the fishery industry; 2 million Yuan for the maintenance of the information system for safety and rescue in the maritime fishing industry; upgrading and maintenance shall be provided for 10 navigation marks for fishing purposes with approximately 100,000 Yuan of subsidy each; maintenance and renovation shall be provided for the safety assurance of five fishing harbors, with 200,000–300,000 Yuan of subsidy each.

V. Contact Methods

Provincial Maritime and Fishing Industry Administration: Planning and Accounting Department, Ma Junbin, 025-83581221; Fishery Industry Department (disease and epidemic control projects), Gu Meihua, 025-83580676; Department of Maritime Surveillance and Fishery Administration (fuel subsidy for security law enforcement and projects of navigation marks for fishing purposes), Cai Hua, 025-83580657; Provincial Fishery Administration Corp (projects for law enforcement capacity), Di Guangling, 025-83581283; Radio Administrative Station of the Fishing Industry (base station and land station projects), Zhou Xiang, 025-83581241.

Office of Agriculture of the Provincial Department of Finance: Wang Fan, 025-83633155.

Annex Form: 5-1. Aggregated Form for Application for Projects Devoted to the Provincial Maritime Surveillance and Fishery Administration Law Enforcement and Safety Supervision for 2013

5-2. Copy of the Requirements for the Application for the Agricultural Fund Project from the Finance Department

Annex 6:

Application Guide for the 2013 Provincial Maritime and Fishing Resource Environment Protection Projects

I. Content of the Project of Application

1. Breeding and release of fishery resources. According to the *Action Outline for the Conservation of Aquatic Animals in China* and the *Plan for the Development of the Fishery Industry in Jiangsu Province during the 12th Five-Year-Plan Period*, work shall be started for the breeding and release of fishery resources in the coastal maritime space, large and medium-sized lakes and the Jiangsu segment of the Yangtze River.

2. The construction and administration of conservation areas for germplasm resources of aquatic products. In accordance with *The People's Republic of China Regulations on the Administration of the Natural Areas of Conservation* and the *Ministry of Agriculture Interim Measures for the Administration of Areas Devoted to the Conservation of Germplasm Resources of Aquatic Products*, construction of conservation facilities and perfection of the functionalities shall be carried out in the areas devoted to the conservation of state-level germplasm resources of aquatic products in our province, so that the necessary capabilities shall be formed for conservation purposes. Resource survey, environment monitoring, patrol, management and other tasks shall be performed in areas for the natural preservation of aquatic products and those devoted to the preservation of germplasm resources of aquatic products.

3. Pilot study for the remediation of lake fishery waters. In accordance with the requirements set forth in *Measures for Water Pollution Prevention and Remediation in Taihu Lake of Jiangsu Province*, restoration of aquatic vegetation, the breeding and protection of aquatic animals and other comprehensive measures of ecological conservation shall be adopted in some water bodies of the lakes of the Taihu drainage basin.

4. Monitoring of the ocean, and the fishery resources and environment. Environment monitoring, resource monitoring, and the evaluation of the breeding and release efforts shall be conducted in key inland fishery water bodies (large and medium sized lakes, the Yangtze River, and other rivers), and the monitoring of the fishery ecology and fishery resources shall be conducted in key maritime spaces together with work involving the monitoring of the oceanic environment. Public notice shall be issued on the resources and environment. Study shall be conducted on new sources of pollution in the ocean. Study shall continue on the capacity of the oceanic environment and the assessment of the impact of wind and electromagnetic fields on the environment and living creatures shall be continued. Efforts shall be made in strengthening the capacity building of the county-level organizations for the monitoring of the oceanic environment.

II. Application Requirements

1. Breeding and release of fishery resources. Jiangsu coastal maritime spaces, Taihu Lake, Gehu Lake, Gaobao Shaobo Lake, Luoma Lake, Hongze Lake, Gucheng Lake, Changdang Lake, Yangcheng Lake, Baima Lake, Shijiu lake, Caohu Lake and other large- and medium-sized lakes; Nanjing segment, Yangzhou (Zhenjiang) segment, Wuxi (Changzhou, Taizhou) segment (Nantong) and Suzhou segment of the Yangtze River and the Yangzhong water bodies.

2. The construction and administration of conservation areas for germplasm resources of aquatic products. The construction of the conservation areas must involve the construction of state level conservation areas for germplasm resources of aquatic products that are listed by the Ministry of Agriculture in their public notice announcement. Those that have been subsidized in the past two years shall not be eligible for subsidy again. Subsidy shall be provided for expenses

incurred from conservation efforts by natural conservation areas of aquatic products and state level conservation areas for germplasm resources of aquatic products that are already constructed and in operation.

3. Pilot study for the remediation of lake fishery waters. Pilot study spots shall be selected in certain fishery waters in the Taihu drainage basis for the study of ecological remediation, and the area for the pilot study shall be 10,000 Mu or more.

4. Monitoring of the ocean, and the fishery resources and environment. The project shall be implemented, in accordance with the monitoring tasks assigned by the Provincial Maritime and Fishing Industry Bureau, by the leading unit for the monitoring tasks in cooperation with the monitoring organizations of the participating cities and counties; study on new oceanic pollution sources shall be jointly implemented by the provincial information center and the municipal maritime authority. Application shall not be required for the above projects. The applicant unit for a project involving the study of the capacity of the oceanic environment and the assessment of the impact of wind and electromagnetic fields on the environment and living creatures shall be required to have the required research foundation and core technology. The capacity building for the county level oceanic environment monitoring organizations shall be focused on the capacity and approaches of the newly constructed oceanic environment monitoring organizations.

III. The Applicant Entity

1. Breeding and release of fishery resources. Application for the breeding and release of aquatic resources shall be submitted by the Provincial Fishery Command Center; application for the breeding and release of aquatic resources in lakes shall be submitted by the respective lake fishery administrative organization; application for breeding and release in the Yangtze River shall be submitted by the municipal fishery administrative organization of the individual segments in question. One project shall be selected by merit for each segment.

2. The construction and administration of conservation areas for germplasm resources of aquatic products. The application shall be organized and submitted by the fishery supervisory organization, the local fishery administrative authority, or the fishery affairs agencies to which the conservation areas are affiliated.

3. Pilot study site for the remediation of lake fishery waters. The implementation plan shall be submitted by the Office of the Provincial Taihu Fishery Industry Supervisory Commission.

4. Monitoring of the ocean, and the fishery resources and environment. The monitoring of the oceanic environment shall be undertaken by the Provincial Oceanic Environment Monitoring Center as the presiding unit; the monitoring of the fishery ecologic environment of key inland fishery water bodies shall be undertaken by the Provincial Fishery Environment Monitoring Station as the presiding unit; the monitoring of fishery ecology and fishery resources in key maritime water spaces shall be undertaken by the Provincial Research Institute of Oceanic Aquatic Products as the presiding unit; for research on the capacity of the oceanic environment, the application shall be submitted individually or jointly by research institutes, universities, etc. at the provincial level or higher that have the necessary research foundation; for projects devoted to the assessment of the impact of wind and electromagnetic fields on the environment and living creatures, the application shall be submitted individually or jointly by research institutes, universities, etc. at the provincial level or higher that have the necessary research foundation; for projects of capacity building for the monitoring of oceanic environment, the application shall be submitted by the coastal county-level Oceanic and Fishery Industry Administrative Authority.

IV. Subsidy Standard and the Purpose of the Fund

1. Breeding and release of fishery resources. Five million Yuan for maritime breeding and release. Approximately 5 million Yuan for Taihu Lake and approximately 1 million Yuan each for Gehu Lake, Gaobao Shaobo Lake, Hongze Lake, and Luoma Lake. Approximately 2 million Yuan for the Nanjing segment, approximately 1.5 million Yuan each for the Yangzhou (Zhenjiang) segment, Wuxi (Changzhou, Taizhou) segment, Suzhou (Nantong) segment, and Yangzhong of the Yangtze River. Approximately 500,000 Yuan each for Gucheng Lake, Changdang Lake, Yangcheng Lake, Baima Lake, Shijiu Lake, Caohu Lake, etc. The subsidy fund shall be used primarily for the purchase of the fry used for the release (which shall make up not less than 90% of the total fund),

the evaluation of the breeding and release effort, and the organization of the breeding and release activities, etc.

2. The construction and administration of conservation areas for germplasm resources of aquatic products. Around three conservation areas are planned to be built for 2013 and approximately one million Yuan of subsidy shall be provided for each. Based on *Jiangsu Province Requirements for the Construction of Conservation Areas for Germplasm Resources of Aquatic Products* (Annex Form 6-5), the subsidy fund shall be used primarily for: (1) Construction of the conservation facilities and equipment in the conservation areas. The installation of descriptive billboards, landmarks (poles), warning signs, buoys, facilities and equipment for the areas of rescue for wild aquatic animals; patrol boats (speedboats), surveillance and communication equipment, etc. (2) Monitoring for scientific research. This shall include simple labs, devices and equipment, equipment for resource surveys, the establishment of monitoring spots, monitoring facilities and equipment, and facilities and equipment for scientific research archive management. (3) Publicity and education. This shall include the making of the advertisement billboards, bulletin boards, advertising materials, etc. for the conservation areas and the subject of conservation. Construction of the conservation facilities and equipment must make up over 80% of the total amount of subsidy. Subsidy shall be provided to natural conservation areas of aquatic products and state-level conservation areas for germplasm resources of aquatic products that are already constructed and in operation in the amount of 100,000–200,000 Yuan each, which shall be used primarily for: the performance of resource survey, environment monitoring, patrol and management, etc.

3. Pilot study site for the remediation of lake fishery waters. Subsidy amount for the project shall be approximately two million Yuan. The fund shall be used primarily for the compilation of the plans, water body cleanup (earthwork), planting and cultivation of aquatic plants, construction of fish blocking facilities, the purchase of the fry, etc.

4. Monitoring of the ocean, and the fishery resources and environment. Approximately 5 million Yuan shall be provided for a project for monitoring the oceanic environment; approximately 1.5 million Yuan shall be provided for a project for monitoring the fishery ecologic environment of key inland fishery water bodies; approximately 1.3 million Yuan shall be provided for a project for monitoring the fishery resources in key inland fishery water bodies; approximately 1.2 million Yuan shall be provided for a project for monitoring the fishery ecology and fishery resources in key maritime spaces. The subsidy fund shall be used primarily for the expenses incurred in the execution of the monitoring tasks, the testing expenses, etc. 2.5 million Yuan for studies on new sources of oceanic pollution, 3.5 million Yuan for a project dedicated to the study of the capacity of the oceanic environment, and one million Yuan for a project dedicated to the assessment of the impact of wind and electromagnetic fields on the environment and living creatures. Fund for the capacity building of oceanic environment monitoring organizations shall be kept at approximately 100,000 Yuan per county and shall be mainly used to support the purchase of monitoring devices and equipment.

V. Application Requirements

For breeding and release of fishery resources projects, please complete the "Jiangsu Province Application Form for the Breeding and Release of Fishery Resources" (Annex Form 6-2); for conservation areas for germplasm resources for the aquatic industry construction projects, please complete the respective "Application Form for the Project of Construction of Conservation Areas for Germplasm Resources for the Aquatic Industry (Annex Form 6-3); for other projects, please use the "Version for the Management of the Special Agricultural Fund from the Provincial Finance" (Annex Form 6-4). The application shall be accompanied with a description of the work content of the participating unit, its workload and expense budget, together with the application materials from the relevant participating unit.

VI. Contact Methods

Provincial Maritime and Fishery Industry Administration: Planning and Accounting Office, Ma Junbin, 025-83581221; Office of Resources and Environment Protection, Zhao Wei, 025-83581289.

Office of Agriculture of the Provincial Department of Finance: Gu Cai'e, 025-83633158.

Annex Form: 6-1 Aggregate Form for Application for the 2013 Provincial Maritime and Fishing Resource Environment Protection Projects

6-2. Jiangsu Province Application Form for the Project of Breeding and Release of Fishery Resources

6-3. Application Form for the Project of Conservation Areas for Germplasm Resources of Aquatic Products

6-4. Version of the Requirements of Application for the Agricultural Fund Project from the Finance Department

6-5. Jiangsu Province Key Points for the Building of Conservation Areas for the Germplasm Resources of Aquatic Products

Annex 27

Zhejiang Provincial Department of Finance and Zhejiang Provincial Marine and Fishery Bureau
Notice of Printing and Issuance of Zhejiang Provincial Marine and Fishery Science and Technology
Demonstration and Promotion Project and Fund Management Measures, Zhejiang Department of
Finance and Zhejiang Provincial Administration of Ocean and Fisheries (2 May 2013).

Zhejiang Provincial Department of Finance and Zhejiang Provincial Marine and Fishery Bureau Notice of Printing and Issuance of Zhejiang Provincial Marine and Fishery Science and Technology Demonstration and Promotion Project and Fund Management Measures

To the bureaus of finance of various municipalities and counties (municipalities and districts) (not to be issued in Ningbo): Zhejiang Provincial Marine and Fishery Science and Technology Demonstration and Promotion Project and Fund Management Measures are hereby printed and issued to you. Please comply with and implement them. If you have any questions or suggestions during implementation, please provide your feedback in a timely manner. Please complete your applications for 2013 projects by the end of June 2013.

Zhejiang Provincial Department of Finance Zhejiang Provincial Marine and Fishery Bureau

May 2, 2013

Zhejiang Provincial Marine and Fishery Science and Technology Demonstration and Promotion Project and Fund Management Measures

Chapter 1 General Provisions

Article 1 To enhance management of the marine and fishery science and technology demonstration and promotion projects and funds in our province and improve the efficiency and benefit of using financial funds, in accordance with applicable documents and provisions, including Several Opinions Regarding Acceleration of the Push of Innovations in Agricultural Science and Technology (Zhe Wei [2011] Number 97), Several Opinions on the Acceleration of the Push of Agricultural Modernization (Zhe Wei [2011] Number 18) and the Provincial Department of Finance Management Measures of the Special Financial and Agriculture Funds of Zhejiang Province (Zhe Cai Nong [2011] Number 6), etc., these measures have been hereby formulated.

Article 2 The setup and use of the special funds shall be oriented towards improving the level of comprehensive marine management and satisfying the demand of the fishing industry,

and shall be designed to push the close cooperation among the government, industries, universities, institutes, users, marine and fishery enterprises, scientific research institutions, and educational institutions so to support an upgrade and development of the industry and preliminary studies on the key and common technologies in comprehensive marine management; surrounding the major steps in the development of the fishing industry of our province, enhance the integration and support for production technologies, strengthen production trials and demonstrations, accelerate the maturing and conversion of scientific and technological results, and enhance the guidance and support role played by scientific and technological innovations for the development of a marine economy and construction of a modern fishing industry.

Chapter 2 Recipients, Scope, and Standards of Funding Subsidies

Article 3 The recipients of the special funding subsidies shall be administrative, scientific research, promotion organizations, enterprises, professional cooperation organizations, and major breeders that undertake the research and development of key and common marine and fishery technologies, and the promotion, demonstrations and applications of technological and scientific results.

Article 4 Major items supported and the scope of use of the special funds

(I) The major support items of conversion, promotion and applications of the results of marine and fishery science and technology: Surrounding the development of dominant fishing industries and emerging marine industries, focus on the intermediate testing, conversion, demonstrations and applications of the results of common technologies in dominant fishing industry breeds as priorities, and implement projects to convert the results of marine and fishery science and technology. As a priority, push technological conversions, promotion and applications in fields including the standardized breeding technology of improved varieties in aquaculture, facility culture and ecological culture equipment and technologies, environmentally friendly marine fishing equipment and technologies, intensive processing technologies of aquatic products, new technologies for emerging marine industries and facility and equipment technologies, etc.; support the integrated innovations, intermediate testing, maturing, demonstrations and promotion of new technological modes, new varieties, new equipment and new products; support the construction of result conversion demonstration bases and intermediate testing bases; support the categorization and screening of existing results, enhance the intermediate testing and integration of the results, improve the result conversion and application chain, and focus on resolving the issues of conversion and applications of key technology results.

Scope of fund use: The cost of raw materials, the fees of outsourced services (including: test, analysis and processing fees, consultation fees, information and intellectual property rights and service fees, etc.), the cost of acquisition and use of small equipment, fuel and power cost, travel expenses, conference expenses and service fees for temporary hires, etc., incurred as a result of project implementation.

(II) Major items of support for entry of fishery science and technology into households, and its demonstrations and promotion: Conduct in-depth promotion of entry of fishery science and technology into households, and its demonstrations and promotion in key counties (municipalities and districts) throughout the province, focus on dominant breeds and major technologies being promoted, rely on the grassroots level fishing technology promotion system and various scientific research organizations, set up an innovative mechanism of performance evaluation and reviews that uses the resolution of actual issues as the standard and that is linked up with bonuses, build a new type of promotional service model of "expert groups + trial demonstration base + promotion personnel + science and technology demonstration households + vast number of fishermen and farmers." Support the project counties in conducting work such as the promotion of subsidies for fishery technology and subsidies for science and technology demonstrations, etc., push the entry of science and technology into villages and households, its conversion and settlement and resolve the issue of "the last mile" in technological promotion.

Scope of fund use: Aquaculture technology promotion service fee (including the transportation, communications, printing, consultation and service fee of technical personnel), fishery science and technology demonstration fees (including the purchase of supplies, such as aquatic fingerlings, fishery medicine, feed, water quality control agents and testing facilities and the subsidies for the organization of display activities and information service fees) incurred as a result of project implementation and the cost of related to the performance of technical training activities.

(III) Major items of support for the development and application of key and common marine and fishery technologies: Regarding commonality and basic issues existing in the marine and fishery development take the development and application of key and common technologies in marine and fishery development as priorities; implement major collaboration projects in marine and fishery science and technology. According to the principles of "systematic research and study support," select the related special key subjects, perform overall designs, and implement them by year. Support the establishment of a special subject collaboration team consisting of scientific research institutes, promotion agencies and enterprises, etc., conduct the development, promotion and applications of key technologies that limit major steps in marine and fishery development, and push the formation of an industry technology system that supports marine and fishery development. Focus on the support of the integration and applications of technologies in fields including breed cultivation, healthy aquaculture, intensive processing, quality and safety, disease

prevention and control, fishery equipment, early market warning and the comprehensive development of the ocean and ocean islands, etc. and provide technical support for sustainable marine and fishery development.

High and new technology research projects, pure theoretical research projects and low-level repetitive construction projects shall not be included in the scope of support of this special fund.

Scope of fund use: The acquisition cost of materials and small instruments and equipment, testing and processing fee, fuel and power cost, travel expenses, conference expenses, publication/ literature/ information dissemination/ intellectual property right service fees and the service fees of temporary hires, etc.

Article 5 Subsidy standards

(I) The conversion of marine and fishery science and technology results: The project of the conversion of marine and fisheries science and technology results. Support the conduct of applications and demonstrations of improved varieties and new breeds that focus on dominant industries and main varieties; the integration, demonstrations and applications of new technologies and new models in facility culture and healthy breeding as well as the construction of intermediate testing bases; the development of intensive processing technologies and products, and the development of technologies in emerging marine industries. The amount of subsidies for projects of conversion of results that are undertaken by enterprises, professional collaborative organizations, and major breeders shall not exceed 50% of the total investment.

(II) Entry of fisheries science and technology into households and its demonstrations and promotion: Using the funds issued by central financial authorities as support, conduct grassroots level fishery technology promotion and development subsidy projects. Arrange 300,000 - 500,000 Yuan provincial subsidy fund to support the county project in conducting fishery technology promotions, science and technology demonstrations and grassroots level, and their fishery technology promotion, publicity campaigns and training work, etc.

(III) The development and applications of key common marine and fishery technologies: Major collaborative projects in marine and fishery science and technology, which are divided into two types, including priority collaborative projects and general collaborative projects. Priority collaborative projects mainly support the development and applications of key common marine and fishery technologies. Based on different contents and steps of research and development, special funds not to exceed 1.2 million Yuan shall be arranged for each project; general collaborative projects mainly support the development and applications of key technologies in industry management and service areas, and based on different contents of research and development and fields the special funds not to exceed 500,000 Yuan for each project.

To maintain the stability and effectiveness of implementation of projects, the implementation cycles of major projects shall not exceed three years. In principle, general projects shall be completed within one year.

Chapter 3 Project Applications, Examination, and Approval

Article 6 Application procedures for marine and fishery science and demonstration and promotion projects, applications shall be filed in accordance with the format requirements of Standard Versions of Applications for Agricultural and Financial Funds, where an additional project feasibility study shall also be prepared for any project with an application for provincial level financial subsidy of more than 500,000 Yuan. The application materials shall truthfully reflect the basic information on the project organization, the contents of project construction, the implementation proposal, the estimated fund budget, and an analysis of the benefits. The project applicant organization shall guarantee the truthfulness and completeness of the project feasibility study or the standard version of the project application and attachments submitted.

Marine and fishery and financial authorities at the location of the project shall perform a conscientious examination of the application materials. Marine and fishery authorities shall be responsible for the truthfulness and completeness of the project and application materials. Financial authorities shall be responsible for the compliance of the project and application materials.

Article 7 At the end of each October, municipal or county (municipal and district) marine and fishery authorities and financial authorities shall jointly file applications with the Provincial Marine and Fishery Bureau and the Provincial Department of Finance for the marine and fishery science and technology demonstration and promotion projects for the next year. The materials to be reported shall include: Joint application documents, Standard Versions of Applications for Agricultural and Financial Funds and feasibility studies to be provided in accordance with the provisions of these Measures. The application materials shall be in triplicate copies, with two copies to be submitted to the Provincial Marine and Fishery Bureau. They shall be filed online through "Zhejiang Provincial Marine and Fishery Project Management System"; 1 copy shall be submitted to the Provincial Department of Finance.

Organizations at the provincial level shall file joint applications directly with the Provincial Marine and Fishery Bureau.

Article 8 The Provincial Marine and Fishery Bureau shall, together with the Provincial Department of Finance, review and screen the projects filed by various locales. After making a merit-based determination, they shall issue a project implementation plan in a joint document by the end of each April.

Within one month after the issuance of projects in the joint document, the plan task assignments shall be executed. Organizations shall implement them strictly in compliance with the plan task assignments. The provincial subsidy funds shall be separately disbursed by the provincial Department of Finance based on the priority levels.

Chapter 4 Project and fund supervision and management

Article 9 Various locale parties must organize implementation in strict compliance with the project plans issued by the province. Project funds must be identified and be in place according to the plans. Financial subsidy funds must be used for construction items as specified. Project implementation plans and fund use proposals shall not be adjusted without authorization. In the event that any adjustment is indeed needed, a request must be submitted for approval in accordance with the original application procedures.

Article 10 Authorities in charge of the projects shall standardize management, operate openly, and adopt effective regulatory systems, such as the system of public notices and announcements, government procurement, bids and tenders and project supervision, etc., to ensure that such a special funds are used for special purposes in a safe and efficient manner. Financial authorities shall disburse project funds in a timely manner, according to the progress of project construction; to ensure the successful implementation of the projects, actively adopt a system of centralized the payments of project funds from the state treasury, and a county level financial accounting system.

Financial authorities at locales, shall, together with the marine and fishery authorities, supervise and examining the use and management of the marine and fishery science and technology demonstration and promotion funds. The province shall perform examinations and priority spot checks from time to time. No organization and individual shall divert, misappropriate, fraudulently obtain, and hold up financial subsidy funds for any reason.

In case of failure to use such funds in accordance with applicable provisions, financial authorities shall cease to disburse such funds and shall order a rectification; in case of any refusal to rectify, the financial subsidy funds shall be recovered. In case of any violation of the law and discipline, the relevant organizations and individuals shall be pursued for their legal liability in accordance with

applicable laws and regulations, including Regulations on Penalties and Disciplinary Actions for Violations of Financial Regulations.

Article 11 For acceptance inspections of marine and fishery science and technology demonstration and promotion projects, marine and fishery authorities at the location of the project shall, together with the Bureau of Finance, submit an application for an acceptance inspection within one month after completion of the project. The Provincial Marine and Fishery Bureau and the Provincial Department of Finance shall organize such an acceptance inspection or authorize the relevant Marine and fishery Bureau and financial department to organize such an inspection.

Article 12 Marine and fishery authorities and the Bureau of Finance at the location of the project shall, in accordance with the requirements of Financial Expenditure Performance Evaluation and Implementation Measures of Zhejiang Province (Zhe Cai Ji Xiao Zi [2009] No. 5), conduct a performance evaluation of the project implementation and the use of special funds and shall submit a Performance Evaluation Report of a Zhejiang Province Financial

Expenditure Project to the Provincial Marine and Fishery Bureau and the Provincial Department of Finance. The results of the evaluation shall serve as important basis for arrangements for projects in the next year.

Article 13 Upon the occurrence of any of the following circumstances, the project, and special fund arrangements for the next year for such a municipality and county (municipality and district) and the relevant organizations shall be canceled:

(I) The project organization has committed acts such as diverted, misappropriated, or fraudulently obtained special funds on the application and implementation of a project and have been dealt with in accordance with law;

(II) The project implementation entity, project implementation location and project implementation items, etc., have been adjusted without approval and authorization and have involved a large amount of money and resulted in a major impact; and

(II) There have existed other actions in serious violation of the regulations and discipline.

Article 14 Upon the occurrence of any of the following circumstances, the amount of subsidies shall be reduced as appropriate:

(I) Failure to complete the project by the specified deadline (except as a result of the impact of force majeure);

(II) The project implementation entity, project implementation location and project implementation items, etc., have been adjusted without approval and authorization, provided, however, no major impact has been caused;

(III) Project implementation has been completed and the project has passed the acceptance inspection, but the subsidy funds have not been provided in a timely manner;

(IV) The relevant materials have not been submitted in a timely manner; and

(V) Other actions that affect the use and performance of the special financial funds.

Article 15 Upon the occurrence of any of the following circumstances, the financial authorities may suspend or cease disbursements:

(I) Fraudulently obtaining state funds through deception;

(II) Intercepting and misappropriating project funds;

(III) Self-financed funds fail to be committed, thus affecting project construction;

(IV) Refusal to accept the supervision and inspections by the financial authorities, competent authorities in charge or other supervisory authorities; and

(V) Existence of other actions in violation of application regulations and discipline.

Chapter Five Additional

Article 16 Provincial Department of Finance and Marine and Fishery Bureau are responsible for interpreting of this measure.

Article 17 The effective implementation date of this measure will be June 10, 2013.

Annex 28

Notice on the Issuance of the Guangdong Province Measure on Managing the Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System, Guangdong Department of Finance, Guangdong Provincial Administration of Ocean and Fisheries, Yuecainong [2014] No. 143 (14 June 2014).

Notice on the Issuance of the Guangdong Province Measure on Managing the Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System

All municipal departments of finance and ocean and fishery administration departments above the local level, Shunde District Department of Finance, Department of Agriculture, departments of finance of counties (municipalities) and ocean and fishery administration departments directly administered by the fiscal province:

For the purposes of enhancing and standardizing the distribution and management of the Guangdong Province Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System, increasing the effectiveness of how the fund is used, based on the *People's Government of Guangdong Province Notice on the Issuance of the Measure on Managing the Guangdong Province Provincial Finance Special Fund* (Yue Fu [2013] No. 125) and other relevant provisions, the Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries have formulated the *Guangdong Province Measure on Managing the Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System* which is now printed and issued to you, please comply and carry it out. Please promptly report any issues that were encountered while implementing [this Measure] to the Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries.

Guangdong Province Department of Finance

Guangdong Province Administration of Ocean and Fisheries

14 June 2014

Guangdong Province Measure on Managing the Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System

Chapter I. General Provisions

Article I. For the purposes of enhancing and standardizing the distribution and management of the Guangdong Province Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System, increasing the effectiveness of how the fund is used, based on the *People's Government of Guangdong Province Notice on the Issuance of the Measure on Managing the Guangdong Province Provincial Finance Special Fund* (Yue Fu [2013] No. 125), abbreviated as "*Measure*" hereafter, and other relevant provisions, this *Measure* has been formulated.

Article II. The Provincial-level Special Fund for Constructing the Quality Aquatic Breeding System (abbreviated as "Special Fund" hereafter) that the current Measure refers to is the special fund that has been approved by the Provincial Government and is arranged to be used in quality aquatic breeding, technological updating and transformation, and the operation and maintenance management of the aquatic breeding production system information platform via a budget from Provincial Finance.

Article III. The special fund is managed to implement working mechanisms of collective research, application, and review that are open to the public, displaying the project to the public, centralized payment or reimbursement system management of the fund, and performance evaluation.

Article IV. All levels of departments of finance, as well as departments of ocean and fisheries shall earnestly fulfill their responsibilities, promptly fulfill sufficient fund deposits, actively innovate the mechanisms of the system, and increase the effectiveness of how fund is used in order to display the positive effects of stabilizing the production of the fishing industry and promoting the healthy development of quality aquatic breeding.

Chapter II. Department Duties and Distribution of Labor

Article V. Duties of the Department of Ocean and Fisheries.

(I) Primary duties of the municipal, county (city, district) departments of ocean and fisheries:

1. For those who need to fill out an application, promptly arrange for the project unit to fill out an application and compile project plans; projects that already passed the review process shall fill out applications jointly in the provincial-level finance special fund management platform (abbreviated as "management platform" hereafter) to the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance, and shall be held responsible for the authenticity, feasibility, and compliance of the application materials.

2. Organize the construction of the project for implementation to strictly abide by the implementation proposal, enhance the supervision and management of the special fund to promptly grasp the implementation situation of the project and the situation on how the fund is used, and conscientiously organize the acceptance check, self-performance evaluation, etc. on the project.

3. Strictly manage the fund based on relevant provisions from centralized treasury payment and the reimbursement policies of the financial fund for agriculture; strictly review relevant proof to ensure the authenticity, compliance, and completeness of the payment amount, details, and relevant materials and evidence.

(II) Primary duties of the Provincial Administration of Ocean and Fisheries:

1. Responsible for the specific management tasks of the special fund, bring forward special fund applications, draw up an annual overall plan and detailed plan of the special fund, and together with the Provincial Department of Finance submit [the application] for approval according to the procedure.

2. Pre-examine those who need to fill out an application in the management platform and jointly organize a group of specialists with the Provincial Department of Finance to carry out competitive distribution on applicant projects which passed the pre-examination.

3. Based on the factor method or review results, promptly draw up the special fund distribution proposal through collective research and other procedures and submit [the proposal] to the Provincial Department of Finance for review, and then fulfill formalities of displaying the distribution plan to the public, joint submission and approval, information disclosure, etc.

4. Enhance the supervision and management of the project and special fund, promptly grasp information regarding project implementation, how special fund is used, acceptance check on the project, etc., and carry out special fund self-performance evaluation and other tasks.

Article VI. Duties of the departments of finance.

(I) Primary duties of the municipal, county (city, district) departments of finance:

1. For those who need to fill out an application, cooperate with the administrative departments of the same level in the fishing industry to perform the tasks of review, application, and other related tasks well, and projects that already passed the review process shall fill out an application jointly on the management platform to the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance.

2. Strictly and promptly verify and disburse funding according to relevant provisions governed by the centralized treasury payment and the reimbursement systems of the financial fund for agriculture; perform inspections on the disbursement, usage, and management situations of the special fund to enhance supervision on the fund.

(II) Primary duties of the Provincial Department of Finance:

1. Responsible for the development of management systems on the special fund and the organization of budget drafting and implementation.

2. Coordinate with the Provincial Administration of Ocean and Fisheries to put together specialists to conduct reviews on the applicant projects that have already passed pre-examination.

3. Conduct a review of the special fund arrangement plan proposed by the Provincial Administration of Ocean and Fisheries and jointly with the Provincial Administration of Ocean and Fisheries submit and approve [the plan] per the procedures to promptly allocate the special fund.

4. Enhance the supervision and inspection of the disbursement and usage of the special fund, and arrange for performance evaluations and other tasks.

Article VII. Duties of the unit responsible for the project.

(I) Fill out applications truthfully and factually within the stipulated time period according to the requirements from the current Measure and the annual application guidelines.

(II) Strictly organize project implementation based on the approved implementation plan, have a clear understanding about the scale of the project, standards, and details of the main tasks to ensure quality and punctual completion of the project construction assignment.

(III) Ensure that the special fund for the project has its dedicated usages, promptly provide evidence for reimbursement and ensure that the evidence submitted for reimbursement is truthful and complete.

(IV) Based on the relevant provisions of financial budget funding management and the requirements from financial accounting systems, perform audits of special accounts and have specialists manage the special fund, establish invoices on the breakdowns of the income and expenses of the special fund, and proactively accept supervision from financial, auditing, and other related departments.

(V) Enhance project management to elevate project implementation performance and perform a self-performance evaluation in accordance with the provisions to ensure that the project construction reaches the performance goal stated in the application.

