

Enforcement Actions

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19 July 2001

SFC Publicly Reprimands Mr Kwok Wood Yan, a Dealer Trading Under the Name of Tai Fat Securities Company Under the Securities Ordinance and SFC Suspends the Registration of Ms Fong Shik Yee as a Dealer's Representative Under the Securities Ordinance

The Securities and Futures Commission (SFC) announced today that it had publicly reprimanded Mr Kwok Wood Yan (Kwok), sole proprietor of Tai Fat Securities Company (Tai Fat) and a registered securities dealer under the Securities Ordinance (SO), and suspended the registration of Ms Fong Shik Yee (Fong), a registered dealer's representative of Tai Fat under the SO, for one week.

The SFC found that between 1995 and 2000, Tai Fat had repeatedly breached section 81 of the SO by pledging client shares when either no signed authorization from the clients had been obtained or the authorizations given had expired. It was also found that there were deficiencies on Tai Fat's internal controls and procedures and a lack of adequate supervision of its day to day operations.

As the sole proprietor of Tai Fat, Kwok bore full responsibility for the failures identified. Fong was directly responsible for the section 81 breaches.

In imposing the penalties on Kwok and Fong the SFC took into account that since these matters occurred Kwok has undertaken various measures to improve the internal controls and procedures of Tai Fat and is in the process of incorporating his business and has appointed accountants to undertake a thorough review of his business. He has agreed to carry out all recommendations made and improve the management and supervisory capabilities of his business with the appointment of additional directors to run the new business.

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