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## SFC Suspends Kwok Wai Shun for Failings relating to the Operation of a Client Account by a Third Party

7 Jun 2004

The SFC has suspended the licence of Mr Kwok Wai Shun for three months from 7 June 2004 to 6 September 2004 (both dates inclusive). Kwok was at the time of the improper conduct a securities dealer's representative of Ong Asia Securities (HK) Limited.

The suspension stems from an inquiry into suspected market manipulation of stocks of a listed company in 2002.

The SFC found that, during the period May to July 2002, Kwok, at the request of one of his clients, allowed a third party to operate that client's account. However, Kwok failed to

- take reasonable steps to establish the true and full identity of the third party, in breach of the Code of Conduct for Persons Registered with the SFC;
- keep a record of the third party's identity information and his trading instructions, in breach of the Code of Conduct;
- obtain a written authorisation from his client for the third party to operate his account;
- report this matter to Ong Asia and thus Ong Asia was unable to comply with the relevant regulatory requirements.

The SFC concludes that Kwok's fitness and properness has been called into question, and therefore decides to suspend his licence.

Kwok applied for a review of the SFC's decision to the Securities and Futures Appeals Tribunal on 25 February 2004. The Tribunal dismissed Kwok's application for review on 7 June 2004 and the suspension therefore takes effect immediately. The Tribunal has not given reasons yet. The SFC will issue a further press release when they are available.

Kwok is currently a licensed representative of Magnum International Securities Limited.

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