

SFC issues restriction notice to broker to freeze client account linked to suspected insider dealing

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The Securities and Futures Commission (SFC) has issued a restriction notice to Interactive Brokers Hong Kong Limited (IBHK), prohibiting it from dealing with or processing certain assets held in a client account (the Client Account) which is related to suspected insider dealing in the shares of Bloomage BioTechnology Corporation Limited between 22 May and 15 June 2017 (Notes 1 to 3).

The SFC is not investigating IBHK, which has cooperated with the SFC in an ongoing investigation. The restriction notice does not affect IBHK's operations or its other clients.

The restriction notice prohibits IBHK, without the SFC's prior written consent, from disposing of or dealing with, assisting, counselling or procuring another person to dispose of or deal with any assets in any way in the Client Account, including: (i) entering into transactions for any securities; and/or (ii) processing any withdrawals or transfers of securities and/or cash or any transfers of money arising from the disposal of securities; and/or (iii) disposing of or dealing with any securities or cash on the instructions of any authorised person of the Client Account or by any person acting on their behalf; and/or (iv) assisting another person to dispose of or deal with any relevant property in a specified manner. The broker is also required to notify the SFC if it receives any of these instructions.

The SFC considers that the issue of the restriction notice is desirable in the interest of the investing public or in the public interest.

End

Notes:

1. The SFC issued the restriction notice pursuant to sections 204 and 205 of the Securities and Futures Ordinance (SFO).
2. Bloomage BioTechnology Corporation Limited (Bloomage) was listed on the Main Board of The Stock Exchange of Hong Kong Limited on 3 October 2008 by way of placing and public offer. Trading in Bloomage shares was suspended at 1 pm on 15 June 2017. On 19 June 2017, Bloomage and Grand Full Development Limited (Grand Full) issued a joint announcement setting out an offer made by Grand Full to privatise Bloomage by way of a scheme of arrangement. On 1 November 2017, following its privatisation, Bloomage's listing was withdrawn.
3. Interactive Brokers Hong Kong Limited is a corporation licensed under the SFO to carry out Type 1, 2 and 3 regulated activities.

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