Chapter III. Subject Receiving the Subsidy and How the Subsidy is Used

Article VIII. The subjects receiving assistance of the special fund are the province-wide aquatic breeding and production enterprises that possess independent legal person status; scientific research institutes and relevant units directly administered by the province shall greatly focus on underdeveloped areas.

Article IX. Scope of application of the special fund expenses.

(I) Quality breeding: Primarily used for fees, breeding conservation facilities, construction of water processing equipment, purchasing breeding experimentation instruments and equipment, etc. of the parents, seedlings, and detection reagents relevant to quality breeding.

(II) Technological upgrading and transformation: Primarily used for facility and equipment purchasing as well as completing sets, etc. that are relevant to improving quality breeding production capabilities.

(III) Operation and maintenance management of the aquatic breeding production system information platform: Primarily used for data collection, administrator training, system maintenance, etc. of the province-wide aquatic breeding production system information platform.

Article X. The specific usages and assistance standards of the annual special fund are determined by the Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries based on the work deployments of Central, Provincial Commission, and the Provincial government and in combined consideration of the quota of the annual special fund, the scale of the applicant project, the status of the expert review, and other research studies, which would then be defined clearly in the annual implementation plan, application guidelines, and other documents.

Chapter IV. Application and Review

Article XI. Review and approve the special fund to implement the annual overall arrangement plan, and implement the multi-review and approval system on projects.

Article XII. The Provincial Administration of Ocean and Fisheries is responsible for proposing the annual arrangement overall plan of the special fund (including the arranged quota of the special fund, distribution method, direction of support and scope, etc.), and shall submit [the plan] to the provincial government according to the procedures for finalization. After the annual arrangement overall plan of the special fund has been approved, the Provincial Administration of Ocean and Fisheries along with the Provincial Department of Finance shall propose a detailed distribution plan based on the *Measure* and the specific implementation measures on the special fund, and submit [the plan] to the provincial government for approval after going through public notice period.

Article XIII. The Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance shall, according to the extent of the funding arrangement and other factors, distribute the special fund using competitive methods such as selecting from bids, public review, expert review, public commenting, etc., or methods such as collective research by the administrative department, etc. Specific methods shall be determined based on relevant provisions from the *Measure* in combination with relevant situations regarding the special fund.

Article XIV. [Methods] involving the need to conduct competitive distribution shall be handled based on the provision *Guangdong Province Measure on the Management of Competitive Distribution of the Special Fund From Provincial Finance*; the main purpose is to conduct competition or review on the basic requirements, preparation work, application material, implementation details, funding fulfillment, predicted benefits, and other situations for the project. The specific review plan or evaluation index, etc. shall be otherwise formulated by the Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries based on actual needs.

Article XV. [Items] within the special fund that need to be organized for application shall have [their] application guidelines formulated during the first half of the year every year, clearly define assistance direction, application requirements, subjects for application, application process, subsidy standards, etc., and publish the details on the management platform according to provisions.

Article XVI. Applicant units shall compile application materials based on the requirements from the current Measure as well as the annual application guidelines, submit [the materials] to the administration of ocean and fisheries and department of finance of the municipality or of the county (municipality) directly administered by the fiscal province above the level [where the unit is] located; after approval by the administration of ocean and fisheries and department of finance of the municipality or the county (municipality) directly administered by the fiscal province above the local level, record related application information onto the management platform and then execute the application with the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance. Projects which belong to the Province shall be reviewed by the administration department and the related application information shall be recorded onto the management platform after approval, and then execute the application with the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance.

Article XVII. The Provincial Administration of Ocean and Fisheries together with the Provincial Department of Finance will accept applications through the management platform, pre-examine the applicant projects, and announce the situation on the special fund application status, including applicant unit, amount for application, etc. on the management platform. Provide reasoning for the projects that did not pass pre-examination or were not accepted and return them [to the applicant unit].

Article XVIII. Relevant written application materials of projects that pass through pre-examination on the management platform shall be filed with the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance by the administration of ocean and fisheries and department of finance of the municipality above the local level, or of the county (municipality) directly administered by the fiscal province. Relevant written application materials of projects

belonging to the Province shall be filed with the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance by the administration department.

Article XIX. Distribution of the special fund is primarily conducted using the factor method or the competitive distribution method. The Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries shall arrange for expert reviews of the application materials of projects; based on the results from expert reviews combined with factors such as grade, scale, quality, market demands, social benefits, ecological benefits, prospects, etc. of the breeding facilities for the applicant projects, the Provincial Administration of Ocean and Fisheries shall formulate the distribution plan of the special fund and submit it to the Provincial Department of Finance for review. After [the plan] is approved, it shall then be displayed to the public according to the provisions in the *Measure*.

Article XX. Special fund distribution plans that receive no objections after the public notice period shall be reported to the provincial government for approval by the Provincial Administration of Ocean and Fisheries and the Provincial Department of Finance according to the provisions in the *Measure*.

Chapter V. Fund Disbursement and Management

Article XXI. The Provincial Department of Finance shall follow fund disbursement procedures in accordance with the special fund distribution plan that is approved and agreed upon by the provincial government. In the plan, the special fund arranged for departments and units related to the Province shall have the relevant departments and units carry out the fund disbursement procedures according to the provisions on centralized treasury payment management. Subsidized special fund for the municipal or county projects shall be disbursed to relevant municipal or county finance departments by the Provincial Department of Finance and the municipal or county finance departments shall disburse the received funding to the applicant units within 15 business days; special fund that possess centralized treasury payment qualifications shall be implemented through centralized treasury payment management by the municipal, county (city, district) departments of finance; [special fund that] do not have centralized treasury payment qualifications shall be implemented through the fiscal reimbursement management according to the provisions in the Provincial Department of Finance *Notice on the Issuance of the Guangdong Province Implementation Measures of the Fiscal Payment Reimbursement System on Agricultural Special Fund* (Yue Cai Nong [2005] No. 117).

Article XXII. The municipal and county finance departments and ocean and fisheries administrations, as well as the project implementation units shall all establish sound and complete financial management and accounting systems which enforce special account auditing, special fund for special use, and strictly implement financial regulation policies and accounting measures; strictly abide by the approved usage scope and expense standards to arrange the applications of the fund and strictly implement the receipt for reimbursement system for fiscal fund usage; the use of "blank bills" for reimbursement or cash-out is strictly prohibited.

Article XXIII. Management regulations on government purchases and bids shall be carried out for uses that involve government purchases and bids.

Chapter VI. Information Disclosure

Article XXIV. The Provincial Administration of Ocean and Fisheries and other related departments shall publish the following information via the management platform and the provincial-level administration department as well as financial department portals and websites based on the provisions in the *Guangdong Province Measures on Information Disclosure of the Provincial-level Fiscal Special Fund*:

(I) Measures on managing the special fund.

(II) Application guidelines for the special fund, including application requirements, scope of assistance, subject of assistance, departments in charge of review, processing departments, process personnel, information hotline, etc.

(III) Information on the application for program funding, including applicant unit, project for application, amount of funding being applied for, etc.

(IV) Situation on fund distribution, including content for review and timeline requirements, measures on fund distribution, method of review, etc. for all stages of fund distribution.

(V) Results of special fund distribution, including details on the projects and amount of funding distributed, basic situation of the unit that the project belongs to, etc.

(VI) Performance evaluation, supervision inspections, and audit results of the special fund, including financial statement reports, information on the project acceptance check, self-performance evaluation and key evaluation reports, evaluation report from a third party, fiscal and financial supervision and inspection reports, public notice on audit results, etc.

(VII) Publicly accept and process complaints, including item and reason for complaint, information on complaint processing, etc.

(VIII) Other details which should be disclosed according to the provisions.

Chapter VII. Supervised Management and Performance Evaluation

Article XXV. The municipal and county administrations of ocean and fisheries, departments of finance, and project implementation units shall establish sound and complete internal control systems which mutually restrain and supervise, formulate specific mechanisms for the reasonable division of power and regulated use of power, strengthen the mutual restraint and supervision between jobs and phases of work; formulate complete and improved operational procedures and rules of the jobs for the primary phase of special fund review to effectively keep discretion within limits; establish complete and improved file management systems to record approval information of the core phases according to the facts, implement and manage trace administration which accepts complaints and inquiries, and can be tracked throughout the entire process; personnel in sensitive job positions shall periodically communicate [with each other] and rotate their [job] positions; establish an accountability assessment system.

Article XXVI. Units in charge of projects shall periodically disclose and announce the usage status of the special fund to the public, and also report the usage status along with the context of the public announcement to municipal and county finance departments and administrations of ocean and fisheries.

Article XXVII. The municipal and county finance departments and administrations of ocean and fisheries are responsible for the daily supervision and management tasks on special fund and project implementation, and shall establish sound and complete fund supervision systems to periodically conduct supervised checks on project implementation and the usage status of the special fund. Promptly make changes when problems are found to ensure that the special fund is used for its special purpose. In the meantime, actively cooperate with relevant departments to perform the tasks of auditing and inspection well. The Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries will conduct random key spot checks with reference to the work progress.

Article XXVIII. All levels of finance, ocean and fisheries departments, and units in charge of projects shall carry out special fund performance evaluation tasks relevant to the provisions in the *Notice on the Issuance of the Guangdong Province Trial Plan on Fiscal Payments Performance Evaluation* (Yue Cai Ping [2004] No. 1).

Article XXIX. The Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries shall strengthen the applications of assessment results; assessment results on the provincial level shall be used as an important reference for arranging the special fund and other fishing industry's special fund for the following year.

Article XXX. Accountability mechanisms shall be implemented according to the *Measure* for the management of the special fund. Any unit or individual must not under any circumstances defraud, fraudulently acquire or intercept, misappropriate, or embezzle the special fund. If any illegal or unlawful actions were committed by leaders of the provincial affairs administration

department, the internal design department, processing personnel, and other departments, relevant personnel of agencies, and review experts during the distribution or approval process of the special fund, then based on the "whoever reviews, whoever is responsible" principal responsibility shall be assumed and handled according to corresponding laws and regulations; applicant units, organizations, or individuals that committed illegal or unlawful actions while managing the use of the special fund will be seriously dealt with according to corresponding laws and regulations, the fiscal special fund will be recovered, the special fund application qualification will be revoked for five years, and information on the untrustworthiness [of the applicant unit, organization, individual] will be disclosed to the public; relevant municipal or county departments that did not disburse funding to the fund-using unit according to the provisions will undergo a responsibility investigation and be punished in accordance with corresponding laws and regulations. Responsible personnel suspected of a crime will be transported to judiciary agencies for criminal responsibility investigation.

Chapter VIII. Supplementary Provisions

Article XXXI. The special fund implementation plan, application guideline, etc. formulated each year by the Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries which serve as supplements and further refinements of the annual tasks to the *Measure* shall be carried out respectively at the same time.

Article XXXII. All municipalities, counties (cities, districts) shall research and formulate management implementation rules for the respective locality according to the provisions in the current Measure along with the actual circumstances of the local area and file a report with the Provincial Department of Finance and Provincial Administration of Ocean and Fisheries for records.

Article XXXIII. The Provincial Department of Finance and the Provincial Administration of Ocean and Fisheries are responsible for interpreting the current Measure.

Article XXXIV. The current Measure shall be effective starting from the day it is issued.

Annex 29

2015 Guangdong Province Application Guide for Special Fund on Developing a Deep Water Cage Industry, Guangdong Department of Finance and Guangdong Provincial Administration of Ocean and Fisheries, Yuehaiyuhan [2015] No. 66 (28 Jan 2015).

Notice on the Issuance of the 2015 Guangdong Province Application Guide for Special Fund on Developing a Deep Water Cage Industry

Document Number: Yue Hai Yu Han [2015] No. 66
Document Source: Department of Fisheries and Ocean Fishing

To all authoritative departments for ocean and fisheries administration and finance bureaus of coastal region cities of the prefecture level and higher, all authoritative departments for ocean and fisheries administration and finance departments of counties (or cities) with province-administered finances, and all related institutions:

In order to standardize the province's deep water cage industrial development special fund application work, the "2015 Guangdong Province Deep Water Cage Industry Development Special Fund Project Application Guide" (hereinafter abbreviated as the "Guide") is hereby printed and distributed to you (downloadable from the Provincial Ocean and Fisheries Administration website, www.gdofa.gov.cn). Applications for 2015 provincial deep water cage industrial development special fund projects must be submitted according to the stipulations of the Guide, and no late submissions will be accepted. If any problem arises during the process of implementation, please report it to the Provincial Ocean and Fisheries Administration and the Provincial Department of Finance.

Guangdong Provincial Ocean and Fisheries Administration
Guangdong Provincial Department of Finance

28 January 2015

2015 Guangdong Province Deep Water Cage Industry Development Special Fund Project Application Guide.pdf

Attachment 1: Guangdong Province Deep Water Cage Industry Development Special Fund Project Application Form.doc

Attachment 2: Guangdong Province Deep Water Cage Industry Development Special Fund Project Feasibility Study Report (Format Instructions).doc

2015 Guangdong Province Deep Water Cage Industrial Development Special Fund Project Application Guide

According to the related stipulations of the provincial government's Notice on Guangdong Province Measures on Managing Provincial Fiscal Special Funds (Yue Fu [2013] No. 125) and Guangdong Province Measures on Managing Deep Water Cage Industrial Development Special Funds and in full consideration of the actual situation of the province's deep water cage industrial development, this special fund project application guide is formulated in order to standardize the management of applications for Guangdong Province deep water cage industrial development special funds.

I. Goals and Significance

The special funds will be used to give support to the construction of deep water cage industry demonstration parks, the promotion of traditional cage aquaculture industry transformation and upgrading, and the optimization of fisheries industrial structure to increase fishermen income and to advance the good and fast development of the province's marine fishing industry.

II. Application Scope and Targets

This applies to Guangdong-registered enterprises with independent corporate capacity, professional cooperative organizations, scientific research institutes (including central government units located in Guangdong), and government units.

III. Project Set-up

Acquisition of the special funds uses the method of "paying subsidy funds after the completion of construction." Subsidies will be given to units that complete project tasks according to requirements and have passed acceptance review. Setting the subsidy bottom line as three sets (with four cages making up one set), the subsidy standards are divided into three categories based on the different construction specifications of deep water cages: The first category is for deep water cages with a circumference of 40 meters, for each newly expanded set, the subsidy funds

from provincial finances are to be no higher than RMB 250,000 (including some deep water cage aquaculture-related supporting equipment, the same applies below). The second category is for deep water cages with a circumference of 50 meters, for each newly expanded set, the subsidy funds from provincial finances are to be no higher than RMB 300,000. The third category is for deep water cages with a circumference of 60 meters, for each newly expanded set, the subsidy funds from provincial finances are to be no higher than RMB 350,000.

IV. Fund Usage

The funds are to be used for the construction of deep water cage aquaculture systems (including cage frames, anchorage systems, and nettings), as well as deep water cage aquaculture-related supporting systems (including aquaculture platforms, feed boats, storage depots, refrigerated storage facilities, bait release devices, feed processors, water quality testing and quality monitoring equipment, aquaculture management shacks, and netting washers.)

V. Application Criteria

(1) This applies to enterprises with independent corporate capacity, professional cooperative organizations, scientific research institutes (including central government units located in Guangdong), and government units.

(2) Deep water cage project implementation sites must meet the requirements of the Guangdong Province Aquaculture Aquatic Area and Beach Planning (2011 to 2020) and must be scientific, rational, and standardized.

(3) A sea area use permit or an aquatic area and beach aquaculture permit must be obtained.

(4) There must be a technical team for conducting deep water cage aquaculture and a technical assistance unit and a previous work foundation.

VI. Application Requirements

(1) The same applicant unit can only apply for the special funds for one project each year, and there are to be no repeat applications.

(2) Application Procedures:

The application work includes two parts:

1. Preliminary review:

The applicant unit is to submit the application materials level-by-level to the local ocean and fishery administration departments and finance departments of cities at the prefecture level and higher or in counties (or cities) with province-administered finances. After being reviewed and approved by the ocean and fishery administration departments and finance departments of cities of prefecture level and higher or in counties (or cities) with province-administered finances, the related application information is to be entered into the "Provincial Special Funds Administration Platform" on the "Guangdong Province e-Government Portal" so that it is reported to the Provincial Ocean and Fisheries Administration and the Provincial Department of Finance. Units subordinate to the province and central government scientific research institutes located in Guangdong are to input the related application information into the "Provincial Special Funds Administration Platform" on the "Guangdong Province e-Government Portal" themselves to be reported to the Provincial Ocean and Fisheries Administration and the Provincial Department of Finance. The Provincial Ocean and Fisheries Administration and the Provincial Department of Finance will accept applications through the administration platform and will do a preliminary review of the reported project. They will also announce the special funds application acceptance status on the administration platform, including the applicant units and the applied-for amounts. Projects that do not pass preliminary review or that are not accepted will be rejected with an explanation of the reasons.

2. Written applications:

For projects that pass preliminary review on the administration platform, the written application materials are to be submitted by the local ocean and fishery administration departments and finance departments of cities of prefecture level and higher or of counties (or cities) with province-administered finances to the Provincial Ocean and Fisheries Administration and the Provincial Department of Finance. Units subordinate to the province and central government, scientific

research institutes located in Guangdong can directly submit the written application materials to the Provincial Ocean and Fisheries Administration and the Provincial Department of Finance.

(3) Application materials:

1. Project application form (see attachment for the format instructions).
2. Feasibility study report (see attachment for the format instructions).
3. Applicant unit's letter of commitment.
4. Applicant unit's certificate of incorporation, director's certificate of office, agreement with technical assistance institution, and "Sea Area Use Permit" or "Aquatic Area and Beach Aquaculture Permit" (copies only).
5. Application documents jointly reported by the authoritative department and finance department.

(4) Application method:

1. Log in to the Provincial Ocean and Fisheries Administration website (www.gdofa.gov.cn) to download the "Guangdong Province Deep Water Cage Special Fund Project Application Form" and the "Feasibility Study Report" format instructions and fill out the related information required by the application form.
2. Bind the written application materials into book form and make 10 copies. Submit this to the Provincial Ocean and Fisheries Administration's Department of Fisheries and Ocean Fishing and also send it in electronic format (email: junningluo@163.com).
3. The cut-off date for application submission is 15 February 2015. The submission date is based on the time the application materials are signed for as received, and those received late will not be accepted.

VII. Review Requirements

- (1) The city or county ocean and fishery administration department is in charge of reviewing the authenticity, completeness, and feasibility of the applied projects and the related evidentiary materials from units in their jurisdiction. They must verify the copies of the related evidentiary materials. After these are verified as being error-free, each copy is to be affixed with the "Same as Original" stamp and the department's official seal. The city or county finance department bears responsibility for the feasibility, compliance, and authenticity of the reported project and its attached related materials.
- (2) For projects applied for by units that are subordinate to the province or central government units located in Guangdong, the administrative department for the applicant unit is to be in charge of reviewing the feasibility, compliance, and authenticity of the reported project and its attached related materials.
- (3) The Provincial Ocean and Fisheries Administration and the Provincial Department of Finance will do a preliminary review of the applied project. On the portal websites of the two departments, the special funds application acceptance situation will be announced, including the applicant unit, the applied project, and the applied-for amount. Projects that do not pass preliminary review or that are not accepted will be rejected with an explanation of the reasons.
- (4) Projects that pass the preliminary review will be assessed by experts organized by the Provincial Ocean and Fisheries Administration and the Provincial Department of Finance to confirm which projects are to be initiated.

VIII. Other Matters:

- (1) The Provincial Ocean and Fisheries Administration and the Provincial Department of Finance are responsible for the interpretation of the Guide.
- (2) The Guide goes into force on the date of its issuance.

V. Vessel Reduction and Related Support Measures

Annex 30

Ministry of Finance and Ministry of Agriculture Measure on Managing Special Fund on Marine Fishermen Switching to Other Type of Production and Type of Work Program, Ministry of Agriculture, Caibannong [2003] No. 116 (18 Sept 2003).

Ministry of Finance and Ministry of Agriculture Measure on Managing Special Fund on Marine Fishermen Switching to Other Type of Production and Type of Work Program

(Cai Ban Nong [2003] No. 116)

18 September 2003

To finance departments (bureaus) and authoritative departments for fishery administration of the relevant coastal provinces (regions/municipalities):

To properly address issues facing our country's fishing industry after the Sino-Japanese fishery agreement, the Sino-South Korean fishery agreement, and the Sino-Vietnamese fishery agreement in the Beibu Gulf take effect, special funds have been established in the central treasury for the production and occupation transfer of the marine fishing populace. To strengthen the management and supervision of the special funds for the production and occupation transfer of the marine fishing populace and to improve the efficient use of the funds and in accordance with the relevant measures of the Ministries of Finance and Agriculture for special funds management, the *Ministry of Finance and Ministry of Agriculture Measure on Managing Special Fund on Marine Fishermen Switching to Other Type of Production and Type of Work Program* are specially formulated and hereby issued to you. Please enforce them accordingly.

The *Ministry of Finance and Ministry of Agriculture Measure on Managing Special Fund on Marine Fishermen Switching to Other Type of Production and Type of Work Program* are simultaneously cancelled, and vessel reduction subsidies for fishermen from previous years will be carried out according to the new subsidy standards.

Attachment: Regulations Managing the Use of Special Funds for Marine Fishing Populace Production and Occupation Transfer

18 September 2003

Attachment:

Ministry of Finance and Ministry of Agriculture Measure on Managing Special Fund on Marine Fishermen Switching to Other Type of Production and Type of Work Program

Article 1 To properly address issues facing our country's fishing industry after the Sino-Japanese fishery agreement, the Sino-South Korean fishery agreement, and the Sino-Vietnamese fishery agreement in the Beibu Gulf [hereinafter referred to as the "agreements"] take effect, special funds have been established in the central treasury for the production and occupation transfer of the marine fishing populace (hereinafter referred to as the "special funds.") In accordance with the *Regulations on the Management of Fiscal Special Funds*, this set of Regulations is specially formulated to guarantee the safe and effective use of the funds.

Article 2 Fisheries departments at all levels shall, together with finance departments, formulate production and occupation transfer programs and annual implementation plans.

Article 3 Scope of the use of special funds:

1. Scrapping subsidies for marine fishing vessels retiring from fishing due to the impact of the agreements.
2. Subsidies for projects that take in and help fishermen going through production transfer find employment, that spur on the economic development of fishing areas, and that improve the ecological environment of the marine fishing industry.

Article 4 The targets of subsidy funding for the scrapping of fishing vessels are fishing vessel owners. The targets of subsidy funding for projects are project owners.

Article 5 Marine fishing vessels applying for scrapping subsidies must meet all of the following requirements:

1. Fishing vessels must have a valid fishing license, a valid vessel registration certificate, and a valid vessel inspection certificate ("the three certificates") and must have main engine power of 10 kilowatts or higher. The focus is on trawlers, stow net fishing vessels, and any other fishing vessels that threaten severe destruction of fishery resources.

2. After being approved for inclusion in the national vessel reduction plan, and upon completion of scrapping procedures according to prescribed procedures, the fishing vessel owner shall issue a letter of commitment indicating that he/she will not build a fishing vessel using the indicators of the scrapped fishing vessel.

3. Fishing vessel owners shall provide proof that their vessels were dismantled or proof that their fishing vessels were sunk to make artificial reefs.

Article 6 Scrapping subsidy standards for marine fishing vessels shall be determined based on the specific fishing vessel (specific subsidy standards attached).

Article 7 Production and occupation transfer project funding shall mainly subsidize projects that can take in a certain number of fishermen who are going through production transfer; that are favorable for improving the fishery ecological environment; that help raise the job skills of fishermen; that involve matters that spur on the economic development of fishing areas such as aquaculture, aquatic product processing, aquatic markets, recreational fishing, and training of fishermen who are going through production transfer; and that make use of scrapped fishing vessels to make artificial reefs.

Article 8 Local authoritative departments for fishery administration at the county level and higher are responsible for supervising and implementing the dismantling of scrapped fishing vessels at a designated location and the cleanup of shipwrecks. The funding is to be included in the local fiscal budget and will be appropriately subsidized by the central government based on the standards.

The dismantling of scrapped fishing vessels shall be carried out by the fisheries authorities at the provincial level in the form of bid solicitation and tendering under the guidance of the provincial finance department.

Article 9 Special funds application and subsidy process:

1. Based on the degree of impact of the agreements, the total size of the annual national vessel-reduction production transfer, and relevant funding subsidies and in full consideration of the actual work conditions, all provincial (municipality/region) fisheries authorities, together with finance departments, shall put forward annual vessel-reduction production transfer plans and project feasibility study reports and jointly submit them to the Ministry of Agriculture and the Ministry of Finance.

2. Regarding vessel-reduction production transfer plans, all localities shall clearly list the total number and the total engine power of fishing vessels they plan to scrap, and the total number of fishermen going through production transfer. At the same time, they shall also include the vessel names and vessel numbers (copies of "the three certificates") of the fishing vessels they plan to scrap, and the ID numbers of fishing vessel owners, as well as matters such as how they plan to handle the scrapped fishing vessels. Regarding production and occupation transfer project feasibility study reports, they shall make detailed estimates on matters such as the number of fishermen able to be taken in, improvement of the fishery ecological environment, and the impetus provided for the economic development of fishing areas.

3. The Ministry of Agriculture, together with the Ministry of Finance, shall check vessel-reduction production transfer plans submitted by all provinces (municipalities/regions), determine vessel-reduction production transfer tasks of all provinces (municipalities/regions), and set forth the amount of funding subsidies. They shall organize relevant experts to conduct assessments of production and occupation transfer projects and decide on the projects and the amount of subsidies. Vessel-reduction production transfer tasks and production and occupation transfer projects shall be issued by the Ministry of Agriculture, and special funds shall be issued by the Ministry of Finance.

4. Local fisheries departments and finance departments shall announce vessel reduction and subsidy matters according to vessel-reduction production transfer tasks issued by the Ministry of Agriculture, and after verifying the collection of all certificates and evidence prescribed under Article 5 of the Regulations, they shall make full and timely disbursements of funds to the targets of support, according to the principle of facilitating the masses. To guarantee that vessel-reduction funds are earmarked, there is to be separate accounting of the funds by the fiscal treasuries of the same level, under the management of the provincial, municipal, and county finance departments. Project funding shall practice project management and shall be appropriated to the undertaking units of relevant projects by finance departments.

Article 10 The targets of support of the special funds shall sign production and occupation transfer agreements with the township and village governments where they are located to define their respective rights and obligations, and after legal notarization, they shall be reported to the higher-level fisheries administrative departments and finance departments for filing.

Article 11 Fisheries administrative departments at the provincial level, together with finance departments at the provincial level, shall jointly submit summary reports on the use of special funds to the Ministry of Finance and the Ministry of Agriculture by the end of each year. The contents of the reports shall mainly include the situation of putting funds in place and disbursing funds; the situation of the collection of the "three certificates" for and the dismantling of scrapped fishing vessels; the situation of making shipwrecks of scrapped fishing vessels into artificial reefs; and the situation of how production transfer projects are taking in fishermen, improving the ecological environment of the marine fishing industry, and driving the economic development of fishing areas.

Article 12 The authoritative finance and fisheries departments at all levels shall step up supervision and inspection on the use of special funds, realistically guarantee that special funds are earmarked, and investigate and hold personnel involved in misappropriation, withholding, and misuse of funds accountable according to the law.

Article 13 All provinces (municipalities/regions) shall formulate specific implementation measures based on the actual situation.

Article 14 The regulations shall take effect upon promulgation, and the Ministry of Finance is responsible for interpretation.

Annex 31

Notice of the Office of the Ministry of Agriculture Regarding Opinions for 2007 Marine Fishermen
Change of Production or Change of Occupation Projects, Ministry of Agriculture,
Nongbanyu[2007]No.79 (1 Nov 2007).

Notice of the Office of the Ministry of Agriculture Regarding Opinions for 2007 Marine Fishermen Change of Production or Change of Occupation Projects

(Nongyuban [2007] No. 79, November 1, 2007)

To the Departments (Bureaus) Responsible for the Fishing Industry in Coastal Provinces, Autonomous Regions, Direct-Controlled Municipalities, and Municipalities Designated in the State Plan:

On the basis of the implementation status of Marine Fishermen Change of Production and Change of Occupation projects in recent years and the new circumstances at hand, with the approval of the Ministry of Finance, adjustments to the "Administrative Regulations for the Use of the Marine Fishermen Change of Production and Change of Occupation Project Fund" (hereafter abbreviated as "Administrative Regulations") were determined in regard to fishermen vessel reduction subsidy standards. Notice is hereby given regarding the relevant circumstances and certain issues in relation to the 2007 Marine Fishermen Change of Production and Change of Occupation work:

I. Adjustments to Fishermen Vessel Reduction Subsidy Standards

For the convenience of operations, beginning with the 2007 Marine Fishermen Change of Production and Change of Occupation projects, the original filing standards will be uniformly adjusted to: subsidies of 1000 Yuan per kilowatt for fishing vessels with a formal fishing license (the engine power certificate attached to the license shall prevail); and subsidies of 500 Yuan per kilowatt for fishing vessels with a temporary fishing license. The subsidies for ship-breaking work expenses as determined in the "Administrative Regulations" shall not change.

II. The 2007 Change of Production and Change of Occupation Project Fund shall continue to be allocated for use in the two pursuits of vessel reduction and change of production and change of occupation projects.

(1) Vessel Reduction Plan. Upholding the principles of seeking truth from facts and voluntary participation by fishermen, in accordance with the "Opinions Regarding the Implementation of the 2003-2010 Marine Fishing Vessel Control System" (hereafter abbreviated as "Opinions for Implementation") as ratified and approved by the State Council, each provincial-level fishery administration department shall be responsible for reviewing the legal validity of fishing vessel reduction application materials for its jurisdiction, and submitting a "2007 Marine Fishermen Vessel Reduction Plan Summary Sheet" (see attachment). In accordance with the implementation status of the 2002-2006 vessel reduction plans and the Opinions for Implementation, this Ministry shall review and release the 2007 Vessel Reduction Plan.

(2) Change of Production and Change of Occupation projects. These are primarily divided into two categories: one category is Change of Production Fishermen Training projects; the other category is Marine Ranching Demonstration Zone projects. For Marine Ranching Demonstration Zones, key fishing areas with large numbers of fishermen engaging in a change of production and good fundamental conditions for fishery development should be selected, for the concentrated construction of artificial reefs and the introduction of fingerlings and seeds of reef-dwelling fish species and shellfish species; in principle, the annual central subsidies for each project shall not exceed 5,000,000 Yuan.

III. Your department (bureau) is asked to proceed strictly in accordance with the requirements of the "Administrative Regulations," actively seeking the support and cooperation of the Finance Administration and other relevant departments, carefully organizing all application submission and review work for the Marine Fishermen Vessel Reduction Plan and Change of Production projects in your jurisdiction; in accordance with procedure, the status of the 2007 Vessel Reduction Plan and Change of Production and Change of Occupation project applications shall be reported to the Ministry of Finance and this Ministry prior to November 9.

Contact Telephone: 010-64192989, 64192949

2007 Marine Fishermen Vessel Reduction Plan Summary Sheet

Filled Out By:

Organization Name	Number of Applications (Vessels) for Vessel Reduction	Vessel Reduction Engine Power (KW)	Application for Central Vessel Reduction Subsidy Funds (10,000 Yuan)			Remarks
			Total	Vessel Reduction Subsidy (10,000 Yuan)	Ship-Breaking Work Expenses Subsidy (10,000 Yuan)	
Total:						

VI. Fishers Insurance Support

Annex 32

Nation Wide Fishery Insurance Development Plan 2011-2015, Ministry of Agriculture, Nongbanyu [2012] No. 83 (9 July, 2012).

The "Twelfth Five Year" Plan for the Development of the National Fishery Mutual

Insurance

(2011-2015)

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Fishery Mutual Insurance is a non-profit form of insurance for the purpose of mutual aid, developed by the fishery cooperative insurance organizations at all levels within the fisheries industry, which is an important part of the agricultural insurance that plays a stabilizing role in the process of building a modern fishery. Practice has proved that the use of mutual insurance model in the fishery insurance is in line with the actual production of fishery in our country. The "Twelfth Five Year" period is an important period for our country to accelerate the building of the modern fisheries, and it is also an important opportunity for the development of the fishery mutual insurance. In order to clarify the development strategy, objectives and tasks of the national fishery mutual insurance, according to the "Twelfth Five Year Plan of National Fishery Development", the "Twelfth Five Year Planning Framework for the Development of China's Insurance Industry" and the "Twelfth Five Year Working Plan for the Fishery Safety Production", in conjunction with the actual situation of fishery mutual insurance, this plan is formulated.

