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Court appoints provisional liquidators for Salisbury Securities Limited

28 Jun 2013

The Securities and Futures Commission (SFC) has obtained orders from the Court of First Instance to appoint John Robert Lees and Mat Ng of JLA Asia Limited as joint and several provisional liquidators for Salisbury Securities Limited (SSL).

On 21 June 2013, the SFC filed a petition to the Court to wind up SSL under section 212 of the Securities and Futures Ordinance (SFO) in order to protect the interests of SSL's clients and the investing public (Note 1).

On 24 June 2013, the SFC further filed an application to the Court for an order to appoint provisional liquidators for SSL.

These actions follow the issue of a restriction notice against SSL on 18 March 2013 prohibiting it from carrying on all regulated activities. The restriction notice was prompted by the SFC's concerns about the management and financial position of the company. The SFC has made a number of allegations including that SSL misused or misapplied approximately \$9 million worth of securities and sales proceeds belonging to its clients and misled the SFC about its liquid capital calculations and the holdings in its clients' securities accounts (Note 2).

The Hon Mr Justice Godfrey Lam granted the provisional liquidators wide powers including the power to investigate SSL's affairs and to verify clients' claims and assets.

The provisional liquidators will correspond with SSL's clients to explain the circumstances and to request them to submit their claims. A designated hotline (Tel: 2842 5091) has been set up by the provisional liquidators to answer any enquiry these clients may have.

In light of the appointment of the provisional liquidators, the SFC has accordingly varied the terms of the restriction notice issued on 18 March 2013.

The SFC's investigation is continuing.

End

Notes:

1. The proceedings were commenced under section 212 of the SFO which permits the SFC to initiate winding-up proceedings under the Companies Ordinance against companies if it considers that it is desirable in the public interest to do so, and on the ground that the making of a winding-up order would be just and equitable.
2. The SFC's restriction notice against SSL under sections 204 and 205 of the SFO prohibited SSL from carrying on, whether directly or through its agents, all of the regulated activities for which it is licensed under the SFO and from dealing with client assets until further notice. Please see SFC's press release dated [19 March 2013](#).

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