



REVIEW

Existing Problems and Countermeasures in Financial Securities Market Regulation

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ABSTRACT

At the present stage, with the continuous development of social economy and science and technology, China's financial and securities industry has gradually developed. As an important part of China's socialist economic market, including the financial and securities industry, therefore, to a certain extent, the development of the financial securities industry has promoted the prosperity and development of China's economy. In other words, strengthening the management of financial securities market regulation can promote the sustainable development of the securities industry, thereby promoting the rapid development of China's economy. This paper mainly discusses and expounds some problems existing in the current process of financial securities market regulation, and proposes solutions to it, hoping to be helpful to the financial securities industry.

1. Introduction

At this stage, with the continuous development of China's social economy and science and technology, especially since the reform and opening up, the hot topics that the public has been paying close attention to have gradually shifted to the economic situation of the financial securities market. Fundamentally strengthening financial securities market regulation can protect the fundamental interests of investors in the financial securities market, and thus promote the development of China's social economy. As everyone knows, the operation of the financial securities market itself is a complicated process. Therefore, there are inevitably some problems in the process of financial securities market regulation. It is particu-

larly important to thoroughly study the existing problems in the process of financial securities market regulation, so as to better promote the prosperity and development of China's financial securities market.

2. The Important Significance of Strengthening Financial Securities Market Regulation

2.1 It Can Protect the Fundamental Legitimate Rights and Interests of Financial Investors

As everyone knows, the financial securities market is prone to monopoly. It is an incomplete competitive market. Some investors can manipulate the market price of stocks by their own ability when financial securities do not reach a certain size. For example, for state-owned shares

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in listed companies, the company will have a more serious market manipulation when it adopts non-listed circulation, which is not conducive to the income of investors in the secondary market.

2.2 It Can Protect the Fundamental Interests of the Investment Market Participants

As everyone knows, the capital market is composed of various securities institutions, listed companies, insurance companies, banks and investors. In the process of financial securities market regulation, if the investment market participants do not restrain and regulate the market, it may cause market failure, thereby causing investors to have conflicts in interests; in serious cases, the interests of both parties will be infringed, resulting in huge losses in the overall interests of the capital market.

2.3 It Can Guarantee the Sustainable and Stable Development of Financial Securities Market

At this stage, there are many shortcomings in the financial securities market, such as manipulating stock prices, internal trading, and raising stock prices, therefore, we should fully understand the risks in the financial securities market, insist on eliminating the occurrence of criminal acts, strictly enforce the law, strictly prevent and control various risks, and regulate the development of financial securities market activities. Once illegal securities trading activities are discovered, they must be severely investigated and dealt with immediately, thereby maintaining a stable order in the financial securities market and promoting the sustainable development of the financial securities market.^[1]

3. Existing Problems in the Process of Financial Securities Market Regulation in China

The rapid development of the financial and securities industry has enabled the optimal allocation of securities market resources, and has also promoted the continuous development of China's social economy. However, many problems have arisen in the development of the financial securities market, which has affected the healthy and stable development of the financial securities market.

3.1 Financial Securities Regulators Are Unable to Exercise Regulatory Function

As we all know, in the financial regulation system of our country, the main role is the CSRC (China Securities Regulatory Commission). At the same time, it is also the most important regulator in China's compatible securi-

ties regulation system. However, in practice, there are many regulatory entities in the financial securities market, which makes it impossible for each subject to effectively exercise its regulatory power when conducting regulation work, and the regulatory duties are rather vague. If there are too many regulatory entities in the financial securities regulation system, the efficiency of regulation will be relatively low, which is not conducive to the rapid development of the financial securities market. In the process of the development of listed companies in China, since each process of securities transaction itself is an organization with self-discipline nature, for listed companies, financial securities transactions themselves play a role of review and regulation, but in securities financial institutions. In the actual process of regulation, because the securities trading units are subject to many restrictions, they are unable to effectively exercise their rights for regulation, resulting in many problems.^[2]

3.2 Lack of Supporting Securities Market Legal System

At this stage, in the process of China's financial securities market operation, from a holistic point of view, the legal system is relatively simple and cannot support the effective operation of the securities market. In other words, there is no sound legal system to solve the problems that arise in the operation of the financial securities market. Because in the process of the financial securities market regulation, the supporting market legal system is relatively lacking, so there are many legal loopholes.^[3] At this stage, because China's securities market does not have sound regulatory market laws and regulations, and many investors do not have the legal awareness they deserve, thereby bringing great pressure on the securities regulatory agencies, which has led to a decline in the self-regulating ability of the securities market, which ultimately led to a lack of vitality in China's securities regulatory market and a single regulatory approach. Therefore, in order to make China's relevant legal provisions play their legal effects when applied, relevant departments should improve the supporting regulatory legal system.^[4]

