

SFC resolves compliance issues with Hantec International Limited and Hantec Investment Consultant Limited

2 Aug 2010

The Securities and Futures Commission (SFC) has resolved compliance issues with Hantec International Limited (currently known as Cinda International FX Limited) (HIL) and Hantec Investment Consultant Limited (currently known as Cinda International Investment Consultant Limited) (HICL) (Notes 1 and 2).

Under the resolution:

- the SFC reprimands and fines HIL \$4 million; and
- HICL voluntarily surrenders its licence to the SFC.

Following an investigation, the SFC found that, in 2004 and 2005, HIL:

- failed to adequately supervise its staff and prevent cold calling activities (Note 3);
- facilitated the unlicensed activities of Cosmos Hantec Investment (NZ) Limited (Note 4);
- failed to comply with margin requirements for forex contracts (Note 5);
- failed to set forex position limits for itself and trading limits for its clients; and
- failed to handle complaints and report suspected breaches to the SFC in a timely manner.

The decisive considerations for the SFC to enter into this agreement, rather than proceed with disciplinary action, are:

- the failures were attributable to the former management of Hantec which has been replaced;
- the business is now under new ownership; and
- Cinda International Holdings Limited (CIH), the current parent company of HIL and HICL, has agreed to dissociate itself from certain current and former senior management members of the Hantec Group and to close down HIL and HICL. (Note 6)

The SFC wishes to emphasise that SFC's concerns about the operations of HIL and HICL did not involve CIH or its current management. The SFC acknowledges the cooperation and assistance of CIH in resolving this case at both investigatory and disciplinary stages.

End

Notes:

1. Cinda International FX Limited was formerly known as Hantec International Limited until January 2009. It ceased carrying on business in Type 3 (leveraged foreign exchange trading) regulated activity in April 2010.

2. Cinda International Investment Consultant Limited was formerly known as Hantec Investment Consultant Limited until January 2009. It is currently licensed under the SFO to carry on business in Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

3. Please see SFC press releases dated [28 July 2005](#), [21 March 2006](#), [9 June 2006](#), [14 June 2006](#), [7 July 2006](#), [3 August 2006](#), [9 November 2006](#), [20 December 2006](#), [6 November 2007](#), [31 March 2008](#) and [19 March 2009](#) for details about the SFC's previous actions against staff of Hantec International Limited.

4. Please see SFC press releases dated [3 October 2007](#), [31 March 2008](#), [2 June 2009](#) and [26 May 2010](#) for details about SFC's previous actions against people related to Cosmos Hantec Investment (NZ) Limited.

5. Please see SFC press release dated [16 July 2007](#) for details about SFC's previous related action against a responsible officer of Hantec International Limited.

6. CIH was formerly known as Hantec Investment Holdings Limited until January 2009. It was indirectly acquired by China Cinda Asset Management Corporation in late 2008. It currently has six subsidiaries that are licensed under the SFO to carry on various regulated activities.

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