I. The Achievements of the Development of the Fishery Mutual Insurance

Under the condition of commercial insurance pulling out of the fishery insurance market, the Ministry of Agriculture was guiding the majority of fishermen to explore the mutual insurance, after nearly 30 years of development, it has formed the fishery mutual insurance that dominates the market. In order to establish and perfect the fishery risk protection system and improve the agricultural insurance system in our country, the fishery mutual insurance becomes a successful practice and exploration; in the promotion of fishery industry development, protect fishermen's lives and property safety, and maintenance of social stability in the fishing area, it has made important contributions, and played a positive role in ensuring the effective supply of aquatic products and providing services in building the modern fisheries.

(i) Servicing fisheries, mitigating the impact of natural disasters on fisheries effectively. Since the launch of fishery mutual insurance in 1994, as of 2010, the fishery mutual insurance industry has covered cumulatively 5.78 million fishermen (times), underwritten 360 thousand fishing boats (times), provided risk protection that worth 385 billion yuan, and paid 1.146 billion yuan in economic compensation for more than 7,000 deaths (missing), more than 44,700 injured fishermen, and for more than 44,000 totally lost or partially damaged fishing boats; it has greatly offset the economic losses of the affected fishermen, and provided a strong support for the fishermen to resume production after the disaster.

(ii) Based on the Reality, exploring the risk protection system of fishery successfully. The purpose of the fishery mutual insurance aims to provide "mutual aid, fishery services", which combines the mutual insurance work with safety production management closely, persistently and gradually improves the mutual insurance model of the "leadership of fishery administrative departments, mutual assistance among fishermen, financial subsidies, industrial management, operation of associations"; it has withstood the test of actual practice, and keeps growing. The fishery mutual insurance is in line with the actual situation of fishery production in our country; it has the support and recognition of the great majority of fishermen.

(iii) Developing innovation, improving the level of service for mutual insurance constantly. The coverage of the fishery mutual insurance gradually expanded from the fishing boat, fishermen mutual insurance to aquaculture, fisheries infrastructure and group accident insurance for fishing units and other coverage; the scope of protection of fisheries is expanding; the rates of mutual insurance are reduced substantially, which reduces the financial burden of the fishermen significantly. Adhere to providing the fishermen members with free textbooks on production safety and subsidies for emergency rescue firefighting equipment, improving fishermen's awareness of production safety, disaster prevention and self-help capabilities. Entrust the bank to initiate a pilot program for offering small loans, in order to solve the problem of a shortage of productive funding for some of the fishermen.

(iv) Strengthening management, improving the construction of the mutual insurance system gradually. The fishery mutual insurance has set up 600 offices in 26 provinces in the country, the scope of its business covers all the coastal provinces (autonomous regions and municipalities), the main inland fishery provinces (autonomous regions and municipalities) and Hong Kong, Macao Special Administrative Region, and initially forming the China Fishery Mutual Insurance Association as the core of the national fishery mutual insurance system. The organization of the fishery mutual insurance, in accordance with the institutional and operational characteristics, consists of a Council for decision-making, the Secretariat for execution, and the Board of Supervisors for supervising, as its internal management mechanism, and gradually established the norms of the operational system of the Council, the Board of Supervisors, and the Secretariat.

(v) Seizing the opportunity, promoting the policy of the fisheries insurance pilot steadily. In the context of the national support for the development of agricultural insurance, from 2008 onwards, the Ministry of Agriculture annually allocated 10 million yuan of special funds for the development of the central government financial subsidies for fisheries mutual insurance pilot. Since the pilot program has been carried out, the effectiveness of central government's financial subsidies is obvious; local treasuries are also supporting the subsidies, as a result, the fishermen's pressure of paying the premium is significantly reduced, the insurance coverage and protection capacity are greatly enhanced, the majority of fishermen cheering, "Hooray to the fishery mutual insurance".

II. The Situation of the Development of Fishery Mutual Insurance the "Twelfth Five Year" Faces

(i) Favorable conditions The development of fishery mutual insurance is facing a good policy environment. The Party Central Committee and State Council attach great importance to the development of agricultural insurance, the agricultural (fishery) insurance industry is facing a rare opportunity for development. The Ministry of Agriculture attaches great importance to and supports the work of fishery mutual insurance, and conforms to a firm and unified consensus of the policy on the fishery mutual insurance. Local governments to further enhance the understanding of the fishery mutual insurance, have introduced a series of local regulations and financial policies supporting subsidies in order to support the development. Overall, it demonstrates an atmosphere of concerted support from both central and local governments for the development of fisheries mutual insurance.

There is a great potential in the development of the fishery insurance market. In the field of marine fishing, nationally, there were 298 thousand motorized marine fishing vessels, 2 million 278 thousand marine fishery professionals in 2010; however, the underwriting amount by the fishery mutual insurance industry for the year was 71 thousand fishing boats and 870 thousand fishermen, which accounted for only 26% and 39% of the total, while per capita insurance coverage amounts for fishermen and vessels were relatively low. In the field of aquaculture, the aquaculture insurance market, which accounts for about 68% of the total global aquaculture production, is even greater; however, the fishery mutual insurance in the aquaculture sector has just started, the huge market potential provides the fisheries mutual insurance with a broader space for development.

The fishery mutual insurance model has become increasingly mature. Over the years, the fishery mutual insurance relies on the fisheries industry closely, led by the Ministry of Agriculture and the leadership of all levels of Fisheries administrative departments; with the advantages of industry management, it has improved the institutional structure, unleashed the advantages of mutual insurance, formed a scientific management system, enhanced the service levels; at the same time, the fishery mutual insurance has become an important part of the fishery production safety management; the fishery mutual insurance model with Chinese characteristics has become increasingly mature in actual practice. The policy-oriented fishery mutual insurance system based on the fishery mutual insurance organizations has been established preliminarily, which is capable of undertaking the conditions of policy-oriented fishery insurance.

(ii) Unfavorable factors

The fishery mutual insurance lacks the support of specific national laws and regulations. Currently, the government has not enacted the relevant insurance laws and regulations for the agriculture (fishery) industry, especially laws and regulations applied to the mutual insurance organizations are insufficient; there are certain obstacles exist for the mutual insurance organizations to carry out the work for agricultural insurance in terms of policy and financial support, which is not conducive to long-term development of the fishery mutual insurance.

The fishery mutual insurance lacks the financial support for the long-term development mechanism. In the policy of agricultural insurance pilot, farming, animal husbandry, forestry and other industries have been covered by national agricultural insurance premium subsidies; however, fishery insurance is always excluded from the pilot. In addition, the fishermen have low financial capability in paying premium by themselves; there is a relatively large gap in the fishery insurance subsidies, which has negative impacts on the mutual insurance coverage ratio and further enhancement of protection levels.

The fishery mutual insurance has not been incorporated into the national unified business regulatory system. It is very important to strengthen the risk management and prevention of the mutual insurance organizations. However, because of the special requirements of the institutional identity in the "Insurance Laws of the people's Republic of China" on agricultural insurance, the insurance organizations of the mutual insurance have not yet been included in the scope of business supervision, which is not conducive to the healthy development of the fishery mutual insurance.

There is a gap existing between the services of the fishery mutual insurance and fishermen's expectations. From a business perspective, the insurance density and depth of the fishery mutual insurance are relatively low, which makes it relatively weak to cope with the catastrophic risks of extreme natural disasters; from the perspective of rules and norms, in conformity with the actual fishery mutual insurance system, it needs further improvement and perfection; from the personnel perspective, a considerable portion of the practitioners in the business are part-timers that need to improve their levels of professionalism; from the perspective of organizational structure, the "nation as a whole" collaborative approach of co-insurance by the whole fishery mutual insurance industry, needs to be further solidified.

III. The Guiding Ideology, Basic Principles and Development Objectives

During the "Twelfth Five Year" period, the fishery mutual insurance should adhere to the Central Government's "three rural" working guidelines and agricultural insurance policy as the guidance, firmly grasp the important opportunity for the development of risk protection of fisheries, and unswervingly follow path of the policy of developing fishery mutual insurance, solidify the foundation, innovate boldly, and promote the work of fishery mutual insurance for keep achieving a new leap forward.

(I) The Guiding Ideology

With Deng Xiaoping theory and the important thought of "Three Represents" as the guidance, using the scientific development concept to guide the overall work of fishery mutual insurance; surround tightly with the overall work of building national modern fisheries; with the comprehensive enhancement of the capability to protect against the fishery risks as the fundamental goal; with fishermen's needs for risk protection as the guide; with the guarantee of the efficiency of fisheries, the increase of fishermen's income, social stability of the fishing areas as our own missions; with mutual aiding management and financial stability as the core; pressing on building the fishery mutual insurance system and capability, to promote building the policy-oriented fishery mutual insurance system, gradually establish an industry-wide risk protection system, thus facilitating the development of modern fisheries.

(ii) Basic Principles

Insist on the combination of serving the overall situation, serving the industry, and serving fisherman. Insist on serving the overall situation of building a moderately prosperous society and a socialist new fishing village; making the fishery mutual insurance as an important industrial policy that supports the development of fisheries, and continuously improving service capability and level of protection, broadening the coverage, and effectively improving the fishermen's ability to resist risks, in order to safeguard fishermen's life and property.

Insist on combining the coordinated development, standardized management, and innovative services. Insist on the "nation as a whole", coordinated regional development, standardized operation procedures to ensure adequate solvency, controllable risk tolerance; following the economic, financial, and insurance law of development; applying modern finance, insurance techniques on the fishery mutual insurance, innovating the insurance products and service models, and continuously expanding the scope of the business.

Insist on combining practical exploration, theoretical research, and policy support. On the basis of the existing work of the fishery mutual insurance, continue to carry out theoretical research, summarize the lessons learned, and improve the theoretical system of the fisheries mutual insurance. At the same time, actively expand publicity, timely study the demands of the fishery mutual insurance industry, strengthening the output of achievements, soliciting policy support from the relative authorities on behalf of the majority of the fishermen membership.

(iii) Development Objectives

The coverage of the Fishery Mutual Insurance is expanding, the protection levels are enhancing steadily; new insurance products offering is speeding up, the insurance business structure is improving continuously; fishermen's capacity of disaster prevention and reduction is increased gradually, the capability for risk prevention is improving gradually; the operation mechanism of fishery mutual insurance is improving gradually; policy-oriented fishery insurance system has been established gradually, to provide the fishermen with more robust insurance, financial and public services. Specific Goals are:

--- Expanding the business scale of the fishery mutual insurance. By the end of the "Twelfth Five Year", the coverage for 20 horsepower or more motorized marine fishing boats will reach 80%; the coverage for motorized auxiliary fishing vessels for aquaculture production and fishing, and fishery law enforcement vessels will reach 50%; the coverage for marine fishing fishermen will reach 90%; the coverage for marine aquaculture fishermen will reach 50%; coverage for motorized boats and fishermen in the inland fisheries will reach 5% and 10% respectively; the coverage of group accident insurance for the fishery units will reach 50%; continue to carry out mutual insurance pilot programs for marine aquaculture, freshwater aquaculture, aquatic fingerlings, and other insurance pilot for fishery infrastructure including coastal fishing ports, fishing buoy, fishing boat repair and building enterprises. By 2015, the scale of the fishery mutual insurance business will achieve 2 billion yuan, providing 400 billion yuan for risk protection, with an average annual growth rate of 20%.

Strengthen the building of the disasters prevention and reduction system. Based on the features of the fishery production safety accidents, to conduct public education and training, to equip life-saving and survival devices, to offer subsidies for rescue and relief, to improve high-risk machinery, to assess the fishing ports' wind resistance capacity, to focus on building a combined safety risks assessment and disaster prevention and reduction system.

Enhancement of financial service levels. By the end of the "Twelfth Five Year", in cooperation with other financial institutions, a variety of financial services will be introduced to fishermen members such as children's education fund for the deceased fishermen, rehabilitation fund for the disabled fishermen; the annual average of small loans (micro credit) will amount to about 200 million yuan or more for the whole industry, with an annual average of 2,000 (times) or more fishermen members receiving benefits.

Table of 2015 National Fishery Mutual Insurance Measurement of Business Scale

Types of Coverage	Categories		Amount	Average Coverage (Ten thousand yuan)	Coverage Rates (%)	Total Coverage (Ten thousand yuan)	Average Premium Rates	Estimated Premium (Ten thousand yuan)	Annual Growth Rates (%)
Total						43406104		203440	20.2
Fishing Vessels Insurance Mutual									15.3
	Motorized Production Fishing Boats								
	Motorized Auxiliary Fishing Boats								
Fishery Enforcement Vessels		2089	300,000	60	37602	1.5	564		
Fishermen Mutual Insurance								23	

Fishery Administration, Law Enforcement, Scientific Research, Technology									
		Fishery Administrative Staff, Scientific Research Personnel、Promotion of Aquatic Technology	79166	400,000	50	1583320	0.07	1,029	25

IV. Main Tasks and Key Works

- (i) Establishing the legal status of mutual insurance organizations, integrating into the national insurance regulatory

To actively promote the establishment of relevant laws and regulations of fishery insurance, and participate in amending the implementation rules of the "Laws of the People's Republic of China", which seek support explicitly for the fishery mutual insurance. Strengthen communication with the Legislative Affairs Office of the State Council and the China Insurance Regulatory Commission and other agencies to incorporate the fisheries into the pending "Agricultural Insurance Regulations", to treat the mutual insurance organizations equal to the insurance companies. According to the relevant provisions pertaining to the mutual insurance in the State Council's "A Number of Opinions on the Reform and Development of the Insurance Industry" (Guo Fa [2006] No. 23), to coordinate with China Insurance Regulatory Commission and jointly issue the "Interim Measures on the Management of Fishery Mutual Insurance", in order to regulate the mutual insurance organizations in the areas of system, mechanism, business, operation, supervisory and others; gradually integrate the fishery mutual insurance business into the supervision under China Insurance Regulatory Commission, to ensure the healthy development of fishery mutual insurance.

- (ii) Striving for the support of premium subsidies, and establishing a policy-based fishery mutual insurance system

Conscientiously sum up the experience of carrying out the policy-oriented fishery mutual insurance pilot, and on this basis, to coordinate with the Central Government's Treasury to include the fishing boat property insurance, fishermen accidental bodily injuries insurance (employers' liability insurance) in the scope of the Central Government's premium subsidies first, and then gradually expand the scope to include the aquaculture insurance. To do a good job in the preliminary research, proposal formulation, and review of argumentation on the mutual insurance coverage with political significance, such as fishermen operating in the Nansha Islands (in South China Sea) and migrant fishermen and fishing boats in Hong Kong and Macao, and gradually incorporated into the scope of special subsidies. Encourage an increased level of support by the local treasuries for the fishery insurance premium subsidies; for the existing local treasuries that have already provided financial subsidies, they need to reasonably and appropriately increase the ratios of subsidies; for the local treasuries in the key provinces and cities that do not provide financial support, they need to strive for getting financial support from their local treasuries as soon as possible, in order to form the central and local governments' financial support for the long-term development mechanism of the policy-oriented fishery mutual insurance.

- (iii) Enriching the products of mutual insurance, expanding the coverage of mutual insurance

To incorporate even more fishermen and fishing vessels into the coverage by the fishery mutual insurance, in order to expend the scope of coverage. Coastal areas should continue to do a good job in covering motorized marine fishing vessels and marine fishermen, focus on covering the high-risk groups, such as, 20 horsepower or more motorized marine fishing vessels and fishermen operating in the high seas; according to the unique characteristics of the inland areas, to actively guide the fishermen to participate in the insurance by introducing the types of mutual insurance with low coverage and low premium. To enrich the products of mutual insurance, in accordance with the needs of industrial development. Strengthening insurance R & D and pilot programs in the areas of deep-water cage farming, industrial fish farming, and standardized pond aquaculture, to study the feasibility of covering the distant water fishing vessels in mutual insurance, and timely introduce insurance products; broadening the scope of the fishery infrastructure insurance and insurance for quality of fishery products, to incorporate fishing ports, navigation buoy and other infrastructure into the scope of protection, and gradually increase the coverage of mutual insurance industry.

- (iv) Strengthening the business building, laying solid foundation of scientific development

Optimizing business processes, in order to build the highly efficient operation of business operation system; establishing insurance risk monitoring index system, in order to optimize internal risk identification, early warning, monitoring and detection, assessment and disposal mechanisms; learning from the insurance company's financial management system, in order to optimize the financial accounting system in line with the actual practice of mutual insurance system; strengthening the management of mutual insurance funding and risk reserve, to innovate the ways for funding preservation and appreciation, focusing on the micro-credit loans to expand the financial services; optimizing the business management software system, in order to enhance the level of information. Perfect the industry-wide co-insurance mechanism, in order to scientifically prevent the catastrophe risks.

- (v) Strengthening the system building, consolidating and improving the "nation as a whole" pattern of development

On the basis of perfecting the industry-wide co-insurance mechanism, gradually moving the scientific connotation of "nation as a whole" toward a unified logo, unified model clauses, unified business operation system, unified accountancy and so on. Learning the fishery insurance institution setting models from Japan, South Korea and the Chinese Taiwan region, scientifically divide the functions of the "National Association" and "local associations", in order to strengthen the guiding status of the "Chinese Fishery Mutual Insurance Association", and allow local associations to act on specific work proactively and creatively; establishing a national fishery mutual insurance coordination and communication mechanisms, in order to constitute a nation-wide pattern of common participation, unified operation and balanced development of the fishery mutual insurance.

(vi) Strengthening personnel training, and establishing a team of professional personnel

Adopt a combined model of continuing education and job training for personnel training, increase the level of support to ensure employees' participation in the continuing education. Exploring the possibility to collaborate with professional schools and scientific research institutions for cultivating the inter-disciplinary talents for the fishery insurance. Strengthening job training with the use of the training base, in order to establish a long-term mechanism for carrying out training for all institutional leaders and key-persons of the business in rotation. Actively recruiting high-quality talents, in order to improve the overall quality of the mutual insurance team. Gradually establish a human resources management system that matches business development, to implement the practice of recruiting cadres through open competition and job exchanges, to innovate the personnel assessment and evaluation, selection and appointment, incentive protection mechanisms.

(vii) Collaborating with safety production management, strengthening the works of disaster prevention and reduction in fisheries

Based on the long-term data collection conducted by the fishery mutual insurance, continue to do a good job on analyzing the characteristics of fishery accident types, in order to do well in supporting the management of fishery production safety. Make full use of Internet, mobile communication platform, production safety training materials and other means to do a good job in fishermen safety education, in order to enhance the fishermen's safety awareness and emergency handling capabilities; actively participate in the research and development of fishery safety protecting equipment, continue to strengthen the subsidies supporting works for inflatable life raft on fishing boats, new thermal insulation jackets, fire prevention equipment and medical emergency kits and other equipment, let all the required equipment is equipped, in order to assist the Government carry out appropriate works for fishery disaster prevention and reduction.

V. The Safeguard Measures

(i) Strengthening the leadership of organizations

The fishery administrative departments at all levels must, from the viewpoints of building a harmonious society and implementing the concept of scientific development, fully recognize the importance of doing well in the fishery mutual insurance; strengthening the planning and implementation of organizational leadership, in order to incorporate the fishery mutual insurance into the deployment of the overall departmental work; striving for the support from the local governments, to provide implementation of the plan with a solid organizational guarantee.

(ii) Increasing the capital investment

To accelerate the establishment of long-term mechanism of financial support for the development of the fishery mutual insurance. On the one hand, to strive for the support of the Central Government for raising the amount and proportion of subsidies; on the other hand, to seek support from the local treasuries, in particular, the support of the larger fishery provinces and counties. Increase the proportion of premium subsidies from all levels of government, in order to increase the fishermen's enthusiasm for participation in the insurance, and effectively play the role of risk protection and social stability of the fishery mutual insurance.

(iii) Improving the system building

To further revise and improve the charter system of the fishery mutual insurance, in order to create the norms that are recognized by the entire fisheries mutual insurance industry; continue to perfect the operating mechanism in which the Council decides, the Secretariat executes, the Board of Supervisors supervises, and to strengthen establishment of the internal supervision mechanism.

(iv) Establishing mechanism for assessment

The fishery administrative departments at all levels need to establish the planning evaluation management system, to carry out one by one the overall goals and main tasks determined by the "Plan"; conducting regular research and analysis of the situations in implementing the plan, and according to the principles of divided responsibilities, responsibility to the person, responsibility and authority to be consistent, to carry out evaluation on targeted responsibilities, in order to improve the efficiency of planning implementation.

(v) Carrying out in-depth publicity

The fishery administrative departments at all levels and the fishery mutual insurance organizations need to intensify the propaganda and public opinion guidance on the fishery mutual insurance, and to promote the people-oriented security concept, to raise the level of social awareness on the work of fishery production safety, to publicize "mutual assistance, integrity, innovation, and service" as the core of the fishery mutual insurance culture, to guide fishermen to active participation in mutual insurance, in order to create a positive atmosphere for public opinion on planning implementation.

Annex 33

Notice Regarding the Issuance of the Provisional Measures for the Administration of the Zhejiang Province Strategic Fishery Mutual Insurance Subsidy Special Fund, Zhejiang Department of Finance, Zhecainong [2012] No. 55 (9 March 2012).

Notice Regarding the Issuance of the Provisional Measures for the Administration of the Zhejiang Province Strategic Fishery Mutual Insurance Subsidy Special Fund

Date Issued: 03-15-2012

Information Source: Zhejiang Province Department of Finance

Zhecainong (2012) No. 55

To the Provincial Ocean and Fisheries Bureau:

The "Provisional Measures for the Administration of the Zhejiang Province Strategic Fishery Mutual Insurance Subsidy Special Fund" are hereby issued to you, please comply with and implement them.

(This Document is for Public Distribution)

Provisional Measures for the Administration of the Zhejiang Province Strategic Fishery Mutual Insurance Subsidy Special Fund

Section 1 General Principles

Article 1 These measures are hereby formulated to strengthen the administration of the Strategic Fishery Mutual Insurance Subsidy Special Fund in this province, promote the development of strategic fishery mutual insurance work in this province, and improve the efficiency of use of financial subsidy funds, in accordance with the relevant provisions of the "Insurance Law of the People's Republic of China, "Certain Opinions Regarding the Promotion of Strategic Agricultural Insurance" (Zhejiang Government [2009] No. 26), "Notice Regarding the Establishment of a Catastrophic Risk Reserve Fund System for Strategic Agricultural Insurance " (Office of the Zhejiang Government [2011] No. 8), and "Measures for the Administration of the Zhejiang Province Finance & Agriculture Special Fund" (Zhejiang Finance-Agriculture [2011] No. 6).

Article 2 The Fishery Mutual Insurance Special Fund (hereafter abbreviated as the Special Fund) refers to a special fund whereby the financial administration of this province shall encourage formal members of the Fishery Mutual Insurance Association in this province (excluding Ningbo) to participate in fishery mutual insurance, and implement subsidies in accordance with the provisions of these measures.

Article 3 The Special Fund shall implement "budget management, batch allocations in advance by year, and year-end accounting according to the facts."

Article 4 The Provincial Department of Finance is responsible for budget review and implementation of the Special Fund, and supervisory inspections regarding its use.

The Provincial Ocean and Fisheries Bureau is responsible for budget preparation, regulation of usage, and accounting work for the Special Fund.

Article 5 If a balance remains following year-end settlement of the Special Fund, it shall roll over for use in the following year.

Section 2 Subsidy Objects, Scope and Standards

Article 6 The objects of the Special Fund subsidies are the formal members of the Zhejiang Province Fishery Mutual Insurance Association (hereafter abbreviated as the Provincial Fishery Mutual Insurance Association), who must be organizations or individuals engaged in fishery production and operations or which provide services for fishery production and operations in this province (excluding Ningbo).

Article 7 The insurance categories subsidized under the Special Fund are employer liability mutual insurance and fishing vessel mutual insurance.

Article 8 Subsidy standards of the Special Fund:

(1) A subsidy of 20% of the payable mutual insurance premium for accidental death mutual insurance liabilities and accidental disablement mutual insurance liabilities shall be granted for employer liability mutual insurance. Finance subsidies shall not be enjoyed for mutual insurance

premiums corresponding to that portion of insurance coverage exceeding 500,000 Yuan for accidental death and 300,000 Yuan for accidental disablement.

(2) A subsidy of 20% of the payable insurance premium for total loss liability shall be granted for fishing vessel mutual insurance.

Section 3 Subsidization Method and Accounting Procedures

Article 9 Review of subsidy qualifications. When accepting applications for taking out an insurance policy, continuing an insurance policy, or adding to an insurance policy, the Provincial Fishery Mutual Insurance Association or its delegated agency shall require the completion of an application form and provision of relevant evidentiary materials, and review subsidy qualifications in accordance with the provisions of these measures.

Article 10 Determination of subsidy amount. Where the standards are met in the review of subsidy qualifications, the Provincial Fishery Mutual Insurance Association or its delegated agency shall determine the subsidy amount on the basis of the following stipulations:

(1) For those applying to take out an insurance policy or continue an insurance policy, the member's payable mutual insurance premium shall be calculated and the subsidy amount shall be determined on the basis of the stipulated rates of the Fishery Mutual Insurance Association in that year and the subsidy standards stipulated in these measures;

(2) For those applying for a change in coverage after taking out an insurance policy or continuing an insurance policy, the member's payable mutual insurance premium shall be calculated and the subsidy amount shall be determined on the basis of the stipulated rates of the Fishery Mutual Insurance Association at the time of the application for the change, the subsidy standards stipulated in these measures, and the short-term coefficient ratios corresponding to the effective duration of the change;

(3) For those applying for suspension of an insurance policy for cause, the receivable mutual insurance premium shall be assessed on the basis of the short-term coefficient ratios corresponding to the elapsed duration of mutual insurance liability; the insurance premium shall be refunded to the member and the corresponding subsidy amount shall be deducted, except in the instance of a prior claim settlement case.

Article 11 Subsidy method. The subsidy amount shall be directly deducted from the payable mutual insurance premium, and the member shall pay the actual payable mutual insurance premium following said deduction.

Article 12 Special Fund accounting. Following the issuance of the Special Fund budget, on the basis of the circumstances of the receivable and payable insurance premiums of the Provincial Fishery Mutual Insurance Association, the Provincial Ocean and Fisheries Bureau shall issue batch allocations in advance (with the ratio of pre-accounting advance allocations not exceeding 90%), and conduct year-end accounting in accordance with the facts, handling matters in accordance with the following procedures:

(1) On the basis of the sum total of the Special Fund for the given year, each office of the Provincial Fishery Mutual Insurance Association shall submit the "Zhejiang Province Strategic Fishery Mutual Insurance Special Fund Subsidy Summary Sheet" (Form 1), "Zhejiang Province Strategic Fishery Mutual Insurance Special Fund Employer Liability Insurance Subsidy Statement" (Form 2), and the "Zhejiang Province Strategic Fishery Mutual Insurance Special Fund Fishing Vessel Insurance Subsidy Statement" (Form 3) to the local ocean and fisheries department and finance department for review prior to January 10 of the following year;

(2) All municipal and county ocean and fisheries departments and finance departments shall provide written review recommendations within 15 business days of the receipt of the submitted materials, to be submitted to the Provincial Ocean and Fisheries Bureau;

(3) Upon reviewing and verifying the materials jointly submitted by the municipal and county ocean and fisheries departments and finance departments, the Provincial Ocean and Fisheries Bureau shall formulate a fund allocation plan to be submitted to the Provincial Department of Finance for approval and distribution.

Section 4 Administration and Supervision

Article 13 If changes occur to the rate policies and related liability provisions of employer liability mutual insurance and fishing vessel mutual insurance, the Provincial Fishery Mutual Insurance

Association shall report to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance to serve as a record.

Article 14 The Provincial Fishery Mutual Insurance Association shall establish a strong governance structure and internal control system for the association, set up a financial administration system in accordance with relevant state regulations, and accept supervision by the departments of finance and other competent departments.

Article 15 The application of funds by the Provincial Fishery Mutual Insurance Association must be stable and in compliance with the principle of security, while guaranteeing the maintained value or increased value of the assets.

Article 16 The Provincial Fishery Mutual Insurance Association shall attend to risk-prevention and resolution, utilize reinsurance and other market mechanisms, work to distribute operational risk, and ensure the sustainable, healthy development of fishery mutual insurance services.

Article 17 The Provincial Fishery Mutual Insurance Association shall draw various liability reserve funds in accordance with relevant state regulations, while presenting catastrophic risk preparation plans on the basis of the operating conditions, to be submitted to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance to serve as a record. Catastrophic risk reserve funds shall be calculated and drawn at a ratio of no less than 10% of premium income for the subsidized insurance category in the given year, implementing "year-after-year accumulation, administration under dedicated accounts, and earmarking of funds for their specified purpose," to gradually establish a long-term mechanism for handling catastrophic risk. The dedicated accounts for catastrophic risk reserve funds shall be jointly managed by the Provincial Ocean and Fisheries Bureau and the Provincial Fishery Mutual Insurance Association. The catastrophic risk reserve funds shall serve as a supplement to the various liability reserve funds, to be used when the various liability reserve funds are insufficient to cover compensation following a catastrophe.

Article 18 If the Provincial Fishery Mutual Insurance Association experiences significant compensation pay-outs, large-scale cancellation of insurance policies, or other events with a significant unfavorable impact on its solvency, it shall report to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance within 5 business days of the occurrence of said event.

Article 19 In conjunction with the Provincial Department of Finance, the Provincial Ocean and Fisheries Bureau shall implement budget management of the income and expenditures of the Provincial Fishery Mutual Insurance Association. The annual income and expenditures budget of the Provincial Fishery Mutual Insurance Association must be reported to the Provincial Ocean and Fisheries Bureau for review and approval, and submitted to the Provincial Department of Finance to serve as a record.

At the close of the year, the Provincial Fishery Mutual Insurance Association shall promptly submit a financial accounting report and performance report on the usage of the Fishery Mutual Insurance Special Fund audited by an intermediary organization to the Provincial Ocean and Fisheries Bureau and the Provincial Department of Finance.

Article 20 The Special Fund must earmark funds for specified purposes, and must not be overdrawn or diverted. Fiscal violations shall be investigated and prosecuted in accordance with the "Regulations on *Penalties* and Sanctions for Fiscal Violations" and other relevant laws and regulations.

Article 21 The measures are in effect as of the date of issuance.

Annex 34

Notice on the Printing and Distributing of the Guangdong Province Interim Measures for Managing Policy-Based Fisheries Insurance Premium Subsidy Funds, Guangdong Department of Finance, Guangdong Provincial Administration of Ocean and Fisheries, and the Guangdong Bureau of the China Insurance Regulatory Commission, yuecainong[2012]No.210 (14 Aug 2012).

Document of the Guangdong Provincial Department of Finance, the Guangdong Provincial Administration of Ocean and Fisheries, and the Guangdong Bureau of the China Insurance Regulatory Commission

Yue Cai Nong [2012] No. 210

Notice on the Printing and Distributing of the *Guangdong Province Interim Measures for Managing Policy-Based Fisheries Insurance Premium Subsidy Funds*

To all municipal bureaus (commissions) of finance and departments in charge of ocean and fisheries at the prefectural level or above, the Shantou Regulatory Branch of the China Insurance Regulatory Commission, the Guangdong Branch of the People's Insurance Company (Group) of China Limited, and the Guangdong Province Fishery Mutual Insurance Association:

The *Guangdong Province Interim Measures for Managing Policy-Based Fisheries Insurance Premium Subsidy Funds* are hereby printed out and distributed to you. Please follow it and carry it out.

Guangdong Provincial Department of Finance
[Stamp: Guangdong Provincial Department of Finance]

Guangdong Provincial Administration of Ocean and Fisheries
[Stamp: Guangdong Provincial Administration of Ocean and Fisheries]

Guangdong Bureau of the China Insurance Regulatory Commission
[Stamp: Guangdong Bureau of the China Insurance Regulatory Commission]
14 August 2012

Guangdong Province Interim Measures for Managing Policy-Based Fisheries Insurance Premium Subsidy Funds

Article 1 In order to enhance and regulate management of policy-based fisheries insurance premium subsidy funds in our province, these Measures are developed based on the actual situations in our province and according to the *Guangdong Province Notice on the Printing and Distributing of the Policy-Based Fisheries Insurance Implementation Plan (for Trial Implementation)* (Yue Bao Jian Fa [2012] No. 115) issued by the Guangdong Bureau of the China Insurance Regulatory Commission, the provincial department of finance, and the provincial administration of ocean and fisheries, along with related rules in the *Notice on the Printing and Distributing of the Guangdong Province Interim Rules for Managing Special Funds from Provincial Finances* (Yue Fu [2006] No. 37) issued by the provincial government.

