

Illegal Disclosure May be Prosecuted

Chinese version If corporations and enterprises obliged to disclose information provide financial statements that are false or have important facts concealed to their shareholders and the public, which results in the direct economic loss of the shareholders, debtors or other parties accumulatively valuing over 5 million, they will be prosecuted.

The Supreme People's Procuratorate and the Ministry of Public Security specify the standards for the prosecution of the cases of illegal information disclosure, non disclosure of important information, and perfidious damage of the interests of listed firms, inside deals, revealing of inside information and manipulation of securities and futures markets as well as perfidious use of the entrusted property. The standards are contained in the Supplementary Provisions on the Standards of Prosecution of Cases of Economic Crimes that were jointly released by the two authorities on May 12.

Also, if people and units aware of the inside securities and futures trading information will also be prosecuted if they purchase or sell securities or disclose the inside information to other parties to purchase or sell securities prior to the disclosure of the information with significant impacts, and the accumulative deals made value over RMB 500,000.

(Source: Supreme People's Procuratorate)

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