
Enforcement News

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11 March 2009

SFC confirms investigation into trading of HSBC shares

The Securities and Futures Commission (SFC) today confirmed that it has commenced a formal investigation into the conduct of the closing auction session held on 9 March 2009 for shares in HSBC Holdings (HSBC).

The SFC's investigation will include whether the closing price of HSBC on 9 March 2009 was the result of any manipulation contrary to the Securities and Futures Ordinance (SFO) (Note 1) or whether any licensed person has breached the SFC's Code of Conduct in distorting the market for or the price of HSBC shares (Note 2).

The SFC is announcing this decision given the significant public interest in the matter.

End

Notes:

1. The SFO (Cap 571) prohibits false trading (section 274), price rigging (section 275) and manipulation (section 278). These contraventions are criminal offences under the SFO. Alternatively they can be the subject of proceedings before the Market Misconduct Tribunal.
2. The SFC's Code of Conduct for Persons Licensed by or Registered with the SFC requires licensees to conduct business activities honestly, fairly and diligently in the best interests of clients and market integrity. The SFC is empowered to take disciplinary action against licensees who recklessly or negligently distort the market for or the price of securities.

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