Article 2 The policy-based fisheries insurance premium subsidies in these Measures refer to fiscal subsidies provided to insurance applicants following a certain ratio of premiums by provincial, municipal, and county-level finances, according to the relevant rules in the *Guangdong Province Policy-Based Fisheries Insurance Implementation Plan (For Trial Implementation)* for policy-based fisheries insurance business conducted by fisheries insurance institutions.

Article 3 Targets of subsidies

(1) Personal accident insurance for fishermen: Any fisherman engaged in fisheries production within the entire province can purchase personal accident insurance for fishermen, as long as he/she is healthy and not older than 65 years old.

(2) Fishing vessel insurance: Any motor fishing vessel engaged in marine fishery production can apply for purchasing fishing vessel insurance, as long as its horsepower is higher than 20, it has complete and valid documents, and it meets the conditions for seaworthiness.

Article 4 Insured amounts and premium-subsidy ratios

(1) Insured amounts and premiums

For policy-based fisheries insurance with premium subsidies provided by provincial finances, insurance coverage in this type of insurance refers to the coverage specified in the Guangdong Province Policy-Based Fisheries Insurance Implementation Plan (For Trial Implementation). Insured amounts are as follows: 1) The insured amount of personal accident insurance for fishermen is 100,000 yuan, and the premium for each marine fisherman is 500 yuan per year, while the premium for each inland fisherman is 400 yuan per year; 2) for fishing vessel insurance, fishing vessels' actual values will be estimated according to vessel age, and during the time period for trial implementation, insured amounts will be determined based on 50% to 70% of vessels' actual values. The specific premium rates are as follows:

Vessel Age	3 years or less	4 to 5 years	6 to 10 years	11 to 20 years	More than 20 years
Premium Rate (%)	1.5	1.6	1.7	1.8	2.0

(2) Premium subsidies

1. For less developed areas (the eastern and western sides; the 14 prefecture-level cities in northern mountain areas of Guangdong Province; and Kaiping City, Enping City, and Taishan City under Jiangmen City), the ratio of subsidies from provincial finances is 25%, and the ratio of subsidies from municipal-level or county-level finances is 10%. Here, the ratio of subsidies from prefecture-level city finances should not be lower than 5%.

2. For the Pearl River Delta area, which includes the six cities of Guangzhou, Zhuhai, Foshan, Zhongshan, Dongguan, and Jiangmen (not including Kaiping City, Enping City, and Taishan City), provincial finances will not provide subsidies, while the ratio of subsidies from municipal-level or county-level finances should not be lower than 35%. Here, the ratio of subsidies from prefecture-level city finances or above should not be lower than 30%. Shenzhen City should follow the rules mentioned above.

3. The upper limit of premium subsidies from provincial finances toward fishing vessel insurance of each fishing vessel is 5,000 yuan.

4. Employers or fishermen should pay for the portion of premiums not covered by premium subsidies from finances at all levels. If any fisherman refuses to purchase insurance, then the government will not provide subsidies to him/her.

5. Municipal and county finance bureaus are encouraged to increase subsidies for policy-based fisheries insurance. All municipal and county finance bureaus can appropriately increase the ratios of subsidies based on their own financial capability.

Article 5 Funds appropriation

(1) Premium subsidies from provincial finances will be directly appropriated by the provincial department of finance to provincial institutions handling insurance companies according to fishermen and fishing vessels' actual insurance purchase situations that are processed by insurance institutions and the ratios of subsidies, which are summarized and verified by the provincial administration of ocean and fisheries. The specific appropriation method is as follows:

1. Premium subsidies from provincial finances will be appropriated quarterly. For the purpose of year-end settlement, the appropriation of premium subsidies in the fourth quarter will be divided into two payments. The subsidies from October to November will be appropriated at the end of the year, while the subsidies in December will be appropriated at the end of the first quarter in the following year.

2. Departments in charge of ocean and fisheries in cities at the prefectural level or above should summarize, fill out, and submit the Detailed Quarterly Policy-Based Fisheries Insurance Underwriting Report (Attached Forms 1 and 2) in their own city. Once a municipal department of finance verifies the report, signs it, and puts its stamp on it, this report should be submitted to the provincial administration of ocean and fisheries within seven business days after each quarter is over. (Detailed reports about insurance underwriting in October and November should be submitted before 2 December, while detailed reports about insurance underwriting in December and detailed reports about insurance underwriting in the first quarter of the following year should be submitted together within seven business days after the first quarter of the following year is completed).

3. The provincial administration of ocean and fisheries should carefully examine, verify, and summarize detailed reports about insurance underwriting, which are submitted by all cities at the prefectural level or above, and it should submit the Detailed Quarterly Policy-Based Fisheries Insurance Underwriting Report (Attached Forms 3 and 4) to the provincial department of finance within 12 business days after each quarter is over. (Detailed reports about insurance underwriting in October and November should be submitted before 5 December, while detailed reports about insurance underwriting in December and detailed reports about insurance underwriting in the first quarter of the following year should be submitted together within 12 business days after the first quarter of the following year is over). After examining and verifying these reports, the provincial department of finance will administer the fund appropriation procedures.

(2) Funds as premium subsidies from municipal or county finances will be directly appropriated by municipal or county departments of finance to the municipal or county insurance administration institutions. Specific appropriation methods will be developed by municipal or county departments of finance.

Article 6 Fund management

(1) Funds for policy-based fisheries insurance premium subsidies, which are undertaken by finances at all levels, should be included in financial budgets at the same level so as to ensure that funds will be fully arranged and promptly appropriated. When subsidies are appropriated each year, if the amount of insurance purchased exceeds budgets and funds for premium subsidies are not enough, then departments of finance at all levels should promptly arrange extra funds to make up for shortages in funding.

(2) Departments of finance in cities at the prefectural level or above should report the situations of quarterly premium subsidy fund arrangement, use, and appropriation within their own municipalities and counties (cities and districts) under their management to the provincial department of finance within 10 business days after each quarter is completed.

(3) The provincial department of finance, the provincial administration of ocean and fisheries, and the Guangdong Bureau of the China Insurance Regulatory Commission should periodically monitor and check policy-based fisheries insurance implementation situations and premium subsidy fund appropriation and use situations, and they should also circulate notices of criticism to the municipalities and counties that don't provide enough subsidy funds, or that are slow in appropriating funds.

Article 7 Responsibilities of all departments

(1) Underwriters

Underwriters should enhance management and ensure that policy-based fisheries insurance will be smoothly carried out.

1. They are to enhance services publicity, to earnestly introduce related insurance knowledge to fishermen, to clearly explain insurance coverage to them, and to constantly improve services.

2. They are to be strict about the conditions for accepting insurance applications and also to accurately verify insured amounts and values.

3. They are to set up a complete set of rules for managing insurance application acceptance, claim payment services, on-site investigations, claim adjustments, and case file management. They are also to set up a complete set of insurance application acceptance, insurance verification, loss determination, and claim settlement procedures and information management systems. They are to carry out claim settlement work according to relevant insurance rules. For insurance-covered accidents, they are to make sure that cases will be investigated, losses will be determined quickly, and claim payments will be made promptly. They are to assist fishermen to resume production as soon as possible.

4. They are to actively cooperate with the related departments to properly handle fishery-related disaster prevention and reduction work. This includes inviting experts to use multiple ways to provide disaster prevention and reduction training to fishermen, to popularize fisheries insurance knowledge, and to urge fishermen to carefully fulfill safe production measures.

5. They are to set up accounts and make calculations separately. Before 1 February of every year, they are to report the previous year's premium-related income and expense situations to insurance supervision departments. They are to allocate special data statisticians to periodically (every month/quarter) submit business-related finances monthly (quarterly) reports to departments in charge of finance, insurance supervision, and fisheries. They are also to be responsible for the accuracy and legitimacy of the data submitted.

(2) Insurance supervision departments

1. They are to set up a complete set of fisheries insurance-related working mechanisms and also to enhance coordination and communication for fisheries insurance work within the entire province.

2. They are to enhance market supervision, to complete fisheries insurance supervision systems, to enhance supervision over fisheries insurance application acceptance, claim payments, services, and other such procedures. They are to enhance risk prevention, and they are to urge underwriters to improve services. They are to adopt measures to prevent underwriters from having vicious price competition or from withdrawing from insurance acceptance contracts in the middle of a policy term; they are also to steadily protect the orderly implementation of fisheries insurance work.

3. They are to promptly learn about the progress made in fisheries insurance work in our province and to enhance supervision over operations of insurance companies. They are also to ensure that those companies' operational data are accurate, that their expenditure control is proper, and that their flow of funds is clear.

(3) Departments in charge of fisheries

1. They are to enhance guidance toward policy-based fisheries insurance work, to take charge of publicizing and promoting policy-based fisheries insurance jointly with underwriters, and to expand the coverage of policy-based fisheries insurance.

2. They are to carefully examine business and financial reports submitted by institutions handling insurance and also to sign those reports and put stamps on them as verification.

3. They are to promptly learn about fisheries insurance situations, to master fisheries insurance premium subsidy fund use situations, to enhance supervision and guidance toward underwriters, and to steadily protect fishermen's legitimate rights and interests.

(4) Financial departments

Based on the specified ratios of funds undertaken by financial departments, they are to promptly and fully allocate funds as fisheries insurance premium subsidies at the same level. They are also to enhance supervision over funds as fisheries insurance premium subsidies and to ensure that special funds will be only used for the specific purposes.

(5) Other related departments

Agricultural, local financial management, and other such related departments should enhance support and coordination for policy-based fisheries insurance work based on their functions and the requirements of the work.

Article 8 Liability investigations and punishments

(1) All departments and related personnel should fulfill their own responsibilities. If anyone does not carefully fulfill his/her duty, which thereby affects smooth implementation of policy-based fisheries insurance work or causes losses of financial funds and other such consequences, then the liability of the related departments and personnel will be investigated.

(2) Financial, fishery, and insurance supervision departments at all levels and fisheries insurance underwriters should enhance supervision over premium subsidy funds so as to ensure that special funds will only be used for the specific purposes. If any illegal behavior such as providing false materials in order to get premium subsidies is detected, then this will be strictly handled according to the Regulations on Penalties and Punishments Against Illegal Financial Behaviors (Order of the State Council No.427) and other such related rules of the country. If the situation is serious, then legal liability will be investigated according to law.

Article 9 The provincial department of finance, the provincial administration of ocean and fisheries, and the Guangdong Bureau of the China Insurance Regulatory Commission are responsible for explaining these Measures.

Article 10 These Measures should be put into effect on the day when they are printed out and distributed.

Attached Forms:

1. Detailed Quarterly Policy-Based Fisheries Insurance (Personal Accident Insurance for Fishermen) Underwriting Report in ____ Municipality
2. Detailed Quarterly Policy-Based Fisheries Insurance (Fishing Vessel Insurance) Underwriting Report in ____ Municipality
3. Detailed Quarterly Policy-Based Fisheries Insurance (Personal Accident Insurance for Fishermen) Underwriting Report in Guangdong Province
4. Detailed Quarterly Policy-Based Fisheries Insurance (Fishing Vessel Insurance) Underwriting Report in Guangdong Province

CC: The Provincial Department of Agriculture and the Provincial Financial Affairs Office

The General Office of the Department of Finance of Guangdong Province

Printed and distributed on 24 August 2012

VII. Agricultural Subsidies that include Fisheries

f. Tax

Annex 35

Public Notice on the Issues Related to the Implementation of Preferential Corporate Income Taxation for Agriculture, Forestry, Animal Husbandry and Fishery Projects, State Administration of Taxation [2011]No.48 (13 Sept 2011).

Public Notice on the Issues Related to the Implementation of Preferential Corporate Income Taxation for Agriculture, Forestry, Animal Husbandry and Fishery Projects

Public Notice by the State Administration of Taxation 2011 No. 48

Based on provisions in the *People's Republic of China Corporate Income Tax Law* (henceforth "Corporate Income Tax Law" for short) and *People's Republic of China Corporate Income Tax Law Implementation Regulations* (henceforth "Implementation Regulations" for short), public notice is hereby given as follows on matters related to the preferential taxation policies to be implemented for corporate income (including rural specialized co-op organizations that are corporate entities in nature, same applies hereafter) derived from agriculture, forestry, animal husbandry and fishery projects and on the management of the taxation process:

I. For enterprises engaged in agriculture, forestry, animal husbandry and fishery projects that are stipulated in Article 86 of the Implementation Regulations as eligible for tax concessions, the stipulated standard as appears in the *National Economy Industry Classification* (gb/t4754-2002) shall apply, unless otherwise stipulated.

Enterprises engaged in agriculture, forestry, animal husbandry and fishery projects that are listed in the *Directory of Guidance for Industrial Structure Adjustment (Version 2011)* (Ordinance No. 9 by the National Development and Reform Commission) as being subject to restriction and elimination shall not be eligible for the preferential policies set forth in Article 86 of the Implementation Regulations.

II. Tax exempt income for enterprises engaged in the selected breeding of new varieties of crops shall refer to the income realized by the enterprise through the integration of production, primary processing and sales of the achievements made in the selected breeding of the varieties and the breeding materials as well as of the seeds (seedlings) and other reproduction materials derived from such achievements.

III. Tax exempt income for enterprises engaged in the cultivation and planting of forests shall refer to the income realized by the enterprise through the breeding, nursery operation, tending and management of trees and bamboos and from large-scale afforestation activities, and this shall also include income realized through ownership acquired through auction or procurement of forests that would be re-cultivated over a certain growth cycle.

IV. Taxation treatment for the following projects conducted by enterprises

(I) Hog and rabbit raising shall be treated as "livestock and poultry" raising projects;

(II) Secretion and excretion generated from livestock and poultry raising shall be treated as "livestock and poultry" raising projects;

(III) The planting of ornamental plants shall be treated as a "flower, tea and other beverage crop, spice crop planting" project;

(IV) Raising of biological creatures other than "livestock and poultry" shall be treated as "maritime aquaculture or inland cultivation".

V. Tax treatment in matters related to the primary processing of agricultural products

(I) Processing fees charged by an enterprise based on a contract of entrustment to provide primary processing services for agricultural products that are stipulated in the *Ministry of Finance and National Administration of Taxation Notice on Issuing the Agricultural Product Primary Processing Related Scope (Interim) Eligible for Preferential Tax Treatment Policies* (Cai Shui [2008] No.149) and the *Ministry of Finance and National Administration of Taxation Supplemental Notice on the Agricultural Product Primary Processing Related Scope Eligible for Preferential Corporate Income Tax Treatment* (Cai Shui [2011] No.26) may be treated as tax exempt projects of the primary processing of agricultural products.

(II) The processes of "oil plant primary processing" as stipulated in the Cai Shui \ [2008] No. 149 government document shall include "cooling, filtration," and so on; the processes of "sugar material plant primary processing" shall include "filtration, adsorption, analysis, carbon removal, concentration, drying," and so on. The Cai Shui \ [2011] No. 26 government document shall apply for the term of its application.

(III) An enterprise engaged in cultivation and farming projects to which Article 86 (II) of the Implementation Regulation applies for the preferential 50%-off corporate income taxation, which directly participates in the primary processing process and is in conformance with the scope laid out in the directory of the primary processing of agricultural products shall reasonably separate the various items of costs and expense payments associated with different projects so that income from planting, farming and primary processing projects is calculated separately. Preferential taxation policies shall be applied to the appropriate category in accordance with the relevant policies.

(IV) Income realized by an enterprise through sales of purchased tea after the process of sieving, sub-packaging, or packaging shall not be eligible for the preferential policies applicable to the primary processing of agricultural products.

VI. Income from pelagic fishing conducted by a pelagic fishing enterprise that is in possession of a valid "Qualification Certificate for Pelagic Fishing" issued by the Ministry of Agriculture shall be exempt from corporate income tax.

VII. Tax treatment for agricultural products purchased for replanting and cultivation

The process through which agriculture, forestry, animal husbandry and fishery products are purchased by an enterprise to be fattened or for seedling cultivation or other replanting purposes in its own or rented venues, which brings about changes to the biological shapes of the products through a certain growth cycle without however significantly increasing the products' use value through any processing operation conducted over the products shall be regarded as a project of the planting and cultivation of agricultural products and shall therefore be eligible for the relevant preferential treatment.

For cases in which the competent taxation authority has difficulty in determining whether the replanting or cultivation operations conducted by an enterprise meet the above qualifying conditions, the enterprise in question may be required to produce opinions of confirmation issued by the competent government authority in charge of agriculture, forestry, animal husbandry and fishery above the county level.

VIII. For an enterprise that is simultaneously engaged in projects that are eligible for different corporate income tax policies, separate computations shall be conducted in which the taxation basis and the amount of discount shall be calculated separately for different discounted projects; for those cases in which accounting delineation is impossible, the competent taxation authority may make the determination through proportional amortization or other appropriate methods.

IX. Income made by an enterprise through entrusting other enterprises or individuals to engage in agriculture, forestry, animal husbandry or fishery projects that are stipulated in Article 86 of the Implementation Regulations shall be eligible for the relevant tax concession policies.

Income made by an enterprise entrusted by others to engage in agriculture, forestry, animal husbandry or fishery projects that are stipulated in Article 86 of the Implementation Regulations shall be eligible for the relevant tax concession policies corresponding to those enjoyed by the entrusting party.

X. Income made by an enterprise through trading activities that involve the immediate reselling of agricultural products purchased shall not be eligible for the relevant tax concession policies applicable to agriculture, forestry, animal husbandry or fishery projects.

XI. Except for the special provision found in Paragraph (II) under Article V in the current Public Notice, this Public Notice shall take effect on 1 January 2011.

It is hereby announced.

State Administration of Taxation

13 September 2011

b. Support for Leading Enterprises

Annex 36

The State Council Opinion on Supporting the Development of Leading Enterprises in Agricultural Industrialization, State Council, Guofa [2012] No. 10 (6 March 2012).

The State Council Opinion on Supporting the Development of Leading Enterprises in Agricultural Industrialization

Guo Fa [2012] No. 10

All people's governments of the provinces, autonomous regions, and municipalities directly administered by the central government, all ministries and commissions under the State Council and all of their direct affiliate organizations:

Agricultural industrialization represents an innovation in the mechanisms of the agricultural operational system in our country, as well as the direction for the development of modern agriculture. Leading enterprises in the agricultural industrialization process (henceforth leading enterprises for short) integrate and use capital, technology, talents and other essential production elements, and lead the farming households in developing specialized, standardized, large-scale and intensive production. They are important entities in the building of a modern industrialized agricultural system and key to promoting the development of industrialized agricultural operations. Support for the development of leading enterprises plays an important role in improving the organizational level of agriculture, accelerating the transformation of the manner of agricultural development, enhancing the construction of modern agriculture, and increasing employment and income among the farming population. In an effort to accelerate the development of the industrialized operation of agriculture and to help the leading enterprises grow bigger and stronger, our opinion is proposed as follows:

I. Overall Thinking, Basic Guideline, and Major Goals

(I) Overall thinking. Service to the farming population shall be the direction, acceleration of the transformation of the manner of economic development the cardinal line, scientific and technological progress the guide, and market demand the coordinates. We shall strengthen the construction of the bases of standardized production, painstakingly develop the processing of agricultural products, innovate the methods of circulation, continually expand the industrial chain, promote the clustering and aggregation of leading enterprises, perfect the support policies, strengthen leadership services, enhance the radiating and leading impact of the leading enterprises, and comprehensively raise the operational level of agricultural industrialization.

(II) Basic guideline. We shall adhere to the household contract responsibility system of operation, fully respect the right of the farming population in land contracting and operation, perfect the market for the transfer of land contracting rights and operation to guide the development of moderate-scale operations; we shall adhere to observing the rules of the market economy, fully display the market's basic effects in allocating resources, respect the dominant position of the enterprises and farming households in the market and their right to make management decisions and avoid administrative interference; we shall adhere to formulating measures based on local conditions, provide category-based guidance to explore varied paths appropriate for the development of agricultural industrialization in different regions; we shall persist in mechanism innovation and vigorously develop the organizational modes in which leading enterprises are linked to specialized farming cooperatives to lead the farming households so that a mechanism of closely connected interest shall be formed with the farming households.

(III) Major goals. We shall foster the growth of leading enterprises to help create a host of large-scale leading enterprises that have strong capacities for independent innovation and high level of expertise for processing, and are in leadership positions in their respective industries; leading enterprises shall be guided to congregate in advantageous production regions so that a cluster of leading enterprises will be formed in which they become each other's support with complementary functions and closely connected relationships; we shall promote the specialization, standardization, and large-scale intensification of agricultural production and operations and build a host of production bases that are effectively connected with the leading enterprises; we shall strengthen supervision of

the quality safety of agricultural products and foster a host of well-known brands that are strongly competitive, with high market share, and widely influential; we shall strengthen the building of the industry chain to form a host of advantageous industrial systems that have high levels of technology, strong production and processing capacity, and good connectivity between the upper, middle and lower levels of the chain; we shall continue to strengthen the social accountability of the leading enterprises and enhance their radiating and leadership power, and the strength for the development of the regional economy.

II. Strengthening the Construction of Standardized Production Bases to Ensure the Effective Supply and Quality Safety of Agricultural Products

(IV) Strengthening the construction of infrastructural facilities. Conscientious effort shall be made to increase the monetary investment to strengthen the construction of infrastructural facilities on the material production bases for the leading enterprises. Eligible leading enterprises shall be supported in the construction of projects devoted to the improvement of medium and low productivity land, high standard basic farmland, land remediation, grain production bases, standardized large-scale cultivation bases, etc. so that actual improvements will be made in the condition of production facilities. In the construction projects used by the State for the agricultural or rural ecological environment, appropriate support shall be given to the material production bases of eligible leading enterprises.

(V) Promoting large-scale and intensive development. Support shall be given to leading enterprises in leading farming households to develop facility agriculture and large-scale cultivation to engage in multi-manner operations of the appropriate size so that the demonstrating and leadership role of the leading enterprises are fully displayed. Efforts shall continue in the implementation of the "one product for one village" program devoted to strengthening the villages and enriching the people. Support shall be provided to the construction of specialized demonstration villages and townships which supply high quality and specialized materials to the leading enterprises. Support shall be provided to eligible leading enterprises to apply for the support fund provided for the production of "vegetable basket" products. Facility land used by leading enterprises directly for or in the service of agricultural production shall be treated as land for agricultural use. Leading enterprises shall be encouraged to use advanced and appropriate agricultural machinery to contribute to the elevation of the agricultural mechanization level.

(VI) Implementation of standardized production. Leading enterprises should vigorously promote standardized production, establish a sound management system for the use and recording of input materials and the regulations for production operation, perfect the system in which the quality safety of agricultural products is monitored and traceable throughout the process to elevate the level of quality safety of agricultural products. Leading enterprises shall be encouraged to carry out the construction of grain, cotton, oil, and sugar demonstration bases, standard farms for horticultural crops, standardized livestock and poultry demonstration farms, healthy aquaculture demonstration farms, and other standardized productions bases. Leading enterprises shall be supported to achieve certification for their quality management systems, pollution-free agricultural products, green food, and organic agricultural products. Relevant government departments shall establish a sound system of standards for agricultural products and encourage leading enterprises to participate in the formulation of relevant regulations to promote the healthy and orderly development of the industry.

III. Vigorously Promoting the Processing of Agricultural Products to Promote the Optimization and Upgrading of the Industry

(VII) Improving equipment and conditions of the processing facilities. Leading enterprises shall be encouraged to introduce advanced and appropriate production and processing equipment, and renovate and upgrade their facility equipment for storage, preservation, drying, cleaning, selection and grading, and packaging, etc. For eligible fixed assets owned by leading enterprises, the depreciation period may be shortened in accordance with the relevant provisions in the laws and regulations, or alternatively accelerated depreciation may be adopted for the depreciation process. For leading enterprises that engage in agricultural product processing programs whose development is encouraged by the State, tariff may be exempted within the scope of the currently effective

regulations for internationally advanced equipment imported for their own use. Eligible dedicated equipment that is environmentally friendly, water and energy efficient purchased by leading enterprises shall be eligible for the relevant preferential taxation policies according to the relevant law. Support shall be provided for facility construction and equipment purchased for the primary processing of local agricultural products conducted through leadership by the leading enterprises in cooperation with specialized farming co-ops.

(VIII) General planning and coordination in the development of agricultural product processing. Leading enterprises shall be encouraged to develop fine and deep processing of agricultural products appropriately to extend the industry chain and increase the added value of the products. Under the premise that grain for food supply, animal feed, and seeds is adequately provided, deep processing of grain may be developed to an appropriate extent. Preferential income tax policies by the state for enterprises engaged in the primary processing of agricultural products shall be conscientiously implemented. Reasonable demand for land use shall be guaranteed for leading enterprises for their engagement in the processing of agricultural products.

(IX) Development of a circular agriculture economy. Leading enterprises shall be encouraged to engage in comprehensive utilization with agricultural and forestry residue as the material and to engage in the construction of projects for the reclamation of agricultural and forestry residue, or for energy or water conservation for the active development of a circular economy. Research and application shall be conducted for the technology devoted to the safe reclamation and utilization of kitchen wastes. Efforts shall be intensified in the centralized reclamation of animal and poultry manure and display the effects of leading enterprises in the building of a circular economic industrial chain.

IV. Innovating the Manner of Circulation and Perfecting the Agricultural Product Market System

(X) Intensifying marketing efforts. Support shall be provided for the renovation and upgrading of large wholesale marketplaces of agricultural products and leading enterprises shall be encouraged and guided to participate in the construction of common information platforms for the exchange of agricultural products and modern logistics centers. Support shall be provided to leading enterprises in building and perfecting their marketing networks for agricultural products to promote the formation of a modern efficient, unimpeded, and safe circulation system. We shall vigorously promote the connection between agriculture and supermarkets and actively promote direct sale and direct supply. Support shall be provided to leading enterprises in their participation in the various forms of trade shows and sales exhibitions to promote effective connectivity between production and sales. Fees collected by supermarkets and peddler's markets shall be standardized and lowered. Policies governing "Green Passages" for the transport of fresh and live agricultural products shall be implemented and the range of applicable types shall be perfected in consideration of the actual circumstances to help lower the logistics cost of agricultural products. Railroad and other transportation departments shall give priority to arranging the transportation of bulk agricultural products, seeds, and other means of agricultural production for leading enterprises.

(XI) Development of new circulation formats. Leading enterprises shall be encouraged to vigorously develop franchise stores, direct-sale stores, distribution centers, and e-commerce; to engage in the research, development, and application of networking for agricultural products to promote the standardization of circulation to improve its efficiency. Support shall be provided to leading enterprises to improve their cold chain facilities and equipment for the storage, processing, transportation, and distribution of agricultural products. Key eligible national and provincial leading enterprises shall be supported to undertake tasks for the purchase and storage of crucial agricultural products. Exploration shall be conducted for the development of a futures market for bulk agricultural products such as live hogs, etc. Leading enterprises shall be encouraged to use the futures market for agricultural products for hedging as a means of risk control.

(XII) Strengthening brand building. Leading enterprises shall be encouraged and guided to build well-known brands to help raise their competitiveness. Leading enterprises shall be supported to apply for and introduce well-known trademarks, famous products, place of origin markings,

geographical landmarks of agricultural products and appropriate reward shall be given accordingly. Different brands of the same region and identical category shall be integrated, and the publicity effort and protection of regional brands shall be intensified and acts of the counterfeiting of brands shall be subject to severe crackdown.

V. Promoting the Aggregation of Leading Enterprises and Strengthening the Power for the Development of the Regional Economy

(XIII) Fostering and growing leading enterprises. Leading enterprises shall perfect the structure of legal person governance to establish a modern corporate system. The *State Council Opinion on Promoting the Merger and Reorganization of Enterprises* (Guo Fa [2010] No. 27) and other relevant preferential policies shall be implemented to support leading enterprises to form large enterprise groups through merger, reorganization, acquisition, controlling interest holding, etc. Key eligible national leading enterprises shall be supported to get listed on the stock market for financing, bond issuance, and to get listed on overseas stock markets to strengthen their foundation for development. Active efforts shall be made to use foreign capital effectively and management of foreign investment shall be strengthened under the premise of compliance with WTO regulations. Security review shall be well conducted in accordance with the *General Office of the State Council Notice on Establishing the System of Security Review of Merger of Domestic Enterprises by Foreign Investors* (Guo Ban Fa [2011] No. 6) over acquisition of domestic leading enterprises by foreign capital.

(XIV) Promoting the cluster development of leading enterprises. Active efforts shall be made in creating demonstration bases for agricultural industrialization and support shall be given to demonstration bases of agricultural industrialization in the construction of common service platforms for logistics information, quality inspection and testing, etc. Leading enterprises shall be guided to aggregate in advantageous production areas to promote the grouping and aggregation of the enterprises. Efforts shall be made to foster and grow regionally dominant industries to strengthen the regions for economic development.

VI. Accelerating Technological Innovation to Strengthen the Overall Competitiveness of Agriculture

(XV) Elevating the capacity for technological innovation. Leading enterprises shall be encouraged to increase their investment in science and technology, establish R&D institutions, strengthen their cooperation with research institutes, colleges, and universities so that a host of science and technology oriented leading enterprises will be fostered that command strong market competitiveness. Leading enterprises shall be supported through the state science and technology plan, dedicated programs, etc. to engage in the research and development of key and common technologies for the processing of agricultural products. Leading enterprises shall be encouraged to conduct research and development in the areas of new products, new technology, and new processes and all preferential taxation policies for independent innovation shall be implemented. Leading enterprises shall be encouraged to introduce advanced technologies and equipment from overseas, digest and absorb key technologies and core processes, and engage in integrated innovation. Display the dominant effects of leading enterprises in the modern agricultural industry system and in the national system for the research and development of technologies for the processing of agricultural products. They shall undertake the corresponding programs of innovation and promotion.

(XVI) Strengthening technology promotion and application. The market for agricultural technology shall be perfected and a diversified mechanism shall be formed for the conversion of agricultural scientific and technological research achievements. A platform shall be established to facilitate technology transfer and promotion among leading enterprises. Agencies of agricultural technology promotion shall actively provide technical services to leading enterprises and provide guidance to leading enterprises that provide technical instruction and technical training to the farming population. All agricultural technology promotion programs shall be directed towards leading enterprises as the important target for their implementation.

(XVII) Strengthening personnel training. Efforts shall be made to implement the requirements set forth in the *Outline of the National Mid- and Long-Term Plan for Talent Development (2010–2020)* to train a large number of new leading enterprise entrepreneurs who have a world vision, a high level of operational management expertise, are familiar with the agricultural industry policies, and are passionate about serving "agriculture, the farming population and the rural areas." Leading enterprises shall be encouraged to train key business professionals through diversified means and to actively introduce high-level talents, who shall be entitled to the treatment made available by the local government to introduced talents. The relevant department shall strengthen the training of personnel in leading enterprises engaged in the operation and management of the enterprises and those engaged in services on the production bases. They shall organize the study and continued education of their key professionals in research institutes. Graduates from universities shall be encouraged and guided to work in leading enterprises, and those qualified for grassroots employment conditions shall be entitled to tuition compensation, and student loan and loan payment through the state education aid program and other policies.

VII. Perfecting the Interest Connection Mechanism to Guide Rural Households to Increase Income and Enrich Themselves

(XVIII) Vigorous development of purchase order based agriculture. Leading enterprises shall sign contracts with the farming households and specialized farming co-ops for the purchase and sale of agricultural products based on the principle of equality and mutual interest, negotiate reasonable purchase prices, and agree on a contract price floor so that a stable relationship is formed between the buying and selling entities. Text in the contracts shall be standardized and rights and obligations shall be clearly laid out for both parties. Supervision and service shall be strengthened for the purchase order based agriculture and integrity awareness shall be strengthened among the enterprises and the farming households for the conscientious execution of contract terms. Leading enterprises are encouraged to use methods such as undertaking loans and payments, loan guarantee, etc. to help mitigate the financial difficulty among the farming households on the production bases. Leading enterprises shall be encouraged to provide financial aid to the farming households to participate in agricultural insurance. Leading enterprises shall be encouraged to establish with the farming households a mechanism to guard against risks. Risk assurance fund drawn by leading enterprises shall be deductible before the calculation of the corporate income tax at the time of its actual occurrence and payment.

(XIV) Guiding leading enterprises to be effectively connected with co-op organizations. Leading enterprises shall be guided to found or take the lead in founding various types of co-op organizations; specialized farming co-ops and farming households shall be encouraged to become shareholders in leading enterprises; specialized farming co-ops shall be supported to found leading enterprises to help realize the deep-level integration between leading enterprises and specialized farming co-ops. Leading enterprises shall be encouraged to surrender a portion of the profit from the processing and sales links to the farming households through dividend distribution, profit return, and other methods to share the achievements from the agricultural industrialization process.

