

SFC reprimands and fines three UBS employees \$1.8 million

2 Jun 2010

The Securities and Futures Commission (SFC) has publicly reprimanded Mr Frank Hu, Ms Peony Ng and Ms Jenny Chang Pui Chun of UBS AG Hong Kong (UBS) and fined them \$800,000, \$600,000 and \$400,000 respectively, for negligence in handling a client's trade orders (Note 1).

An SFC investigation found that Hu, Ng, and Chang, were negligent in relation to a series of trades that they carried out on behalf of one of their clients at UBS which constituted wash sales and may have misled the market (Note 2).

Both Hu and Ng are executive directors at UBS and Chang is an associate director.

In February 2008, the client, who was facing margin calls from UBS decided to transfer part of his portfolio at UBS (Note 3) to his account at Morgan Stanley Asia Ltd (Morgan Stanley) in order to ease his margin position with UBS.

This could have been achieved through a simple delivery versus payment arrangement, such as by using the Central Clearing and Settlement System. Instead, a series of on-exchange matched sales and purchases (Note 4) was coordinated among Hu, Ng and Chang at UBS and the client's account executive and her assistants at Morgan Stanley (Note 5) between 28 February and 26 March 2008.

In deciding the penalty for Hu, Ng and Chang, the SFC took into account that the three individuals had not carried out the matched trades with manipulative intent to interfere with the market, that they had sought internal compliance advice at UBS but failed to follow the advice due to misunderstanding, that they had co-operated with the SFC, and that each of them has a clean disciplinary record.

End

Notes:

1. Hu, Ng and Chang are relevant individuals registered with the Hong Kong Monetary Authority. Hu and Chang are authorized to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities whilst Ng is authorized to carry out Type 1 regulated activities.
2. Wash sales are transactions that do not involve any change in beneficial ownership. In this case, the sell orders of UBS and the buy orders of Morgan Stanley were matched on 82 occasions where there was no change in beneficial ownership of the shares involved.
3. The securities involved in the transfer were Fosun International Ltd (stock code 656), Tiangong International Company Ltd (stock code 826), Centron Telecom International Holding Ltd (stock code 1155), and Kingsoft Corporation Ltd (stock code 3888).
4. Upon receiving the client's instructions, Chang would input sell orders on The Stock Exchange of Hong Kong. She would then inform the account executives handling the client's account at Morgan Stanley by telephone immediately of the volume and price of the orders who would then arrange for Morgan Stanley, on behalf of the client, to purchase from the market similar quantity of the same stock at the same prices or at prices lower than UBS' sell orders.
5. The SFC has also taken disciplinary action against the account executive at Morgan Stanley (See SFC [press release](#) dated 17 August 2009).

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證監會譴責UBS三名僱員並罰款共180萬元

2010年6月2日

證券及期貨事務監察委員會（證監會）公開譴責UBS AG Hong Kong（UBS，即瑞士銀行香港分行）三名僱員胡以達（男）、吳麗文（女）及張蓓珍（女），並分別罰款800,000元、600,000元及400,000元，指他們在處理一名客戶的買賣盤時疏忽職守（註1）。

證監會調查發現，胡、吳及張在代表一名UBS客戶處理一連串交易時疏忽職守，有關行為構成虛售交易，可能已令市場受到誤導（註2）。

胡及吳是UBS的執行董事，而張則為副董事。

2008年2月，該名客戶被UBS追收保證金後，決定將其在UBS的部分投資組合（註3），轉移至摩根士丹利亞洲有限公司（摩根士丹利），從而降低在UBS的保證金貸款額。

事實上，該名客戶只需使用中央結算及交收系統等設施，透過簡單的貨銀對付安排，便可轉移投資組合。然而，UBS的胡、吳及張，卻在2008年2月28日至3月26日期間，與負責該名客戶的摩根士丹利客戶主任及其助理互相協調，進行了多宗場內對倉盤沽售及購買交易（註4及5）。

證監會在釐定胡、吳及張的罰則時，考慮到三人在處理上述對倉盤交易時，並無意圖操縱和干預市場；三人曾就有關事宜徵詢過UBS合規部門的內部意見，但基於錯誤理解而沒有遵從該部門所給予的意見；三人與證監會合作以及以往均無遭受紀律處分的紀錄。

完

備註：

1. 胡、吳及張三人均為有關人士，其資料載於香港金融管理局備存的紀錄冊內。胡及張獲發牌從事第1類（證券交易）及第4類（就證券提供意見）受規管活動，而吳則獲發牌從事第1類（證券交易）受規管活動。
2. 虛售交易指不涉及實益擁有權改變的交易。在這宗個案中，UBS的沽盤與摩根士丹利的買盤先後82次進行配對，但有關股份的實益擁有權並無改變。
3. 轉移的股份為復星國際有限公司（股份代號656）、天工國際有限公司（股份代號826）、星辰通信國際控股有限公司（股份代號1155）及金山軟件有限公司（股份代號3888）。
4. 張接獲該名客戶指示後，便會在香港聯合交易所輸入沽盤，隨後立即致電該名客戶在摩根士丹利的客戶主任，告知有關沽盤涉及的數量及價格。該客戶主任接著安排摩根士丹利代表該客戶，以UBS所發出沽盤的價格或更低價格，從市場購入數量相若的相同證券。
5. 證監會亦已對該名摩根士丹利客戶主任採取紀律處分（見證監會2009年8月17日新聞稿）。

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