

High Court decision on CLSAP NZ

13 September 2021

The owners of CLSAP NZ have made significant, wide reaching changes to completely transform the company over the past two years and ensure high standards of ongoing compliance while it continues to work cooperatively with the FMA, David Wallace, its Chairperson, said today.

He said the company accepted the penalty imposed by the Auckland High Court last week. Since the time of the breaches identified by the FMA it had appointed a new Board and management team, replacing all previous office holders, and invested heavily in quality compliance.

While CLSAP NZ accepted the breaches, it had not been accused of actually laundering money.

"We understand the need to ensure full compliance. The practice and the culture of the company have completely changed since the time of these breaches. We are very serious about complying with both the letter and the spirit of our obligations," he said.

He said the company's shareholder, CLSA Premium, which is listed on the Stock Exchange of Hong Kong, had committed to working through all issues in addressing previous failings. CLSA Premium Deputy CEO Feng Yuan said, "we have every confidence in the new Board and management of CLSAP NZ to build on the substantial programme of positive change that is already in place".

FMA investigations extended between 2015 and 2018 prior to the FMA lodging a statement of claim in June 2020.

From mid-2019 the shareholder completed the appointment of an entirely new Board and management team by September 2020. The company also transitioned from serving a clientele that was almost entirely based in China to one largely domiciled in New Zealand.

The company had undertaken an independent review of its compliance programme, appointing BDO, Grant Thornton and Strategi as new external auditors and fully implementing their recommendations.

The company has cooperated fully with the FMA having entered an Agreed Statement of facts with it on 18 February 2021.

For further information

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