(XX) Implementing socialized services. Fully display the important role of the leading enterprises in the construction of a socialized service system for a new agricultural society, and leading enterprises shall be supported in their active engagement in agricultural material supply, mechanized agricultural operations, technical guidance, disease prevention and control, market information, product marketing, and other services for the farming households on the production bases during the preproduction, production, and post-production phases.

(XXI) Strengthening social accountability awareness. Gradual steps shall be taken to perfect the social accountability reporting system among leading enterprises. Leading enterprises shall abide by the law in conducting their business, shall be honest and trustworthy, and conscientiously maintain the market order to guarantee the supply of agricultural products. They shall strengthen the management of the entire production process to ensure the safety of product quality. Active efforts shall be made to stabilize the employment of rural migrant workers; vigorous efforts shall be made in the training of rural migrant workers; enterprises shall be guided to form a humane corporate culture, create a good working and living environment, and guarantee the legal rights of rural migrant

workers. Efforts shall be strengthened to reduce emissions to preserve the resource environment. Active involvement shall be encouraged in the construction of public welfare facilities related to rural education, culture, health, and infrastructure. Donation expenses eligible according to the relevant laws and regulations incurred by leading enterprises in public welfare programs shall be deductible before the calculation of their corporate income taxes.

VIII. Expanding on the International Market to Elevate the Openness of Agriculture

(XXII) Expanding product exportation. Leading enterprises shall be actively guided and assisted in using the generalized system of preferential treatment and the regional preferential trade policies to enhance the competitiveness of export agricultural products. We shall strengthen the construction of demonstration bases for the transformation and upgrading of the agricultural product exportation to expand the export of advantageous agricultural products. Under the premise of effective risk control, the use of export credit insurance shall be encouraged to provide risk guarantees for the export of agricultural products. Efficiency in customs clearance shall be improved to facilitate convenience for the exportation of agricultural products. Leading enterprises shall be supported in their application for the international registration of their trademarks to foster the growth of brand names of export products.

(XXIII) Conducting overseas investment cooperation. Leading enterprises shall be encouraged to make use of both the international and the domestic markets as well as both types of resources to expand room for growth. Overseas agricultural cooperation shall be expanded and the methods of cooperation shall be innovated. Import and export tariff policies for agricultural products shall be perfected and active efforts shall be made in negotiating and executing agreements with other countries to avoid double taxation. Customs clearance convenience shall be facilitated for domestic production materials and equipment needed by leading enterprises for foreign investment programs.

(XXIV) Perfecting investment services for international trade. Conscientious efforts shall be made to provide guidance and service to leading enterprises in their effort to expand on the international market and efforts shall be strengthened in the research of laws and policies related to international trade and investment related to agricultural products. Early warning market information and investment guidance shall be provided in a timely manner. Mechanism for response to trade frictions in agricultural products shall be perfected and all types of trade and investment disputes shall be tackled proactively. We shall further improve the system for inspection and quarantine of agricultural product exports. Inspection and quarantine fees for port entry or exit shall continue to be completely waived for the export of live animals, live poultry, aquatic animals, and for agricultural products that are exempt from inspection. Inspection and quarantine fees for the export of other agricultural products shall be reduced by half.

IX. Painstaking Effort in the Building of a Sound Mechanism for the Promotion of Agricultural Industrialization

(XXV) Strengthening organization and leadership. All local districts and the relevant government departments shall be keenly aware of the importance of supporting the development of leading enterprises and of accelerating and promoting the industrialized operation of agriculture under new situations. The concepts of supporting agricultural industrialization equals supporting agriculture itself and supporting leading enterprises equals supporting the farming population must be firmly established. The development of agricultural industrialization shall be handled as an important topic that concerns the overall and directional status of our country's agricultural and rural work. All local districts and the relevant government departments shall follow the spirit of the current Opinion and in consideration of the actual circumstances of each district and department, promptly start to research and formulate their own Opinion on implementation and execution. Efforts shall be made to strengthen the work functions of all levels of the agricultural departments in the agricultural industrialization process. Organizations responsible for the work of agricultural industrialization must be specified and the work fund must be guaranteed. Team building must be strengthened. The work mechanism shall be perfected for mutual consultation among the various departments involved in agricultural industrialization. Collaboration and cooperation shall be strengthened, and the allocation of responsibilities shall be implemented to form combined power for the work.

(XXVI) Implementation of the policies and measures. Financial departments at all levels shall integrate and comprehensively plan the fund for agricultural aid through multiple channels, and on the basis of the current status, increase the relevant fund for the support of the development of agricultural industrialization. Conscientious efforts shall be made to increase the intensity of support for agricultural industrialization and leading enterprises. For the special fund for the development of small and medium-sized enterprises, small and medium-sized leading enterprises shall be incorporated into its key scope of support. The national program of comprehensive development and industrialized operation of agriculture shall be tilted towards leading enterprises. The Agricultural Development Bank, Import/Export Bank, and other financial institutions of a policy nature shall speed up the adjustment of their credit structure so that they can increase the magnitude of support for fixed asset investment and agricultural product purchases by leading enterprises through extending credit and other methods within the business scope of each individual institution. The Agricultural Bank and other commercial financial institutions shall be encouraged to appropriately set the term of loans, interest rate, and the method of repayment based upon the characteristics of production and operation among leading enterprises, expand the scope of valid collaterals, and actively innovate financial products and service methods so that the monetary needs of leading enterprises can be effectively met. Vigorous efforts shall be made in the development of loans, insurance products, and service innovation for order-based agriculture. Financing guarantee institutions shall be encouraged to provide guarantee services actively to leading enterprises to help alleviate the difficulty faced by leading enterprises in their financing effort. For the credit guarantee fund for small and medium-sized enterprises, small and medium-sized leading enterprises shall be incorporated into its key scope of support. All unreasonable fee collection items involving leading enterprises shall be comprehensively sorted and eliminated so that the burden on the enterprises is really lightened and the environment of development is optimized.

(XXVII) Strengthening guidance and service. The study and analysis system for agricultural industrialization shall be perfected and the system for the study of the economic operations of leading enterprises shall be established at the provincial level or above, and tracking and analysis of the industry development shall be strengthened. The system for the affirmation and monitoring of key leading enterprises shall be perfected and dynamic management shall be implemented. Platforms shall be established and perfected for the collection and dissemination of information on the production of key agricultural products, and information required for decision making in production and operation shall be provided to leading enterprises free of charge. The effects of the leading enterprises' associations shall be displayed. Industry self-regulation shall be strengthened and corporate actions standardized to serve members and the farming households. Conscientious effort shall be made in the analysis of positive experiences and measures from the process in which leading enterprises lead the farming households in increasing income and getting richer and in the development of modern agriculture. Great effort shall be put into publicizing the achievements made in the industrialization of agriculture. Reward and recognition shall be given to units or individuals who have made outstanding achievements in the industrialization of agriculture in accordance with the relevant regulations by the state so that a positive environment will be formed in which the entire society cares about and supports leading enterprises and their development.

State Council

6 March 2012

Annex 37

Opinion on Implementing the National Development and Reform Commission's [2012] No. 10 Official Document on Further Promoting the Development of Leading Enterprises and Industrialization of Agricultural Operations, the People's Government of Shandong Province, Luzhengfa [2012] No.39 (23 October 2012).

Opinion on Implementing the National Development and Reform Commission's [2012] No. 10 Official Document on Further Promoting the Development of Leading Enterprises and Industrialization of Agricultural Operations

Lu Zheng Fa [2012] No. 39

All municipal people's governments, all county (city and district) people's governments, all departments of the provincial governments, all direct affiliate agencies, all large enterprises, and all colleges and universities:

In an effort to conscientiously implement the spirit of the *State Council Opinion on Supporting the Development of Leading Enterprises in Agricultural Industrialization* (Guo Fa \[2012] No. 10) and to further support the development of leading enterprises and deepen agricultural industrialization, we take into consideration the actual circumstances of our province in proposing the following opinion.

I. Fully understanding the importance of deepening the industrialization of agricultural operations.

Our province is one of the first provinces to carry out the industrialization of agricultural operations. Over the past years, a good momentum has been maintained in the stable and fast development of the industrialization of agricultural operations, which has greatly contributed to the agricultural and rural reforms in our province. This is true especially since 2008 when the provincial government started the implementation of the "515 Program" (within a period of 5 years, financial loan in the amount of one hundred billion Yuan to be invested primarily on supporting 500 leading enterprises to grow bigger and stronger). Ever since then leading enterprises in agriculture have been rapidly expanding both in number and in size, their level of management and quality of development have significantly improved, their radiating and leading capacity has been continually improving, all of which has played an important role in improving the organizational level of agriculture, accelerating the transformation of the manner of development and promoting the boosting of employment and income among the rural population. The industrialization of agricultural operations has become a mechanism for innovative agricultural operation and the basic manner of operation for the development of modern agriculture. It has become an important way through which the achievements made in the industrialization and urbanization processes are leveraged to promote agricultural modernization, as well as an important point of breakthrough in the endeavor of "agriculture driven by industry, rural areas led by urban areas, and the comprehensive planning for rural and urban development."

Currently, the industrialization of agricultural operations in our province has entered a phase of transformation from the expansion in quantity and scale to the parallel development of both quantity and quality. There still remain some pressing issues in our course of development, which are mainly manifested in the fact that the system is still less than sound, unbalanced development of different industries and different regions, the connection mechanism is less than perfect, the distribution of interests is disproportionate, there is a small number of leading enterprises in the industries, the level of small and medium-sized enterprises is low, the capacity for innovation is weak, and the structure of governance is not sound. Promptly resolving such issues, further supporting the development of leading enterprises, and deepening the industrialization of agricultural operations will have an important practical implication in ensuring the effective supply and quality safety of agricultural products and in leading the rural population to stable employment and continual income improvement. It will also have a profound impact on the acceleration of the innovation of the agricultural system mechanism, the establishment of a modern agriculture industrialization system, and the enhancement of the comprehensive competitiveness. Proceeding from the overall interest of the economic and social development, government departments at all levels shall earnestly increase their sense of urgency and responsibility, emancipate their thinking and update their views to incorporate into their own agendas the deepening of the industrialization of agricultural operations as an important matter that concerns the overall and directional properties of our agricultural and rural

work. They shall further adopt practical and feasible measures to take the industrialization of agricultural operations in our province onto a new level.

II. Identify the objective tasks and work priorities of the next phase of development.

For both the current and future periods of time, the focus of the objective tasks in deepening the industrialization of agricultural operations shall be on supporting the growth of a number of industry leading enterprises by centering around the building of a modern agricultural industrialization system, making all-out efforts in developing a large number of backbone enterprises that will become supporting pillars in all the major industries, making focused efforts in fostering a host of small and medium-sized enterprises and various types of industrialized organizations that are connected with the leading enterprises, linked with the bases, and closely connected with the farming population. Exploration shall be made in establishing a batch of agricultural product logistics and processing parks (demonstration bases for the industrialization of agricultural operations) that will lead the development of the regional economy. A new pattern of distribution shall be established that will be adapted to the industrialized operation of modern agriculture and great efforts will be made in making breakthroughs in the area of innovating the mechanisms for the agricultural production and operation systems. Improvements shall be made in the areas of organization, scale building, and intensification so that new contributions will be made to the re-creation of new advantages in the agricultural and rural development of Shandong.

The specific tasks are: building on the basis of consolidating the development achievements in the "515 Program," we will start implementing the "5/10/100/1000/10000 Agricultural Industrialization Program" (namely in 5 years, in 10 advantageous industries, we aim at building 100 national-level leading enterprises that will be industry leaders domestically, supporting 1000 provincial-level backbone leading enterprises, and developing 10000 agricultural industrialization organizations of various types of which the "one village one brand" and rural specialized co-ops shall be the representative types) so that an industrialized chain will be formed in which 100 leading enterprises will lead 1000 strong enterprises, which will lead 10000 organizations, which will form close connections with the farming households; total output by the leading enterprises shall go over 1.6 trillion Yuan, with 3000 enterprises worth over 100 million Yuan each and over 20 enterprises worth over 10 billion Yuan each; scientific and technological innovation capacities of the enterprises shall see significant improvements as well as the deep and fine processing of agricultural products; the level of industrialized agricultural operation and scale building shall be significantly improved so that the total area of bases under the leadership of the leading enterprises shall exceed 60 million Mu; improvement in interest-linking mechanisms shall continue so that the ratio of farming households participating in industrialized operations will exceed 85%.

We will focus on doing the following jobs well with regards to the abovementioned objective tasks:

1. Supporting and strengthening leading enterprises. Guiding enterprises to shift from focusing only on scale expansion to paying equal attention to the improvement of both quantity and quality. Enterprises shall be encouraged to further improve corporate governance structure, carry out joint-stock reforms, and implement the modern enterprise management system to realize the transformation and upgrading of enterprises; support shall be provided to small and medium-sized enterprises and co-op organizations to raise the level of cooperation scale and standardization, and to optimize the mechanisms of industrial chains and interest distribution. Construction of the bases shall be strengthened and emphasis shall be placed on the radiating and leading capacities of the enterprises; scientific and technological services shall be emphasized and conscientious efforts shall be made in strengthening the scientific and technological innovative capacities of the enterprises; market service shall be strengthened with focus on strengthening the establishment of the brands of enterprises and their competitiveness on the market; financial service shall be strengthened with emphasis on strengthening the capacities of the enterprises in financing and risk resistance.

2. Promoting the congregated development of the enterprises. Using the State-level and provincial-level agricultural industrialization demonstration bases as the point of breakthrough, we will explore the modes and ways to promote clustering and development for leading enterprises. Emphasis shall be on optimization of the development environment and the building of the four major

platforms for scientific research, financing, market, and information, and great efforts shall be made in making new breakthroughs in the areas of enterprise incubation, research and development in product technology, and brand name fostering. Efforts shall be made to promote the congregation of advantageous products to advantageous enterprises and that of advantageous enterprises to advantageous regions so that clusters of agricultural product processing and logistics parks with significant advantages will gradually be established in major producing areas of major advantageous products, which will in turn radiate to the surrounding areas and lead the regional economic development.

3. Solidifying the basis for industrialized operation. We will closely center around the plan for the revival of the top ten provincial industries and make great efforts in developing the "one brand per village" program in the major production areas of the various dominant industries of production including grain, fruits and vegetables, livestock and poultry, aquatic products, forestry, flowers, etc. Great effort shall be made in fostering industrialized organizations for the enhancement of the level of organization, scale building, standardization, and intensification in the industrial development. Support shall be provided for the development of wholesale marketplaces, and specialized rural cooperatives and enterprises devoted to the development of purchasing and storage, transportation and distribution, and primary processing in the local production areas, and great efforts shall be made to elevate the level of scale building and capacity for risk resistance in the development of industrialized organizations; using the building of the state level and provincial level "one village per brand" demonstration villages and townships as the point for breakthrough, we will give support to the building of bases for high-efficiency products with unique characteristics, which will help assure the supply of materials for the development of leading enterprises.

4. Promoting innovation in the operational mechanisms. Efforts shall be made in exploring the model and operational mechanisms for the industrialization development adapted to the development of modern agriculture. Based on the actual circumstances of the specific industries, regions, and developmental phase in question we will actively carry out pilot studies of the institutional mechanism innovation and build agricultural industrialized mechanisms that are more sophisticated in the industrial chains, more appropriate in the distribution mechanisms, and more powerful in the vitality of development. Experiences shall be drawn from the "leading enterprises + cooperatives + bases + farming households" and other multi-business models, which shall be promoted, and great efforts shall be made in developing contract farming and the direct connection between production and sales for the improvement of the stable and close connection in the production chains so that the rate of return is increased and enthusiasm is mobilized among the farming households to participate in the industrialization of agricultural operations. Leading enterprises shall be guided in participating in the construction of new rural areas through village/enterprise joint construction and village/enterprise alliance construction and other methods. Leading enterprises shall be supported and encouraged to engage in socialized services so that continual improvement will be made in the capacity for self-development in the industrialization of operations.

III. Optimizing policy measures for the development of leading enterprises

(1) Strengthening the construction of bases. Leading enterprises shall be supported in constructing high-standard material production bases and improving the condition of infrastructure facilities. We shall conscientiously implement the various policies by the provincial government concerning the land use for large-scale planting and rearing operations, and facility agriculture for leading enterprises. Leading enterprises shall be supported in establishing demonstration bases, leading the rural households in the development of appropriately-sized operations and establishing standard material bases. Eligible leading enterprises shall be supported to undertake financial aid projects including the improvement of medium and low-productivity land, high-standard basic farmland, land remediation, grain production bases, material forest production bases, standardized large-scale breeding and cultivation bases, etc. Bases owned by the leading enterprises shall be entitled to the corresponding policies of the "strengthening and benefiting agriculture" program in accordance with the relevant regulations, and animal and plant quarantine and inspection for the bases shall be entitled to the corresponding public service policies and no additional fees shall be charged.

(II) Accelerating the upgrading of the enterprises. Leading enterprises shall be encouraged to carry out technological renovation to help improve the capacity for deep and fine processing. Conscientious efforts shall be made to implement the various state customs tariff concession and exemption policies for the import of equipment by leading enterprises and support shall be provided for the import of equipment of high and new technologies. The term of depreciation may be shortened in accordance with the relevant laws or regulations or alternatively the method of accelerated depreciation may be adopted. A certain amount of subsidy shall be provided for facility construction and equipment purchases for production and primary processing brought along by leading enterprises. Leading enterprises shall be encouraged to use advanced and appropriate agricultural machinery to contribute to the elevation of the level of agricultural mechanization. Training services shall be strengthened and leading enterprises shall be encouraged to conduct internal structural governance and enterprises shall be guided in joint-stock reforms and stock-market listings.

(III) Accelerating scientific and technological innovation. The dominant position of leading enterprises in the innovation of agricultural scientific and technological innovation and the transformation of the achievements shall be further clarified and all the preferential policies concerning corporate scientific and technological innovation shall be implemented as well as the policies concerning the addition and deduction of corporate R&D expenses in the corporate income taxes. Leading enterprises shall be encouraged to engage in the research and development of new varieties, new technologies, new production processes, and leading enterprises shall be supported to apply for the status of high-tech enterprises and to undertake state science and technology plan projects. Leading enterprises shall be encouraged to establish research and development institutions and set up national or provincial research and development centers in accordance with the relevant examination and approval procedures. Leading enterprises shall also be supported to participate in the formulation and revision of the industry standards and in the tackling of major scientific and technological problems. Leading enterprises shall be encouraged to participate in the integration of production, education and research, strengthen their communication and cooperation with scientific and technological research institutions and universities, and establish platforms for scientific and technological innovation, platforms for the promotion of agricultural technologies, and the transformation of achievements. A good job shall be done in the establishment of agricultural scientific and technological parks and demonstration zones for high and new technologies in agriculture. Emphasis shall be placed on strengthening the establishment of the modern agriculture demonstration zones in the Yellow River Delta region to promote the congregated development of scientific and technological agricultural leading enterprises.

(IV) Strengthening the cultivation of brands. Leading enterprises shall be encouraged to foster brands and create well-known brands and improve the coverage of brand name products. Guidance shall be provided to the enterprises to establish their own independent brands so that the ratio of independent brands owned by leading enterprises, especially by export-oriented enterprises, will increase. Leading enterprises shall be supported to apply for and recommend well-known trademarks, brand name products, place of origin markings, geographical indications of agricultural products, governor's quality award, production bases for quality products in Shandong Province, leading backbone enterprises and other titles of honor at the provincial level or above and the appropriate reward shall be offered. Brand name publicity shall be strengthened and all levels of government authorities shall actively engage in public service publicity campaigns for the promotion of brand names to help improve the level of name recognition and influence of the brand names through "concentrated publicity," "packaged promotion" and other methods. Efforts shall intensify in cracking down on brand name counterfeiting and all acts of brand name infringement shall be subject to severe punishment.

(V) Strengthening market expansion. Establishment of the marketing system shall be strengthened and an integrated system of rural logistics and supply chains shall be established and optimized. Leading enterprises shall be supported to establish logistics centers of refrigerated chains and vigorously develop franchise and direct sales stores, distribution centers and e-commerce, and accelerate the research, development, and application of the networking systems for agricultural products. Leading enterprises shall be encouraged to develop various sales models such as "farm-supermarket connection," "farm-cooperative connection," and "farm-school connection," etc., and the acts of fee collection from the leading enterprises by the supermarkets and marketplaces shall be further standardized and the fee standard shall be lowered appropriately. Logistics costs shall be

further reduced for agricultural products, and the circulation efficiency for bulk agricultural commodities shall be further improved. The safe supply of agricultural products must be ensured, and the transportation of the fresh supply of farm produce, grain, products for primary processing, and other bulk farm products shall be entitled to the "green channel" policy, and railway and other government transportation departments should give priority to the leading enterprises in their transportation of bulk agricultural commodities, seeds and seedlings, and other agricultural production materials. Construction of whole-sale markets for agricultural products shall be strengthened and eligible whole-sale markets shall be supported to apply for leading enterprise status. Leading enterprises with the required conditions shall be encouraged to invest abroad to build factories, set up marketing and sales organizations, etc., and the relevant policies shall be conscientiously implemented to accelerate the pace of "going global" for the agriculture industry so that the advantages of the two market types and resources can be well leveraged. Enterprises shall be encouraged to participate in the various types of trade shows and exhibitions.

(VI) Strengthening financial support. Policy banks shall be guided to keep increasing the magnitude of support for the leading enterprises and under the premises of controllable risks, priority shall be given to arranging the badly needed loans for leading enterprises for fixed assets, etc. Local banking institutions shall be encouraged to innovate financial products to meet the financial needs of leading enterprises effectively based on the production and operational characteristics of the local leading enterprises. In principle, local banks and their branches shall devote not less than 30% of the total loan amount to supporting the development of local leading enterprises and furthermore, a certain rate of discount shall be offered for the loan interest. Banks, in cooperation with the provincial loan interest subsidy programs, shall be guided to give priority to arranging and implementing the loan amounts for leading enterprises recommended by the agriculture authorities. Various forms of collateral and guarantee mechanisms shall be explored, and active efforts shall be made in building cooperative platforms among the banks, government authorities, and the enterprises. Local governments shall be encouraged to fund the establishment of specialized financing guarantee institutions dedicated to agriculture and services. The coverage of agricultural insurance shall be expanded further and the credit rating system shall be further improved for the leading enterprises. Qualified enterprises shall be encouraged to conduct financing through the stock market, bond market, equity trading market, etc. to help further expand their financing channels. Leading enterprises shall be guided to use the futures market for hedging as a means of risk aversion and profit enhancement. Government authorities at all levels should strengthen the management of the leading enterprises in the assessment, registration, and transfer of mortgages and collateral items (rights) for the continual expansion of the range of items and rights available for mortgaging and collateral purposes for the enhancement of their financing capacity.

(VII) Optimizing the environment of development. Government authorities at all levels shall coordinate agriculture aid funds through multiple channels, integrate policy resources, and give priority to supporting the development of leading enterprises through subsidized interest on loans, project support, incentives, aid, and other methods. All the preferential tax policies for leading enterprises shall be conscientiously implemented. Electricity demand for production purposes shall be guaranteed for leading enterprises. Application for water use by leading enterprises shall be processed by an administrative authority of water resources above the county level in accordance with its own level of administrative privilege. All unreasonable fee collection items involving leading enterprises shall be comprehensively sorted out and eliminated and equipment testing fees shall be discounted by half. We shall further improve the system for the inspection and quarantine of agricultural product exports. Inspection and quarantine fees for port entry or exit shall continue to be completely waived for the export of live animals, live poultry, and aquatic animals. Inspection and quarantine fees for the export of other agricultural products shall be reduced by half. Leading enterprises shall be encouraged to actively introduce high-level talents and implement the national preferential policies for the introduction of talents and the employment of college graduates. Priority shall be given to leading enterprises in terms of farmer entrepreneurship training, labor skills training, and other areas.

IV. Earnestly strengthen guidance for agriculture industrialization tasks

1. Strengthening organization and leadership. The industrialization of agricultural operations involves a wide range and has a strong policy nature, so government authorities at all levels shall make great efforts in optimizing the work mechanisms for the industrialization of agricultural

operations. A Joint Committee for the Industrialized Operation of Agriculture shall be established at the provincial level consisting of the government units of agriculture, development and reform, finance, economy and information technology, commerce, marine and fisheries, forestry, supply and marketing, the relevant financial institutions, etc., and its office shall be in the provincial Department of Agriculture. A mechanism shall be established for the evaluation and supervision of agricultural industrialization and the work related to agricultural industrialization shall be incorporated into a set of assessment indicators for the annual performance evaluation of all levels of the government. All advanced units and individuals that have made contributions to the program shall be given recognition in accordance with the relevant regulations. All local levels of the government and relevant departments shall observe the spirit of the current Opinion and in consideration of their own actual circumstances, promptly start to research and formulate their own opinion on its implementation and execution.

2. Clear assignment of job responsibilities among the different government departments. All member units in the Joint Committee for the Industrialized Operation of Agriculture and other government departments shall refine their own plans and formulate their specific measures of implementation in accordance with their own departmental job responsibilities. The agriculture department shall be the competent department for the industrialization of agricultural operations and shall therefore coordinate the efforts of all member units of the Joint Committee to implement well the relevant policies and measures. It shall formulate scientific plans for the development of the province's industrialization of agricultural operations and conscientiously strengthen guidance in the related areas of work; the development and reform department shall give priority to leading enterprises in terms of support construction projects; the department of finance shall assure the availability of the special fund for the industrialization of agricultural operations, and increase the magnitude of investment; the departments of finance and taxation shall conscientiously implement the state's preferential policies for the development of leading enterprises in terms of credit loans and tax incentives; commerce, economy and information technology, and other departments shall increase the magnitude of support for the development of leading enterprises within their own scope of responsibilities.

3. Strengthening work guidance. Government authorities at all levels shall actively support the industrialization of agricultural operations and strengthen their guidance. Research and survey shall strengthen guidance on the industrialization of agricultural operations and attention shall be paid to drawing lessons from advanced experiences and practices of all local areas and individual industries; further efforts shall be made to standardize the method for the identification and monitoring of leading enterprises and a dynamic management mechanism shall be implemented to allow both entry and exit in the system, and the enterprises shall be supervised and urged to fulfill their individual corporate social responsibilities; categorized guidance shall be strengthened and specific development plans shall be formulated in consideration of the local conditions and in consideration of the status of development associated with individual regions and industries; efforts shall be made to optimize socialized service systems and full play shall be given to the role of industry associations to improve the self-discipline and self-development capacities of the enterprises; efforts shall be made to improve the platforms for the collection and dissemination of information on the agricultural product market and to strengthen the surveillance and early warning analysis; publicity shall strengthen in public opinion and information exchange platforms shall be established to create a strong atmosphere in which the whole society supports the development of agricultural industrialization and participates in the industrialization of agricultural operations.

The People's Government of Shandong Province

23 October 2012

Annex 38

Shandong Province Notice on Implementing 2014 Provincial Financial Support for Agricultural Industrialization, Shandong provincial Department of Agriculture and Department of Finance, Lunongcaizi [2014] No. 37 (2014).

**Notice Regarding the Organization and Implementation of the 2014 Provincial-Level
Financial Support Programs for Agricultural Industrialization**

Issue Date: 08-12-2014

**Document of the Shandong Provincial Department of Agriculture
and Shandong Provincial Department of Finance**

Shandong Agriculture-Finance [2014] No. 37

**Notice of the Shandong Provincial Department of Agriculture and Shandong Provincial
Department of Finance Regarding the Organization and Implementation of the 2014
Provincial-Level Financial Support Programs for Agricultural Industrialization**

To All Municipal Agricultural Bureaus (Agricultural Commissions), Animal Husbandry & Veterinary Bureaus, and Finance Bureaus:

In accordance with the "Recommendations Regarding the Implementation of State Development [2012] Document No. 10 to Further Support the Development of Leading Enterprises and Deepen Management of Agricultural Industrialization" (Shandong Government-Development [2012] No. 39), in order to promote the development of agricultural industrialization in this province, and innovate agricultural management systems, upon research, it has been decided that innovative pilot programs for the agricultural industrialization loan interest discount policy will be carried out beginning this year. Notice is hereby given on relevant matters as follows:

I. Loan Interest Discount Program

(1) Interest Discount Targets. 2014 interest discount targets are divided into two categories: the first is leading enterprises in agricultural industrialization in the poultry industry at the provincial level or higher, for which the provincial finance administration has allocated 20,000,000 yuan in interest discount funds; the second is other leading enterprises in agricultural industrialization at the provincial level or higher, for which the provincial finance administration has allocated 60,000,000 yuan in interest discount funds.

Interest discount targets must satisfy the following conditions:

1. National-level or provincial-level key leading enterprises in agricultural industrialization (the joint dispatch of the member organizations of the National or Provincial Joint Conference on Agricultural Industrialization shall prevail; hereafter abbreviated as leading enterprises). If leading enterprises have experienced a name-change situation during the operating period, evidentiary materials shall be provided to the industry and commerce department.
2. Leading enterprises and subsidiary companies in which they have a controlling interest of more than 50% (not including 50%).
3. Primary services are the production, processing and sale of grain and oil, vegetables, fruit, livestock, aquatic products, and other advantageous agricultural products.
4. High processing standards, relatively strong capacity for technological innovation, closely aligned with farmer interests, with a notable radiating and driving role.
5. Has a loan from a financial institution with a financial services license (hereafter designated generally as a "bank") from the period between July 1, 2013, and June 30, 2014, where that same loan did not enjoy support from 2013 loan interest discounts for leading enterprises in agricultural industrialization or other financial interest discount programs at the provincial level or higher.

6. The purpose for which the leading enterprise applied for the loan must be technological transformation, product research and development, investment in fixed assets, base construction, raw materials purchasing for agricultural products, and other areas.

7. A single-vote veto shall be implemented for enterprises which have made multiple applications for financial interest discount funds at the provincial level or higher for the same loan in the past 3 years, and applications shall not be permitted.

8. Priority support for leading enterprises that have taken the initiative to link up with provincial-level key impoverished villages, constructing bases, purchasing raw materials, etc., driving the development of impoverished regions and increasing income for impoverished groups.

(2) Implementation Procedures

1. County-level application. County-level agricultural and financial departments (with organization and implementation by county-level animal husbandry departments in conjunction with enterprises and finance departments for enterprises in the poultry category) shall jointly organize leading enterprises meeting the conditions to apply to the local municipal agricultural (animal husbandry) and financial departments through the "Agricultural Industrialization Project Management System." Each leading enterprise may only select one loan from an in-province bank to apply for the interest discount program, and the total amount of the loan may not be less than 6,000,000 yuan.

2. Municipal-level review. The agricultural (animal husbandry) and finance departments of each municipality shall conduct a review of the entity qualifications, loan details, loan authenticity, loan purpose, construction of a self-owned base in an impoverished region, and other circumstances of applying enterprises, and, on the basis of the review results, enter the loan amount and start and end dates in accordance with the facts through the "Agricultural Industrialization Project Management System."

3. Provincial-level determination. The Provincial Department of Agriculture and Provincial Animal Husbandry & Veterinary Bureau shall conduct a comprehensive review of the application materials of leading enterprises, synthesize the province-wide program application situation, scale of annual interest discount funds and other factors on this basis, and calculate and determine the interest discount amount for each enterprise in conjunction with the Provincial Department of Finance. On these grounds, the Provincial Department of Finance shall promptly allocate interest discount funds to each relevant enterprise.

(3) Application Materials

1. Municipal-level (including counties and municipalities directly managed by the provincial finance administration) agricultural and financial departments (county-level animal husbandry departments in conjunction with the agricultural and financial departments for enterprises in the poultry industry) shall jointly submit a file, and attach the "County-Level Summary Sheet for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Interest Discount)" (Attachment 1), and the "Municipal-Level Summary Sheet for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs" (Attachments 2-1, 2-2).

2. "Application Form for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Interest Discount)" (Attachment 3).

3. Copy of enterprise business license. A parent company and subsidiary company cannot apply simultaneously; where there are multiple subsidiaries, only one may be selected to apply; and the enterprise capital contribution certificate issued by the local industry and commerce department shall be attached.

4. Photocopy of enterprise loan contract, original copy kept for future reference.

5. Original copy of the enterprise credit report issued by the local county (municipal, district) People's Bank.

6. Certificate issued by impoverished village on the circumstances of the enterprise driving increased agricultural income; must indicate the area of the village land transferred to the enterprise for the construction of a self-owned base.

7. Enterprise letter of commitment.

(4) Interest Discount Amount.

The interest discount amount for a single enterprise is 100,000 to 1,000,000 yuan.

