

## SFC Suspends Chung Chi Yip for Failings in Relation to Account Opening

20 Sep 2004

The SFC has decided to suspend the licence of Mr Chung Chi Yip, a former licensed representative of ICEA Securities Limited, for nine weeks from 18 September to 19 November 2004 (Note 1).

The suspension stems from an inquiry in which the SFC found that Chung, without having met or known a client, had:

- filled in the personal particulars of that client in the account opening forms; and
- signed as a witness to the client's signatures and to signify that he had explained to the client the risk disclosure statement.

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

Chung's suspension was reduced from three months to nine weeks because he co-operated by not disputing his misconduct.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Opening an account for a client whom the licensed person has never met or known is an unacceptable practice as this may facilitate unlawful activities. The suspension is an appropriate penalty for what Chung has done."

Ends

Note:

1. Chung resigned from ICEA Securities Limited with effect from 11 September 2004, and his deemed licence with the SFC lapsed by operation of law at the same time. Chung also withdrew his application for a full licence in Type 1 Regulated Activity on 13 September 2004. Although the SFC no longer has disciplinary jurisdiction over Chung and so the suspension will have no formal effect, the SFC will consider the suspension decision and the grounds for it, should Chung ever re-apply for a regulatory approval, e.g. a licence.