

# SFC bans former responsible officer of Guangdong Securities Limited for nine months over internal control failures

13 Mar 2017

The Securities and Futures Commission (SFC) has prohibited Mr Huang Qiang, former managing director and responsible officer of Guangdong Securities Limited (GSL), from re-entering the industry for nine months from 10 March 2017 to 9 December 2017 (Notes 1 & 2).

The disciplinary action follows the SFC's sanction against GSL over its breach of the anti-money laundering guidelines when handling third party payments between February 2011 and March 2013 (Relevant Period) (Note 3).

As the managing director and a responsible officer of GSL during the Relevant Period, Huang was responsible for overseeing all of GSL's operations, including monitoring risk and compliance issues. GSL's failures in relation to the third party payments occurred under Huang's consent or connivance and were attributable to neglect on his part. Specifically, Huang had failed to:

- ensure the maintenance of appropriate standards of conduct and adherence to proper procedures by GSL; and
- diligently supervise his staff members to conduct business on GSL's behalf (Note 4).

In deciding the disciplinary sanction, the SFC took into account all relevant circumstances, including Huang's otherwise clean disciplinary record.

End

Notes:

1. Huang was licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. Huang was accredited to GSL/Sinolink Securities (Hong Kong) Company Limited (Sinolink) as a responsible officer between 25 May 2004 and 30 June 2016. Huang is currently not licensed by the SFC.
2. GSL was acquired by Sinolink Securities Co., Ltd. in March 2015, and changed its name to Sinolink in November 2015.
3. Please refer to the SFC's press release dated [6 March 2017](#).
4. General Principle 9 of the Code of Conduct for Persons Licensed by or Registered with the SFC (Code of Conduct) requires the senior management of a licensed person to bear primary responsibility for ensuring the maintenance of appropriate standards of conduct and adherence to proper procedures by the firm. Paragraph 4.2 of the Code of Conduct provides that a licensed person should ensure that it has adequate resources to supervise diligently persons employed or appointed by it to conduct business on its behalf.
5. Licensed persons are reminded to refer to the "Circular to Licensed Corporations and Associated Entities – Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT) Compliance with AML/CFT Requirements" issued by the SFC on [26 January 2017](#) which sets out key areas of concern identified by the SFC in its review of some licensed corporations' AML/CFT systems.

[A copy of the Statement of Disciplinary Action is available on the SFC's website](#)

Page last updated : 13 Mar 2017

---

## STATEMENT OF DISCIPLINARY ACTION

---

### The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has prohibited Huang Qiang (**Huang**) pursuant to section 194(1) of the Securities and Futures Ordinance (SFO), from doing all or any of the following in relation to any regulated activities for nine months:
  - (a) applying to be licensed as a representative;
  - (b) applying to be approved under section 126(1) of the SFO as a responsible officer of a licensed corporation;
  - (c) applying to be given consent to act or continue to act as an executive officer of a registered institution under section 71C of the Banking Ordinance; and
  - (d) seeking through a registered institution to have his name entered in the register maintained by the HKMA under section 20 of the Banking Ordinance as that of a person engaged by the registered institution in respect of a regulated activity.

### Summary of facts

2. Huang was licensed under the SFO to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. Huang was accredited to Guangdong Securities Limited (**GSL**) (now known as Sinolink Securities (Hong Kong) Company Limited (**Sinolink**))<sup>1</sup> as a responsible officer between 25 May 2004 and 30 June 2016. Huang is currently not licensed by the SFC.
3. The SFC found that between February 2011 and March 2013 (**Relevant Period**), GSL's internal controls for handling payments from client accounts to third parties were deficient and inadequate. GSL failed to demonstrate that it had conducted appropriate enquiries before processing third party payments. Enquiries which were allegedly made at the time, and the rationale for approving the payments, were not properly documented in writing.<sup>2</sup>
4. Huang as a responsible officer of GSL approved a number of third party payments involving significant sums of money without meaningful explanation of the relationship and purpose of the payments. Huang was expected to enforce and implement GSL's policies and procedures. Yet, Huang acted contrary to GSL's internal policies and procedures in approving the third party payments. Further, Huang did not supervise to ensure the compliance of other responsible officers in their approval of the third party payments.

---

<sup>1</sup> The business of GSL was acquired by Sinolink Securities Co., Ltd. in March 2015. The firm changed its name to Sinolink in November 2015.

<sup>2</sup> See the SFC's press release dated 6 March 2017.

5. As the managing director and a responsible officer of GSL during the Relevant Period, Huang was ultimately responsible for GSL's business conduct. GSL's failures in relation to the third party payment, of which Huang was involved, apparently occurred with his consent or connivance and attributable to neglect on his part. Specifically, Huang failed to:
  - (a) ensure the maintenance of appropriate standards of conduct and adherence to proper procedures by GSL, as required under GP9 of the Code of Conduct; and
  - (b) diligently supervise the staff members at GSL to conduct business on its behalf, as required under paragraph 4.2 of the Code of Conduct.

## **Conclusion**

6. Having considered all the circumstances, the SFC is of the view that Huang is guilty of misconduct and his fitness and properness to carry on regulated activities has been called into question.
7. In deciding the disciplinary sanction set out in paragraph 1, the SFC has had regard to all relevant circumstances, including:
  - (a) the misconduct of GSL and Huang lasted for over two years;
  - (b) GSL's failures were attributable to Huang's failures to discharge his duties as a responsible officer and managing director of GSL; and
  - (c) Huang has an otherwise clean disciplinary history.

