



China securities regulators plan risk education for stock investors

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BEIJING, Jan. 10 (Xinhua) — Securities regulators will try to raise investors' risk awareness with a new department to handle the matter, said Huang Xiangping, chairman of the Securities Association of China (SAC).

The new department would develop plans for risk education as well as organize and supervise education initiatives, he said.

The move reflects concern at the China Securities Regulatory Commission (CSRC) that many first-time small investors could sustain huge losses out of ignorance of the risks involved. That concern has been magnified by the worry that markets are likely to be volatile this year.

There were about 138 million stock trading accounts at the Shanghai and Shenzhen bourses at the end of 2007, up from 78.1 million a year earlier. The bull market, in which the key Shanghai Composite Index nearly doubled last year, persuaded many low- and middle-income households to move money out of bank deposits and into equities. Those with relatively low monthly incomes of 2,000 yuan (276 U.S. dollars) to 5,000 yuan accounted for 70 percent of all investors.

Huang also suggested that the CSRC follow the practice of developed markets such as Britain and Japan to set up fund for risk education and gradually bring it into the national education system.

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