



The General Office of the State Council
on the implementation of the revised
Notice on work related to securities law
Guo Ban Fa [2020] No. 5

People's governments of all provinces, autonomous regions and municipalities directly under the Central Government, ministries and commissions of the State Council, and agencies directly under the State Council:

The Securities Law of the People's Republic of China (hereinafter referred to as the Securities Law) has been amended and passed by the 15th meeting of the Standing Committee of the 13th National People's Congress on December 28, 2019, and will come into force on March 1, 2020. In order to implement the revised securities law, with the consent of the State Council, the relevant matters are hereby notified as follows:

1. Fully understand the importance of the revision of the securities law

The revision of the securities law systematically summarizes the practical experience of our country's capital market reform and development, regulatory law

enforcement, risk prevention and control, and makes institutional reforms such as the comprehensive implementation of the securities issuance registration system, the significant increase in the cost of securities violations, the improvement of the investor protection system, the strengthening of information disclosure obligations, and the compaction of the responsibilities of intermediaries. An inclusive modern financial system is of great significance to maintain national economic and financial security. All regions and relevant departments should fully understand the importance of this revision of the securities law, do a good job in study and publicity, carry out training in categories and levels, and continuously improve the ability of securities administrative law enforcement personnel to administer, supervise and govern the city according to law.

2. Steadily promote the registration system for public issuance of securities

(1) Implement the reform of the registration system for public issuance of shares step by step. The China Securities Regulatory Commission should work with relevant parties to further improve the relevant systems and rules of the Science and Technology Innovation Board, improve the transparency of registration review, and optimize work procedures in accordance with the revised Securities Law

and the Implementation Opinions on the Establishment of the Science and Technology Innovation Board and the Pilot Registration System on the Shanghai Stock Exchange. Study and formulate the overall plan for piloting the public offering registration system on the GEM of the Shenzhen Stock Exchange, and timely summarize the experience of the reform of the registration system of the Science and Technology Innovation Board and the ChiNext Market, actively create conditions, and put forward the plan to implement the public offering registration system in other sectors of the stock exchange and other national securities trading venues approved by the State Council in a timely manner. The relevant plan will be implemented after approval by the State Council.

Before the registration system is implemented for public offerings of shares in relevant sectors of the stock exchange and other national securities trading venues approved by the State Council, the approval system will continue to be implemented, and the provisions of the stock issuance approval system before the revision of the Securities Law shall apply.

(2) Implement the requirements of the registration system for the public issuance of corporate bonds. According to the revised securities law, public issuance of corporate bonds shall be registered with the China

Securities Regulatory Commission or the National Development and Reform Commission in accordance with the law. The securities exchange designated by the China Securities Regulatory Commission shall be responsible for accepting and reviewing the application for public issuance of corporate bonds that the CSRC is responsible for making registration decisions in accordance with the law. The institution designated by the National Development and Reform Commission shall be responsible for accepting and reviewing applications for public issuance of corporate bonds that are responsible for making registration decisions in accordance with the law. In addition to meeting the conditions stipulated in the securities law, the issuer applying for the public issuance of corporate bonds should also have a reasonable asset-liability structure and normal cash flow. Encourage the funds raised from the public issuance of corporate bonds to invest in project construction in line with national macroeconomic regulation and industrial policies.

(3) Improve the registration procedures for public offerings of securities. The stock exchanges and other institutions designated by the China Securities Regulatory Commission and the institutions designated by the National Development and Reform Commission accept and review applications for public issuance of securities in

accordance with regulations, mainly through the review of inquiries and answering questions, urge issuers to improve the content of information disclosure, and put forward opinions on agreeing to the issuance or terminating the review according to the review situation. After receiving the review opinions, issuer registration application documents and relevant review materials submitted by relevant institutions, the China Securities Regulatory Commission and the National Development and Reform Commission shall perform the issuance registration procedures. The China Securities Regulatory Commission and the National Development and Reform Commission shall formulate specific administrative measures for the issuance of relevant securities public offering registration.

3. Punish securities violations and crimes in accordance with the law

Strictly implement the revised securities law, further improve securities regulatory and law enforcement standards, and improve regulatory capabilities and levels. Increase the investigation and punishment of fraudulent issuance, illegal information disclosure, failure of intermediaries to be diligent and responsible, market manipulation, insider trading, and the use of undisclosed information for securities transactions. Strengthen the

connection between administrative law enforcement and criminal justice, strengthen information sharing and clue notification, and improve the efficiency of case transfer, investigation and handling. Public security organs should intensify their crackdown on securities violations and crimes to form an effective deterrent.

4. Strengthen the protection of the legitimate rights and interests of investors

Relevant departments should conscientiously implement the revised securities law and take effective measures to protect the legitimate rights and interests of investors, especially small and medium-sized investors, in accordance with the law. It is necessary to actively cooperate with the judicial organs to steadily promote the system of filing securities civil compensation lawsuits by investor protection institutions on behalf of investors, and promote the improvement of relevant judicial interpretations. Strictly implement information disclosure regulations, improve relevant rules, clarify the conditions for information disclosure media, do a good job in the transition before and after the revision of the rules, and protect investors' right to know in accordance with the law.

5. Accelerate the cleanup and improvement of relevant rules and regulations

The China Securities Regulatory Commission, the Ministry of Justice and other departments should carry out special cleanup of administrative regulations related to the securities law and put forward suggestions for revision in a timely manner. Relevant departments should pay close attention to organizing and cleaning up relevant rules and regulations in accordance with the new requirements of the revised securities law, do a good job in establishing, reforming, abolishing and interpreting, and do a good job in policy coordination.

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