

**Regulatory  
Developments**

**CSRC solicits opinions on *Measures for Supervision and Administration of Publicly Offered Securities Investment Funds Sales Institutions* and related rules**

The CSRC recently solicited opinions on the Measures for Supervision and Administration of Publicly Offered Securities Investment Funds Sales Institutions (Draft for Comments) and related rules.

The basic ideas of the revision include being problem-and- risk-oriented; protecting investors' legitimate rights and interests as the starting point and objective; adhering to the bottomline of appropriate sales and capital&trade security; urging the public offering of fund sales institutions to improve their professional capabilities as well as the level of internal control and risk management; promoting the industry's long-term, sustained development and establishing a benign ecosystem in the industry. Main revisions are as follows: First, clarifying the business boundaries of public offering of fund sales and bring all the service entities under regulation. Second, integrating and optimizing the registration conditions for the public offering of fund sales license and strengthening the management of public offering of fund sales as license-based access management for financial services. Third, comprehensively sorting out and improving the business standards for public offering of fund sales and strengthening investor protection and investor service. Fourth, strengthening the internal control and risk management of public offering of fund sales institutions, especially those independent institutions. Fifth, urging the public offering of fund sales institutions to improve their professional capabilities and guiding long-term investment through such services as asset allocation. Sixth, further perfecting the exit mechanism for public offering of fund sales and building a benign industrial ecosystem in accordance with the market-oriented and rule-of-law principles.

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**Yi Huiman inspects SSE's preparations for Launching S&T Innovation Board and relevant pilot registration system**

From February 20 to 21, CSRC Chairman Yi Huiman led a delegation to Shanghai to inspect the preparations for setting up the S&T Innovation Board and implementing the pilot registration system. He listened to market insitutions' opinions and suggestions on relevant systems and rules, and inspected Shanghai Stock Exchange's on the reform preparations.

Chairman Yi debriefed SSE on the preparations and its considerations of the key

issues. He demanded that coordination should be strengthened, all parties should be fully mobilized, a joint force for reform should be formed, division of duties should be implemented, the timeline should be closely watched, all the good and major events should be handled well, the direction of a market-oriented and law-based reform should be followed. He urged SSE to focus on key issues including the issuance and listing approval, enhancing continuous regulation capacity, optimizing the trading system, treating delisting rules seriously, improving risk handling plans and stepping up publicity efforts. He asked SSE to implement the significant reform in a stable and prudential way, conduct an all-process supervision and hold the bottomline of integrity.

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