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## SFC Reprimands Lau Chun Wai for Allowing Third Parties to Operate Client Accounts

30 Sep 2003

The SFC has reprimanded Mr Lau Chun Wai, a dealer's representative, under the Securities Ordinance.

The SFC reprimanded Lau because, in early 2001, in relation to two client accounts, he executed trading instructions placed by two people other than the account holders, who were relatives of the account holders. He did so with no written authorisations in place.

Further, one person who placed the trading instructions was working for another registered person (Notes 1 & 2), but no prior written consent had been received from that person's employer. Lau and that person had once worked together at another registered securities dealing firm. Lau claimed that he did not know if that person was still working for a registered person at the relevant time. The SFC considered that Lau should have asked under the circumstances.

Lau's failings impugn his fitness and properness. Therefore, the SFC decides to reprimand him.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Dealer's representatives must not let non-account holders operate client accounts, unless the account holders have authorised them in writing to trade in their accounts. Lau's claim that there were oral authorisations does not assist him because written authorisations are essential. We view such conduct seriously as it not only subjects the firm and its clients to unnecessary risks, but also facilitates market misconduct. Further, a registrant must not execute orders placed by another registrant unless the latter's employer has consented in writing to the arrangement. He should also ask if he has any reason to believe that his client may be a registered person. Registrants may very well face disciplinary actions if they decide to turn a blind eye in circumstances where they should make proper enquiries."

Lau was a registered dealer's representative for Global Credit Securities Limited at the time of his conduct. He is now a licensed representative of ICEA Securities Limited.

Ends

Notes:

1. The person who placed the orders to Lau is no longer registered with the SFC.
2. Paragraph 12.2 of the Code of Conduct for Persons Registered with the SFC required a registered person not to knowingly deal in securities for another registered person's employee unless he had written to that registered person and received his written consent. Compliance with this paragraph ensures securities dealers have the opportunity to monitor their employees' securities trading conducted through another firm.

Page last updated : 1 Aug 2012

## 證監會譴責劉振威指其允許第三者操作客戶的帳戶

2003年9月30日

證監會已根據《證券條例》譴責交易商代表劉振威。

證監會作出上述譴責，是因為劉氏在2001年初曾就兩個客戶帳戶替兩名並非有關帳戶持有人的人士執行交易指示，而該等人士是有關帳戶持有人的親屬。劉氏這樣做時並沒有事先取得所需的授權書。

此外，發出上述交易指示的其中一人當時是受僱於另一註冊人的(註1及註2)，但該人事前並沒有從其僱主取得有關透過其他商號進行交易的同意書。劉氏和該人以往曾共事於另一家註冊證券交易商號。劉氏聲稱並不知道該人在有關時候是否仍受僱於任何註冊人。證監會認為在上述情況下劉氏應先作出有關查證。

劉氏的缺失使人質疑其是否適當的註冊人選。因此，證監會決定譴責劉氏。

證監會法規執行部執行董事李顯能表示：“除非帳戶持有人已經以書面方式授權非帳戶持有人透過前者的帳戶進行交易，否則交易商代表不得允許非帳戶持有人操作客戶的帳戶。雖然劉氏聲稱取得口頭授權，但這對他來說並無幫助，因為他必須取得書面授權。鑑於有關行為除了使商號及其客戶要承受不必要的風險外，亦利便有關人士從事市場失當行為，因此我們會嚴正看待以上行為。此外，註冊人亦不得執行另一註冊人發出的買賣指示，除非該另一註冊人的僱主已就有關安排給予書面同意，始屬例外。如註冊人有理由相信其客戶亦可能是註冊人，應就此作出查證。若註冊人漠視其應該作出適當查問這個需要，便很可能要面對紀律處分。”

劉氏在作出上述行為時，是僑立證券有限公司的註冊交易商代表。他目前是工商東亞證券有限公司的持牌代表。

完

備註：

1. 該名曾向劉氏發出買賣指示的人士已不再是證監會的註冊人。
2. 《證券及期貨事務監察委員會註冊人操守準則》第12.2段規定，除非註冊人已致函另一註冊人並接獲該另一註冊人的書面同意，否則註冊人不得在知情的情況下，替另一註冊人的僱員買賣證券。如這段規定獲得遵守，便可確保證券交易商能夠監察其僱員透過另一家商號進行的證券交易。

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