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SFC Suspends Fung Wing Nam Florence for Breaches of the Code of Conduct

15 Jun 2006

The SFC has suspended Ms Fung Wing Nam Florence for 11 months from 15 June 2006 to 14 May 2007 for breaches of the Code of Conduct (Notes 1 and 2).

The disciplinary action follows an investigation into the share dealing of Sino Technology Investments Company Limited from August to November 2002. At the material time, Fung was a securities dealer's representative of Ong Asia Securities (HK) Limited (Note 3).

An SFC investigation found that in August 2002, Fung recommended nine clients to subscribe for the initial public offering of shares in Sino Technology. She did not know the nature of the business of Sino Technology. She made this recommendation because she wanted to earn commission from the clients' share subscription. Fung even subscribed for Sino Technology shares on behalf of three other clients without telling them and obtaining proper authorisation. One of these clients was her mother.

Besides, Fung forged her mother's signature to open a securities account at Ong Asia. In addition to the subscription of the shares of Sino Technology, she had conducted other trades in her mother's account without proper authorisation, as she merely had an oral authorisation to operate her mother's account.

Fung also allowed a third party to sign on the account opening documents on behalf of a client.

As a result of her failures, Fung breached the Code of Conduct. The SFC concludes that she has been guilty of misconduct and her fitness and properness has been called into question.

Mr Eugène Goyne, an SFC Senior Director of Enforcement, said: "Conducting unauthorised trades and forging clients' signature to open accounts are very serious matters. Such conduct will not be tolerated under any circumstances. The fitness and properness of a person guilty of such conduct is called into question. Also, a licensed person should act with due skill, care and diligence to safeguard the interests of clients and the integrity of the market. Making a recommendation to clients without regard to its suitability is an act that calls into question a licensee's ability to perform his duties efficiently and fairly. A reasonably lengthy suspension is warranted in this case."

Ends

Notes to Editor:

1. Fung is licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities. After leaving Ong Asia, Fung joined a firm but has left. She is not accredited to any licensed corporation.
2. The Code of Conduct for Persons Registered with the Securities and Futures Commission came into effect in April 2001.
3. Ong Asia ceased to be a licensed corporation with the SFC on 1 April 2005.

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