

**Regulatory
Developments**

**Main Rules Issued on the Launch of S&T Innovation Board and Relevant Pilot
Registration System**

On March 1, 2019, CSRC announced the *Administrative Measures for Registration-based IPO of S&T Innovation Board (Pilot)* and *Measures for Continuous Supervision of Companies Listed at S&T Innovation Board (Pilot)*, effective as of the date of announcement.

The amended Administrative Measures features the following main content: 1. It specifies the overall principle for the pilot registration system of the new Board. 2. It simplifies and optimizes the current IPO qualifications, with a focus on information disclosure. 3. It makes institutional arrangements on the review process for the issuance and listing of stocks at S&T Innovation Board to enable digital and open operation of the whole handling and reviewing process. 4. It enhances requirements on information disclosure and stipulates differentiated information disclosure rules in accordance with the characteristics of the companies at the new Board. 5. It stipulates that the IPO price of companies at S&T Innovation Board will be determined after enquiry with offline qualified investors. 6. It requires establishing a full process supervision system.

The amended *Continuous Supervision Measures* mainly contains the following content: 1. It defines the applicable principles. 2. It specifies requirements on corporate governance of companies at S&T Innovation Board. 3. It establishes a targeted information disclosure system. 4. It draws up a share reduction system combining loose and strict rules. 5. It optimizes the major assets restructuring system. 6. It launches the equity incentive system. 7. It sets up a rigorous delisting mechanism. In addition, the *Continuous Supervision Measures* also makes relevant stipulations for such areas as spin-off listing, use of funds raised, pledge of stock rights of the controlling shareholder and legal liabilities.

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