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SFC Suspends Fan Yee Wai, Richard for Giving False and Misleading Information to SFC, Deceiving His Employer and Other Breaches

17 Oct 2003

The SFC has suspended Mr Fan Yee Wai, Richard, an employee of KGI Asia Limited, for one year commencing 17 October 2003 till 16 October 2004 (both dates inclusive).

The suspension followed an inquiry in which the SFC found that Fan had:

- given false and misleading information in his interviews with the SFC regarding the identity of a person who placed orders in a client's account, the question as to whether a third party owed him money, and the identity of the client accounts in which he had conducted personal trades;
- breached KGI's internal policy by not obtaining prior approval from KGI before he traded through three client accounts at KGI. Further, he breached the same policy by trading through a client's account at another broker firm;
- deceived KGI as to his share trading in the three client accounts when he did not report his trades in these accounts to KGI, thereby exposing KGI to the risk of litigation if the trades were disputed; and
- breached KGI's policy by not having a written authorisation from the three clients when he placed orders for himself in their accounts and for the third party.

The SFC concludes that Fan has been guilty of misconduct and that his fitness and properness has been seriously called into question.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "We won't tolerate people lying to us or misleading us in interviews. Internal restrictions on staff dealing in securities are aimed at preventing misconduct like front running and unfair allocation of trades. Fan knew of the restrictions imposed by his employer but nonetheless proceeded to trade behind his employer's back. He was dishonest and deliberately disregarded his employer's internal control policy put in place to protect the integrity of the market. The suspension was necessary to punish his misconduct."

Fan is a licensed person accredited to KGI Asia Limited under the Securities and Futures Ordinance.

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