



Australian Government

Refugee Review Tribunal

Country Advice

China

China – CHN37915 – Share trading

13 December 2010

1. Can private citizens in China buy and sell shares? If so, is this usually done via a broker?

Private citizens in China are able to buy and sell shares. The buying and selling of shares is usually done via broker.

Media and business sources indicate that private citizens in China are involved in buying and selling shares.¹

News articles indicate that the buying and selling of shares is usually done through a broker.

A February 2010 *Economist Intelligence Unit* article noted that A-shares, denominated in renminbi and available to Chinese citizens, “may be traded freely through a securities trading house under relevant laws and regulations”.²

A May 2007 *Asia Times* article also describes a person trading in shares using a broker:

A taxi driver in Shanghai said driving a cab has become his “part-time” job, as his “full-time” work is to “speculate in shares”. The taxi driver told a Chinese newspaper that he and his wife have a division of labor in the trade. His wife goes to an outlet of a securities brokerage house early in the morning on each trading day. He listens to the radio and give instructions to his wife by telephone to place orders.³

¹ Barboza, David 2010, ‘Overnight in China, day trading U.S. stocks; Western firms recruiting cheap labor to engage in speculative transactions’, *International Herald Tribune*, 10 December – Attachment 1; ‘Organising an investment: Requirements of the main corporate forms’ 2010, *Economist Intelligence Unit – Country Commerce*, 1 February – Attachment 2; ‘How do I trade in A shares listed on the shanghai stock exchange as an overseas trader?’ 2008, *Forex Digest*, 22 January <http://fx-digest.com/Forex-education/shanghai-stock-exchange/> – Accessed 10 December 2010 – Attachment 3; Wuking, Sun 2007, ‘China’s masses rise up and buy stocks’, *Asia Times*, 9 May http://www.atimes.com/atimes/China_Business/IE09Cb01.html – Accessed 10 December 2010 – Attachment 4; ‘Understanding Chinese Stock Markets’ (undated), StocksAbroad.com website http://www.stocksabroad.com/china_mkts.html – Accessed 10 December 2010 – Attachment 5.

² ‘Organising an investment: Requirements of the main corporate forms’ 2010, *Economist Intelligence Unit – Country Commerce*, 1 February – Attachment 2.

³ Wuking, Sun 2007, ‘China’s masses rise up and buy stocks’, *Asia Times*, 9 May http://www.atimes.com/atimes/China_Business/IE09Cb01.html – Accessed 10 December 2010 – Attachment 4.

Attachments

1. Barboza, David 2010, 'Overnight in China, day trading U.S. stocks; Western firms recruiting cheap labor to engage in speculative transactions', *International Herald Tribune*, 10 December. (FACTIVA)
2. 'Organising an investment: Requirements of the main corporate forms' 2010, *Economist Intelligence Unit – Country Commerce*, 1 February. (FACTIVA)
3. 'How do I trade in A shares listed on the shanghai stock exchange as an overseas trader?' 2008, *Forex Digest*, 22 January <http://fx-digest.com/Forex-education/shanghai-stock-exchange/> – Accessed 10 December 2010.
4. Wuking, Sun 2007, 'China's masses rise up and buy stocks', *Asia Times*, 9 May http://www.atimes.com/atimes/China_Business/IE09Cb01.html – Accessed 10 December 2010.
5. 'Understanding Chinese Stock Markets' (undated), StocksAbroad.com website http://www.stocksabroad.com/china_mkts.html – Accessed 10 December 2010.