

Financial Advisers to be Subject to Qualification Licensing Administration

Chinese version The China Securities Regulatory Commission (CSRC) officially released on July 4 the Administrative Measures for Financial Advisers of Merger and Acquisition and Reorganization of Listed Companies (Measures), which will place financial advisers under qualification licensing administration.

According to the Measures, to act as financial advisors for the merger and acquisition (M&A) and reorganization of listed companies, securities companies must satisfy the following requirements: meeting the CSRC's requirements on net capitals; equipped with sound and well-worked internal control mechanisms and management systems, strictly adhering to risk control and internal isolation systems and establishing sound due diligence investigation systems as well as project risk appraisal and internal verification mechanisms. Securities investment consulting institutions for the purpose must obtain the securities investment consulting business qualification approved by the CSRC, have a paid-in registered capital and net assets valuing no less than RMB 5 million. Also, their major shareholders and actual controllers have not been changed one year prior to the application for the qualification of financial advisers to the M&A and reorganization business of listed companies, have a sound reputation and a clean record of serious violation of laws and regulations within recent 3 years and also have been engaged in the financial advising business for the M&A and reorganization of listed companies for more than 2 years with an annual income from the business over RMB 1 million.

The Measures are scheduled to take effect as of August 4 this year.

(Source: China Securities Regulatory Commission)

Close