



**Activity Title and Number:** A080-C1, EU-China Seminar on Curbing Insider Trading

**Beneficiary:** China Securities Regulatory Commission

**Location and Date:** Beijing, 1 November 2011

**Stakeholders:** Legislative Affairs Office of the State Council, Ministry of Public Security, Supreme People's Court, Disciplinary Committee of the Chinese Communist Party, Universities

## Brief Activity Report

### Relevance and Impact

China wishes to curb insider trading, where a person uses securities information not publicly available to his own advantage or to the advantage of others. By curbing insider trading, China will build investor confidence and grow its capital markets, which will help in the efficient allocation of economic resources and offer investment opportunities to overseas securities companies.

The seminar was intended to raise the China Securities Regulatory Commission's awareness of European Union practices dealing with insider trading, thus informing Chinese efforts to improve standards and policies to deal with this issue. European Union expertise is of value, due to Europe's longer history of capital markets and its devoted efforts towards curbing insider trading. In addition, since the European Union is now revising its legal framework for curbing insider trading – indeed, the European Commission presented its draft laws, including a [Market Abuse Regulation and Market Abuse Directive II](#), on 20 October 2011, just before the seminar – the timing of the activity offered participants a chance to gain the most current updates on the related European legal framework addressing this issue.

### Activity Description

China Securities Regulatory Commission Vice Chairman **Yao Gang** opened the seminar. There were **44 participants** in total: 37 from China and 7 from Europe. 2 experts came from the German Financial Supervisory Authority, 1 from the French Autorite de Marches Financiers, and 1 from the University of Copenhagen. The China Securities Regulatory Commission and its local branches, the Legislative Affairs Office of the State Council, the Ministry of Public Security, the Supreme People's Court, the Disciplinary Committee of the Chinese Communist Party, Peking University and Tsinghua University took part in the seminar.

Discussions centred on the following topics:

- Legal principles and philosophy behind European Union framework for curbing insider trading
- Progress in revising the Market Abuse Directive, taking into account the 20 October 2011 legislative proposals
- German and French experience in curbing insider trading
- Chinese experience in curbing insider trading, and the Chinese legal framework

### Results

The seminar heightened up-to-date awareness of the European framework for dealing with insider trading, including the proposed revisions to the Market Abuse Directive. In regards to Chinese applicability, it also provided insights and information that enabled Chinese participants to consider methods for improving the Chinese legal and regulatory framework for curbing insider trading.