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SFC Suspends Kam Chun Wah, Dickson for Failings Relating to Account Opening

15 Dec 2004

The SFC has suspended the licence of Mr Kam Chun Wah, Dickson as a representative for three months under the Securities and Futures Ordinance (SFO) for accounting opening failures. Kam is suspended from 15 December 2004 to 14 March 2005 (Note 1).

The suspension follows an inquiry in which the SFC found that Kam had in January 2001 signed on a client agreement to certify that he had witnessed the execution of that agreement and explained that agreement to a client when he had not.

Kam admitted that he had handed the account opening documents to the client's wife and received them back from her executed. Kam never met with the client throughout the account opening process. In addition, Kam ought to have become aware or suspected later that the client's wife might have signed on her husband's behalf but Kam took no steps to verify if that was proper.

The SFC found that Kam had: (i) failed to establish the true and full identity of the account holder; (ii) failed to explain to the client the client agreement; (iii) made false representations that he had witnessed and explained the client agreement to the client; and (iv) failed to ensure that a valid client agreement was in place for the client's account. As a result, the SFC concludes that Kam's fitness and properness has been called into question and decides to suspend him.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Opening an account for someone whom the account executive has never met paves the way for unlawful activities. An account executive must know his or her clients and the clients' identities. Making false representations about witnessing the execution of account opening documents gravely calls into question the honesty and integrity of a representative. Suspension is necessary to sanction such improper conduct."

Ends

Notes to Editor:

1. Kam is a licensed representative in Type 2 (dealing in futures contracts), Type 5 (advising in futures contracts), and Type 9 (asset management) regulated activities accredited to Tanrich Futures Limited.

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