



This leaflet explains how you can make effective complaints to the Securities and Futures Commission (SFC) and how we handle them.

Who we are

The SFC is an independent statutory regulator of the Hong Kong securities and futures markets. Our powers are derived from the Securities and Futures Ordinance (SFO).

We can...	We cannot...
<input checked="" type="checkbox"/> investigate complaints	<input checked="" type="checkbox"/> act as your legal adviser
<input checked="" type="checkbox"/> penalise wrongdoers, such as by prosecuting them or taking disciplinary action against them if they are licensed by us	<input checked="" type="checkbox"/> intercede in private civil disputes
	<input checked="" type="checkbox"/> get your money back
	<input checked="" type="checkbox"/> comment on service quality issues and commercial decisions

How do we assess your complaint?

Our Complaints Control Committee conducts preliminary assessment of complaints from the public on matters within the SFC’s jurisdiction. This committee consists of senior executives from various SFC operational units.

The main focus of the assessment is to determine whether the target has complied with the rules and regulations administered by the SFC. We do not, however, investigate or take further action if, in our opinion, the complaint contains too few details, does not suggest material misconduct or meet the legal threshold under the SFO.

We pledge to give a preliminary response to any complaint within two weeks. However, it is our policy not to respond to anonymous complainants. In filing a complaint with us, you should note that we cannot always tell a complainant what we have discovered because we are restrained by law from disclosing information obtained during the performance of our regulatory functions. The only exception to this is when action stemming from an investigation, such as a prosecution or disciplinary findings, is concluded. Then this is made public, generally by way of a press release. These restrictions are designed to protect the reputation of a person/company against whom a complaint is made in case the complaint is later found to be unsubstantiated and to ensure that the complaint process is not abused.

Please note that not every complaint will lead to a formal investigation. Under the SFO, we need to meet the legal threshold to start an investigation. We have no power to investigate simply because a complainant demands an investigation.

Steps for making a complaint

Step 1
Determine your objective

The first step is to decide what you want. You may have an argument about money with an intermediary and want financial redress. Or you may want to report misconduct to the regulators.

If you are an individual or a sole proprietor and have a financial dispute with an intermediary and the amount involved is HK\$500,000 or less, you can approach the Financial Dispute Resolution Centre (FDRC) to seek more information on mediation and arbitration services:

Tel : 3199 5199
Email : fdrc@fdrc.org.hk

Before you approach the FDRC, you should file a written complaint with the complaints officer of the intermediary involved. The contact details of the complaints officer of each brokerage or registered institution can be found in the Public Register of Licensed Persons and Registered Institutions on our website. Alternatively, you can seek professional legal advice about the remedies available to you.

Example of trading dispute: Forced liquidation by intermediary

Mr Chan bought a mini HSI futures contract in July. However, the HSI dropped over 1,000 points on a trading day in August due to adverse market conditions. Mr Chan’s position was closed by the brokerage without prior notice. HSI rebounded about 500 points on the next trading day but Mr Chan’s position had already been closed and he suffered a large loss. Mr Chan alleged that the brokerage failed to give him a margin call and unreasonably force-closed his position, causing losses.

As the matter was a trading dispute, the SFC advised Mr Chan to approach the brokerage’s complaint officer first. The brokerage responded that the forced liquidation was executed in accordance with the terms of the client agreement, and that no prior notice or consent from the customer is required. The brokerage informed Mr Chan that if he wished to attempt mediation to resolve his complaint, he could approach the FDRC.

Example of misconduct: Misappropriation

Ms Li received an annual year-end circularization check issued by the auditor of Brokerage A, asking her to fill in and return a confirmation slip endorsing the accuracy of her monthly account statements received throughout the year. To Ms Li’s surprise, her latest account balance was zero, which was different from the record in the latest statement received from her account executive. Ms Li then complained to the SFC.

SFC’s investigation revealed that the account executive of Ms Li forged her signature in order to withdraw her shares from the account. He then sold Ms Li’s shares and kept the proceeds. In order to cover his dishonest acts, he withheld the genuine contract notes issued by Brokerage A to Ms Li and issued forged documents to her instead. The SFC banned the account executive from re-entering the industry for life.



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How to make a complaint

Step 2 Approach the right regulator

Once you have decided to make a complaint to a regulator, please ensure that you approach the right one. Making a complaint to the wrong regulator can cost you extra time and effort.

Contact the SFC to report the following matters:

- unlicensed activities e.g. trading or advising without an SFC licence
- misconduct by SFC licensees e.g. unauthorized trading, misappropriation, mis-selling
- market manipulation and insider dealing
- suspected breaches of the Takeovers Code

If your complaint does not relate to matters regulated by the SFC, contact the most appropriate regulator, as set out below:

Target	Banks (including their banking, securities and futures operations)
Regulator	Hong Kong Monetary Authority
Contact information	Tel : 2878 1378 Email : bankcomplaints@hkma.gov.hk
Target	Listed companies in Hong Kong (listing-related matters, except for takeovers and mergers)
Regulator	Hong Kong Exchanges and Clearing Limited
Contact information	Tel : 2840 3895 Email : info@hkex.com.hk
Target	Insurance companies, agents or brokers
Regulator	Insurance Authority
Contact information	Tel : 2867 2565 Email : enquiry@ia.org.hk

If the person/firm you want to make a complaint about operates outside Hong Kong, you should approach the appropriate regulator in the relevant jurisdiction.

