

#### **CSRC Regulates Equity Incentive Activities of Listed Companies**

Chinese version The China Securities Regulatory Commission (CSRC) stipulated, in a circular, that listed companies must not revise the equity price or incentive measures during the equity incentive plan record-filing process.

Under the Memo on Issues Concerning Equity Incentives: No.3 released on September 16, 2008 by the CSRC, if the listed companies plan to revise the equity price or incentive measures, their original equity incentive plans must be approved and released by the boards of directors, and the listed companies must submit, to the CSRC, their application for terminating the original equity incentive plan record-filing.

Besides, if the boards of directors of listed companies approve, upon deliberation, the decisions for canceling the equity incentive plans or the shareholders' meetings fail to approve the equity incentive plans, boards of directors of the aforementioned companies must not re-deliberate or disclose the draft equity incentive plans within 6 months since the disclosure date of the decisions.

(Source: China Securities Regulatory Commission)

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