3.3 Financial Securities Market Activities Are Relatively Simple

As everyone knows, China is an industrial power. In the market of commodities, even if China is still in the stage of development, it is still in a leading position. However, for the financial securities industry, due to the relatively late start of China, the development speed is relatively slow, which leads to the relatively small scale of China's

financial market at this stage.^[5] The root cause of this phenomenon is that most enterprises rely excessively on bank loans due to problems such as the financing system, leading to a series of problems in the internal financing system, which ultimately led to a relatively single scope of activities in the financial securities market, which could not expand the size of China's securities market.^[6]

4. Effective Countermeasures for Financial Securities Market Regulation

4.1 Clarify the Relevant Responsibilities of the Regulators

In the process of financial securities regulation, many regulatory units will be involved, and many regulatory bodies will appear, which will result in unclear and unclear duties of various regulatory bodies, therefore, in this process, in order to protect the authority of the regulatory authorities in the market, the relevant government departments should clearly allocate the regulatory obligations and rights of each regulatory unit, and give the regulation committee the rights it deserves to establish a sound market regulation system, thereby achieving the sustainable development of the financial securities market and protecting the interests of investors from damage. It should be noted that in the operation of the financial securities market, the regulatory committee should appropriately weaken its participation, reduce the degree of intervention in the securities market, appropriately increase its administrative power, strengthen macro regulation, and simplify the approval process. In addition, regulators in the securities market should also improve their work skills and comprehensive quality. Because with the continuous development of China's science and technology, a large number of financial instruments and regulatory operations have emerged in the financial securities market, which has raised the need for higher levels of work and professionalism for regulators in the financial securities market. Therefore, relevant departments should increase the training of regulator personnel, thus laying the foundation for the sustainable development of China's securities industry.^[7]

4.2 Establish a Sound Financial Securities Market Regulation System

With the continuous development of social economy, the financial securities market has also developed rapidly. In this process, relevant departments of our country have gradually improved the corresponding laws and regulations. In order to obtain effective and detailed laws and regulations, the financial securities market needs to wait for other laws and regulations to be gradually improved

before it can improve the relevant laws of the financial securities regulatory system, so that there can be laws to abide by securities institutions during working process. Previously, the regulatory measures used by China's regulatory agencies were relatively simple, and the regulatory system was not sound. In order to effectively solve these two problems, relevant financial and securities departments should cooperate with government departments to formulate sound laws and regulations and supporting financial market regulation systems, so that China's financial securities can be effectively protected by law after problems occur in the course of operation. In addition, in the process of the development of the securities market, the government departments should change their dominant optimization position, reduce their own intervention level, and cooperate with relevant securities institutions to carry out their work. In the process, relevant securities institutions may use economic means and legal means to carry out their work when necessary. For the regulatory staff in the securities market, the sound securities market regulation system has a certain influence. Because it enables relevant staff to regulate own behaviors and improve their work efficiency, so as to exert the enthusiasm of all departments and employees. In the process of establishing a regulatory system, relevant personnel in each securities market are required to make concerted efforts to put forward opinions, so that the regulatory system can exert its greatest advantage, so that the subsequent regulation work can be carried out efficiently and smoothly.^[8]

4.3 Strengthen the Effective Combination of the Internet and Financial Markets

At this stage, with the continuous development of social economy and science and technology, China's Internet technology has also developed rapidly. At present, many enterprises are exploring ways to effectively integrate with the Internet, and some industries have been effectively integrated with the Internet. For the financial securities industry, it is necessary to thoroughly study how to effectively integrate with the Internet, so that China's securities industry can develop rapidly and be recognized in the international financial market.^[9] With the continuous development of modern science and technology, a large number of advanced communication technologies have appeared in China's securities market, making it possible for some transactions that cannot be carried out in the traditional financial securities trading market. In the actual financial securities trading market, there is a saying called financing toolbox, that is, the more asymmetric the securities trading parties are in all aspects, the greater the chance of successful trading. In order to effectively avoid

the bond or stock market to bring certain investment risks, some enterprises can complete financing directly through the crowdfunding financing platform when the cost in the market is relatively low and the information is relatively transparent, thereby achieving a unified management of the securities market.^[10]

5. Conclusion

In summary, although China's financial securities industry has some problems in the process of development, however, as long as the relevant departments carry out a series of related measures on these issues, it will enable China's securities market to achieve sustainable development, thereby promoting the continuous development of China's social economy.

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