

## SFC Reprimands Harris Fraser (International) Limited and its Supervisory Director, Ms Ng Yuen Yee Halena

21 May 2002

The Securities and Futures Commission (SFC) announces today that it has publicly reprimanded Harris Fraser (International) Limited (Harris Fraser) and its supervisory director, Ms Ng Yuen Yee, Halena (Ng).

The actions were taken following an inquiry conducted under section 56 of the Securities Ordinance, which revealed that Harris Fraser had:

- made an overstatement in a promotional pamphlet in year 2000 as to its scale of business;
- breached a licensing condition imposed on its dealer registration in dealing in products other than unit trusts and mutual funds. It had dealt in local stocks for friends of staff members;
- failed to furnish the monthly Financial Resources Rules returns with correct classification for liquid assets and ranking liabilities to the SFC; and
- failed to implement effective internal control systems.

The inquiry also revealed that at the relevant time, Ng was the supervisory director of Harris Fraser responsible for its compliance matters. She failed to effectively manage and supervise Harris Fraser's securities dealing and investment advisory business.

In the light of these findings, the SFC concluded that the fitness and properness of Harris Fraser and Ng as registered persons had been impugned.

In deciding the appropriate penalty, the SFC had taken into account the following:

- Harris Fraser's clients did not appear to have suffered any loss as a result of the above failures;
- Harris Fraser and Ng cooperated fully with the SFC during the inquiry;
- Harris Fraser had rectified the deficiencies and implemented remedial measures. It had taken steps to strengthen its internal controls to ensure compliance with relevant rules and regulations; and
- Ng voluntarily gave up her registrations as a securities dealer and an investment adviser for 6 weeks.

An SFC spokesman said: "We remind all registered persons to ensure the accuracy of any information provided to clients and the SFC. They are also obliged to comply with all applicable rules, guidelines and conditions imposed on their registrations. The SFC attaches great importance to registrants' observance of their obligations, their competence in maintaining proper control over their business in the interest of the investing public, and will take appropriate measures to stamp out breaches."