

SFC Takes Action Against Muk Yin Mai Fiona

9 Nov 2000

The Securities and Futures Commission (SFC) announced today that it has suspended Muk Yin Mai Fiona's (Muk's) licence as a leveraged foreign exchange trader's representative and registration as a securities dealer's representative for a period of 3 weeks.

The suspension stems from an inquiry which revealed that during March 1997 to September 1998 Muk acted as a representative of Tse's Forex Investment Company Limited (now known as Hong Kong Forex Investment Limited) ("Tse's Forex") when she knew or should have known that her licence had not been processed. Further, it was found that the extensive requirements imposed on licensed traders by law for the protection of discretionary clients were denied to a few of Muk's clients because of Muk's continued use of their advisory accounts to conduct discretionary trading. This was potentially prejudicial to their interest and was unknown to Tse's Forex which, because of Muk's actions, inadvertently breached Rule 8 of the Leveraged Foreign Exchange Trading (Books, Contract Notes and Conduct of Business) Rules. In addition, it potentially put Tse's Forex at risk because, not knowing the accounts were discretionary accounts, a responsible director did not review the operation of the accounts to ensure that the accounts were being operated in conformity with any specific instruction of each client and in conformity with Rule 8. This monitoring process is a requirement of Rule 8(10).

The SFC concluded that Muk was guilty of misconduct and has failed to meet the continuing fitness and properness requirements for a licensed trader's representative in that her ability to perform her functions honestly, efficiently and fairly has been impugned as has her reputation and reliability. The SFC also found that Muk's actions in turn impugned her fitness and properness as a registered dealer's representative under the Securities Ordinance.

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