

SFC Takes Action Against Unregistered Securities Dealer and Investment Adviser

17 Feb 1998

The Securities and Futures Commission (SFC) announced that it had successfully prosecuted CSSC International Limited (CSSCIL) and its former managing director, Mr Shao Yan (Shao), for unregistered securities dealing activities in contravention of Section 48 of the Securities Ordinance (SO). At the same time, CSSCIL and Shao were also prosecuted for acting as investment advisers whilst not being registered with the SFC, in contravention of Section 49 of the SO.

CSSCIL and Shao pleaded guilty before Ms Polly Lo at Western Magistracy on 17 February 1998. They were each fined \$10,000 for one summons relating to carrying on an unregistered business of securities dealing. Each of them were also fined \$5,000 for one other summons in relation to acting as an investment adviser whilst not being registered with the SFC. In addition to the fines imposed, the defendants were ordered to pay costs totalling \$42,470 to the SFC.

The SFC investigation revealed that during the period 23 October 1996 to 1 August 1997, China Southern Corporate Finance Limited (CSCFL), a wholly owned subsidiary of CSSCIL, participated as one of the underwriters in the placement of certain H shares offered in Hong Kong. Both CSSCIL and CSCFL were under the management of Shao. After the relevant underwriting agreements were signed, Shao procured clients to subscribe for the H shares and arranged margin facilities through other brokers to finance their subscriptions. After the H shares were listed, CSSCIL offered facilities to these clients to trade in the H shares and other securities through accounts maintained by CSSCIL with other brokers. Both CSSCIL and Shao were not registered with the SFC as dealers under the SO.

The SFC investigation also revealed that during the period 21 November 1995 to 1 August 1997, CSSCIL and Shao, whilst not so registered, acted as investment advisers by entering into securities management agreements with certain clients whereby CSSCIL undertook the management of these clients' portfolios of securities in return for a specified remuneration. CSSCIL also traded Hong Kong stocks and B shares on behalf of these clients through its accounts maintained with various brokers.

Senior management of CSSCIL at the time of the conduct that led to the above prosecution are no longer involved with the company in any aspect of its operations in Hong Kong. The dealing and investment advisory businesses are now conducted through the subsidiary CSCFL. CSCFL has subsequently applied to the SFC for registration as a securities dealer and an investment adviser. The SFC has considered those applications in accordance with its usual procedures and is satisfied that CSCFL, under its new management, is fit and proper to be registered as a securities dealer and an investment adviser.

For further details, please contact Bill Weeks or Chan Chi-keung at 2840-9287.

證監會對無牌證券交易商兼無牌投資顧問採取行動

1998年2月17日

證券及期貨事務監察委員會（證監會）公布，該會已成功檢控南證國際有限公司（南證國際）及其前任董事總經理邵岩（邵氏），指該公司及邵氏無牌進行證券交易活動，違反《證券條例》第48條的規定。此外，南證國際及邵氏亦被控在未經證監會註冊的情況下，以投資顧問身分行事，違反《證券條例》第49條的規定。

南證國際及邵氏在1998年2月17日於西區裁判法院向盧恆福裁判法官承認上述控罪。上述公司及人士因一項有關無牌經營證券交易業務的控罪而各被判罰款港幣10,000元。此外，南證國際及邵氏亦因一項涉及未經證監會註冊而以投資顧問身分行事的控罪，各被判罰款港幣5,000元。除上述罰款外，兩被告均被下令須向證監會支付合共港幣42,470元的調查費用。

據證監會調查所得，在1996年10月23日至1997年8月1日期間，南證國際全資擁有的附屬公司南證財務顧問有限公司（南證財務），以包銷商的身分參與在香港發售的若干H股的配售活動，而邵氏在該段期間負責管理南證國際及南證財務兩公司的業務。在有關包銷協議簽署後，邵氏促致客戶申購有關H股，並透過其他經紀行安排保證金貸款，為上述客戶申購H股安排融資。其後，在有關H股掛牌上市後，南證國際又向上述客戶提供服務，以便他們透過南證國際在其他經紀行開立的帳戶，買賣該等H股及其他證券。南證國際及邵氏均未有根據《證券條例》向證監會註冊為交易商。

除此之外，證監會的調查亦發現，在1995年11月21日至1997年8月1日期間，南證國際及邵氏在未經註冊的情況下，以投資顧問的身分與若干客戶訂立證券管理協議，而按照該等協議的條款，南證國際負責管理上述客戶的證券投資組合，藉以換取指定的酬金。此外，南證國際在有關期間亦代表上述客戶，透過該公司在不同經紀行開立的帳戶，買賣在香港上市的股票及若干國內B股。

在南證國際出現引致上述檢控的行為時負責管理該公司的高層人員，現時已不再參與該公司在香港任何方面的業務。南證國際現透過其附屬公司南證財務進行交易及投資顧問業務。南證財務在有關事件後已向證監會申請註冊為證券交易商及註冊投資顧問，而證監會在根據其慣常程序考慮上述註冊申請後，信納在新管理層管治下的南證財務屬註冊為證券交易商及投資顧問的適當人選。

最後更新日期：2012年8月1日