

SFC Reprimands Kerry Securities Limited

4 Feb 1997

The Securities and Futures Commission ("SFC") announced today that stemming from an investigation covering the period November 1993 to July 1996, it has reprimanded Kerry Securities Limited ("KSL") for

- a) trading in commodity futures contracts, without being registered as a dealer under the Commodities Trading Ordinance; and
- b) arising from inadequate supervision and monitoring by management, it failed to maintain suitable controls and procedures including an adequate audit trail to ensure compliance with the law and the SFC Code of Conduct for Registered Persons.

In issuing this reprimand, the SFC has taken into account the following mitigating factors :

- The staff and management responsible for either executing or sanctioning the trades in commodity futures contracts are no longer employed by KSL;
- KSL has cooperated fully with the Commission's inquiry since July 1996;
- KSL has taken steps to improve its internal controls at its own initiative to enhance its compliance capabilities and systems;
- a number of these initiatives were implemented prior to the commencement of the SFC's investigation; and
- when problems were brought to the attention of KSL's current managing director in July 1996, prompt and appropriate action was taken.

The Commission stresses that it is the responsibility of any registered intermediary to ensure that it is properly registered, adequately managed and appropriately supervised.

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