

#### CSRC to Rigidly Control Trading Risks on the Second Board

Chinese version The China Securities Regulatory Commission (CSRC) reportedly is formulating the Special Provisions for the Transactions on the Second Board. The CSRC intends to provide rules to promote the requirements of trading access of investors to the market, control the explosive trading on the initial listing day of new shares, strengthen the abnormal fluctuation of share prices and listing suspension mechanisms and enhance the transparency of after-hour trading information.

The continuing superintending term of the main board in the moment is two complete accounting years, and as for the sponsor term of the enterprises on the second board, the CSRC considers, by referring to the offshore markets, requiring sponsors to perform continuing superintending responsibilities within the 3 accounting years after the listing of the issuers.

Also, information from the CSRC also disclosed that the circumstances for the legislation of the establishment of the second board have been well prepared and the CSRC is seeking public comment on its Measures for the Administration of Share Initial Public Offering and Listing on the Second Board (Draft for Comment).

(Source: Legislative Affairs Office of the State Council)

Close