

CSRC: Fund managers under new rules

China's fund managers will be governed by new rules starting April 1, the China Securities Regulatory Commission (CSRC) said on Friday.

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According to the new regulation, fund managers should register with the Securities Association of China after passing the required examinations. Those, who have changed their jobs more than twice in the past two years, cannot be enrolled.

"The high turnover rate among fund managers may affect the development of the securities industry. The securities association will soon set up a database of enrolled fund managers to better govern the professional teams," an official

with the CSRC said.

The new regulation also clarifies that fund managers cannot trade shares and should report the stock accounts opened by their lineal relatives along with the trading record.

"The CSRC will also keep a close eye on the fund managers' equity investments and take quick actions once insider trading is detected," the official said.

On Feb 28, the Standing Committee of the National People's Congress (NPC), China's top legislature, expanded the ban on insider trading, whereby fund managers involved in insider trading could face criminal prosecution.

According to the amended Criminal Law, employees of financial institutes who take advantage of non-public information for personal trading gains can be sentenced to five to 10 years imprisonment.

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