

SFC Takes Action Against Cheung's Securities Brokers Limited, its two Dealing Directors and Lee Fung Hong (International) Futures Limited

26 Apr 2000

The Securities and Futures Commission (SFC) announced today that it had publicly reprimanded Cheung's Securities Brokers Limited (Cheung's), Mr Cheung Haywood (Mr Cheung), Ms Lun Han Yuk (Ms Lun) and Lee Fung Hong (International) Futures Limited (LFH).

The Commission's decisions stemmed from an inquiry into events between March 1997 and June 1998. At the time Cheung's and LFH had common shareholding and shared the same premises and support staff. Mr Cheung and Ms Lun were dealing directors of Cheung's. Ms Lun was directly responsible for day-to-day operations of Cheung's. As a result of the inquiry, the Commission found that:

- Between January 1997 and December 1997, staff of Cheung's and LFH were not registered under the Securities Ordinance (SO) or the Commodities Trading Ordinance (CTO) before undertaking securities dealing and commodities trading for clients; and
- between March 1998 and June 1998, Ms Lun on the instruction of Mr Cheung had pledged securities belonging to two clients (for whom Cheung's had acted as placing agents) without proper prior written authority as required by section 81 of the SO to secure margin facilities for Cheung's proprietary trading. Prior verbal agreement, in respect of the pledging had, however, been obtained by Mr Cheung from an authorised representative of the two clients concerned.

The Commission concluded that the action of Mr Cheung and Ms Lun respectively impugned the fitness and properness of each of them to be registered as well as impugning the fitness and properness of Cheung's as a securities dealer under the SO.

The Commission also concluded that LFH's fitness and properness as a commodities dealer under the CTO had been impugned. This conclusion was based on LFH's failure to properly supervise its staff, and to ensure that effective policies and procedures were put in place in the company, resulting in breaches of the registration requirements of the CTO.

In imposing these penalties upon Cheung's, Mr Cheung and Ms Lun, the Commission has taken into account that: -

- Mr Cheung has surrendered his registration as a dealer and will not apply for registration for 1 year.
- Cheung's has undertaken to the SFC to appoint an independent accountant to review Cheung's compliance and internal control systems and implement recommendations made.
- Cheung has undertaken to appoint a compliance manager to be responsible for the day-to-day compliance function at Cheung's.

In imposing a public reprimand upon LFH, the Commission also took into account that the director responsible for the failing at LFH is no longer registered with the Commission.

證監會對張氏證券有限公司及其兩名交易董事以及利豐行(國際)期貨有限公司採取行動

2000年4月26日

證券及期貨事務監察委員會(證監會)今天公布,本會已公開譴責張氏證券有限公司(張氏證券)、張德熙(張氏)、倫杏玉(倫氏)及利豐行(國際)期貨有限公司(利豐行)。

證監會的決定源自一宗涵蓋1997年3月至1998年6月的查訊。當時,張氏證券及利豐行均由相同的股東持有,並共用辦公室及後勤職員。張氏及倫氏為張氏證券的交易董事。倫氏直接負責張氏證券的日常運作。證監會在查訊中發現:

- 在1997年1月至1997年12月期間,張氏證券及利豐行的僱員在未有根據《證券條例》或《商品交易條例》註冊的情況下,替客戶進行證券及商品交易;及
- 在1998年3月至1998年6月期間,倫氏根據張氏的指示,未有按照《證券條例》第81條的規定,即在未有取得適當的書面授權之前,將原本屬於兩名客戶(張氏證券為該兩名客戶的配售代理)的證券抵押,從而為張氏證券本身的坐盤交易安排保證金貸款。然而,張氏已就有關的抵押安排事先向該兩名客戶的授權代表取得口頭授權。

證監會認為張氏及倫氏的行為使人極為質疑兩人是否為取得註冊的適當人選。此外,證監會亦質疑張氏證券是否適宜根據《證券條例》註冊為證券交易商。

此外,證監會亦質疑利豐行是否適宜根據《商品交易條例》註冊為商品交易商。這個結論是基於利豐行未有適當地監督其僱員,以確保公司已設立妥善的制度和程序,因而導致出現違反《商品交易條例》的註冊規定的情況。

在決定對張氏證券、張氏及倫氏作出處分時,證監會已考慮到:—

- 張氏已退回其交易商註冊,並且在1年內不會再向證監會申請註冊;
- 張氏證券向證監會承諾委任獨立會計師審核張氏證券的法規遵守及內部監控系統,以及落實執行有關的獨立會計師提出的建議;
- 張氏證券承諾委任一名監察主任,負責有關張氏證券日常的法規遵守職能。

證監會在決定向利豐行發出譴責時,亦已考慮到須為利豐行的缺失負上責任的董事,現時已不再是證監會的註冊人。

最後更新日期:2012年8月1日