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SFC to investigate Lehman Brothers Minibond mis-selling complaints

The Securities and Futures Commission (SFC) today announced its decision to commence formal investigation into allegations that Lehman Brothers-related retail structured notes may have been misrepresented to Hong Kong investors in the selling process.

"Having conducted several meetings with Minibond investors in the last few days to hear their grievances, we have decided to conduct formal investigation into allegations of mis-selling by certain licensed intermediaries," said the SFC's Chief Executive Officer Mr Martin Wheatley.

The SFC's investigation will look at the conduct of the three SFC-licensed distributors of Lehman Brothers-related retail structured notes.

In addition, the SFC will examine whether any facts, matters or circumstances that should have been disclosed to the SFC were not disclosed by the Minibond issuers and their advisers at the time the offer prospectuses and marketing materials for each series of Minibonds were submitted for vetting.

The SFC's investigation will not cover the conduct of the 21 banks involved in selling Lehman Brothers-related retail structured products, which come under the supervision of the Hong Kong Monetary Authority (HKMA). However, the SFC will continue to offer assistance and work closely with the HKMA.

End

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