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# SFC issues Restriction Notice on Goodcape Securities Limited

2 Jan 2015

The Securities and Futures Commission (SFC) today issued a Restriction Notice on Goodcape Securities Limited (GSL) prohibiting the firm from carrying on all regulated activities under the Securities and Futures Ordinance (SFO) (Notes 1 & 2).

The purpose of the Restriction Notice is to preserve the assets of GSL and its clients, and to protect the interests of these clients and the investing public.

The SFC action follows a complaint to the SFC against GSL in relation to failing to return client securities to the complainant. An initial investigation indicates that GSL would not have sufficient resources to return these securities to the complainant.

This calls into serious doubt the integrity of GSL and its fitness and properness to remain licensed. The SFC therefore considers that the issue of a Restriction Notice against GSL is desirable in the interest of the investing public or in the public interest.

The SFC will continue its investigation and further announcements on this matter will be made when appropriate.

It is understood that GSL has about 60 active clients.

Clients of GSL who have any enquiries may contact the SFC at 2231 1222.

End

Notes:

1. The Restriction Notice is issued pursuant to sections 204 and 205 of the SFO. It prohibits GSL from carrying on all activities for which it is licensed, disposing of or dealing with any assets held by it or held on behalf of its clients, and assisting, counselling or procuring another person to dispose of or deal with any such property without the SFC's prior written consent.
2. GSL is a corporation licensed under the SFO to carry on Type 1 regulated activity (dealing in securities) and operates as an introducing broker that communicates client orders or introduces clients to other licensed securities dealers. It is subject to the licensing conditions, among others, that GSL shall not conduct business other than (a) communicating offers to effect dealings in securities to Paul Securities Limited, in the names of the persons from whom those offers are received; and (b) introducing persons to Paul Securities Limited and Lamtex Securities Limited, in order that they may – (i) effect dealings in securities; or (ii) make offers to deal in securities.

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