

## SFC Publicly Reprimands Master Trademore Securities Limited and its Dealing Director Ms Lo Lim Ester

6 Jul 2000

The SFC announced today that it had publicly reprimanded Master Trademore Securities Limited (MTS), a dealer under the Securities Ordinance, and its dealing director Ms Lo Lim, Ester (Lo).

The reprimands stemmed from an inquiry in which the SFC found that MTS and Lo had transferred a substantial amount of clients' shares between its accounts at the Central Clearing and Settlement System resulting in a large number of MTS's cash clients' shares being used to settle the sales executed by MTS for other clients on 27<sup>th</sup> and 28<sup>th</sup> August 1998 without their authority.

The SFC also found that the settlement systems and internal controls in place at MTS were ineffective and could not ensure clients' shares were not misused. Lo, the dealing director responsible for MTS's day to day operation, bore the direct responsibility for the failings at MTS.

In reaching this decision, the SFC had taken into account that:

- MTS had taken measures to enhance its settlement systems and internal controls and had increased the supervisory role of its dealing directors; and
- the unusual market condition prevailing at the time and that no losses were sustained by the cash clients.

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