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## SFC suspends Ho Siu Po for seven months

20 Oct 2014

The Securities and Futures Commission (SFC) has suspended the licence of Mr Ho Siu Po for seven months from 16 October 2014 to 15 May 2015 (Note 1).

The SFC found that between 2011 and April 2013, Ho, who was a licensed representative of DBS Vickers (Hong Kong) Limited (DBS):

- conducted transactions in client accounts on a discretionary basis; and
- accepted cash deposits directly from a client and in turn made seven deposits to DBS' account on behalf of the client.

Ho's conduct was in breach of DBS' internal policies, which prohibited staff from exercising discretionary authority for clients and receiving cash deposits directly from clients. These policies are designed to protect DBS operations and its clients from financial loss arising from improper conduct (Note 2).

The SFC concludes that Ho has not met the standards required of him under the Code of Conduct as he failed to act with due skill, care and diligence in performing his duties as a licensed representative, and as such, Ho's fitness and properness has been called into question.

In deciding the sanction, the SFC took into account all relevant circumstances, including:

- Ho's conduct demonstrates his disregard for the Code of Conduct and DBS' internal control policies; and
- Ho's conduct exposed DBS to potential regulatory and compliance risk.

End

Notes:

1. Ho is licensed as a representative under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities. Ho, who was accredited to DBS Vickers (Hong Kong) Limited between October 2003 and May 2013, is currently not accredited to any licensed corporation.
2. Paragraph 4.3 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

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

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## STATEMENT OF DISCIPLINARY ACTION

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### The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has suspended the licence of Mr Ho Siu Po (**Ho**)<sup>1</sup> for 7 months pursuant to section 194 of the Securities and Futures Ordinance (**SFO**).
2. The SFC found that, Ho, a licensed representative accredited to DBS Vickers (Hong Kong) Limited (**DBS**) at the time,
  - (a) conducted transactions in the accounts of three of his clients on a discretionary basis; and
  - (b) accepted cash deposits from a client and in turn made seven deposits on behalf of the client to DBS' account for holding client monies.

### Summary of Facts

3. Ho and one of his clients, who was also a licensed representative of DBS, entered into a reciprocal arrangement whereby the two of them would authorise each other to operate their respective accounts on a discretionary basis. Ho also agreed to provide discretionary management services to two other clients.
4. Under such arrangements, Ho conducted transactions in these client accounts on a discretionary basis between 2011 and April 2013. After conducting each transactions, Ho reported to the clients the orders that he had placed for them either in person, by telephone or by instant messaging software service "QQ".
5. DBS' internal policy did not allow its staff to manage client accounts on a discretionary basis. This restriction had been made known to DBS' staff in its sales manual and internal compliance training.
6. According to the evidence, Ho knowingly breached the internal policy of DBS. Ho wrongly took the view that there would be no concerns if he reported each trade to the clients after he placed the trades for them.
7. In addition, between October 2012 and February 2013, Ho accepted cash deposits directly from a client and in turn made seven deposits in the total sum of HK\$26,480 on behalf of the client to DBS' account for holding client monies.
8. DBS' internal policy prohibited staff from receiving cash deposits directly from clients. Ho knew or ought to have known that DBS did not permit him to receive cash deposits directly from his clients.

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<sup>1</sup> Ho is licensed as a representative under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities. He was accredited to DBS Vickers (Hong Kong) Limited between October 2003 and May 2013. Ho is currently not accredited to any licensed corporation.

## Conclusion

9. The SFC is of the view that Ho's conduct has called into question his fitness and propriety to be or to remain licensed. In conducting discretionary trades in client accounts contrary to DBS' internal policy, Ho has breached paragraph 7.1 (Authorisation and operation of a discretionary account) of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (**Code of Conduct**).
10. Further, the manner in which Ho handled his clients' money contrary to DBS' internal policy suggests that he had failed to act with due skill, care and diligence, in breach of General Principle 2 (Diligence) of the Code of Conduct. Accordingly, the SFC has decided to take the disciplinary action against Ho described in paragraph 1 above.
11. In deciding the appropriate sanction, the SFC has taken into account all relevant considerations, including that:
  - (a) Ho's conduct demonstrates his disregard for the Code of Conduct and DBS's internal control policies; and
  - (b) Ho's conduct exposed DBS to potential regulatory and compliance risk.