

SFC Takes Action Against Unregistered Securities Margin Financing

11 Dec 2001

The SFC announced today that it had successfully prosecuted Roofer Finance Co Ltd (Roofer Finance) and its managing director, Ms Ngan On Nang, Sabrina (Ngan), for carrying on a business in Hong Kong of securities margin financing without being registered with the SFC.

Both Roofer Finance and Ngan pleaded guilty in relation to 2 summonses before Ms Polly Lo at Western Magistracy. Roofer Finance and Ngan were fined \$50,000 and \$20,000 respectively and were ordered to pay costs totalling \$44,050 to the SFC.

A SFC spokesman said that legislation regulating securities margin financing came into effect on 12 June 2000. Brokerages are reminded that it is illegal to carry on or hold themselves out as carrying on a business of securities margin financing unless they are a financier registered with the SFC. Failure to obtain registration will result in prosecution under section 121C of the Securities Ordinance. Investors who require margin finance should be careful to ensure that they deal with either a SFC registered financier, or a registered securities dealer, or an Authorized Institution regulated by the HKMA. Investors are urged not to deal with unregistered financiers. Should investors have any doubts they are encouraged to consult the Registers of Securities Margin Financiers and their representatives which are open for public inspection at the SFC during office hours.

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