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Broker disciplined for breaching telephone recording requirement

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The Securities and Futures Commission (SFC) has issued a reprimand against Mr Karl Wu Kin Chung, an account executive of Celestial Securities Limited (CSL), and fined him \$40,000 for non-compliance with order recording requirements under the Code of Conduct (Note 1 and 2).

The disciplinary action follows an investigation which found that Wu had been receiving order instructions from a client via his mobile phone and had failed to keep any taped record of the relevant telephone conversations between September and November 2009. The dealing sheets that Wu maintained in relation to the concerned trades did not record the time of receipt of order instructions.

In deciding on the penalty, the SFC took into account that Wu has no previous disciplinary record and his co-operation with the SFC by resolving the disciplinary proceedings.

Order recording is a basic and fundamental requirement expected of licensees and any failure will lead to disciplinary action (Note 3).

End

Notes:

1. Wu is licensed to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities.
2. Code of Conduct for Persons Licensed by or Registered with the SFC.
3. Please see "Circular to the SFC's Licensed Intermediaries" dated 25 November 2004 for details.

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