II. Underwriting & Orders Program

(1) Program Content

In order to proactively guide bank credit funds to incline more toward new-style agricultural production and operating entities, innovate agricultural production and management systems, encourage the development of "made-to-order agriculture," and promote sustainable increases to income for farmers and the development of agricultural industrialization, pilot projects for the Underwriting & Orders Program will be launched and implemented in 2014. The program is divided into two categories, underwriting and orders. Projects in the underwriting category (Category A): Awards shall be given to key leading enterprises at the provincial level or higher that provide loan underwriting services to farmers' cooperatives, family farms, specialized planting and breeding households and other new-style management entities for the development of agricultural production bases. Projects in the order category (Category B): Awards shall be given to key leading enterprises at the provincial level or higher that sign agricultural product order purchasing contracts with farmers' cooperatives, family farms, specialized planting and breeding households and other new-style management entities, and pay purchase amounts through banks.

(2) Implementation Procedures

1. Enterprise applications. Enterprises shall propose and submit project application materials to the local county (municipal, district) agricultural and finance departments. Applications for funding shall be calculated proportionally in accordance with the amount actually credited to the bank account of the new-style management entity between the period of January 1, 2013, and June 30, 2014 (specifically determined on the basis of the actual underwriting and order amount, not higher than 6%); a single enterprise may apply for 100,000 to 1,000,000 yuan in subsidy funds.

2. County-level review. County-level agricultural and finance departments shall conduct a review of the veracity, completeness, and standardness of enterprise application materials. On-site verification of all original copies of underwriting and order contracts, bank appropriations receipts, and other evidentiary materials provided by the enterprise is necessary.

3. Municipal-level recommendations. The agricultural and financial departments of each municipality (including counties and municipalities directly managed by the provincial finance administration) must make a public announcement (Attachment 4-1) on the circumstances of enterprises intended for recommendation on the municipal-level agricultural or finance department website, and the public announcement period may not be less than 5 business days; if no objections are raised to the public announcement, municipal units shall respectively submit reports to the Provincial Department of Agriculture and Provincial Department of Finance prior to August 31. The total projects per municipality in the underwriting and order categories shall not exceed 5.

4. Provincial-level evaluation and review. The Provincial Department of Agriculture shall organize intermediary organizations and experts to conduct comprehensive evaluation and

review of enterprise application materials. After the review is concluded, the Provincial Department of Agriculture shall submit a funding appropriation application to the Provincial Department of Finance, and the provincial finance administration shall promptly allocate funds to enterprise accounts on this basis.

(3) Application Materials

1. The Municipal Agricultural Bureau (Agricultural Commission) and Finance Bureau shall jointly submit an application file, and attach the "Municipal-Level Summary Sheet for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Underwriting & Orders)" (Attachment 2-3).

2. "Application Form for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Underwriting)" (Attachment 4-2).

3. Copy of the enterprise business license. If a subsidiary company in which a leading enterprise directly controls a percentage exceeding 50% (not including 50%) enjoys the support policy, the parent company and subsidiary company cannot simultaneously apply; where there are multiple subsidiary companies, only one may be selected to apply; and the enterprise capital contribution certificate issued by the local industry and commerce department shall be attached.

4. Detailed list of the driving circumstances of the enterprise providing cooperatives, family farms, specialized planting and breeding households, and farming households with loan underwriting or signing order contracts, reviewed by the county and municipal agricultural departments.

5. Copy of the loan underwriting contract provided by the enterprise, copy of the order purchase contract signed by the enterprise (provision of 1 copy is acceptable, retain others for future reference).

6. Copies of appropriation receipts and other evidentiary materials for enterprise order contract amounts appropriated via banks (provision of 1 copy is acceptable, retain others for future reference).

III. Relevant Requirements

1. Uphold the principles of transparency, impartiality, and fairness, and handle fraudulent or under-the-table behavior in accordance with regulations immediately upon discovery.

2. Strictly implement the negative list system for finance administration special funds and credit; for enterprises practicing fraud, upon verification, revoke their qualifications for program applications for the next 5 years. Program funds that have already been released must be recovered, and qualifications to apply for the Underwriting & Orders Program in the local municipality shall be temporarily suspended for 1 year.

3. Municipal-level agricultural (animal husbandry) and financial departments are the departments organizing and implementing the programs, and must take responsibility and keep watch on the programs throughout the entire process, to ensure that the benefits and functions of the funds are exercised. All original program receipts must be kept for more than 3 years, for the purpose of reviews and audits.

4. An alternating year application method shall be adopted for both the Loan Interest Discount Program and the Underwriting & Orders Program; enterprises may voluntarily choose among them, but cannot simultaneously apply or alternately apply (interest discount one year, underwriting or orders one year); enterprises that already enjoy the 2013 provincial-level finance interest discount program for loans of leading enterprises in agricultural industrialization may not apply on this occasion.

5. On this occasion, the Loan Interest Discount Program and the Underwriting & Orders Program shall both adopt the method of concurrently carrying out paper submissions and online applications. Please submit the paper materials for the Loan Interest Discount Program (1 copy) and the Underwriting & Orders Program (1 copy) by mail to the Provincial Department of Agriculture (Provincial Department of Agriculture, Office of Industrialization, Room 404). At the same time, carry out an online application through the "Agricultural Industrialization Project Management System," and complete the review and reporting work prior to August 31.

Contact Person and Contact Method:

Provincial Department of Agriculture, Office of Industrialization:
DONG Ying 0531-67866163

Provincial Department of Finance, Agricultural Office:
DING Shengwei, 0531-82669783

Attachments:

1. County-Level Summary Sheet for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Interest Discount)

2-1. Municipal-Level Summary Sheet for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Interest Discount)

2-2. Municipal-Level Summary Sheet (Poultry Category) for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Interest Discount)

2-3. Municipal-Level Summary Sheet for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Underwriting & Orders)

3. Application Form for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Loan Interest Discount)

4-1. Public Announcement Regarding the Relevant Circumstances of XXX and Other Enterprises (Sample)

4-2. Application Form for 2014 Agricultural Industrialization Provincial-Level Financial Support Programs (Underwriting & Orders)

Shandong Agriculture-Finance [2014] No. 37 Attachments

Shandong Provincial Department of Agriculture
Shandong Provincial Department of Finance
August 11, 2014

Office of the Shandong Provincial Department of Agriculture

Issued on August 11, 2014

Annex 39

Notice of the Fujian Province Department of Finance Regarding the Issuance of the “Measures for the Administration of the Fujian Province Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization, Mingcainong[2013]No.124 (14 Oct 2013).

Notice of the Fujian Province Department of Finance Regarding the Issuance of the “Measures for the Administration of the Fujian Province Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization”

Mingcainong(2013) No. 124

Issuing Office: Department of Finance Issue Date: 10-14-2013

Notice Regarding the Issuance of the “Measures for the Administration of the Fujian Province Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization”

To All Municipal and County (District) Bureaus of Finance and the Finance and Banking Bureau of the Pingtan Comprehensive Experimental Zone:

In order to standardize administration of the Fujian Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization, and improve the efficiency of use of the fund, this department has formulated the “Measures for the Administration of the Fujian Province Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization,” which are hereby issued to you; please comply with and implement them.

Fujian Province Department of Finance

October 11, 2013

Measures for the Administration of the Fujian Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization

Section 1 General Principles

Article 1 These measures are specially formulated to standardize the usage and administration of the Fujian Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization.

Article 2 The Special Fund for Financial Support of Provincial-Level Leading Enterprises in Agricultural Industrialization (hereafter abbreviated as the “Special Fund”) refers to a financial fund budgeted and allocated by the provincial financial administration, earmarked for use in supporting the production and development of provincial-level leading enterprises in agricultural industrialization.

Article 3 Provincial-level leading enterprises in agricultural industrialization, as referenced in these measures, refer to provincial-level key leading enterprises in agricultural industrialization, leading enterprises in the industrialization of provincial agriculture and animal husbandry, leading enterprises in forestry industrialization, and leading enterprises in the industrialization of aquatic products, which have been organized, appraised and selected by the relevant provincial-level departments.

Article 4 The use of the Special Fund shall adhere to the following principles:

(1) Guiding and Promoting. Fully exercising the guiding and promoting effects of the Special Fund, driving and attracting more banking capital and social capital for use in the development of agricultural industrialization.

(2) Highlighting Key Points. Improving the production and processing capacity and market competitiveness of principal agricultural products to support key points, supporting the extension of the agricultural industrial chain, and promoting the large-scale operations of advantaged, distinguished agricultural industries.

(3) Fairness and Impartiality. The allocation of funds must uphold fairness and impartiality, maintaining balance across regions and industries.

(4) Merit-Based Selection. The allocation of funds shall embody the principle of "Appropriate concentration, support for excellence and support for strength, and preference for driving and growth-oriented projects."

Section 2 Range of Use for the Fund

Article 5 The Special Fund is divided into three categories of usage: project subsidies, awards as a substitute for subsidies, and loan interest discounts.

Article 6 The specific range of use for the Special Fund includes:

(1) Project Subsidies

1. For use by enterprises in the introduction and popularization of new technologies, development of new products, technological transformation, and other expenditures.
2. For use by enterprises in the purchase of instruments and equipment for the processing, sorting, storage, preservation, transportation and sale, and measurement of agricultural products.
3. For use by enterprises in the construction of breeding and plant cultivation bases.
4. For use by enterprises for expenditures on the costs of organizing and holding high-quality agricultural product exhibitions, and promoting agricultural collaboration and exchanges.
5. For the education and training of members of farmers' professional cooperative organizations and operations and management personnel in mutual aid and cooperation.
6. For enterprise expenditures on services to farmers and provision of seedlings, agricultural materials, technical training, loan underwriting, etc. to farmers.
7. For use by enterprises in developing market information services, establishing marketing networks, and holding product promotion activities.
8. For expenditures on the construction of provincial-level and higher model bases and public service platforms for agricultural industrialization.

(2) Loan Interest Discounts

1. For use by enterprises in construction projects for agricultural product production bases and accompanying social service facilities.
2. For use by enterprises in the research and development, importation, and popularization of new products and new technologies, and construction projects for corresponding production lines.

3. For use by enterprises for agricultural product ordering and purchasing, processing, storage, preservation, transportation, and other projects.

(3) Awards as a Substitute for Subsidies: Provision of awards to enterprises that have achieved results in regard to trademark establishment, promotion of increased income for farmers, industry clustering, increases to state tax revenues, etc.

Section 3 Application, Review and Approval

Article 7 Each year, on the basis of policies for the development of agricultural industrialization as determined by the central or provincial authorities, the Provincial Department of Finance, in conjunction with relevant provincial departments, shall make clear the key parameters and specific content for support in the current year, by means of issuing a notice or distributing a project application guide.

Article 8 The project application guide shall primarily include the following content:

- (1) Subsidy targets and parameters;
- (2) Subsidy prerequisites and requirements;
- (3) Subsidy methods and standards;
- (4) Project application procedures and content of application materials;
- (5) Time requirements for project applications;
- (6) Project review and approval;
- (7) Other relevant content.

Article 9 Project applications shall be implemented in accordance with the following procedures:

(1) In accordance with the requirements of the project application guide, each local department of finance shall organize project applications, in conjunction with relevant departments.

(2) Enterprises shall submit applications to local finance bureaus and relevant departments, and provide relevant materials in accordance with the requirements of the project application guide. In accordance with the requirements of the project application guide, each locality shall conduct a review of the enterprises meeting the prerequisites, and submit a report to the competent provincial-level departments within the specified time period.

(3) Organizations applying for projects shall be responsible for the validity and standards-compliance of the project for which they are applying and the materials provided. The municipal (county, district) finance bureaus and relevant departments shall conduct a review of the projects and materials under application, and shall bear corresponding responsibility.

Article 10 Enterprises must not make duplicate applications for financial support funds for the same project.

Article 11 The Provincial Department of Finance, in conjunction with relevant departments, shall conduct an appraisal of the project information submitted by each locality, and provide recommendations for project fund allocation before giving approval in accordance with the specified procedures.

Article 12 The Provincial Department of Finance shall distribute the Special Fund in accordance with the approval plan. Issuance shall be made to the municipal (county, district) department of finance for the enterprise's location, in accordance with the principle of territorial jurisdiction for enterprise projects.

Section 4 Administration and Supervision

Article 13 The local department of finance for a given project shall directly allocate the Special Fund to the enterprise, and the enterprise shall engage in corresponding accounting treatment in accordance with relevant financial management regulations.

Article 14 Finance departments at every level shall promptly distribute funds, and must not detain, overdraft or divert funds, or deduct project administration expenses. In coordination with relevant departments, they shall strengthen supervision and inspection of fund usage and project establishment and administration.

Article 15 Support shall not be allocated to enterprises which fraudulently obtain project funds by means of misrepresentation or false reporting; previously allocated funds shall be recovered, and the qualifications of said enterprises to apply for financial support projects for provincial-level leading enterprises in agricultural industrialization shall be revoked for two consecutive years. Any fiscal violations in contravention of fund usage regulations shall be investigated for liability in accordance with the relevant provisions of "Regulations on Penalties and Sanctions for Fiscal Violations," etc.

Section 5 Supplementary Articles

Article 16 These measures shall go into effect as of the date of issuance, and shall be valid for a period of five years. The "Measures for the Administration of the Fujian Province Financial Fund for the Support of Agricultural Industrialization Projects" (Fujian Finance-Agriculture [2002] No. 23), "Provisional Measures for the Administration of the Fujian Province Loan Interest Discount Fund for Financial Support of Provincial-Level Departments and Leading Enterprises in Agricultural Industrialization" (Fujian Finance-Agriculture [2003] No. 56), and "(Trial) Measures for the Administration of the Fujian Province Project Fund for the Financial Support of Provincial-Level Key and Leading Enterprises in Agricultural Industrialization" (Fujian Finance-Agriculture [2004] No. 56) shall simultaneously be annulled.

Annex 40

Notice of the Office of the Shantou Municipal People's Government for the Issuance of Opinions Regarding Preferential Policies Supporting Leading Fishery Enterprises for the Promotion of Industrialized Fishery Management, Shanfuban [2004] No. 108 (26 July 2004).

**Notice of the Office of the Shantou Municipal People's Government for the Issuance of
Opinions Regarding Preferential Policies Supporting Leading Fishery Enterprises for the
Promotion of Industrialized Fishery Management**

Issue Date: 7-26-2004

Notice of the Office of the Shantou Municipal People's Government for the Issuance of Opinions
Regarding Preferential Policies Supporting Leading Fishery Enterprises for the Promotion of
Industrialized Fishery Management
(Shantou Government Office [2004] No. 108)

To the Relevant Departments and State-Controlled Organizations of the District and County People's Government and Municipal Government:

The "Opinions Regarding Preferential Policies Supporting Leading Fishery Enterprises for the Promotion of Industrialized Fishery Management" were adopted after discussion at the 23rd Standing Meeting of the 11th Session of the Municipal Government, and are hereby issued to you; please carefully organize their implementation.

July 26, 2004, Opinions Regarding Preferential Policies Supporting Leading Fishery Enterprises for the Promotion of Industrialized Fishery Management

(July 20, 2004)

In order to carry out the spirit of the document "Opinions of the CCP Central Committee and the State Council Regarding Certain Policies for the Promotion of Increased Income for Farmers" (Central Committee [2004] No. 1), accelerate the development of leading fishery enterprises in this city, increase the level of industrialization of the fishing industry, drive economic development in fishing villages, and promote increased efficiency for the fishing industry and increased revenue for fishermen, we hereby present the following opinions regarding preferential policies supporting leading fishery enterprises for the promotion of industrialized fishery management:

I. Loan Interest Discounts. The Municipal Finance Administration shall annually allocate a special fund of 1,000,000 Yuan from 2005 to 2008, to provide interest discounts on loans to leading fishery industries verified as being rated at the municipal level or above, to be used for the purpose of increased capitalization, expanded production, construction of infrastructure, the purchasing of aquatic products, etc.

II. Project Support. Beginning in 2005 and continuing for 4 years, the Municipal Finance Administration shall annually allocate 1,500,000 Yuan from the special fund of 30,000,000 Yuan for the support of small- and medium-size enterprises, to implement preferential support for technological transformation and innovation, product research and development and new strains, new technology, new equipment, the importation of new techniques, and other projects for leading fishery enterprises verified as being rated at the municipal level or above.

III. Taxation Support. In line with the spirit of the "Notice of the Office of the State Council on the Issuance of the Opinions Regarding the Promotion of the Development of the Agricultural Product Processing Industry" (Office of the State Council [2002] No. 62) and "Guangdong Province Measures for the Implementation of Support for the Development of Privately-Run Agricultural Product Processing Enterprises," and in reference to the provisions of "Opinions Regarding the Further Implementation of Preferential Policies Supporting Leading Agricultural Enterprises for the Promotion of Industrialized Agricultural Management" (Shantou Government Office [2004] No. 49) of the Municipal Government, the income derived by privately-run aquatic product processing enterprises (including aquaculture enterprises and leading fishery enterprises at the municipal level or above) from engagement in aquaculture or primary processing of aquatic products shall be exempt from enterprise income tax beginning on January 1, 2004, and continuing for 5 years. After 5 years, expenses incurred by privately-run aquatic product processing enterprises in the research and development of new products, new technologies, and new techniques shall be deducted prior to payment of enterprise income tax. Privately-run aquatic product processing enterprises shall be

exempt from customs duties and import value-added tax for the importation of technologies or equipment, in compliance with the provisions of relevant state taxation policies.

IV. Brand Support. The Municipal Finance Administration shall give a one-time award of 100,000 Yuan from the annually allocated Pollution-Free Agricultural Product Base Construction Fund to leading fishery enterprises which were newly granted national "Green Food" certification and which paid more than 1,000,000 in taxes to the Office of Taxation in this city in the previous year (if an enterprise obtains certification for multiple products in the same year, the maximum limit shall not exceed 200,000 Yuan); those which have been newly granted "Pollution-Free Agricultural Product Production Base" certification at the provincial level or above, with a cultivation area of 20 hectares or annual yield of 100 tons or more, shall be given a one-time award of 30,000 Yuan. Award measures for enterprises that have earned the designation of a Well-Known Chinese Trademark, Name-Brand Chinese Product, Famous Guangdong Province Trademark, or Name-Brand Guangdong Province Product shall be implemented in accordance with Document [2002] No. 38 of the Municipal People's Government.

V. Bank Credit Support. Commercial banks and rural credit cooperatives shall proactively provide credit support to large-scale, powerhouse, key leading enterprises with good capital and credit, and rationally determine the loan term, considering the practicalities of the long production and operations cycles in the fishing industry.

VI. Evaluation Awards. The Municipal Finance Administration shall annually allocate a special fund of 500,000 Yuan, to be awarded to municipal-level leading fishery industries with good operational mechanisms, large production and sales volume, high foreign exchange earnings from exports, a stable and close relationship with fishermen's (farmers') interests, adoption of advanced technology, and outstanding market development results, as well as individuals with outstanding contributions.

VII. Each district and county people's government shall refer to the municipal measures in researching and implementing preferential policies supporting fishery enterprises and measures for the promotion of industrialized fishery management.

Issuing Department: Shantou People's Government

Issue Date: July 26, 2004

Implementation Date: July 26, 2004 (Local Regulation)

c. Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank

Annex 41

Notice Regarding Implementation of the Relevant Spirit of the Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank in Order to Promote Construction of a Modern Agriculture, Ministry of Agriculture, nongbanji[2012]No.73 (28 May 2012).

**The General Office of the Ministry of Agriculture and China Minsheng Bank Office Notice
Regarding Implementation of the Relevant Spirit of the Cooperative Agreement
between the Ministry of Agriculture and China Minsheng Bank in Order to Promote
Construction of a Modern Agriculture**

To implement and execute the relevant spirit of *The Outline of the 12th Five-Year Plan for the National Economy and Social Development of the People's Republic of China* and *The National Modern Agricultural Development Plan (2011-2015)* and cooperate in pushing for the construction of a modern agriculture, last April, the Ministry of Agriculture and China Minsheng Bank executed *The Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank* (attached). The parties have agreed to be guided by the scientific outlook on development, give full play to the advantages of the Ministry of Agriculture in terms of organization and coordination of agricultural, rural economic development and the advantages of China Minsheng Bank in terms of funds and operational management of the financial services industry, conduct cooperation in research surrounding the development of the agricultural industry and major issues, continuously deepen their mutual trust, make use of the synergy of the systems, complement each other with their advantages, accelerate the push for the construction of a modern agriculture and promote the smooth and rapid development of the rural economy.

Attachment:

Nong Ban Ji [2012] Number 73.CEB

The General Office of the Ministry of Agriculture and China Minsheng Bank Office *Notice Regarding Implementation of the Relevant Spirit of the Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank in Order to Promote Construction of a Modern Agriculture*

[Effective period] Currently valid
[Document number] Nong Ban Ji [2012] Number 73
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[Promulgated by] Ministry of Agriculture

The General Office of the Ministry of Agriculture and China Minsheng Bank Office *Notice Regarding Implementation of the Relevant Spirit of the Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank in Order to Promote Construction of a Modern Agriculture*

(Nong Ban Ji [2012] Number 73)

To the Departments (Bureaus and Commissions) of Agriculture and Fishing of various provinces, autonomous regions, municipalities under the direct jurisdiction of the central government and cities specifically designated in the state plan, the direct subordinate organizations of Ministry of Agriculture and the branch agencies of China Minsheng Bank:

To implement and execute the relevant spirit of *The Outline of the 12th Five-Year Plan for the National Economy and Social Development of the People's Republic of China* and *The National Modern Agricultural Development Plan (2011-2015)* and cooperate in pushing for the construction of a modern agriculture, last April, the Ministry of Agriculture and China Minsheng Bank executed *The Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank* (attached). The parties have agreed to be guided by the scientific outlook on development, give full play to the advantages of the Ministry of Agriculture in terms of organization and coordination of agricultural, rural economic development and the advantages of China Minsheng

Bank in terms of funds and operational management of the financial services industry, conduct cooperation in research surrounding the development of the agricultural industry and major issues, continuously deepen their mutual trust, make use of the synergy of the systems, complement each other with their advantages, accelerate the push for the construction of a modern agriculture and promote the smooth and rapid development of the agriculture and rural economy.

According to the spirit of the Agreement, soon, the parties will conduct cooperation in industries including tea, fishing and others, promptly sum up their experience in cooperation, and expand into other areas as appropriate. In terms of the tea industry, China Minsheng Bank proposes to focus on pushing work in three areas: first, set up a nationwide modernized tea industry-trading platform; second, push the construction of a financial subsidy path for tea; third, cooperate with leading enterprises in terms of industrialization and push for an industrial upgrade. In terms of fishing, China Minsheng Bank will soon propose to focus on pushing work in five areas: first, set up a nationwide marine product trading market and cold chain logistic bases; second, form a marine fishing industry investment fund; third, push for special subject studies in marine fishing; fourth, push for the creation of a risk compensation fund; fifth, lead the formation of a marine fishing entrepreneur club. Therefore, various agriculture (fishing) departments are hereby requested to actively cooperate and properly perform their work in the following areas:

(I) Screen and select leading enterprises for agricultural industrialization in fishing and tea areas. In accordance with the spirit of relevant documents, such as *Management Measures for the Determination, Operations and Monitoring of Tea State Leading Enterprises in the Industrialization of Agriculture*, etc., recommend successful and the reputable key state level and provincial level leading enterprises in fishing and tea fields to China Minsheng Bank and provide the relevant enterprise information.

(II) Determine fishing and tea demonstration bases. Recommend to China Minsheng Bank fishing and tea production bases that have a good foundation for development and that have a funding need and recommend state level agricultural industry demonstration parks and demonstration bases that have been evaluated by the Ministry of Agriculture.

(III) Actively cooperated with China Minsheng Bank in conducting industry studies and enterprise connection work, etc. Joint workgroups may be set up together with China Minsheng Bank and its branch agencies, to jointly conduct investigations and studies on the development of the fishing and tea industries and jointly push for an industrial upgrade.

Please generate brief written materials for the aforementioned recommendation materials and work plans, and provide the feedback to the Development and Planning Department of the Ministry of Agriculture and the Department of Modern Agriculture Financial Enterprise of China Minsheng Bank by MM DD YY. Based on the recommendation of the Ministry of Agriculture and the study conducting by both parties working together, Minsheng Bank should provide preferential credit support to the development of relevant sectors.

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Attachment: Cooperative Agreements between the Ministry of Agriculture and China Minsheng Banking Corporation

May 28, 2012

Attachment:

Cooperative Agreements Between the Ministry of Agriculture and China Minsheng Banking Corporation

To implement and execute *The Outline of the 12th Five-Year Plan for the National Economy and Social Development of the People's Republic of China* and *The National Modern Agricultural Development Plan (2011-2015)*, give play to the resource advantages of both parties, accelerate changes in the method of agriculture development, develop a modern agriculture and improve the comprehensive production capacity of agriculture, the Ministry of Agriculture and China Minsheng Banking Corporation (hereinafter referred to as China Minsheng Bank) have decided to conduct a strategic cooperation. 2/9/2015 The General Office of the Ministry of Agriculture and China Minsheng Bank Office *Notice Regarding Implementation of the Relevant Spirit of the Cooperative Agreement between the Ministry of Agriculture and China Minsheng Bank in Order to Promote Construction of a Modern Agriculture*

I. The principles of cooperation

Using the scientific outlook on development as guidance, give full play to the advantages of the Ministry of Agriculture in terms of organization and coordination of agricultural, rural economic development and the advantages of China Minsheng Bank in terms of funds and operational management of the financial services industry, conduct cooperation in research surrounding the development of the agricultural industry and major issues, continuously deepen their mutual trust, make use of the synergy of the systems, complement each other with their advantages, accelerate the push for the construction of a modern agriculture and promote the smooth and rapid development of the rural economy.

II. Goal of cooperation

By strengthening the partnership between the agricultural industry and finance, promote industry reform and upgrade, improve the development and competitiveness of the industry, explore an effective path for finance to support the development of the agricultural industry and enrich the agricultural and rural economy and the development of financial services. Continuously improve the forward-looking, scientific, and overall nature of the support provided by finance for agriculture, guide social forces in continuously increasing input in the modern agriculture and provide theoretical and practical references for relevant quarters.

III. Contents of cooperation

The parties will mainly conduct cooperation in the development of specific industries and special subject studies, promptly sum up their experience in cooperation, and expand into other areas as appropriate. The specific contents of industry development cooperation and special subject research for the first phase are as follows:

(I) Regarding cooperation in industry development

1. The parties will jointly push for the setup of a nationwide, modern, and internationalized large China tea trading center. The Ministry of Agriculture supports China Minsheng Bank in setting up a tea industry fund and the industrialized and intensive development of the tea industry and improve industry competitiveness; it supports cooperation between China Minsheng Bank and the Tea Research Institute of the Chinese Academy of Agricultural Sciences in terms of variety research and development and tea processing, etc.

2. The parties will jointly push for a fishing industry upgrade. The Ministry of Agriculture supports China Minsheng Bank in supporting the construction of a large aquatic product trading market and cold chain logistic bases and in mutually pushing for cooperation in terms of scientific research on fishing, industry funds, policy-based insurance coverage, healthy breeding in aquaculture, aquatic product processing and the standardized modifications of ponds and fishing boats, etc.

3. The Ministry of Agriculture supports China Minsheng Bank in setting up a tea financial services center and a fishing financial services center, to provide financial services for leading enterprises in the industry as well as for small, medium sized and micro enterprises on the industrial chain; it supports China Minsheng Bank in joining the tea and fishing industry associations to set up industry risk compensation funds and to provide convenient guarantees in financing for members of the industry associations.

4. The parties will promptly sum up their cooperative experience in tea and fishing and expand to staple crops, such as grains, cotton, oil and sugar, etc.; explore mortgages for

purchases by co-ops of large agricultural machinery and implements and provide loan support for co-ops that conduct agricultural machinery lease operations.

(II) Regarding special subject research

To implement the major strategy of the central government for simultaneous development in industrialization, urbanization and agricultural modernization (san hua tong bu), the parties have jointly authorized the subordinate units of the Ministry of Agriculture and the relevant institutes of scientific research to conduct relevant research and have authorized China Renmin University to conduct research surrounding the road of agricultural modernization with Chinese characteristics, the cultivation and innovations of farmers' professional co-ops, agricultural policy oriented insurance theories and practice, the upgrade of the modern agricultural industry and innovations, brands and standardization of financial services, as well as the development of the Chinese agricultural product market and modern agricultural industry technology systems, etc. The research results generated will be submitted in an appropriate form, to provide decision-making references when the central government and competent authorities formulate the state agricultural and financial policies.

IV. Cooperative method

The parties will mainly rely on the persons in charge of the relevant business departments and bureaus, set up a strategic cooperation coordination group, to coordinate and implement the contents of cooperation and work plan between the parties, conduct communications, and exchanges at appropriate times and study cooperator matters between the parties promptly. An office will be set up under the coordination group that will be specifically responsible for the daily liaison work, drafting proposals on cooperation and specific implementation plans and implementing items decided the items decided by the coordination group.

The office of the coordination group will be set up in the Department of Development and Planning of the Ministry of Agriculture and the Finance Department of Modern Agriculture of Minsheng Bank. The personnel will compose of the relevant persons responsible of the department and bureaus, such as the Department of Development and Planning, the Department of Industrial Policies and Regulations, the Department of Planting, the Bureau of Fishing and the Department of Agricultural Mechanization of the Ministry of Agriculture and the Finance Department of Modern Agriculture of Minsheng Bank.

d. Support for Equipment

Annex 42

Ministry of Agriculture 2014 Guiding Opinions on Implementing Subsidies for Purchase of Agriculture Equipment, Ministry of Finance and Ministry of Agriculture, Nongbancai [2014] No .6 (12 Feb 2014).

**General Office of the Ministry of Agriculture and General Office of the Ministry of Finance
Notice on the Issuance of the *2014 Guiding Opinions on Implementing Subsidies for
Purchase of Agriculture Equipment***

Issuing Agency: Division of Finance of the Ministry of Agriculture Date: 2 December 2014

Nong Ban Cai [2014] No. 6

Departments (bureau, commission) of agriculture of all provinces (autonomous regions, municipalities directly administered by the central government, specially designated cities in the state plan), bureaus of farm machinery administration (office), departments of finance (bureaus), Bureau of Agriculture and Bureau of Finance of Xinjiang Production and Construction Corps, General Administration of Agricultural Reclamation of Heilongjiang Province, General Administration of Agricultural Reclamation of Guangdong Province:

In an effort to ensure the scientific, standardized, efficient, and honest implementation of the subsidy policies for the purchase of farm machinery for 2014, effectively exploit the impact of the policies for the subsidy of farm machinery, accelerate the transformation of the manner of agricultural mechanization, promote the good and fast development of agricultural mechanization and the farm machinery industry, promote the enhancement of the overall production capacity in agriculture, we have formulated after research the *2014 Guiding Opinions on Implementing Subsidies for Purchase of Agriculture Equipment* based on experiences drawn from recent years and the pilot work done in the innovation of the handling of the subsidy of farm machinery purchasing. It is hereby issued and please implement it accordingly.

General Office of the Ministry of Agriculture and General Office of the Ministry of Finance

11 February 2014

2014 Guiding Opinions on Implementing Subsidies for Purchase of Agriculture Equipment

I. Overall Requirements

The transformation of the manner of agricultural mechanization shall serve as the cardinal line; the adjustment and optimization of the structure of farm machinery and equipment, and the elevation of the level of mechanized agricultural operation shall be the primary tasks; we shall push forward the mechanization of key links in the production of major agricultural crops and vigorously

develop the mechanization of animal husbandry, fishery, facility agriculture, forestry and fruit production, and the primary processing of agricultural products. Key areas shall be emphasized so that efforts shall be shifted towards dominant production areas of advantageous agricultural products, key weak links, and specialized farming co-ops to promote the quality and level of the development of agricultural mechanization; focus shall be on overall planning and comprehensive consideration to coordinate the development of agricultural mechanization in hilly and mountainous areas, schistosomiasis endemic prevention areas, and grasslands and pasturing areas; focus shall be on the support for the excellent and strong so that vigorous efforts shall be made in promoting machinery equipment that is advanced and practical, mature in technology, safe and reliable, energy efficient and environment friendly, and with good services; transparent operation shall be emphasized, supervision and measures against corruption risk shall be strengthened and implemented, and performance assessment strengthened to promote further fair and open implementation of the subsidy policies; the role of the market mechanism shall be emphasized and fully displayed so that the autonomy of farmers is fully assured in selecting the farm machinery to buy; attention shall be paid to the guiding role of the subsidy policies so that the enthusiasm of the farming population to purchase and use farm machinery is fully mobilized for the promotion of the good and fast development of agricultural mechanization and farm machinery.