# 粵海證券前負責人員因內部監控缺失遭證監會禁止重投業界九個月

2017年3月13日

粵海證券有限公司（粵海證券）前董事總經理兼負責人員黃強（男）遭證券及期貨事務監察委員會（證監會）禁止重投業界九個月，由2017年3月10日起至2017年12月9日止（註1及2）。

上述紀律處分行動是源於證監會對粵海證券於2011年2月至2013年3月期間（有關期間），在處理第三方付款時違反打擊洗錢指引所作的制裁（註3）。

黃作為粵海證券於有關期間的董事總經理兼負責人員，負責監督粵海證券的整體運作，包括監察風險及合規事宜。粵海證券在第三方付款方面的缺失，是在黃的同意或縱容下發生，並可歸因於黃本身的疏忽。具體而言，黃未能：

- 確保粵海證券能夠維持適當的操守標準及遵守恰當的程序；及
- 勤勉盡責地監督代表粵海證券經營業務的員工（註4）。

證監會在決定上述紀律處分時，已考慮到所有相關情況，包括黃並無遭受紀律處分的紀錄。

完

備註：

1. 黃曾根據《證券及期貨條例》獲發牌進行第1類（證券交易）、第4類（就證券提供意見）、第6類（就機構融資提供意見）及第9類（提供資產管理）受規管活動的業務。黃於2004年5月25日至2016年6月30日期間是隸屬粵海證券／國金證券（香港）有限公司（國金證券）的一名負責人員。黃現時並非證監會持牌人。
2. 粵海證券於2015年3月被Sinolink Securities Co., Ltd.收購，並於2015年11月更名為國金證券。
3. 請參閱證監會2017年3月6日的新聞稿。
4. 《證監會持牌人或註冊人操守準則》（《操守準則》）第9項一般原則規定，持牌法團的高級管理層應承擔的首要責任，是確保商號能夠維持適當的操守標準及遵守恰當的程序。《操守準則》第4.2段訂明，持牌人應確保具備足夠的資源，從而得以勤勉盡責地監督獲其僱用或委任以代表其經營業務的人士。
5. 持牌人應參閱證監會於2017年1月26日發出的《致持牌法團及有聯繫實體的通函－打擊洗錢／恐怖分子資金籌集遵從打擊洗錢／恐怖分子資金籌集規定》，當中載列了證監會在檢視部分持牌法團的打擊洗錢／恐怖分子資金籌集制度時所發現的主要關注範疇。

[紀律處分行動聲明載於證監會網站](#)

最後更新日期：2017年3月13日

---

## 紀律處分行動聲明

---

### 紀律處分行動

1. 證券及期貨事務監察委員會（**證監會**）已根據《證券及期貨條例》（該條例）第 194(1)條，禁止黃強（**黃**）就任何受規管活動作出以下所有或其中任何事情，為期九個月：
  - (a) 申請獲發牌照成為代表；
  - (b) 申請根據該條例第 126(1)條獲核准成為持牌法團的負責人員；
  - (c) 申請根據《銀行業條例》第 71C 條獲給予同意以或繼續以註冊機構的主管人員的身分行事；及
  - (d) 透過註冊機構，尋求名列於香港金融管理局根據《銀行業條例》第 20 條備存的紀錄冊並顯示他就某類受規管活動受聘於該註冊機構。

### 事實摘要

2. 黃曾根據該條例獲發牌進行第 1 類（證券交易）、第 4 類（就證券提供意見）、第 6 類（就機構融資提供意見）及第 9 類（提供資產管理）受規管活動的業務。黃於 2004 年 5 月 25 日至 2016 年 6 月 30 日期間是隸屬於粵海證券有限公司（**粵海證券**），現稱為國金證券（香港）有限公司（**國金證券**）<sup>1</sup>的一名負責人員。黃現時並非證監會持牌人。
3. 證監會發現，在 2011 年 2 月至 2013 年 3 月期間（**有關期間**），粵海證券在處理客戶帳戶向第三方付款方面的內部監控存在缺失及不足。粵海證券未能顯示在處理第三方付款前已進行適當的查詢，並且沒有妥善地以書面方式記錄其據稱在上述期間作出的查詢及有關批准付款的理據。<sup>2</sup>
4. 黃作為粵海證券的負責人員，批准了多項涉及重大金額的第三方付款，而這些付款均沒有附帶有關關係及目的為何的具意義說明。黃理應執行和落實粵海證券的政策及程序。可是，黃在批准該等第三方付款時，違反了粵海證券的內部政策及程序。此外，黃沒有作出監督，以確保其他負責人員在批准第三方付款時已遵守有關規定。
5. 作為粵海證券於有關期間的董事總經理及負責人員，黃對粵海證券的業務操守須負上最終責任。粵海證券在黃所涉及的第三方付款方面的缺失，顯然是在黃的同意或縱容下發生，並可歸因於黃本身的疏忽。具體而言，黃未能：
  - (a) 符合《操守準則》第 9 項一般原則所規定，確保粵海證券能夠維持適當的操守標準及遵守恰當的程序；及

---

<sup>1</sup> 粵海證券的業務於 2015 年 3 月被 Sinolink Securities Co., Ltd.收購。該商號於 2015 年 11 月更名為國金證券。

<sup>2</sup> 請參閱證監會 2017 年 3 月 6 日的新聞稿。

(b)符合《操守準則》第 4.2 段所規定，勤勉盡責地監督代表粵海證券經營業務的員工。

## 結論

6. 證監會經考慮所有情況後，認為黃犯有失當行為，及其進行受規管活動的適當人選資格受到質疑。
7. 證監會在決定第 1 段所述的紀律處分時，已考慮了所有相關情況，包括：
  - (a) 粵海證券及黃的失當行為持續超過兩年；
  - (b) 粵海證券的缺失乃歸因於黃沒有履行其作為粵海證券的負責人員及董事總經理的職責；及
  - (c) 黃過往並無遭受紀律處分的紀錄。