

SFC Reprimands Cheng Lit Ming for Breaching the Code of Conduct and His Employer's Internal Policies

6 Feb 2004

The SFC has reprimanded Mr Cheng Lit Ming, a licensed representative under the Securities and Futures Ordinance.

The reprimand stems from an inquiry which revealed failures on the part of Cheng, a licensed representative accredited to DBS Vickers (Hong Kong) Limited, to adhere to the requirements of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission as well as the internal policies of DBS Vickers. Cheng failed to take reasonable steps to verify the identities of his clients when opening accounts on 11 and 12 October 2001. He did not actually meet these clients when he accepted their applications to open the accounts. Cheng also failed to adhere to the required account opening procedures because those documents had already been duly signed when they were forwarded to him.

In deciding its action, the SFC has taken into account the fact that no direct harm had resulted from Cheng's failures, that he had been cooperative during the whole course of the inquiry, and that he had a clean disciplinary record with the SFC.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Registered persons are required to ensure that account opening procedures are strictly followed and they must take reasonable steps to establish the full and true identity of each of their clients before opening an account for them. Failure to comply with these requirements will be punished."

Ends