II. The Scope and Scale of Implementation

The subsidy policy for the purchase of farm machinery shall continue to cover all counties (farms) of agriculture and animal husbandry throughout the country. Comprehensive consideration shall be given to the farmland acreage, output of major agricultural crops, sown acreage of agricultural crops, population in rural areas, focus of the development of agricultural mechanization, etc. of all the provinces (autonomous regions, municipalities directly administered by the central government, specially designated cities under the state plan, Xinjiang Production and Construction Corps, General Bureau of Agricultural Reclamation of Heilongjiang Province and General Bureau of Agricultural Reclamation of Guangdong Province. Same hereafter) in determining the scale of the fund to be controlled with attention to the status of how the policies for the subsidy of farm machinery purchase have been implemented. In an effort to improve the comprehensiveness of local budgetary compilation and accelerate the expenditure of the fund transfer and payment from the central government, the Ministry of Finance issued 17 billion Yuan in advance on 27 September as the subsidy for the purchase of farm machinery for 2014 from the Central Finance system. All provincial authorities for agricultural mechanization and departments of finance shall scientifically and rationally ascertain the scale of investment in the subsidiary cities and counties. The subsidy fund shall be appropriately shifted towards counties that are large producers of grain, cotton, and oil crops, counties that are large producers of animal husbandry and aquaculture products, State demonstration areas of modern agriculture, nation-wide demonstration areas (counties) for agricultural mechanization, demonstration counties for conservation tillage, the national 100 counties devoted to the creation of professional prevention measures for crop disease and insect pests, the 1,000 demonstration counties for professional prevention and control, and the counties for schistosomiasis epidemic prevention.

For local reclamation farms that are under the provincial administrative system in the 11 provinces (autonomous regions and municipalities directly administered by the central government) including Shanghai, Jiangsu, Anhui, Shaanxi, Gansu, Ningxia, Jiangxi, Guangxi, Hainan, Yunnan, Hubei, etc., as well as for reclamation farms in Haila'er and Daxinganling, the size of the subsidy fund, the name list of the farms for subsidy and the amount of fund allocated shall be determined through mutual consultation among the provincial agricultural mechanization authority, reclamation authority, and department of finance, which shall be incorporated into the provincial (autonomous region, municipalities directly administered by the central government) plan for the use of subsidy. The provincial agricultural mechanization authority and department of finance shall strengthen their guidance for the work related to the subsidy for the purchase of farm machinery and act upon the current guiding opinion for implementation in conducting standardized operation and unified management. Subsidy for the purchase of farm machinery for farms under the city or country government in other reclamation areas shall be incorporated into the county's subsidy for the purchase of farm machinery.

III. Machinery and Equipment for Subsidy and the Standard of Subsidy

(I) Category Scope of Machinery and Equipment Subsidized through Fund from Central Finance. The Ministry of Agriculture, based on the need for agricultural development in the entire country and the country's industrial policies, and with full consideration given to the geographical differences among all the provinces and the realistic status of the development of agricultural mechanization, determines that the category scope of machinery and equipment to be subsidized through fund from Central Finance shall be as follows: Tillage machinery, planting and fertilizing machinery, field management machinery, harvesting machinery, post-harvest processing machinery, machinery for the primary processing of agricultural products, drainage and irrigation machinery, animal husbandry and aquaculture machinery, power machinery, construction machinery for farmland infrastructure, facility agriculture equipment and other machinery, etc. which make up a total of 175 items from 48 subcategories out of 12 categories (see Appendix 1 for details).

In addition to the 175 items above, individual areas may add at their own discretion not more than 30 other items of equipment to the 12 categories to be listed under the scope of subsidies by the central government fund. As part of the effort to improve the efficiency in the use of the fund and to guard against potential risks to clean government, all local areas shall strictly control the number of discretionary items selected. All discretionary items selected must be filed with the Ministry of Agriculture accompanied with a description of the reasons for the subsidy, the number of manufacturers, model number, average sales price on the market, and the amount of subsidy etc. each item involves.

Backpack wheat combine harvesters, belt-drive wheeled tractors, transport machinery, loaders, internal combustion engines, fuel generator sets, wind power equipment, hydraulic power equipment, solar energy equipment, packaging machinery, traction machinery, chain link fences, insulation blankets, civil engineering parts of facility agriculture (this refers to the greenhouse foundations and walls built with dirt, bricks and tiles, sand and rock materials, steel bar reinforced concrete works and other building materials etc.), and corn kernel combine harvesters used in the Yellow River and Huaihai regions shall not be included in the scope of subsidies through the central finance.

Subsidy for walking tractors shall be available only in schistosomiasis epidemic prevention areas, and hilly and mountainous areas. Dual-purpose wheat and corn combine harvesters shall be subsidized as a wheat combine harvester and a separate corn harvesting header respectively.

(II) Determination of the Machinery and Equipment for Subsidy. All the provinces shall take into consideration the actual circumstances of their own local areas to give emphasis to key areas and reduce the scope from the 175 items identified by the Ministry of Agriculture. They shall select the items which are urgently needed for agricultural production and for which the farming population has a high demand as the scope of the subject of subsidy through the central finance system in the respective province. Low-cost machinery and equipment may be excluded from the scope of subsidy and the specifics may be determined by the individual provinces at their own discretion.

Provinces with the appropriate conditions shall be encouraged to select machinery equipment that is urgently needed in certain links of the grain production of tilling, planting, harvesting, and drying etc. for open subsidy to meet the needs of all applicants for purchases within the province.

Applicants for purchases who have not been able to enjoy the subsidy due to limit on the subsidy size in a year shall be given priority in receiving subsidy for the next year.

County level agricultural mechanization authorities shall not be allowed to reduce the scope of farm machinery equipment subsidy without authorization. If reduction of the scope becomes really necessary, a plan shall be proposed by the county level leadership group for the subsidy of farm machinery purchasing after consultation, which shall be submitted to the provincial agricultural mechanization authority for review; or alternatively the provincial agricultural mechanization authority may determine the scope of farm machinery equipment subsidy by region in consideration of the actual circumstances of the province.

To further promote independent business operation by the enterprises, fair competition, freedom of choice by the consumers, independent right to consumption, and to promote science and technology innovation in agricultural mechanization, one province has been selected in 2014 for the pilot study for market economy reform for subsidized products, that is, within the scope of farm machinery equipment subsidy, except for farm machinery equipment that is expressly excluded from agricultural products eligible for subsidy, eligible machinery purchasers who purchase products outside the directory supported and promoted at the state and provincial levels shall also be eligible to apply for the subsidy. Specific plans shall be submitted to the Ministry of Agriculture and the Ministry of Finance for approval before they can be implemented.

Other than in the province for pilot study, subsidized machinery equipment must be that listed in the directory of products supported and promoted at the state or provincial level. Subsidized machinery equipment must bear permanent labels in conspicuous locations to indicate the manufacturer, product name, model number, factory serial number, manufacturing date, standard implemented, and other relevant information.

(III) Standard of Subsidy. The central government finance implements the system of fixed subsidy amount in the subsidy of farm machinery purchases, namely a unified subsidy standard shall be adopted for the same type and same grade of farm machinery within the same province. The maximum amount of subsidy for general purpose farm machinery products shall be uniformly determined by the Ministry of Agriculture. The maximum amount of subsidy for farm machinery products not for general purposes that have been incorporated into the subsidy scope of multiple provinces shall be determined through a leader province entrusted by the Ministry of Agriculture that will organize other relevant provinces for joint consultations; subsidy amount for other farm machinery products not for general purposes and for items of farm machinery products purchased through discretionary selection shall be determined by the individual provinces in question.

Based on the principle of "Scientific, rational, and straightforward grading, quota setting towards the lower rather than higher standard", scientific approaches shall be adopted for the categorization and grading of farm machinery products that are not for general purposes and of items of farm machinery products that are purchased through discretionary selection, and their amounts of subsidy shall be estimated. During the process of estimating the amount of subsidy for each grade of agricultural machinery products, generally speaking the amount shall not exceed 30 percent of the average sales price of that grade of products in question over the past three years. Subsidy for machinery devoted to large plot operations in key schistosomiasis epidemic prevention areas used for tilling, planting, and harvesting associated with the dominant crops and for plant protection in the region, and that for Lushan of Sichuan Province, Minxian and Zhangxian Counties of Gansu Province which were seriously hit by earthquakes shall be assessed at a rate of no more than 50%. Adjacent provinces shall strengthen their communication and mutual coordination to prevent excessive differences in the amount of subsidy for identical types of products. All provinces shall follow the set procedures and publicize the Chart of Overview for the Amount of Subsidy for Subsidized Machinery Equipment (Please refer to Appendix 2 for an example of a Chart of Overview for the Amount of Subsidy for Subsidized Machinery Equipment).

Survey and investigation shall be organized and conducted on the status of sales of subsidized products on the market; dynamic tracking shall be performed on supply and demand and price changes on the market, especially for newly added grades of subsidized products, for which monitoring shall be strengthened in terms of quality, use, service, etc. For the same grade of products of which the majority has seen significant overall price drops, their subsidy amount shall be promptly adjusted and settlement shall be made based on the adjusted subsidy amount.

Generally speaking, subsidy for any single machine shall not be more than 50,000 Yuan; for milking machines and dryers, subsidy limit for a single machine may be raised to 120K; for large tractors with over 100 horsepower, high performance green forage harvesters, large tillage-free planters, large combine harvesters, large programmable rice seed soaking germinators, subsidy limit for a single machine may be raised to 150K; for large tractors with over 200 horsepower, subsidy limit for a single machine may be raised to 250K Yuan; for sugar cane harvesters single subsidy limit can be increased to 200K Yuan, that for Guangxi Zhuang Autonomous Region can be raised to 250K Yuan;

for large cotton picking machines the subsidy limit for a single machine can be raised to 300K Yuan; that for Xinjiang Uygur Autonomous Region and the Xinjiang Production and Construction Corps can be raised to 400K Yuan.

Differentiated treatment of the same type of products produced within as versus outside the province shall not be allowed.

Pilot study shall continue in Shanxi, Jiangsu, Zhejiang, Anhui, Shandong, Henan, Xinjiang, Ningbo, Qingdao, Xinjiang Production and Construction Corps, and General Bureau of Land Reclamation in Heilongjiang for subsidy for the scrapping and upgrading of farm machines. *Guiding Opinion on the Implementation of the Pilot Studies on the Subsidy for the Scrapping and Upgrading of Farm Machines for 2012* (Nong Ban Cai [2012] No. 133) shall be referred to for the operation of the subsidies for the scrapping and upgrading of farm machines. All pilot study units shall continually draw experiences from their work and perfect the methods of operation to further enhance the enthusiasm among the operators of agricultural machines for the scrapping and upgrading process.

According to the relevant requirements from the Executive Meeting of the State Council, pilot studies shall be carried out on subsidy for subsoiling and soil preparation operations conducted using farm machinery in appropriate regions in Northeast China and suited areas in North China. For specific measures of operation in this regard, *General Office of the Ministry of Agriculture Notice on Subsidy for Subsoiling and Soil Preparation Operations Conducted using Farm Machinery* (Nong Bai Cai [2013] No. 98) shall apply.

IV. Determination of the Subject of Subsidy and the Public Announcement of Distributors

The subject of subsidy shall be the farming, animal husbandry and fishing population, agricultural farm (tree farm) workers, rural co-ops, and organizations engaged in agricultural production using farm machines, who have been incorporated into the scope of implementation and who meet the subsidy qualifications. When there are too many applicants for subsidy while there is not adequate subsidy fund, public lot drawing and other methods that are easily accepted by the farming population may be used to determine the recipients of the subsidy based on the principle of fairness, impartiality, and transparency.

Subsidy candidates who have already scrapped their old farm machines and obtained the certificates for disassembly and recycling shall be given priority in receiving subsidy. A limit shall be set to the maximum number of subsidized farm machines purchased or the total amount of subsidy received for each subject of subsidy within a year and the determination shall be made by the individual local areas in consideration of their own actual circumstances. Recipients of the subsidy may select and purchase machines within the province at their own discretion and cross-county purchase of machines from distributors shall also be allowed.

Farm machine manufacturers may set the qualifying conditions for the distributors of their products subsidized through the subsidy for the purchase of farm machines at their own discretion and may at their own discretion select the distributors for the subsidized products. Based on the principle of "He who decides shall be held accountable," farm machine manufacturers shall urge their subsidy distributors to conduct their business lawfully and with integrity, operate strictly by standardized practices, and strengthen after-sales services, and shall be held accordingly accountable for acts of subsidized distribution in violation of the relevant laws or regulations. Agricultural mechanization authorities at the provincial and county levels shall collectively publish a name list of subsidy distributors within each individual administrative region as provided by the farm machinery manufacturers and shall further strengthen their supervision in accordance with the relevant provisions in the *General Office of the Ministry of Agriculture Notice on Further Standardizing the Business Acts Related to Subsidized Products in Farm Machine Purchasing*. Blacklisted distributor enterprises and individuals shall not be permitted to engage in businesses related to the subsidized products.

Manufacturers of farm machinery shall be encouraged to deliver farm machinery products directly through direct selling so as to reduce the number of links in machine purchasing and realize direct connection between supply and demand.

V. Method of Payment for the Subsidy Fund

All the local areas shall be encouraged to implement the expenditure method of "Full price machine purchase, fixed subsidy amount, county level settlement, and payment made directly to cards". All the provinces that have already adopted the expenditure method of "Full price machine purchase, fixed subsidy amount, county level settlement, and payment made directly to cards" shall continue to solidify and perfect the process in 2014. In all provinces in which pilot studies of the process have been conducted in certain cities and counties, pilot run of the process shall be implemented in the entire province in 2014. In all provinces in which pilot studies of the process have not been conducted, certain cities or counties shall be selected in which a pilot run of the process shall be conducted or alternatively it can be run in the entire province in 2014; for those that are really not in a position to conduct the pilot studies, application shall be filed by the provincial agricultural mechanization authority and department of finance with the Ministry of Agriculture and Ministry of Finance for review and approval.

Practical and feasible plans shall be formulated for the pilot study of the "Full price machine purchase, fixed subsidy amount, county level settlement, and payment made directly to cards" method through careful and detailed investigative research, cautious and mature deliberation, and scientific design; for those provinces in which the pilot study is planned to start or to expand, the pilot study plan shall be filed with the Ministry of Agriculture and the Ministry of Finance. Contingency plans shall be made to resolve issues such as slow progress in the fund settlement process or difficulties faced by the farming population in their financing efforts, etc. that might emerge during the pilot study process so that they can be appropriately resolved. Active efforts shall be made to coordinate innovative credit loan services offered by local financial institutions to help alleviate pressures on the farming population in the financing process. The enterprises and the farming population shall be encouraged to conduct voluntary pricing negotiations.

In areas where machine purchasing is still conducted through differential pricing, under the premise that the security of the fund is guaranteed, operation shall be conducted in accordance with the former procedures. Conscientious efforts shall be made to speed up the process of fund expenditure and settlement. After subsidy is started, the agricultural mechanization authority shall submit the relevant documents at least monthly and the department of finance shall organize expenditure and settlement of the fund at least monthly to ensure that the progress of expenditure and settlement is faster than the timing progress.

VI. Work Measures

(I) Strengthening Leadership and Close Cooperation. Agricultural mechanization authorities and departments of finance at all levels of the government shall further raise their level of ideological understanding, strengthen their organization and leadership, establish close communication and cooperation relationships, strictly implement the regulations, observe disciplinary requirements, establish work accountability mechanisms, sign responsibility commitment agreements at each level and assign tasks and responsibilities to specific work posts. An accountability tracking system of "he who handles a matter is held accountable for it and he who verifies a matter is held accountable for it" shall be established and perfected in the areas of subsidy application, review and approval, public announcement and verification, supervision and inspection, file management, etc.

Provincial agricultural mechanization authorities and departments of finance shall form a close relationship of cooperation, establish a mechanism for work coordination, and strengthen their communication and coordination with the local crop farming, animal husbandry, fishery, agricultural reclamation, agricultural product processing, as well as water conservancy, forestry, and other government authorities; they shall make conscientious efforts in formulating plans, conducting training and guidance, formulating regulations and rules, supervising and inspecting, and handling complaints, etc., so that they can nail the work down by full-heartedly pushing forward the

implementation of all the key areas of work, vital measures, rules and regulations, and disciplinary requirements; work shall be intensified in managing the extended effects of subsidy for the purchase of farm machinery. Through the assessment process, problems shall be discovered and timely rectified, implementation shall be urged and supervised, and the system shall be perfected so that the results of the assessment will be directly linked to the allocation of the subsidy fund.

The agricultural mechanization authorities at the district and municipality levels shall review the subsidy implementation plans made by the county-level agricultural mechanization authorities, supervise and inspect their subsidy related work, spot-check and verify subsidized machinery equipment, as well as investigate, handle and oversee subsidy related complaints.

A county level mechanism shall be established and perfected for subsidized farm machine purchasing. A county level leadership group for the subsidy of farm machinery purchasing shall be established in which the county government shall take the lead, with participation by the finance, farm machinery, public security, industry and commerce, and other agricultural counterpart departments. With joint efforts they shall research and make determinations on matters related to the allocation of subsidies, the scope of subsidies, the types of machinery equipment for focused promotion, etc. Joint supervision shall be exercised over the implementation of the policies of subsidy. Initiative shall be taken to invite NPC deputies, CPPCC members and the disciplinary inspection and supervision departments for their participation and supervision. Meanwhile internal self-imposed retraining mechanisms shall be strengthened in the county level agricultural mechanization authority. Major affairs related to subsidized farm machine purchasing shall be discussed collectively and finalized by the county level subsidy leadership group, and the decision shall be submitted to and filed with the higher level of agricultural mechanization authority.

Departments of finance at all local government levels shall follow the requirements set forth in the *Interim Administrative Measures for the Use of the Dedicated Fund of Subsidy for the Purchase of Farm Machinery* (Cai Nong [2005] No. 11) and actively support and participate in the implementation and supervision of the work related to subsidy funds. Monetary investment shall be increased and the necessary organization and administrative fund guaranteed. Misuse and misappropriation of the subsidy fund from the central finance system for organizational administrative expenses shall be strictly prohibited.

(II) Strengthening Leadership, Scientific Regulation and Control. The subsidy for farm machine purchasing is a policy aimed at strengthening, benefiting, and enriching the rural population, as much as one for the promotion of industry. Scientific and technological progress in the farm machinery industry shall be promoted through the implementation of the policies, together with the improvement of the level of manufacturing, the optimization of the distribution of the structure of farm machinery equipment, the fast improvement of the level of agricultural mechanization in the weak links, and acceleration of the pace of agricultural development in underdeveloped regions for the overall enhancement of the quality and efficiency of the development of agricultural mechanization.

The guiding role of the subsidy policy shall be fully exploited and the subsidy scale shall be appropriately determined for the various areas. The range of subsidized machinery items shall be determined by taking into consideration the different circumstances of different localities and scientific categorization shall be made in the estimation of subsidy amounts.

Different local conditions shall be taken into consideration in the development and implementation of mid- and long-term plans for subsidized farm machine purchasing. We shall adhere to experiences proven to be effective and innovate work measures, and realize policy goals by steps and with the appropriate focus so as to bring about the sustained and deepened implementation of the subsidy policies.

(III) Standardized Operation and Rigorous Management. Subjects of subsidy shall be determined in a fair, impartial and transparent manner. In the determination of the subjects of subsidy, favoritism for friends or relatives shall be prohibited as well as any contrived qualifying conditions for machine purchasing. The county level agricultural mechanization authority shall be responsible for the review of the "Notice for Verified Subsidy Quota" (for specific format information

please refer to Appendix 3), which upon joint verification by the same level department of finance, shall be delivered to the applicant farmer for machine purchasing. In the *Notice for Verified Subsidy Quota and Policy Notification*, it shall not be allowed to indicate the manufacturer, specific products, or other such information.

Whether subjects of subsidy should apply for subsidy before machine purchasing or vice versa shall be determined by the provincial agricultural mechanization authority at its own discretion in consideration of the specific local circumstances.

It is strictly not allowed to adopt unreasonable policies to protect backward local production capacity, neither is forcible recommendation of products to the farm machine purchasers. Enterprises shall be strictly prohibited from price hikes by taking advantage of the expanded subsidy of farm machine purchasing. The price of a product sold to a farmer who receives subsidy shall not be higher than that for the same product sold to a farmer who does not.

Networking of the management of subsidized farm machine purchasing shall be pushed forward in a comprehensive and deep-level manner and all local areas shall completely adopt the software system for the management of the national subsidy of farm machine purchasing. Cooperation shall be provided to the relevant government authorities to crack down on the stealing, reselling, disclosing of subsidy related information, telecommunication fraud, and other illegal acts to protect the legitimate rights and interests of the farming population.

Management of the licenses and plates of subsidized machinery equipment shall be strengthened. Owners of tractors and combine harvesters that are the subject of the subsidy policies shall apply to the local agricultural safety supervision agency for their registration before they can be put into operation. Quality supervision shall be strengthened over the subsidized machinery equipment in accordance with the relevant laws and farm machine enterprises shall be coordinated to ensure the good supply of subsidized machinery equipment. The enterprises shall be urged to provide good after-sales services.

All provinces shall strengthen their training of personnel engaged in work related to subsidized farm machine purchasing to raise the quality and capabilities of the basic level staff. In 2014, the Ministry of Agriculture shall continue to train, in batches, personnel at the county level engaged in work related to subsidized farm machine purchasing in the areas of policies, professional work, and admonishment education.

(IV) Transparent Information and Supervision. Extensive effort shall be made in publicizing subsidy policies in accordance with the requirements set forth in the *General Office of the Ministry of Agriculture Notice on Further Promoting the Transparency of Information on Policies Concerning Subsidized Farm Machine Purchasing* Nong Ban Ji [2011] No. 33), and timely and proactive initiatives shall be taken through the use of radio, television, newspapers, the Internet, brochures, easy to understand paper, wall charts, etc. to disseminate information on the policies concerning subsidized farm machine purchasing to the villages, households and individuals and practical results shall be sought from the publicity campaign.

The provincial and county level agricultural mechanization authorities shall take the initiative to disclose all subsidy-related information, documents, and other information that can be disclosed, but it is strictly prohibited to disclose any private information related to the purchasing households, such as their contact information, ID numbers, bank account numbers, etc. County level agricultural mechanization authorities shall incorporate the implementation of farm machine purchase subsidy into the directory of transparent government affairs and government services, and shall treat the recipients of subsidized farm machine purchasing as part of the transparent village affairs. The system of public disclosure shall be strictly followed and information related to beneficiaries must be publicly disclosed prior to the expenditure and settlement of subsidy funds. The arrangement of the sequence and number of times of disclosure shall be determined by the individual provinces themselves. For relatively low-priced machinery equipment, purchasing and public disclosure may be conducted simultaneously.

After the annual work of subsidy is concluded, the county level agricultural mechanization authority should publish, in the form of a public announcement, information of all farming households that are recipients of the subsidy (including cooperatives and other recipients of subsidy, same hereafter; refer to Appendix 4 for format required) and the status of the county level implementation of the policies concerning subsidized farm machine purchasing on the website of the county level people's government or on the website (web page) of the department of agriculture (farm machine), and shall make sure that such information is readily accessible for a period of five years. Agricultural mechanization authorities at all levels of the government shall publish and perfect all information disclosure bulletin boards for subsidized farm machine purchasing in accordance with the relevant regulations by the end of 2014, and shall furthermore standardize the configuration of the items, timely and comprehensively disclose information, offer services free of charge, make sure that the bulletin boards operate in an effective fashion and voluntarily subject themselves to public scrutiny.

The system shall continue for the regular reporting of the status of the implementation of farm machine purchase subsidies and statistical analysis shall continue on the implementation progress of subsidized farm machine purchasing as well as the work of information submission.

The Ministry of Agriculture shall incorporate the status of public information disclosure by the provincial level agricultural mechanization authority into the management assessment for extended performance, for which quarterly spot-checking shall be conducted and the results of the spot-checking shall be publicly announced. The provincial agricultural mechanization authority shall also conduct regular spot-checking, the results of which shall also be publicly announced.

(V) Strict Enforcement of the Disciplines and Strengthening Supervision. Agricultural mechanization authorities and departments of finance at all levels shall strengthen their supervision over work related to subsidized farm machine purchasing. Sound implementation must be ensured of the State Council's "three strict prohibitions" and the Ministry of Agriculture's "four prohibitions," "eight shall nots," as well as of the requirements set forth in the *Ministry of Finance Notice on Painstakingly Strengthening the Supervision of the Implementation of the Policies on Subsidized Farm Machine Purchasing* (Cai Nong [2011] No.17), *Ministry of Agriculture Opinion on Accelerating the Establishment of the Mechanism for the Prevention of Risks to Clean Governance in Subsidized Farm Machine Purchasing* (Nong Ji Fa [2011] No. 4), and *Ministry of Agriculture Opinion on Further Strengthening the Supervision and Management of the Implementation of the Policies on Subsidized Farm Machine Purchasing* (Nong Ji Fa [2013] No. 2).

Agricultural mechanization authorities at all levels shall completely fulfill their own supervision responsibilities and shall prosecute any acts in violation of the laws or regulations to the fullest extent of both. The focus of the supervisory responsibilities of the provincial and district levels of agricultural mechanization authorities lies in the organization, coordination, training, guidance, supervision, urging and inspection of how the supervision of subsidized farm machine purchasing is being implemented. Unscheduled investigations both covert and open shall be organized so that an in-depth understanding can be gained of how subsidized farm machine purchasing policies are being implemented and executed. Uncovered problems shall be timely exposed and handled so that they are suppressed at the budding stage. Agricultural mechanization authorities at all levels of the government shall timely report any acts in violation of the laws, regulations and disciplines from one level to the next one up; the provincial agricultural mechanization authority shall timely report to the Ministry of Agriculture, Ministry of Finance, and the Discipline Inspection and Supervision Agency deployed in the Ministry of Agriculture the results of the supervision and inspection as well as the investigation of and disciplinary actions taken against all the acts that are violation of the laws, regulations and disciplines. The Ministry of Agriculture shall make disclosure collectively of such reports to the public twice a year.

County level agricultural mechanization authorities shall fully implement and act on the various provisions of supervision and inspection, and shall complete the process of machinery equipment verification before the expenditure and settlement of the subsidy fund, especially for key machinery equipment that involves high subsidy amounts and a serious imbalance between supply and demand. Such equipment shall be subject to one-by-one verification and "the person, machine, and invoice must all be seen" and "man-machine picture and signature confirmation must both be obtained" rules. The provincial agricultural mechanization authority shall determine the scope of the

machinery equipment subject to one-by-one verification as well as the method used for the verification process.

The farm machine certifying agency shall standardize the acts in the certification process and strictly control the quality acceptance threshold. Intensifying the magnitude of supervision by the finance department. Finance departments at all levels, especially those at the grassroots level shall actively participate in the specific work related to the implementation of subsidized farm machine purchasing, and shall actively fulfill their job responsibilities in the use and management of the subsidies, the determination of the subjects, types and distributor selection for the subsidies, and the verification of actual machine purchases by the farmers, and in other related aspects. The local and proximity advantages of their supervision shall be fully displayed. The county level department of finance in joint effort with the same level farm machine and other relevant departments shall conduct spot-checking and verification on the status of the actual use after the machines are purchased by the farmers at a ratio of no less than 10% of the total number of farm machine purchasers. Uncovered problems shall be handled in a timely manner and the status of verification and handling of such problems shall be reported to the provincial department of finance and agricultural mechanization authority. The provincial department of finance shall urge and guide the department of finance at the grassroots level in supervising the work related to the implementation of the policies for subsidized farm machine purchasing.

A system for complaints and grievances shall be established and perfected. The channels of complaints shall be expanded so that complaints can be accepted via telephone, network and letters, etc. All problems and clues that are reported through complaints filed with real names shall be investigated and investigated to the very root of the problems.

All agricultural mechanization authorities at the district and county levels shall investigate and validate problems which involve lots of complaints from the farming population, inadequate offer of "Triple Guarantee" services, price hikes, unfair competition, non-standardized factory serial numbers or labels, etc., which shall then be reported to the provincial agricultural mechanization authority; the provincial agricultural mechanization authority shall then interview and issue warnings against the relevant farm machine manufacturing enterprises, and raise suggestions for rectification. For those that have not been able to execute effective rectifications, their eligibility for subsidy shall be suspended or even revoked. For those manufacturing or distribution enterprises that engage in acts in violation of the relevant laws or regulations, such as lowering the configuration specs, providing shoddy products in place of good ones, obtaining subsidy through acts of fraud or extraction, etc., the relevant regulations shall be followed to revoke their eligibility to act as distributors of subsidized products or their eligibility for the subsidy of subsidized products.

The Ministry of Agriculture and the Ministry of Finance shall select certain counties (cities, districts) for the spot-checking of the implementation of the above measures, which shall constitute an important part in the evaluation of the work performance of the various local areas and the results of the spot-checking shall be publicly announced.

VII. Application and Summarization

The agricultural mechanization authorities and the departments of finance of all provinces shall propose a list of counties (farms) for the implementation as well as their opinions on the allocation of the quota of the fund, formulate plans for the use of the subsidy funds in each province, which shall be submitted and filed collectively with the Ministry of Agriculture and Ministry of Finance by 28 February (in duplicate).

Information on the implementation of subsidized farm machine purchasing (including subsidy arranged through the local finance) for the first half of the year and that for the entire year shall be submitted respectively by 30 June and 31 December 2014 to the Division for the Management of Agricultural Mechanization and Division of Finance under the Department of Agriculture and the Division of Agriculture under the Ministry of Finance.

