

Complaints statistics concerning Lehman-related investment products (Up to 20 October 2011)

Product type	No. of complaints received	Investigatory process in progress ¹	Investigatory process completed			Disciplinary process in progress			Disciplinary sanctions imposed	Cases received by the HKMA which have been resolved by settlements under s.201 of SFO ⁵	Cases received by the HKMA which have been resolved by enhanced complaint handling procedures pursuant to s.201 agreement ⁶	
			Pending decision ²	Insufficient prima facie evidence or disciplinary grounds ³	Preliminary decision to impose sanction	Preparation of proposed disciplinary notice in progress	Proposed disciplinary notice or decision notice issued ⁴	Appeal to SFAT in progress				
Minibonds	13,838	11	434	10	403	21	21	-	-	13,079	314	
CLNs referenced to Lehman	4,774	36	1,871	57	1,072	742	624	116	-	2	1,305	1,562
ELNs issued by Lehman	2,905	43	795	76	651	68	38	30	-	-	1,395	672
Others	312	11	121	1	118	2	2	-	-	-	-	180
Total	21,829	101	3,221	144	2,244	833	685	146	-	2	15,779	2,728
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
	=(b)+(c)+(k)+(l)		=(d)+(e)+(f)			=(g)+(h)+(i)+(j)						

(For details on the various stages under the enforcement process (comprising the investigatory process and the disciplinary process), please refer to the flowcharts at http://www.hkma.gov.hk/media/eng/doc/other-information/enforcement_process.pdf)

Notes

- ¹ The Hong Kong Monetary Authority (HKMA) formally registers each complaint and reviews and decides for each case (a) whether additional information is being obtained from the complainant and the registered institution concerned to facilitate the HKMA's consideration of whether to open a case for investigation or (b) whether there are sufficient grounds for opening cases for investigation. The HKMA then conducts investigation into opened cases.
- ² These are cases in respect of which investigation work has been completed and are going through the internal review process to decide (a) whether there are sufficient grounds for disciplinary actions or (b) whether the cases should be closed because of insufficient evidence or lack of disciplinary grounds.
- ³ These are cases in which (a) there is a lack of prima facie evidence for investigation, (b) the HKMA's investigation has not found sufficient evidence or grounds to proceed with the relevant individuals concerned or (c) investigations are unable to proceed further because the complainants have declined to provide further information to the HKMA. However, investigations at the bank level, if any, will continue. Investigation into these cases may be re-opened if more information is available.
- ⁴ These are cases in respect of which (a) proposed disciplinary notices have been issued and representations were pending, (b) representations have been received and are being reviewed, or (c) disciplinary decision notices have been issued and the persons concerned have been given 21 days to consider whether to appeal to the Securities and Futures Appeals Tribunal.
- ⁵ These are cases where settlement agreements have been reached by the SFC and the banks under section 201 of the SFO following the investigatory process and, in some cases, disciplinary process of the HKMA. Unless dishonesty, fraud or other criminal elements are involved, it is not the intention of the HKMA to take any disciplinary or enforcement action in relation to these cases.
- ⁶ These cases includes 120 cases where the banks have offered to settle with the complainants under the enhanced complaint handling procedures pursuant to s.201 agreement and the offers are being considered by the complainants.