

Court orders winding up of Salisbury Securities Limited

28 Aug 2013

The Court of First Instance today ordered that Salisbury Securities Limited (Salisbury) be wound up on the application of the Securities and Futures Commission (SFC) (Note 1).

The SFC's application was based on a number of concerns about the whereabouts of nearly \$9 million worth of securities and sales proceeds belonging to Salisbury's clients. The SFC also asserted that it had been misled by Salisbury about its liquid capital calculations and its holdings in clients' securities accounts (Note 2).

The provisional liquidators reported to the court that:

- Salisbury's clients' trust assets were not properly recorded;
- there is a deficiency of cash and securities maintained in Salisbury's clients' accounts to meet all current claims from clients; and
- it appears that Salisbury was insolvent and unable to pay all its debts as and when due.

The provisional liquidators also reported that they are making inquiries into client securities held in the Philippines by an entity purportedly associated with Salisbury to determine whether any client assets need to be returned to Hong Kong.

Salisbury had about 100 active clients at the time the SFC issued a restriction notice against it on 18 March 2013.

End

Notes:

1. Section 212 of the Securities and Futures Ordinance 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 made an urgent application to the High Court seeking the appointment of provisional liquidators for Salisbury on 21 June 2013. The court appointed Mr John Robert Lees and Mr Mat Ng of JLA Asia Limited as joint and several provisional liquidators. The SFC had issued a Restriction Notice earlier to protect client assets. Please see the SFC's press releases dated [19 March 2013](#) and [28 June 2013](#).

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