Appendix 1

2014 Scope for the Types of Farm Machines Eligible for Subsidy Nationally

(175 items from 48 subcategories out of 12 categories)

1. Machinery for soil tillage and preparation

1.1 Machinery for soil tillage

- 1.1.1 Mouldboard plow
- 1.1.2 Roll-over plow
- 1.1.3 Disc plow
- 1.1.4 Rotary tiller
- 1.1.5 Tillage machine (for paddy and dry fields)
- 1.1.6 Mini tiller
- 1.1.7 Farm managing machine
- 1.1.8 Trencher (machine)
- 1.1.9 Subsoiler
- 1.1.10 Power roller boat
- 1.1.11 Power tiller boat
- 1.1.12 Seedbed preparation combine

1.2 Machinery for soil preparation

- 1.2.1 Tined harrow
- 1.2.2 Disc harrow
- 1.2.3 Drive harrow
- 1.2.4 Ridger
- 1.2.5 Packer
- 1.2.6 Stubble cleaner

2. Planting and fertilizing machines

2.1 Planting machines

- 2.1.1 Drill planter
- 2.1.2 Hill-drop planter
- 2.1.3 Odd-shape seed planter

2.1.4 Small seed planter

2.1.5 Tuber seed planter

2.1.6 Rice (paddy, dry field) direct seeding machine

2.1.7 Tillage-free planter

2.1.8 Drought-resistant hole irrigation machines

2.1.9 Rotary-tillage planter

2.2 Nursery mechanical equipment

2.2.1 Seedling tray planter set (including bed soil preparation)

2.2.2 Seedling planter

2.2.3 Seed treatment equipment (picking, modulation, flotation, soaking, germination, awn removal, etc.)

2.2.4 Culture pot briquetting machine

2.3 Transplanter

2.3.1 Rape transplanter

2.3.2 Rice transplanter

2.3.3 Pendulum rice seedling transplanter

2.3.4 Sugarcane planter

2.3.5 Tree transplanter

2.3.6 Beet transplanter

2.4 Fertilizing machines

2.4.1 Fertilizing machines (fertilizer)

2.4.2 Manure spreader (manure)

2.4.3 Dresser (liquid fertilizer)

2.4.4 Intertillage dresser

2.4.5 Fertilizer mixer

2.5 Plastic film machinery

2.5.1 Plastic film spreader

2.5.2 Residue film collector

2.6 Mushroom production machinery

3. Field management machinery

3.1 Intertillage machinery

3.1.1 Cultivator

3.1.2 Banking machine

3.1.3 Weeding machine

3.1.4 Buried vine machine

3.2 Plant protection machinery

3.2.1 Power sprayer (backpack or hand-held style)

3.2.2 Power powder or mist sprayer (including backpack power powder or mist sprayer, backpack power mist sprayer, backpack power powder sprayer)

3.2.3 Power mist sprayer (including stretcher style and hand cart style mist sprayer)

3.2.4 Boom sprayer (including towed, self-propelled, suspended boom sprayers)

3.2.5 Air sprayer (including self-propelled, towed air sprayers)

3.2.6 Fogger (including room temperature fogger and hot fogger)

3.2.7 Insecticidal lamp (including moth elimination lamps and trap lamps)

3.3 Trimming machinery

3.3.1 Tea tree trimmer

3.3.2 Tree (flower and grass) trimmer

3.3.3 Bush cutter

4. Harvesting machinery

4.1 Cereal harvesting machinery

4.1.1 Wheeled self-propelled combine harvester (full feed)

4.1.2 Self-propelled tracked combine harvester (full feed)

4.1.3 Partial-feed combine harvester

4.1.4 Specialized header for soybean harvesting

4.1.5 Swather

4.2 Corn harvesting machinery

4.2.1 Backpack corn harvesting machinery

4.2.2 Self-propelled corn harvesting machinery

4.2.3 Self-propelled corn combine harvester (with threshing function)

4.2.4 Corn ear/stalk harvester

- 4.2.5 Corn harvesting header
- 4.3 Cotton and hemp crop harvesting machinery
 - 4.3.1 Cotton harvester
 - 4.3.2 Hemp crop harvesting machinery
- 4.4 Flower (tea) collecting machinery
 - 4.4.1 Tea-leaf picker
 - 4.4.2 Hops harvester
- 4.5 Grain crop harvesting machinery
 - 4.5.1 Rape seed harvester
 - 4.5.2 Grass seed harvester
 - 4.5.3 Peanut harvester
- 4.6 Tuber crop harvesting machinery
 - 4.6.1 Potato harvester
 - 4.6.2 Sugarcane harvester
 - 4.6.3 Sugarcane cutting machine
 - 4.6.4 Sugarcane leaf stripper
 - 4.6.5 Beet harvester
 - 4.6.6 Herb excavator
- 4.7 Animal feed crop harvesting machinery
 - 4.7.1 Green Forage harvester
 - 4.7.2 Animal feed grass harvester
 - 4.7.3 Grass cutter
 - 4.7.4 Hay rake
 - 4.7.5 Pick-up press baler
 - 4.7.6 Baler
 - 4.7.7 Forage wrapping machine
 - 4.7.8 Hay grabber
- 4.8 Stalk collecting and processing machinery
 - 4.8.1 Machinery for chopping stalks and returning them to the field
 - 4.8.2 Talk-stalk crop swather

4.8.3 Stalk collecting (sorting) machinery

4.9 Vegetable harvester

4.9.1 Fruit-type vegetable harvester

5. Post-harvest processing machinery

5.1 Threshing machine

5.1.1 Rice and wheat thresher

5.1.2 Corn thresher

5.2 Cleaning and sorting machinery

5.2.1 Grain cleaning and sorting machinery

5.2.2 Seed cleaning and sorting machinery

5.2.3 Winnowing machine

5.2.4 Seed cotton cleaning machine

5.3 Sheller (skinner) machinery

5.3.1 Corn husker

5.3.2 Peanut sheller

5.3.3 Dry nut sheller

5.4 Drying machinery

5.4.1 Grain drying machinery

5.4.2 Seed drying machinery

5.4.3 Rape seed dryer

5.4.4 Fruit and vegetable dryer

5.4.5 Cocoon harvesting and drying machinery

5.4.6 Hot air furnace

5.5 Seed processing machinery

5.5.1 Seed coater

5.6 Warehousing machinery

5.6.1 Simplistic preservation and storage equipment

6. Primary processing machinery for products

6.1 Rice milling machinery equipment

6.1.1 Rice milling machine

6.2 Powder (pulp) grinder

6.2.1 Powder grinder

6.2.2 Pulp grinder

6.3 Fruit and vegetable processing machinery

6.3.1 Fruit grading machine

6.3.2 Fruit waxing machine

6.3.3 Fruit and vegetable cleaner

6.4 Tea processing machinery

6.4.1 Tea fixing machine

6.4.2 Tea roller machine

6.4.3 Tea baking (drying) machine

6.4.4 Tea sieving machine

6.5 Sisal processing machinery

6.5.1 Decorticator

6.6 Special equipment for the primary processing of natural rubber

7. Drainage and irrigation machinery

7.1 Water pump

7.1.1 Centrifugal pump

7.1.2 Submersible pump

7.2 Sprinkler irrigation machinery equipment

7.2.1 Sprinkler irrigation machine

7.2.2 Micro-irrigation equipment (micro sprinkling, dripping, subsurface irrigation)

7.2.3 Filter for irrigation purposes

7.3 Other drainage and irrigation machinery

7.3.1 Wind water pumping machine

7.3.2 Machines and pumps for drought

7.3.3 Water well drilling rig

8. Machinery equipment for animal husbandry and aquaculture

8.1 Animal feed (hay) processing machinery equipment

8.1.1 Silage chopper

8.1.2 Hay cutter

8.1.3 Kneading machine

8.1.4 Briquetting machine

8.1.5 Fodder grinder

8.1.6 Fodder mixer

8.1.7 Fodder crusher

8.1.8 Fodder stirrer

8.1.9 Pellet briquetting machine

8.2 Livestock farming machinery

8.2.1 Incubator

8.2.2 Feeder

8.2.3 Feed conveyor

8.2.4 Manure collector (cart)

8.2.5 Water curtain cooling equipment

8.3 Livestock product collection and processing machinery equipment

8.3.1 Milking machine

8.3.2 Shearing machine

8.3.3 Mild storage tank

8.3.4 Refrigerated tank

8.4 Machinery equipment for aquaculture

8.4.1 Aerator

8.4.2 Feeding machine

8.4.3 Cage farming equipment

8.4.4 Water purification and treatment equipment

8.4.5 Netting machine

8.5 Other machinery equipment for animal husbandry and aquaculture

8.5.1 Dedicated platform for beekeeping (including bees pedal, beehive moisturizing equipment, bees feeding device, power honey extractor, power slurry extractor, pollen dryer)

9. Power equipment

9.1 Tractor

9.1.1 Wheeled tractor

9.1.2 Walking tractor

9.1.3 Tracked tractor

10. Machinery for farmland infrastructure construction

10.1 Excavating machinery

10.1.1 Excavating machinery for farm use (bucket capacity $\leq 0.4\text{m}^3$)

10.1.2 Hole digger

10.2 Land leveling machinery

10.2.1 Grader (including laser grader)

10.3 Dredging machinery

10.3.1 Dredging machine

11. Equipment for facility agriculture

11.1 Solar greenhouse facilities and equipment

11.1.1 Rolling shutter machine

11.1.2 Heating furnace

11.2 Attached solar greenhouse facilities and equipment

11.2.1 Window opener

11.2.2 Screen pulling machine (sun shade and insulation screen)

11.2.3 Ventilator

11.2.4 Thermal screen

11.2.5 Carbon dioxide generator

11.2.6 Heating system (including fuel stove, hot water heating system)

11.2.7 The beginning portion of irrigation (including irrigation water pressurization equipment, filtration equipment, water softening equipment, integrated fertigation equipment, and nutrient solution disinfection equipment, etc.)

12. Other equipment

12.1 Equipment for the treatment of wastes

12.1.1 Solid-liquid separator

12.1.2 Turning machine for the aerobic fermentation of organic wastes

12.1.3 Equipment for the dry anaerobic fermentation of organic waste

12.1.4 Biogas slurry residue pumping equipment

12.2 Precision farm equipment

12.2.1 Compass terminal for farming purposes (including that for fishing vessels)

12.2.2 AIS terminal for fishing vessel

Appendix 2

Province (district, municipality, corps, agricultural reclamation) 2014 Chart of Overview
for the Subsidy Amount for Subsidized Machinery Equipment Purchasing

[illegible]

Appendix 3

Serial number_____

Letter of Notice for Verified Subsidy Quota for Farm Machine Purchasing (format for reference)

I. Basic information about the subject of subsidy

Name or organization name:_____ Address:_____

II. Subsidized Machinery Equipment and the Standard of Subsidy

[illegible]

III. Other instructions

1. Subject of subsidy must buy the machine between Date Month and Date Month and the subsidized machinery equipment must be that listed in the directory of products supported and promoted at the state or provincial level.

2. If subject has given up machine purchasing, this notice shall be taken back to the county level agricultural mechanization authority 10 days prior to the date stipulated in the current notice.

3. This notice shall be prepared in copies of threes. The county level agricultural mechanization authority and department of finance shall retain one copy each while the subject of subsidy shall retain one copy. This notice shall take effect upon the affixation of stamps and signatures.

4. ID numbers and contact telephone numbers shall be appropriately kept as internal work information and shall not be saved into the information system for subsidy management. Strict caution shall be exercised in preventing information leakage and the occurrence of telephone fraud.

County-Level Responsible Agricultural Mechanization
Department (Stamp)

Date: Day Month Year

County-Level Department of Finance
(Stamp)

Date: Day Month Year

Appendix 4

2014 Chart of Information on the Farming Households Receiving Subsidy for the Purchase of Farming Machinery in the_____County (City, Qi, Farm)

Unit issuing the public announcement:

Time of public announcement: Day Month Year

Serial number	Township of residence (Borough)	Village and group of residence	Name of machine purchaser	Machine equipment Item	Manufacturer	Machine model purchased	Quantity purchased (Number)	Distributor	Sales price per machine (Yuan)	Subsidy amount per machine (Yuan)	Total amount of subsidy (Yuan)
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Total											

Note: Including all subsidy subjects, such as farming households, co-ops., etc.

To ensure the openness, normativeness, clean and honest implementation of the purchase subsidies policy of agricultural machinery (hereinafter referred to as the farm machine), to make full use of the policy benefits of farm machine purchase subsidies, to accelerate the transformation of mechanized farming development pattern, to promote fully mechanized crop production of grain, sugar, cotton, and oil, and to boost the good-and-fast development of mechanized farming and the enhancement of overall agricultural productivity, on the basis of summarizing the experiences in recent years and the operations of farm machine purchase subsidies innovative pilot work, we formulated the “2015 - 2017 Agricultural Machinery Purchase Subsidies Implementation Guidance”, it is hereby issued, please comply.

Annex 43

2015-2017 Guiding Opinions on Implementing Subsidies for Purchase of Agriculture Equipment,
Ministry of Finance and Ministry Agriculture (27 Jan 2015).

The General Office of the Ministry of Agriculture, the General Office of the Ministry of Finance

January 27, 2015

2015 - 2017 Agricultural Machinery Purchase Subsidies Implementation Guidance

ONE. Overall Requirements

Through the implementation of agricultural machinery (hereinafter referred to as farm machine) purchase subsidies policy, fully mobilize and protect farmers' enthusiasm for purchasing and using farm machine, promote the optimization of agricultural equipment structure, enhance the operational capacity and level of mechanized farming, promote the transformation of agricultural development pattern, to earnestly protect the effective supply of major agricultural products. During implementation, pay attention to the highlighted focus, to accelerate fully mechanized production of major crops, such as, grain, sugar, cotton, and oil, improve the directivity and precision of policies; focus on reforming, improving, and optimizing the system design, exemplify equal benefits to the people and conveniently effective for the people, highlight the universality and stability of the policies; focus on normative implementation, strengthen supervision during the process, improve public access of information, performance evaluation and anti-corruption risk control, protect the safety of the funds; pay attention to the market-oriented principles, through the market mechanism to make use of the guiding function of subsidies policies on the development of mechanized farming, and promote the market-oriented ch between supply and demand sides of the subsidized products, guarantee the autonomy of those who select and purchase the machines, and to promote the technological advancement of farm machines.

TWO. The Scope and Scale of Implementation

Farm machines purchase subsidies policies are implemented in all agricultural and pastoral counties (farms) nation-wide. Considering the comprehensive factors in the provinces (autonomous regions, municipalities, separately listed cities and Xinjiang Production and Construction Corps, Agricultural Reclamation Bureau of Heilongjiang Province, the Guangdong Provincial Bureau of Agricultural Reclamation, hereinafter the same) of arable land, crops sown area, production amount of major agricultural products, demand of machines purchasing intends (acquired by grass root investigation), performance management appraisal, and the Central Government's financial budget funding arrangement, to determine the scale of the subsidized funding.

The provincial agricultural authorities in charge of mechanized farming and financial departments, in accordance with the above requirements, scientifically and rationally determine the size of funding in the cities and counties within their own jurisdictions. Carryover funds from last year can continue to be used in the following year, unused funds carried over for two consecutive years, shall be handled in accordance with relevant regulations.

The provincial agricultural authorities in charge of mechanized farming and financial departments shall strengthen the guidance on farm machines purchase subsidies for the state-owned farms. For provincial management systems in Beijing, Tianjin, Shanghai, Jiangsu, Anhui, Henan, Jiangxi, Hubei, Guangxi, Hainan, Yunnan, Shaanxi, Gansu, Ningxia and other 14 provinces (autonomous regions and municipalities) local reclamation farms and Hailar, Daxinganling Farm Reclamation, the scale of subsidies, list of subsidized farms and funding allocations shall be determined by joint consultation among the provincial

mechanized farming authorities, the agricultural reclamation authorities and the financial departments, then, incorporated into provincial subsidies usage scheme. Other local farms in the agricultural reclamation area managed by cities and counties, their farm machine purchase subsidies are incorporated into the scope of purchase subsidies in their local counties.

Provinces incorporated in the "National Farm Machine Subsoiling Operations Implementation Plan," the can combine the actual practices to arrange subsidized grants in the farm machine purchase subsidies (not exceeding 15% of the total subsidies) for carrying out farm machine subsoiling operations subsidies in the appropriate areas; specific operational methods referring to the, "General Office of the Ministry of Agriculture on the Implementation of Farm Machine Subsoiling Operations subsidies Pilot Work Notice" (Nongbancai [2013] No. 98) for execution. Encourage qualified large agricultural machinery farms, agricultural cooperatives and other agricultural service organizations to assume the mission of operation subsidies, to carry out cross-district subsoiling operations, and other social services.

Implement the pilot of scrapped farm machines replacement subsidies in Hebei, Shanxi, Heilongjiang, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong, Henan, Hubei, Hunan, Guangxi, Shaanxi, Gansu, Xinjiang, Ningbo, Qingdao, specific operational methods referring to the "2012 Scrapped Farm Machines Replacement Subsidies Pilot Implementation Guidance" (Nongbancai [2012] No.133) for execution. The Ministry of Agriculture in conjunction with Ministry of Finance to carry out inspection and assessment on the conditions of implementation in the pilot provinces and cities, depending on the situations to execute appropriate annual adjustments in the pilot provinces and cities.

THREE. Scope and Standards of Subsidies

(I) The range of machinery types for Central Government's financial subsidies. According to the objective requirements of "ensure grains are basically self-sufficient, food rations are absolutely safe," the central government subsidy funds focused on the machinery required in the key aspects of production of major crops such as sugar, cotton and oil; and the needed machinery for animal husbandry, fisheries, facility agriculture, forestry and fruit industry and agro-processing early development, and strive to improve the full mechanization level of production of major crops such as sugar, cotton and oil in about three years. There are 137 items in 43 sub-categories under 11 categories in the range of Central finance subsidies for equipment types in the range of equipment types for Central Government's financial subsidies (see Annex 1).

Based on the actual practice of its agricultural production, the province is to select items among the 137 items as part of the Central Government's financial subsidies range for the province; and based on the development needs of the local advantageous leading industry and scale of subsidized funding, choose some of the key link machinery for implementing open subsidies.

Major grain-producing provinces (regions) to select the urgently needed machinery items in the key links of the grain-production to open for subsidies, which mainly include subsoiler, no-till planter, rice transplanter, mobile crop duster, power (spray rod, the wind ventilation type) sprayer, self-propelled combine harvester crawler (full feed), semi-feeding combine harvester, corn harvester, potato harvester, straw smash machines, grain dryer, large and medium-sized wheeled tractor, etc. Main cotton, oil, sugar crop producing provinces (regions) shall open subsidies on items including cotton harvesting machine, sugarcane machine, sugarcane harvester, rapeseed harvesting machine, peanut harvesting machines and other machinery items.

Provinces in better conditions, around the leading industries, according to the principle of matching the size of subsidies with the consistent demand for machinery purchase, select trial machinery items, all open for subsidies.

Other required machinery for the development of local featured agriculture and machinery with strong adaptability to small region, may be included in the scope of subsidies by the financial arrangements of funds at local levels, specific subsidized machinery items and standards of subsidies to be determined by local governments.

In order to guide and encourage agricultural machinery producers to strengthen R & D and innovation, select a number of provinces to carry out central Government's financial pilot of purchase subsidies for new farm machinery products. New product purchase subsidies pilot, shall highlight the needs for major local industrial development for grains, cotton, oil and sugar and the promotion of new technology of mechanized farming, to conduct scientific studies and collective research on policies, to ensure that technology is advanced and risks are controllable. The specific measures can be formulated by the pilot provinces' departments in charge of mechanized farming in conjunction with financial departments.

To encourage large-scale farm machine financial leasing pilot and innovative credit services, offer multi-channel, multi-form support for farmers' purchase and usage of the machinery.

(II) Qualifications of subsidized machinery products. Subsidized machinery products must be manufactured in the territory of People's Republic of China. Except for new products subsidies pilot, the subsidized machinery should be certified products with an effective product promotion certificate of authenticity issued by agencies at ministerial or provincial level.

Continue to select some provinces to carry out the subsidized product market-oriented reform pilot, in the range of subsidized machinery categories, except for the farm machinery products declared disqualified for subsidies or do not meet the production licensing administration and compulsory certification management, all farm machinery products purchased by qualified purchasers can apply for subsidies.

Subsidized machinery products shall be marked at a clear position with a permanent nameplate, which identifies the manufacturer, product name and model number, serial number, date of manufacture, the implementation of standards and other information.

(III) Allowance of subsidies. The Central Government's farm machine purchase subsidies is implemented as a fixed subsidy, namely, for the same type, the same grade of agricultural machinery, in principle, are subsidized by a uniformed standard within the province; it is not allowed to have discriminatory treatment for the similar products manufactured by enterprises inside and outside the province. To prevent the gap of subsidies for similar machinery between different provinces (autonomous regions and municipalities) becomes too large, the maximum subsidies of machinery items in the general category are issued in uniform by the Ministry of Agriculture. The provincial departments in charge of mechanized farming shall conduct the estimation by combining the local market price of farm machinery products conditions, on the basis of not exceeding the maximum amount of the subsidies, the provinces are responsible for determining the amount of the subsidies for farm machinery products in the general categories.

The provincial departments in charge of mechanized farming are responsible for developing the classification and binning methods for machinery in non-general categories and determine the amount of subsidies. For some machinery products that are in demand by multiple provinces, classification and binning methods and the amount of subsidies may be determined by consultation among the relevant provinces.

The amount of subsidies of general farm machines in each class is estimated based on the principle of not exceeding 30% of the average selling price in the previous year for the profile products in the same class, subsidies for single machine do not exceed 50,000 yuan; milking machines and dryers subsidies for single machine do not exceed 120,000 yuan; large tractors over 100 horsepower, high performance forage harvesters, large no-till planters, large combine harvesters, and large rice seed soaking and pregermination program-controlled equipment, subsidies for single machine do not exceed 150,000 yuan; 200 horsepower tractors subsidies for single machine do not exceed 250,000 yuan ; large-scale sugar cane harvester subsidies for single machine do not exceed 400,000 yuan; large cotton picking machine subsidies for single machine do not exceed 600,000 yuan.

The corn and wheat dual harvesters are subsidized separately by the separate cutting table for corn harvest and the wheat combine harvesters.

The provincial departments in charge of mechanized farming may independently determine the magnitude of the reduction of the amount of subsidies. For most products within the same class, if the overall prices drop significantly, the amount of subsidies of machinery in this class can be reduced timely. Provinces must public release a list of subsidized machinery and the amount of subsidies (subsidies List See Appendix 2) and adjustments of subsidies. If the adjustments of subsidies of machinery in the general categories involving the Central Government's financial subsidies, a copy of the adjustment shall promptly report to the Ministry of Agriculture, which will make the annual adjustment depending on the circumstances.

FOUR. Determination of Subsidies Target and Announcement of Distribution Companies

Subsidies targeted individuals directly engaged in agricultural production and organizations operate agricultural production business. When there are more subsidies targets and subsidies is underfunded, to be determined in accordance with the principle of fair and open.

The subsidies target of old farm machine that has been scrapped and obtained proof of dismantling for recycling, has the priority for subsidies. For subsidies target in each category, the upper limits of the annual purchase of farm machine units (sets) or the total amount of subsidized funds, should be determined independently by the local governments in combination of actual situation.

Subsidized products distribution enterprises are determined independently by the farm machines manufacturers and announced to the public. Provincial departments in charge of mechanized farming shall promptly release the list of distribution enterprises and individuals that have been blacklisted, such enterprises and individuals are not allowed to participate in the subsidies activities, products sold by those in the list cannot enjoy the policy of farm machine purchase subsidies. The farm machine manufacturers shall be held responsible for the marketing behaviors of the subsidized products distribution enterprises determined by them.

In principle, subsidies target should follow all the procedures of subsidies and apply to the competent authorities determined by local government. To gradually separate the subsidies policy implementation procedure from the farm machinery products distribution business, the transitional period is set for three years.

The subsidies target can independently choose to purchase subsidized products from distribution enterprises, also through company's direct sales and other means of making purchase. In accordance with the principle of equal rights and responsibilities, the subsidies targets shall be responsible for their own independent purchase behaviors and authenticity of purchased machinery, and bear the corresponding risks.

FIVE. Operations of Subsidies and Payment of Funds

The implementation process of the policy of farm machine purchase subsidies includes independent purchase of machine, fixed amount of subsidies, settlement at the county level, direct deposit of subsidized fund to the card (household), the specific operational details shall be formulated by the provinces.

To receive farm machine purchase subsidies, the purchasers must file application, which shall be reviewed and determined by county departments in charge of mechanized farming in conjunction with financial departments. Farm machine purchasers, manufacturers and distributors, shall be held legally liable for the relevant information on the applications for farm machine purchase subsidies submitted respectively and the authenticity of farm machines purchased. County departments in charge of mechanized farming and financial departments, based on the division of responsibilities, are responsible for the compliance and audit results of the farm machine purchase subsidies related materials.

County departments in charge of mechanized farming shall submit relevant information to the financial departments by the time limit, the financial departments shall organize the payment of subsidized funds by the time limit, the specific time limit shall be determined by the provinces according to the actual situations.

SIX. Work Measures

(I) Strengthen the leadership and close coordination. The competent departments in charge of mechanized farming at all levels and financial departments shall further enhance their ideological understanding, strengthen the leadership of organization, stay in close communication and coordination, establish a working responsibility system, in order to implement the tasks and responsibilities to the job positions. To strengthen the guidance and supervision and inspection work, to increase performance management efforts of farm machine purchase subsidies, and link the assessment results to the allocation of subsidies.

Municipal departments in charge of mechanized farming shall strengthen the review and audit of the county level implementation plans for farm machine purchase subsidies, supervision and inspection of subsidies operations, checking and verifying the subsidized machinery, investigating, handling, and supervising subsidies-related complaints, etc.

County departments in charge of mechanized farming and financial departments, under the leadership of county governments, in conjunction with other relevant departments, to conduct joint study to determine the use of subsidies funding and the promotion of key types of machinery and other matters, to jointly supervise the implementation of subsidies policies. At the same time, strengthen the internal restraint mechanism of county departments in charge of mechanized farming and financial departments, to study and determine collectively the important works of farm machine purchase subsidies.

Local financial departments at all levels shall increase financial investment, strengthen financial supervision, and to ensure the essential organized administration of funds.

(II) Strengthen guidance and scientific regulation, Through implementation of the policy to promote optimizing structural layout of farm machinery equipment, to improve the weak links and the level of mechanized farming of major agricultural products production, comprehensively enhance the quality and benefits of mechanized farming development, while promoting the advancement of science and technology and independent innovation in the farm machinery industry, in order to improve the manufacturing standards. Adapting to local conditions to develop and implement mid-term and long-term planning of farm machine purchase subsidies, persist on proven experience, innovate and reform working measures, find the focal points, phased to achieve policy goals.

(III) Regulate the operations and strict management. To determine subsidies targets in an open, fair and impartial manner, strictly implement the publicity system, and fully respect the purchasers' rights to choose. For the machinery with higher amount of subsidies and with a highlighted contradiction of the supply and demand, it should be the focal point for verification, specific procedures and requirements to be determined by the provinces. Promote the concept of "buy first, apply for subsidies later" to the subsidies targets, encourage the county or local governments to implement the "one-stop" service by accepting the applications and verifying the registration in the farm machine purchase concentrated area or in the main hall of local government buildings.

To comprehensively promote the networking management of farm machine purchase subsidies, all local departments in charge of mechanized farming and the financial departments shall all use the national farm machine purchase subsidies auxiliary management systems. To cooperate with relevant departments to crack down on theft, reselling, unauthorized disclosure of information on subsidies and telecommunications fraud and other illegal acts, in order to protect the legitimate rights and interests of farmers.

For purchasing machinery that requires tag and license for management, its owner should apply with the local agricultural safety supervision agencies for tag and license. The laws require quality inspection to be performed on the subsidized machinery, the relevant enterprises are urged to do a good job on after-sales services.

To strengthen the training and warning education for the grassroots staff of farm machine purchase subsidies programs, in order to improve the quality and ability of the grass-roots staff.

(IV) Publicize information and accept supervision. Departments in charge of mechanized farming at all levels shall actively promote the subsidies policies by means of radio broadcast, television, newspaper, Internet, brochures, "understand the policy paper", wall chars and others; to establish and improve the information disclosure column on farm machine purchase subsidies, and to ensure the effective operation of columns and other information carriers.

Provincial and county departments in charge of mechanized farming shall focus on the disclosure of implementation plans, the list of subsidies, operating procedures, complaints and consultation methods, the size of funds and the schedule of use, beneficiaries of subsidies, other irregularities and problems, etc.; departments in charge of mechanized farming at all levels shall organize the farm machinery testing and appraising institution in accordance with the principle of "whoever appraised, who shall release", publicly release the subsidized machinery appraisal certificates, the results of testing and appraisal and other information.

After the end of the annual subsidies work, county departments in charge of mechanized farming should release, in the form of public announcement, all subsidized purchaser' information (see Appendix 3) and the situations of implementation in the local government website or agricultural

(farm machine) departmental sites (pages), keeping in mind the protection of personal privacy.

(V) Strengthen supervision and punish irregularities seriously. Departments in charge of mechanized farming and financial departments at all levels shall perform their regulatory duties, guided by issues, timely launch special supervision and inspection, to strengthen supervision and punish irregularities, and proactively report the irregularities and problems to the public.

To attach great importance to investigating complaints received from the masses. Establish and improve relevant mechanisms for receiving complaints through an effective form of telephone, Internet, letters and so on. For complaints about problems and related clues using the real names, to achieve all reports are checked out.

Provincial, local, county departments in charge of mechanized farming shall focus on complaints including "Three Guarantees" service is not in place, taking unfair competition, serial number and nameplate are not standardized, failing to use the auxiliary management system, false advertising, reducing configuration, the shoddy, cheat up and defraud subsidies and other specific complaints, to conduct focused investigation and verification. For the manufacturers and distribution enterprises that violated the relevant provisions of the farm machine purchase subsidies policies, local and county departments in charge of mechanized farming, depending on the conditions of investigation, can take the actions against the enterprises that committed violations, such as, interview and warning, setting a deadline for rectification and other measures, and report to the provincial department in charge of mechanized farming about the relevant situation and recommendation for further actions to be taken. Provincial department in charge of mechanized farming, depending on the conditions of investigation and recommendations submitted by local and county departments in charge of mechanized farming, can take the actions, such as, interview and warning, setting a deadline for rectification, suspension of subsidies, removal of subsidies qualifications and blacklisted and other measures, and to release the information about handling the case to the public in a timely manner, also depending on the situation, report

to the industry and commerce, quality supervision, public security departments. At the same time, report the handling of situation including suspension or removal of subsidies qualifications to the Ministry of Agriculture.

Farm machine manufacturing and distribution enterprises that committed violations, due to the suspension or cancellation of their qualifications for product subsidies or marketing subsidized products, which result in disputes and economic losses shall be borne by the farm machine manufacturing and distribution enterprises themselves.

SEVEN. Programs and Submission of Summary Report

The provincial departments in charge of mechanized farming and financial departments shall, based on this guidance and combining with actual practice, formulate the provincial subsidies implementation plans or implementation guidance (including farm machine subsoiling operation), for issuance and execution and forwarding a copy to the Ministry of Agriculture and Ministry of Finance.

For provinces implementing farm machine new products subsidies pilot and subsidized products market-oriented reform pilot, the pilot programs must be reported to the Ministry of Agriculture and Ministry of Finance for record keeping.

By December 31 each year, the final summary report on annual implementation conditions of farm machine purchase subsidies (including farm machine subsoiling operations subsidies and the farm machine purchase subsidies arranged by local financial departments) shall be submitted to the Ministry of Agriculture and Ministry of Finance.

The implementation plan and the final summary report for the farm machine scrapped for replacement subsidies pilot shall be submitted alone in accordance with relevant regulations.

Annex:

1. National farm machine purchase subsidies the machinery types range
2. _ Provinces (autonomous regions, municipalities, the Corps, agricultural reclamation) list of the amount of subsidies for machinery in farm machine purchase subsidies
3. _ Annual _ counties (cities, banner, farm) the information table of purchasers who enjoy the farm machine purchase subsidies

e. Agriculture Modernization Fund

Annex 44

2013 Hubei Province Agricultural Modernization Special Financial Fund Program Application Guide,
Hubei Department of Agriculture (12 July 2013).

2013 Hubei Province Agricultural Modernization Special Financial Fund Program Application Guide

Publication Time: 12 July 2013

All municipal, provincial, county (district) agricultural (animal husbandry and veterinary, fishery, agricultural machinery, and energy) departments (committees, offices), as well as relevant units that are directly administered by the province, and other related units:

Based on the requirements in the *Opinions of the Provincial People's Government on the Reform of the Experimental Competitive Distribution of Part of the Special Fund From Provincial Finance* (E Zheng Fa [2012] No. 107) and the *Notice from the Office of the Provincial People's Government on the Issuance of the Interim Management Measures of the Experimental Competitive Distribution of Part of the Special Fund From Provincial Finance* (Issued by E Zheng Ban [2013] No. 15), matters relevant to properly completing the application process for the 2013 Hubei Province Agricultural Modernization Special Financial Fund Program are hereby notified as follows:

I. Total Amount of Funding for the Program and the Direction of Support.

The total funding amount for the program that is open to application is 461,540,000 Yuan which is primarily used for supporting the following 10 areas: 1. The modernized agriculture industry will receive 128,900 Yuan for production development of grain and cottonseed oil (including 6 million Yuan for the concentrated seedling of early season rice); 2. Modernized agriculture feature industry development will receive 49.94 million Yuan; 3. Modernized agriculture livestock development will receive 75 million Yuan (including 10 million Yuan for breeder assistance); 4. Modernized agricultural fishery development will receive 60.7 million Yuan; 5. Construction of agricultural machinery public service capability and support system receive 19 million Yuan; 6. Modernized agricultural demonstration zones infrastructure will receive 30 million Yuan. 7. State-owned land reclamation in modernized agriculture will receive 40 million Yuan; 8. Subsidized tobacco leaf production in modernized agriculture will receive 14 million Yuan; 9. Agricultural goods processing incentives in modernized agriculture will receive 10 million Yuan; 10. Construction of the modernized agriculture technology industry chain will receive 40 million Yuan. Of these areas, the program funding application guidelines for areas 7–10 are independently formulated by the Provincial Bureau of Reclamation, Provincial Office of Agriculture, and Provincial Department of Finance, respectively, and [the guidelines] are independently displayed to the public on the respective official website.

II. Application Requirements.

The application materials shall be uniformly compiled according to the requirements in the application guideline (see appendix). The last day of application acceptance is 25 July 2013; applications submitted after the said date will be considered invalid and will not be accepted.

III. Work Requirements.

This is the first year of implementing the competitive distribution of the special fund from Provincial Finance; all localities shall view [the tasks] with high importance, carefully organize, strictly review and check, and conscientiously compare the application guideline requirements for the program and then earnestly recommend the high quality projects that

fulfilled the conditions. Please promptly notify the point of contact for the program provided in the application guidelines if there are questions relevant to the program application process.

IV. Supervision Hotline

Provincial Department of Agriculture, Office of Disciplinary Inspection & Supervision, Tang Tingting, 027-87873660; Provincial Department of Agriculture, Office of Planning and Finance, Fan Xing, 027-87166055

- Appendix: 1. [Application Guideline for the Competitive Distribution of the Special Fund for Modernized Agriculture Grain and Cottonseed Oil Production Development.doc](#)
2. [Application Guideline for the Special Fund for Modernized Agriculture Feature Industry Development.doc](#)
3. [Application Guideline for the Competitive Distribution of the Special Fund for Modernized Agriculture Livestock Development.doc](#)
4. [Application Guideline for the 2013 Modernized Fishing Industry.doc](#)
5. [Application Guideline for the 2013 Provincial-Level Special Fund Program for Construction of Agricultural Machinery Public Service Capability and Support System.doc](#)
6. [Application Guideline for the Competitive Program for Agricultural Industrialization Demonstration Zone Establishment.doc](#)