

SFC Takes Action Against Many Fair Securities Company and its Staff

1 May 1997

The Securities and Futures Commission ("the Commission") announced today that the registration of Miss Lai Mei Chun, Swana as a dealer's representative of Many Fair Securities Company was suspended for 3 years and Mr. Fung Man Dong trading as Many Fair Securities Company had been reprimanded for failing to exercise proper management, supervision and control over his business.

This action stemmed from an investigation conducted by the Commission in which it was established that during the period June 1993 to June 1994, Miss Lai had actively facilitated 'rat trading' (a generic term used to cover a wide range of trading malpractices by staff of brokers trading to the disadvantage of their principals' clients) by floor traders of other brokers using nominee accounts maintained at Many Fair Securities Company. Miss Lai's misconduct in this regard was particularly serious because the scale of the rat-traders' activity was considerable and during the course of the investigation she sought to mislead the Commission.

The rat trading activity by the floor traders occurred because Mr. Fung

- failed to supervise Miss Lai;
- was indifferent as to how he conducted his business and whether his employees complied with regulatory requirements; and
- failed to take sufficient steps to establish the true and full identity of each of his clients.

In deciding on this action the Commission took into account that Lai's activity was prejudicial to the interests of members of the investing public and warranted a penalty that would deter others from offering similar accommodations. In regard to Fung, the Commission took into account that he will voluntarily surrender his dealer's registration with effect from 1 June 1997 and his undertaking that he will not submit any application for re-registration for 6 months and then only if he has incorporated his business, and an officer with responsibility for corporate compliance acceptable to the Commission has been appointed.

Commenting on this action Mr. Paul Bailey, Senior Director of the Enforcement Division of the Commission said "The Commission will take firm measures to ensure that registered intermediaries neither engage in improper trading practices nor facilitate such conduct by others. In this regard the maintenance of poor audit trails and inadequate internal controls will not be countenanced and intermediaries will be held accountable for such failings."

Page last updated : 1 Aug 2012

證監會對萬利發公司及其職員採取紀律處分行動

1997年5月1日

證券及期貨事務監察委員會("證監會")今天公布,該會已暫時吊銷黎美珍("黎氏")作為萬利發公司的交易商代表的註冊,為期3年,以及譴責以萬利發公司名義經營業務的馮文謙("馮氏"),指他未能妥善地管理、監督及控制其業務。

證監會是經過調查後,才決定採取上述行動。在進行調查期間,證監會發現黎氏在1993年6月至1994年6月,曾經利便其他經紀行的出市代表,透過在萬利發公司開立的代名人戶口,進行"老鼠倉"交易。(老鼠倉交易泛指多種由經紀行職員進行的不當交易行為,而該等交易行為有損其所屬公司的客戶的利益。)鑑於事件中涉及多個老鼠倉,而且黎氏亦在調查期間,曾誤導證監會,因此黎氏在這方面的「不當行為」實為嚴重。

有關的出市代表得以從事老鼠倉活動,是因為馮氏:

- 未有妥善地監督其交易商代表黎氏;
- 未有妥善地監督其業務及其僱員是否遵守有關的監管規定; 及
- 未有採取足夠的措施,確立其每位客戶的真正身分。

在決定採取上述行動時,證監會已考慮到黎氏的行為有損投資大眾的利益,因而須對其施以足以阻嚇其他人提供類似的交易便利的懲罰。至於馮氏,證監會在決定對他採取行動時,已考慮到他由1997年6月1日開始暫停業務及退回其交易商的牌照,為期6個月,及順應證監會的要求將萬利發的業務以一有限公司形式經營和在該公司委任一名證監會所接納的人士專責公司的監察事宜。馮氏亦承諾在完成以上項目之後,才提出任何註冊申請。

證監會法規執行部高級總監白禮賢在就事件作出評論時說:"證監會將採取嚴厲措施,確保註冊中介團體及人士沒有從事不當的交易活動,或利便他人從事有關活動。同時,註冊人如沒有妥善地保存審計線索,或設立適當的內部監控制度,都是不能容忍的,他們將須為這些缺失情況負上責任。"

如有任何查詢,請致電(2840-9287)與韋克志或陳志強聯絡。

最後更新日期:2012年8月1日