

SFC bans Ng Chi Keung for 10 years

17 Apr 2012

The Securities and Futures Commission (SFC) has prohibited Mr Ng Chi Keung from re-entering the industry for 10 years from 17 April 2012 to 16 April 2022 for failing to establish the true identity of the holder of an account and allowing unauthorized persons to operate that account (Note 1).

The SFC's disciplinary action arose from an investigation into a complaint concerning over \$65 million worth of shares of Sino Union Energy Investment Group Limited (Sino Union) held in an account at Cheer Union Securities Ltd (Cheer Union). Ng was a responsible officer of Cheer Union during the material time (Note 2).

Cheer Union's records indicated that the Sino Union shares had been withdrawn from the account in February and June 2008.

However, in explaining the whereabouts of these shares, Ng said that the account was opened at the request of a third party in August 2007 and operated by the account holder and the third party's associates.

Despite Cheer Union's records suggesting these shares were withdrawn by and delivered to the account holder, Ng claimed that he delivered the shares to the third party.

The true position as to the beneficial ownership of the account and the shares is entirely unsatisfactory and is contrary to all relevant standards of conduct expected of licensed persons (Note 3).

This is a direct consequence of Ng's failure to comply with the fundamental duties of a licensed person to establish the true customer identity and to keep proper records of the customer transactions.

Ng's failures mean he is not a fit and proper person to be licensed and he should be prohibited from the industry for a lengthy period.

In deciding to take enforcement action against Ng, the SFC has taken into account that Ng had no disciplinary record and that he cooperated with the SFC by agreeing not to challenge the disciplinary proceedings.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "This is an appalling state of affairs. Ng has no place in Hong Kong's market."

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Notes:

1. Ng was licensed as a representative under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activities and a responsible officer of Cheer Union Securities Limited. He is currently not a licensed person.
2. At the material time, Sino Union Energy Investment Group Limited, listed on the Stock Exchange of Hong Kong, was known as Sino Union Petroleum & Chemical International Limited.
3. There is insufficient evidence, at the present time, to establish that the account was part of any manipulative trading activity.

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