

SFC reprimands and fines BNP Paribas Wealth Management \$4 million

31 Aug 2016

The Securities and Futures Commission (SFC) has reprimanded and fined BNP Paribas Wealth Management (BNPPWM) \$4 million for overcharging its clients between 1 January 2011 and 31 December 2013 (Note 1).

The SFC's investigation found that at the material time, the monetary benefits, including charges, mark-ups and fees, received by BNPPWM from around 2,300 client transactions exceeded the levels it represented in its documentation provided to the clients. The total overcharged amount was around \$9.5 million. The affected transactions covered different types of investment products, including equities, bonds, structured products, options, swaps and funds.

BNPPWM's conduct was in breach of the Code of Conduct by failing to exercise due skill, care and diligence to ensure the monetary benefits it received from client transactions were fair and reasonable, and in accordance with its representations to the clients (Note 2).

In determining the sanction, the SFC considers that the level of fine would have been higher but for the followings:

- BNPPWM agreed to engage an independent reviewer to review and ensure all overcharged amounts are returned to the affected clients;
- BNPPWM has repaid all overcharged amounts received from current clients and is in the process of repaying former clients, which no longer retain an account with BNPPWM;
- BNPPWM self-reported the matter to the SFC and HKMA;
- BNPPWM proactively co-operated with the SFC in resolving the concerns; and
- BNPPWM has an otherwise clean disciplinary record.

Affected clients may contact BNP Paribas in relation to the repayment of the overcharged amounts (Note 3).

End

Notes:

1. BNPPWM is an authorized financial institution under the supervision of Hong Kong Monetary Authority (HKMA) and is a registered institution under the Securities and Futures Ordinance carrying on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.
2. General Principle 2 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (Code of Conduct) provide that a registered person, in conducting business activities, should act with due skill care and diligence, and in the best interests of its clients. Paragraph 2.2 of the Code of Conduct also requires charges, mark-ups and fees affecting a client should be fair and reasonable.
3. BNP Paribas (BNPP), an authorized financial institution and registered institution, has undertaken to administer the repayment of the overcharged amounts to the affected clients. Affected clients who wish to make enquiries may contact BNPP at (+852) 2825-1116 or (+852) 2909-8811.

[A copy of the Statement of Disciplinary Action is available on the SFC's website](#)

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STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has reprimanded and fined BNP Paribas Wealth Management (**BNPPWM**) a total of \$4 million pursuant to section 196 of the Securities and Futures Ordinance (**SFO**) for its failure to exercise due skill, care and diligence to ensure the monetary benefits it received from client transactions were fair and reasonable, and in accordance with its representations to the clients, in breach of General Principle 2 and paragraph 2.2 of the Code of Conduct.¹
2. BNPPWM is an authorised financial institution under the supervision of Hong Kong Monetary Authority (**HKMA**) and is a registered institution under the SFO carrying on business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

Summary of facts

3. In September 2013, BNPPWM reported to HKMA and the SFC about monetary benefits it received from certain “back-to-back transactions” with its clients might have exceeded the levels set out in its documentation provided to the clients.
4. The SFC’s investigation found that during the period from 1 January 2011 to 31 December 2013 (the **Material Period**), BNPPWM received different levels of monetary benefits from client transactions in different product categories and clients were provided with documentation that indicated the levels of monetary benefits BNPPWM would charge for each product category.
5. The evidence shows BNPPWM had received a total of around \$9.5 million more monetary benefits than its representations to the clients during the Material Period in 2,322 client transactions:

Product category	No. of affected transactions	Estimated overcharged amount (in HKD)
Equities	1,201	514,000
Bonds	336	4,054,000
Structured Products	14	67,000
Options/Swaps	99	1,212,000
Funds	672	3,626,000
Total:	2,322	9,473,000

¹ Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission

Conclusion

6. In the circumstances, BNPPWM had breached General Principle 2 and paragraph 2.2 of the Code of Conduct for not acting in the best interests of its clients, and failed to exercise due skill, care and diligence to ensure the monetary benefits it received from client transactions were fair and reasonable, and in accordance with its representations to the clients.
7. The SFC considers the sanction of a public reprimand and a fine of \$4 million is appropriate in the circumstances, given:
 - (a) BNPPWM agreed to engage an independent reviewer to review and ensure all overcharged amounts are returned to the affected clients;
 - (b) BNPPWM has repaid all overcharged amounts received from current clients and is in the process of repaying former clients, which no longer retain an account with BNPPWM;
 - (c) BNPPWM self-reported the matter to the SFC and HKMA;
 - (d) BNPPWM proactively co-operated with the SFC in resolving the concerns; and
 - (e) BNPPWM has an otherwise clean disciplinary record.