Step 3 Provide sufficient information

Please include as much as possible the following information in your complaint:

- your full name and contact details (eg, your address and telephone numbers);
- the full name of the person or company you suspect of wrongdoing (if this is an individual, include the full name of the organisation he/she works for);
- full details of the relevant events and dates in chronological order;
- copies of any relevant documents supporting your complaint, such as client agreements, contract notes, account statements, correspondence or marketing materials; and
- the names of any other organisation you have contacted about your complaint, such as the police.

Without your contact details, it may be difficult, if not impossible, for us to follow up on your complaint as we will not be able to get more information from you or clarify matters with you.

Step 4 File your complaint

To lodge a complaint with the SFC, you can:

- send a complaint letter by post or by fax to 2524 3718;
- complete the online complaint form on our website;
- send an email to complaint@sfc.hk; or
- do so in person by calling 2231 1222 to make a prior appointment with us. We usually tape-record the meeting to ensure that we have an accurate record of the information provided by you.

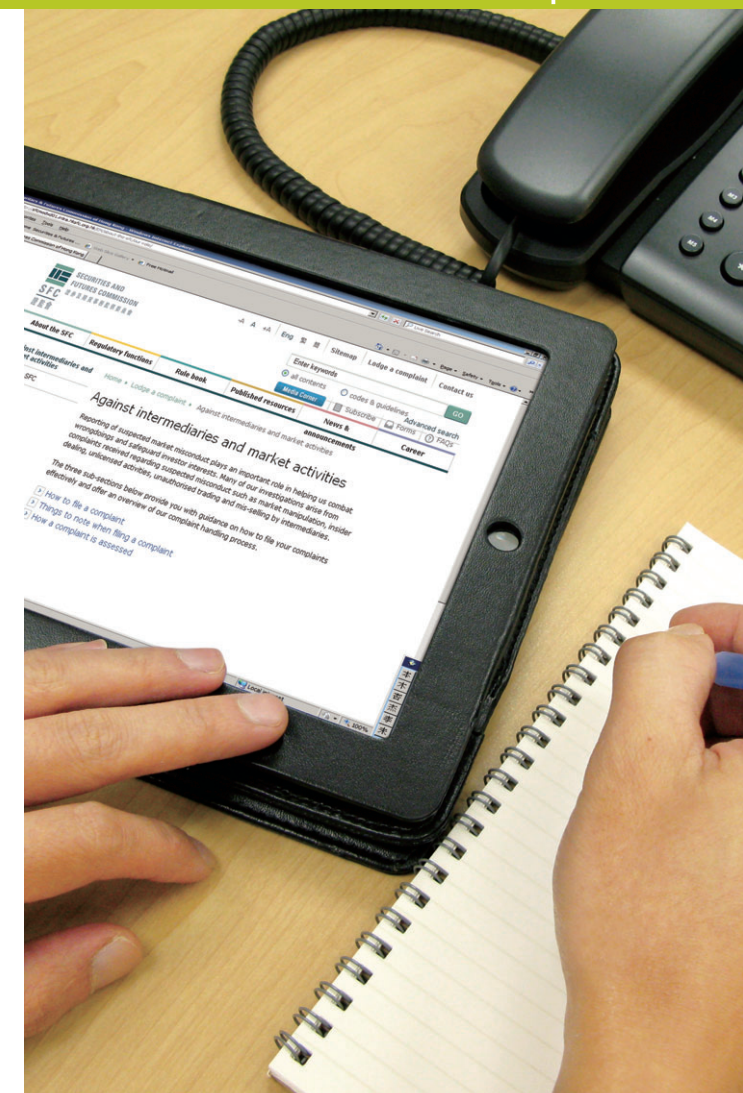
We prefer that you file a complaint in writing. That way, you will be sure to include all relevant details of a complaint so that it is easier for us to understand.

Release your information

In reviewing your complaint, we may need to contact the target company/person concerned or another authority to obtain further information. We may also have to disclose your complaint to those parties. However, we will contact you beforehand to seek your consent to release the information, if this is necessary. Please note that without your consent, we may not be able to take any further action. In any event, if we need to use the information that you have provided for purposes related to law enforcement and regulation, we are permitted by law to do so with or without your consent to the disclosure.

SECURITIES AND FUTURES COMMISSION

35/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong
Website : www.sfc.hk



For enquiries, please call the SFC at 2231 1222