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SFC Reprimands and Fines Cheung Chun, Matthew for Assisting an Unlicensed Person to Conduct Regulated Activities

1 Apr 2005

The SFC has reprimanded and fined Mr Cheung Chun, Matthew \$21,000 for assisting an unlicensed person to conduct regulated activities (Note 1).

In October 2003, a new recruit of RBC Investment Services (Asia) Limited, who was not yet licensed to act for RBC and therefore should not have engaged in any regulated activities, opened accounts for clients, took and executed clients orders and gave investment advice to clients. RBC had told him not to, but he disobeyed his employer's instruction (Note 2).

Cheung assisted in the new recruit's unlicensed activities by signing as a witness in the account opening documents for him, executing orders taken by the new recruit, and signing dealing tickets.

RBC conducted an internal investigation. Both Cheung and the new recruit were disciplined. RBC also submitted a report to the SFC in accordance with the law.

The SFC acknowledges RBC's prompt action and internal investigation.

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

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "The licensing regime is an important cornerstone of the regulatory regime. Only licensed representatives can conduct regulated activities on behalf of a licensed corporation. When a licensed representative changes employer, he has to obtain approval from the SFC before he can carry on regulated activities for that new employer. No one should assist an unlicensed person in engaging in regulated activities, or they may be disciplined and/or prosecuted. Knowingly ignoring the employer's instructions and policy is an aggravating factor. Having considered the Disciplinary Fining Guidelines, we decide to reprimand and fine Cheung."

Ends

Notes to Editor:

1. Cheung is a licensed representative accredited to RBC Investment Services (Asia) Limited. He is licensed to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities.
2. The new recruit was also disciplined by the SFC. For details, please refer to [press release dated 29 March 2005](#).

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