

SFC issues restriction notices to two brokerages to freeze accounts of client involved in suspected corporate misconduct

14 Aug 2020

The Securities and Futures Commission (SFC) has issued restriction notices to China Gather Wealth Financial Company Limited (China Gather Wealth) and Power Securities Company Limited (Power Securities), prohibiting them from dealing with or processing certain assets held in the client accounts which are beneficially owned by an individual who is suspected of committing misconduct and breaching his duties towards a listed company (Notes 1 & 2).

The SFC is not investigating China Gather Wealth and Power Securities, both of which have cooperated with the SFC's investigation. The restriction notices do not affect them or their other clients.

The restriction notices prohibit China Gather Wealth and Power Securities, 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 certain assets in any way in those accounts. Both brokerages are also required to notify the SFC if they receive any of these instructions.

The SFC considers that the issue of the restriction notices, which preserves the assets in those accounts, is desirable in the interest of the investing public and in the public interest.

End

Notes:

1. The SFC issued the restriction notices under sections 204 and 205 of the Securities and Futures Ordinance (SFO).
2. Both China Gather Wealth and Power Securities are corporation licensed under the SFO to carry on Type 1 regulated activities.

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G.N. 4651

NOTICE UNDER SECTIONS 204 AND 205 OF THE
SECURITIES AND FUTURES ORDINANCE (Chapter 571) (“SFO”)

It appears to the Securities and Futures Commission (“SFC”) that the SFC should exercise the powers conferred by sections 204 and 205 of the SFO.

THE SFC GIVES NOTICE THAT:—

Except with the SFC’s prior written consent, such consent to be granted by any two SFC Executive Directors:

1. Under sections 204(1)(a) and 205(1) of the SFO, China Gather Wealth Financial Company Limited (“Specified Corporation”) is, in respect of a client account:—
 - a) prohibited from:—
 - (i) entering into any transactions concerning the shares of a company listed in Hong Kong (“Listed Securities”) up to specified amounts, including the following:—
 - processing any withdrawals of the Listed Securities; and/or
 - any transfers of money arising from the disposal of the Listed Securities; and/or
 - (ii) disposing of or dealing with the Listed Securities up to specified amounts on the instruction of the specified client and/or by any persons acting on his behalf; and
 - b) required to notify the SFC immediately upon receipt of any instructions concerning the Listed Securities from the specified client and/or any persons acting on his behalf, regarding:—
 - (i) any requests to withdraw the Listed Securities and/or transfer money arising from the disposal of the Listed Securities; and/or
 - (ii) any requests to dispose of or deal with the Listed Securities.
2. Under section 217 of the SFO, an application may be made to the Securities and Futures Appeals Tribunal for a review of the decision to impose the prohibition and/or requirement imposed by this Notice. That application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, under section 208 of the SFO, the Specified Corporation may apply to the SFC for the SFC to withdraw, substitute or vary the prohibition and/or requirement imposed by this Notice.

This Notice takes effect at the time it is served on the Specified Corporation.

Dated this 13th August of 2020

For and on behalf of
Securities and Futures Commission
Ashley Alder, Chief Executive Officer

NOTICE UNDER SECTIONS 204 AND 205 OF THE
SECURITIES AND FUTURES ORDINANCE (Chapter 571) (“SFO”)

It appears to the Securities and Futures Commission (“SFC”) that the SFC should exercise the powers conferred by sections 204 and 205 of the SFO.

THE SFC GIVES NOTICE THAT:—

Except with the SFC’s prior written consent, such consent to be granted by any two SFC Executive Directors:—

1. Under sections 204(1)(a) and 205(1) of the SFO, Power Securities Company Limited (“Specified Corporation”) is, in respect of a client account:—
 - a) prohibited from:—
 - (i) entering into any transactions concerning the shares of a company listed in Hong Kong (“Listed Securities”) up to specified amounts, including the following:—
 - processing any withdrawals of the Listed Securities; and/or
 - any transfers of money arising from the disposal of the Listed Securities; and/or
 - (ii) disposing of or dealing with the Listed Securities up to specified amounts, on the instruction of the specified client and/or by any persons acting on his behalf; and
 - b) required to notify the SFC immediately upon receipt of any instructions concerning the Listed Securities from the specified client and/or any persons acting on his behalf, regarding:—
 - (i) any requests to withdraw the Listed Securities and/or transfer money arising from the disposal of the Listed Securities; and/or
 - (ii) any requests to dispose of or deal with the Listed Securities.
2. Under section 217 of the SFO, an application may be made to the Securities and Futures Appeals Tribunal for a review of the decision to impose the prohibition and/or requirement imposed by this Notice. That application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, under section 208 of the SFO, the Specified Corporation may apply to the SFC for the SFC to withdraw, substitute or vary the prohibition and/or requirement imposed by this Notice.

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Dated this 13th August of 2020

For and on behalf of the SFC
Securities and Futures Commission
Ashley Alder, Chief Executive Officer