

13 July 2005

SFC Suspends Chan Wing Yuen for Supervisory Failures

The SFC has suspended the licence of Mr Chan Wing Yuen, a responsible officer of Manble Securities Limited, for three months from 13 July 2005 to 12 October 2005 for supervisory failures (Note 1).

The case stems from an investigation into the trading activities of a client of Manble in the shares of Victory Group Limited. The investigation revealed that, near the market close on 29 September 2000, the client had placed 22 sell orders using his friend's account at Manble and 24 buy orders through his own account at another firm. The client had intentionally placed these orders in order to push up the closing price of Victory. He was convicted of market manipulation on 22 July 2003 (Note 2).

During the investigation, the SFC asked Manble to provide details of trading in Victory shares on 29 September 2000. Manble repeatedly informed the SFC in writing that the orders in question had been placed by the client's friend. For several months, Manble had failed to disclose to the SFC that the orders had actually been placed by the client.

As the sole responsible officer of Manble at the relevant time, Chan failed to properly supervise Manble's employees and negligently signed correspondence to the SFC prepared by them which contained inaccurate and misleading information.

The SFC therefore concludes that Chan has been guilty of misconduct and his fitness and properness has been called into question. In deciding to suspend Chan for three months, the SFC has taken into account Chan's assistance to the SFC in the prosecution of the client.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "All licensees have a duty in protecting the integrity of the market and must co-operate with the SFC's investigations to combat market misconduct. The management of licensed corporations may be held responsible for signing correspondence to the SFC that is prepared by their subordinates if they fail to take reasonable steps to ensure its accuracy."

Ends

Notes to Editor:

1. Chan is licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities.
2. Please see [SFC press release dated 22 July 2003](#) for details of the prosecution of Mr Wong On Ching.

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