
STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has suspended the licence of Ms Hadee Chui Lai Chun (**Chui**) for seven months from 13 June 2025 to 12 January 2026 pursuant to section 194 of the Securities and Futures Ordinance (**SFO**).
2. The SFC found that between September 2018 and September 2021 (**Relevant Period**), Chui breached the staff dealing policy (**Policy**) of her principal, Rifa Securities Limited (**Rifa**), by:
 - (a) failing to disclose to Rifa a personal securities trading account maintained at another brokerage firm;
 - (b) conducting personal trades in that account without prior approval from any responsible officer (**RO**) of Rifa; and
 - (c) failing to report such personal trades and provide the relevant trade confirmations and statements of account to Rifa.

Summary of facts

Background

3. Chui was appointed as an Account Executive (**AE**) of Rifa from 20 September 2018¹.
4. At that time, she maintained a securities trading cash account (**Nerico Account**) at Nerico Brothers Limited (**Nerico**)². The Nerico Account remained open until 1 September 2021.

Policy of Rifa

5. During the Relevant Period, the Policy required employees and AEs of Rifa (including Chui) to, among other things:
 - (a) with respect to the disclosure of accounts:
 - (i) identify all accounts in which they hold beneficial interests and report such accounts to senior management; and
 - (ii) at the time of hire and subsequently on a regular basis, sign a declaration to confirm that they do not have any securities or

¹ Chui has been accredited to Rifa as a licensed representative for Type 1 (dealing in securities) regulated activity since 19 September 2018.

² Nerico was known as Glory Sky Global Markets Limited before 6 June 2019. Nerico was wound up by the order of the Court of First Instance on 3 May 2022.

futures accounts outside Rifa, or, if they have any outside accounts, identify all such accounts on a prescribed form (collectively, **Account Reporting Rule**);

- (b) with respect to personal dealings:
 - (i) only use their accounts maintained with Rifa for personal dealings; and
 - (ii) not place orders to other brokers or financial institutions for personal dealings unless pre-approved by the RO(s) of Rifa (collectively, **Outside Dealing Prohibition**); and
 - (c) with respect to the disclosure of transactions in employees' and AEs' accounts:
 - (i) report such transactions to the RO(s) of Rifa; and
 - (ii) if they obtained approval to deal through another broker, provide duplicate trade confirmations and statements of account to Rifa's senior management or Compliance Department (collectively, **Trade Reporting Rule**).
6. Upon joining Rifa as an AE, Chui signed a Disclosure Statement on Employee Investment Account(s) and External Employment (僱員投資賬戶及外間受僱披露聲明) (**Disclosure Statement**) dated 19 September 2018, in which she declared that she had:
- (a) read the Policy and understood that she was obliged to comply with the requirements in the Policy; and
 - (b) complied with such requirements.
7. Chui continued to declare the same in each of her Disclosure Statements dated 2019 and 3 February 2021.

Chui's breaches of the Policy

8. The SFC's investigation found that contrary to her declarations in the Disclosure Statements dated 19 September 2018, 2019 and 3 February 2021, Chui had breached the Account Reporting Rule, Outside Dealing Prohibition and Trade Reporting Rule during the Relevant Period by:
- (a) failing to identify or disclose the Nerico Account to Rifa in the Disclosure Statements;
 - (b) conducting 20 personal trades (**Personal Trades**) in securities through the Nerico Account without obtaining prior approval from any RO of Rifa; and
 - (c) failing to report any of the Personal Trades to any RO of Rifa and provide or arrange to be provided to Rifa any duplicate trade confirmations or statements of account in relation to them.

9. Each of the Disclosure Statements reminded employees about the need to disclose securities held by them and provide the latest monthly statements in connection with those securities, with references to the Policy. Chui declared in each of the Disclosure Statements that her disclosure or information reported was complete and accurate.

Conclusion

10. The Policy reflects the regulatory requirements under paragraph 12.2 of the Code of Conduct for Persons Licensed by or Registered with the SFC, which requires licensed corporations to implement procedures and policies on employee trading and to actively monitor the trading activities in their employees' accounts and their related accounts.
11. Chui's failure to comply with the Account Reporting Rule, Outside Dealing Prohibition and Trade Reporting Rule circumvented Rifa's internal controls and evaded its monitoring of her trading activities. In light of her violations of the Policy, Chui's repeated declarations in the Disclosure Statements dated 19 September 2018, 2019 and 3 February 2021 that she understood her obligation to comply with, and had indeed complied with, the Policy are false, and indicate that her failure was wilful and dishonest.
12. In light of the above, the SFC is of the view that Chui is not a fit and proper person to remain licensed as her conduct casts serious doubts on her character, reliability and ability to carry on regulated activities competently, honestly and fairly.
13. In reaching the decision to take the disciplinary action set out in paragraph 1 above, the SFC has taken into account all the relevant circumstances, including:
 - (a) Chui's breaches lasted around three years and involved 20 personal trades during the Relevant Period;
 - (b) there is no evidence that her trading activities in the Nerico Account prejudiced the interests of Rifa's clients or market integrity;
 - (c) a deterrent message needs to be sent to the market that the SFC would not tolerate deliberate circumvention of internal control policies by licensed individuals;
 - (d) Chui cooperated with the SFC in resolving the SFC's concerns; and
 - (e) Chui has an otherwise clean disciplinary record with the SFC.