

《Tech firms allow netizens to become fund managers》

The huge stock rally in the first half of 2015, and the subsequent plunge have, for better or worse, got many Chinese citizens watching, talking and trading A-shares. Some internet companies in China are seeing new business opportunities in the number of retail investors, who already get stock information and place buy and sell orders over the internet. They believe they can change how people perceive stock investments in the future.

A room of computer engineers looking at market movements...shelves interlaced with books on both investment and software.

I am standing in a cozy tech firm environment but I'm surrounded by all these stock indexes. This company, Snowball, is trying to use Internet technology to improve how stock investments are made." The combination of online and stock investment has worked well, with Snowball now boasting 10 million users. The next step is turning that popularity into cash. The company made attempts to do that last year by charging users for viewing others' portfolios. But that policy was cancelled earlier this year.

Another tech firm in Beijing is building on that very idea. Renrencaopan is a website similar to Snowball and it allows certain qualified users to register as investment managers. Others can entrust their money to those managers through the website.

That means that now, anyone can become a fund manager. That's a challenge to China's traditional wealth management industry, where fund managers are predominantly top business school graduates.

Snowball has also launched similar services this year. Such innovations have made investment a more socialized activity.

However, this business model, innovative as it is, opens a set of legal questions. As a new category, it isn't covered in the recently launched Internet finance draft rule published by the government. The businesses say they're ready to work with regulators on compliance issues. They admit they have entered uncharted territory but they also say that that's what innovation is all about.