

Enforcement Actions

14 March 2002

SFC Suspends the Registrations of Tam Yui Man

The Securities and Futures Commission (SFC) announced today that it had suspended the registrations of Mr Tam Yui Man (Tam), a dealer's representative under section 56 of the Securities Ordinance (SO) and section 36 of the Commodities Trading Ordinance, for two months.

The suspension follows an investigation into complaints made to the SFC about the activities of a number of persons under the direct supervision of Tam, a dealer's representative of South China Securities Limited (SCSL), during the period 1 September 1999 to 31 May 2000.

The SFC found that five persons had been recruited by Tam to act as dealer's representatives when not registered to do so. In their dealings with clients, the SFC found that there were instances where clients' orders were not promptly executed, unauthorised trades had been conducted through clients' accounts, and dishonoured cheques had been issued by one of the five persons to meet settlement.

The SFC found that Tam had knowingly facilitated the unregistered dealing activities of the five persons and had failed to properly supervise and monitor the activities of staff under his direct supervision. The activities being carried out by these five persons were known to Tam but the SFC found that he had turned a blind eye to them.

Tam was prosecuted on 5 October 2001 for aiding and abetting persons to act as dealer's representatives of SCSL without being registered contrary to section 89 of the Criminal Procedure Ordinance and section 50 of the SO.

The SFC concluded that Tam's fitness and properness has seriously been called into question by the above matters and that his registrations should be suspended for two months. In reaching this decision, the SFC took into account Tam's guilty plea to charges of aiding and abetting unregistered dealing activities.

An SFC spokesman said that the SFC viewed Tam's conduct seriously and had therefore taken disciplinary action against Tam after his prosecution.

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