

SFC Reprimands and Fines Wintech Securities Limited

13 May 2008

The SFC has issued a reprimand to Wintech Securities Limited and fined it \$450,000 (Note 1).

The decision follows an SFC investigation which found that:

- Wintech failed to act in the best interests of market integrity as required by the Code of Conduct (Note 2) when a number of Wintech staff, including a director and responsible officer (Note 3), subscribed for shares and received their allocations in an IPO through the accounts of two clients;
- the allocations breached the Placing Guidelines for Equity Securities under Appendix 6 of the Rules Governing the Listing of Securities of the Main Board. An allocation to directors or employees of a placing agent requires the consent of the Stock Exchange of Hong Kong but in the Wintech case, no consent was sought or given.

Wintech also failed to safeguard client assets when it accepted instructions from an unauthorised third party to withdraw funds from a joint client account without making reasonable enquiries with the clients.

Mr Mark Steward, the SFC’s Executive Director of Enforcement, said: “The SFC has recently taken action against intermediaries who use secret accounts to hide trading from their employers. We see in this case intermediaries hiding personal dealings in someone else’s accounts. There can be no good reason for this kind of conduct.”

Ends

Notes:

1. Wintech Securities Limited is licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activity.
2. Code of Conduct for Persons Licensed by or Registered with the SFC.
3. The person is no longer a director of or accredited to Wintech.

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