

China to strengthen regulation of listed securities companies

China will strengthen oversight of listed securities companies by promoting information transparency.

On Saturday, the China Securities Regulatory Commission (CSRC) introduced a regulation which said securities companies should remind investors about potential risks when shareholders decide to launch a new business or introduce an innovative business.

The annual report and half-year report by listed securities companies should include risk assessment conditions, as well as reasons for risk and probable effects.

In addition to the annual operation report, companies were asked to deliver a supervision and monitoring annual report which includes audit and accounting information.

If a company or high-rank official is involved with serious illegal activity, and that results in worsening financial condition, the company should inform all shareholders.

The CSRC said the regulation, which was made on the basis of the Securities Law, took effect April 3.

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