

Listed firms ordered to boost governance for market stability

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China's securities regulator on Wednesday ordered publicly-traded companies to boost corporate governance in the latest move to stabilize the equities market.

A long-term mechanism should be put into place to prevent the majority shareholders and affiliates from embezzling funds of the listed firms, the China Securities Regulatory Commission (CSRC) said. Board directors, supervisors and senior executives would be turned in to prosecutors if found helping the embezzlement, the CSRC noted.

The companies should strive to tackle the problems before Nov. 30. The regulator said it would not approve any stock incentive and refinancing applications if they failed to meet the deadline.

The CSRC also urged to improve the information disclosure mechanism to avoid insider trading and price manipulation for the interest of the small and medium investors.

CSRC Chairman Shang Fulin on Sunday pledged to rationally balance the market supply and demand, and regulate the pace of fund raising to promote a stable and healthy development of the capital market.

Shang added the regulator would boost a crackdown on market manipulation, irregular information disclosure, and false information and rumors.

With the series of measures, the securities regulator hoped to boost investor confidence and stem share falls, analysts said.

Despite the 3.6 percent gain on Wednesday, the benchmark Shanghai Composite Index was still 52.6 percent off its all time high in mid October. (Xinhua)

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