
Enforcement News

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17 September 2008

Brokerages report orderly trading and settlement

In view of current market volatility, the Securities and Futures Commission (SFC) has been in touch with major retail-based brokers to understand their operations.

All firms reported that clients' trading and settlement were processed orderly and they have complied with the regulatory capital requirements.

The firms also advised that clients have become more prudent in recent trading as a result of the market volatility.

The SFC has also been in close contact with the management of Lehman Brothers after issuing Restriction Notices on its four entities in Hong Kong and has been working with the Hong Kong Exchanges and Clearing Limited (HKEx) to ensure an orderly winding down of the Lehmans' various positions (Note 1).

The appointment of provisional liquidators for Lehmans' two entities today was the result of continuous dialogue between the SFC and Lehmans.

The SFC will continue to monitor the market closely and we urge market participants to exercise extra care with their risk management at times of market volatility.

End

Note:

1. Please see SFC's [press release](#) dated 16 September 2008 for details of the Restriction Notices.

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