

SFAT affirms SFC's decision to ban Hung Chi Wah for life

9 Mar 2010

The Securities and Futures Appeals Tribunal (SFAT) has affirmed the Securities and Futures Commission's (SFC) decision to ban Mr Hung Chi Wah from re-entering the industry for life (Note 1).

The SFC found that, between 2007 and 2008, Hung:

- fraudulently persuaded a client to invest \$5 million in securities by fabricating two securities trading agreements using his employer's letterhead; and
- defrauded two other clients in the total amount of \$9.25 million by using fabricated IPO subscription agreements on his employer's letterhead, in respect of the issue of new shares by fictitious companies (Note 2).

As a result of Hung's conduct, the SFC decided, on 6 May 2009, to ban Hung from the industry for life for breaching General Principle 1 of the Code of Conduct. Hung appealed to the SFAT. Accordingly, the SFC's decision had no operative effect pending the outcome of his appeal.

The SFAT appeal was heard before The Honourable Mr Justice Saunders on 5 March 2010.

The SFAT affirmed the SFC's decision and stated that Hung's appeal was "utterly devoid of any merit whatsoever" and that "the investing public deserves to be fully protected from people like Mr Hung and the only way that can be done is to ensure that he should never enter this industry again."

End

Notes:

1. Hung was a licensed representative licensed to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance and was accredited to GT Capital Ltd from April 2005 to March 2009. Hung's licence lapsed in March 2009.
2. In addition to the SFC's disciplinary proceedings, Hung was convicted of five counts of fraud and five counts of forgery in the District Court and was sentenced to four years and eight months in prison.

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