證監會對法國巴黎財富管理銀行作出譴責並處以罰款400萬元

2016年8月31日

證券及期貨事務監察委員會（證監會）對法國巴黎財富管理銀行（法巴財富管理）作出譴責並處以罰款400萬元，原因是它在2011年1月1日至2013年12月31日期間向客戶多收款項（註1）。

證監會經調查後發現，在關鍵期間，法巴財富管理從大約2,300宗客戶交易所收取的金錢收益（包括費用、差價及收費）超過了它向客戶所提供的文件所述的水平。多收的金額涉及約共950萬元。受影響的交易涵蓋不同類別的投資產品，包括股票、債券、結構性產品、期權、掉期及基金。

法巴財富管理的行為違反了《操守準則》的規定，因為它沒有以適當的技能、小心審慎和勤勉盡責的態度，確保就客戶交易所收取的金錢收益是公平合理並根據其向客戶作出的陳述而收取的（註2）。

在釐定罰則方面，證監會認為若非因為以下因素，罰款額原應更高：

- 法巴財富管理同意委聘獨立的檢討機構，以檢討及確保所有多收的金額將全數退回受影響的客戶；
- 法巴財富管理已向現有客戶退還所有多收的金額，並正在處理不再在法巴財富管理保留戶口的舊客戶的退款事宜；
- 法巴財富管理自行向證監會及金管局匯報有關事件；
- 法巴財富管理積極與證監會合作解決關注事項；及
- 法巴財富管理過往並無遭受紀律處分的紀錄。

有關退還多收金額的事宜，受影響的客戶可與法國巴黎銀行聯絡（註3）。

完

備註：

1. 法巴財富管理是一家受到香港金融管理局（金管局）監督的認可財務機構，及根據《證券及期貨條例》獲發牌經營第1類（證券交易）、第4類（就證券提供意見）及第9類（提供資產管理）受規管活動的業務的註冊機構。
2. 《證券及期貨事務監察委員會持牌人或註冊人操守準則》（《操守準則》）第2項一般原則規定，註冊人在經營其業務時，應以適當的技能、小心審慎和勤勉盡責的態度行事，以維護客戶的最佳利益。《操守準則》第2.2段亦規定，影響客戶的所有費用、差價或收費都應該是公平及合理的。
3. 法國巴黎銀行是一家認可財務機構及註冊機構，負責管理有關向受影響客戶退還多收金額的事宜。受影響的客戶如有疑問，可致電 (+852) 2825-1116 或 (+852) 2909-8811 與法國巴黎銀行聯絡。

紀律處分行動聲明載於證監會網站

最後更新日期：2016年8月31日

紀律處分行動聲明

紀律處分行動

1. 證券及期貨事務監察委員會（**證監會**）根據《證券及期貨條例》第 196 條對法國巴黎財富管理銀行（**法巴財富管理**）作出譴責並處以罰款合共 400 萬元，原因是它沒有以適當的技能、小心審慎和勤勉盡責的態度，確保就客戶交易所收取的金錢收益是公平合理並根據其向客戶作出的陳述而收取的，違反了《操守準則》第 2 項一般原則和第 2.2 段。¹
2. 法巴財富管理是一家受到香港金融管理局（**金管局**）監督的認可財務機構，及根據《證券及期貨條例》獲發牌經營第 1 類（證券交易）、第 4 類（就證券提供意見）及第 9 類（提供資產管理）受規管活動的業務的註冊機構。

事實摘要

3. 2013 年 9 月，法巴財富管理向金管局和證監會匯報，它就若干與客戶的“背對背交易”所收取的金錢收益可能超過了它向客戶所提供的文件所載的水平。
4. 證監會經調查後發現，在 2011 年 1 月 1 日至 2013 年 12 月 31 日期間（**關鍵期間**），法巴財富管理就不同產品類別的客戶交易收取不同水平的金錢收益，而客戶獲提供的文件顯示了法巴財富管理就各產品類別所收取的金錢收益的水平。
5. 有證據顯示，在 2,322 宗客戶交易中，法巴財富管理於關鍵期間所收取的金錢收益較其向客戶所作出的陳述合共多出約 950 萬元：

產品類別	受影響的交易數目	估計多收的金額（港元）
股票	1,201	514,000
債券	336	4,054,000
結構性產品	14	67,000
期權／掉期	99	1,212,000
基金	672	3,626,000
總數：	2,322	9,473,000

結論

6. 在上述情況下，法巴財富管理違反了《操守準則》第 2 項一般原則和第 2.2 段，原因是它沒有以維護客戶最佳利益的態度行事，也沒有以適當的技能、小心審

¹ 《證券及期貨事務監察委員會持牌人或註冊人操守準則》

慎和勤勉盡責的態度，確保就客戶交易所收取的金錢收益是公平合理並根據其向客戶作出的陳述而收取的。

7. 證監會經考慮以下事項後，認為在上述情況下作出譴責並處以罰款 400 萬元的罰則屬恰當：
- (a) 法巴財富管理同意委聘獨立的檢討機構，以檢討及確保所有多收的金額將全數退回受影響的客戶；
 - (b) 法巴財富管理已向現有客戶退還所有多收的金額，並正在處理不再在法巴財富管理保留戶口的舊客戶的退款事宜；
 - (c) 法巴財富管理自行向證監會及金管局匯報有關事件；
 - (d) 法巴財富管理積極與證監會合作解決關注事項；及
 - (e) 法巴財富管理過往並無遭受紀律處分的紀錄。