

## SFC reprimands and fines Yue Siying

4 Nov 2014

The Securities and Futures Commission (SFC) has reprimanded Ms Yue Siying and fined her \$400,000 for negligence in handling a client's trade orders (Note 1).

In December 2009, a client of UBS AG wanted to sell his shares in a stock to an identified buyer at agreed amounts and prices through manual cross trades. Yue, a client adviser at UBS AG, did not know how to carry out cross trades. Instead of placing cross trades as initially instructed by the client, Yue and her assistant coordinated with the buyer to conduct a series of on-exchange matched trades between 2 and 8 December 2009 (Notes 2 & 3).

The SFC found that, in handling the client's orders on 2 and 3 December 2009, Yue failed to:

- make reasonable efforts to clarify and to ascertain the appropriate way to execute her client's trading instructions when she was unsure about them;
- make diligent enquiries on the relevant transactions to ascertain the client's intention;
- report the matter to the Compliance Department of UBS AG; and
- refrain from or causing her assistant to refrain from acting on the client's instructions before she was satisfied that the orders and their execution did not affect the best interests of the integrity of the market.

The SFC considers that Yue's failures called into question her fitness and properness as a registered person.

In deciding the disciplinary sanction, the SFC took into account that:

- Yue did not make any personal benefit out of the transactions in question;
- there is insufficient evidence to prove to the requisite standard that the matched trades were carried out with manipulative intent;
- the matched trades had minimal impact on the nominal price of the stock; and
- Yue has an otherwise clean disciplinary record with the SFC.

End

Notes:

1. Yue has been registered as a relevant individual with the Hong Kong Monetary Authority and engaged by UBS AG to carry on Type 1 (dealing in securities) regulated activity since 3 April 2006.
2. Under section 274(5)(b) and section 295(5)(b) of the Securities and Futures Ordinance, a person may have committed the offence of false trading or be regarded as having engaged in the market misconduct of false trading if a person offers to sell securities at a price that is substantially the same as the price at which he has made or proposes to make, or he knows an associate of his has made or proposes to make, an offer to buy substantially the same number of securities, unless the transaction in question is an off-market transaction. This type of trading is commonly known as matched orders.
3. The SFC has also taken disciplinary action against the assistant of Yue at UBS AG. Please see the SFC's press release dated [14 August 2014](#).

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

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