
Enforcement News

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6 June 2008

Court Fines Bright & Shine Corporate Finance Limited and its Director

The Eastern Magistracy today imposed a fine on Bright & Shine Corporate Finance Limited and its director and former responsible officer, Mr Juleus Lee, for failing to notify the SFC of its liquid capital deficiencies under the Securities & Futures (Financial Resources) Rules and for providing misleading information to the SFC (Note 1).

Bright & Shine and Lee each pleaded guilty to 4 summonses before Mr Wahab Abu Bakar bin, and were each fined \$16,000. The firm and Lee were ordered to pay total investigation costs of \$37,021 to the SFC.

The SFC investigation revealed that in July 2005 and February 2006, Bright & Shine filed two semi-annual financial returns to the SFC that misled the SFC as to the true liquid capital position of the firm.

The SFC found that the financial returns understated the firm's liabilities because they did not include director's loans. If the true position had been revealed, Bright & Shine would not have met the minimum liquid capital requirement under the Financial Resources Rules (Note 2).

Mr Mark Steward, the SFC's Executive Director of Enforcement said, "The Financial Resources Rules (FRR) are an important prudential safeguard designed to strengthen the financial position of licensed corporations and protect the interests of the investing public. This action should remind firms of the importance of ensuring that FRR returns are accurate and that liquid capital deficiencies are reported to the SFC."

Ends

Notes:

1. Bright & Shine was licensed to carry on Type 4 (advising on securities) and Type 6 (advising on Corporate Finance) regulated activities. Juleus Lee was its director and responsible officer, licensed to carry on Types 4 and 6 regulated activities. Lee is no longer licensed with the SFC.
2. The Securities & Futures (Financial Resources) Rules provide for the financial resources requirements of a licensed corporation, including how much liquid capital it shall maintain. The Rules also prescribe the amounts or values of assets and liabilities to be included in the calculation of a licensed corporation's financial resources.

Page last updated: 6 June 2008