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SFC Settles its Disciplinary Action with Sinomax Securities Limited and Luk Kam

22 Aug 2005

The SFC considers that it is in the public interest and to the interests of investors to settle its disciplinary actions against Sinomax Securities Limited and its responsible officer, Mr Luk Kam (Notes 1 and 2).

According to the settlement agreement, Sinomax accepts the SFC's reprimand in relation to Sinomax's failures in: (i) the prevention and detection of unregistered dealing in securities (Note 3); (ii) properly communicating to its staff its requirement to verify client identity; (iii) maintaining adequate funds in clients' segregated accounts; (iv) obtaining written directions for transferring client monies; (v) implementing an effective tape recording system.

Sinomax's responsible officer, Luk, agrees to make a voluntary payment of \$40,000 and admits that he was negligent in failing to detect and prevent unregistered activities. The SFC will pay the sum to the government revenue.

In agreeing with the settlement, the SFC has taken into account Sinomax and Luk's co-operation, including by settling the SFC's disciplinary action, and admission, in particular, Mr Luk's remorse for his failure. The SFC also notes that Sinomax's clients did not appear to have suffered pecuniary loss as a result of Sinomax's failures and that Sinomax has since strengthened its internal controls.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Unlicensed dealing puts client assets at risk and jeopardises the integrity of the licensing system. Brokers and their management should supervise their staff closely and diligently so that improper or illegal activities committed by their staff are detected at an early stage. Strong internal controls should help early detection of improper activities and these will enable appropriate remedial action to be taken."

Ends

Notes:

1. Luk Kam is a representative licensed under the Securities and Futures Ordinance in Type 1 (dealing in securities) regulated activities. Luk is the responsible officer for Sinomax Securities Limited.
2. Sinomax Securities Limited is a corporation licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activities.
3. Chan Siu Tung was earlier convicted of unlicensed dealing. Please see [press release dated 4 February 2004](#) for details.

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證監會就其紀律處分行動與佳富達證券有限公司及陸金達成和解

2005年8月22日

證監會認為，以和解方式處理其對佳富達證券有限公司及該公司負責人員陸金(男) (註1及2) 的紀律處分行動，是符合公眾及投資者利益的做法。

根據和解協議，佳富達接受證監會就其以下的缺失作出譴責：(i) 沒有防止及察覺未經註冊而進行的證券交易 (註3)；(ii) 沒有適當地向職員傳達其有關核實客戶身分的規定；(iii) 沒有在客戶的獨立帳戶內存放足夠的資金；(iv) 沒有取得書面指示而將客戶的款項轉移；(v) 沒有執行有效的聲帶錄音系統。

佳富達的負責人員陸同意自願支付40,000元，並承認未有察覺及防止未經註冊的活動是因其疏忽所致。證監會將會把這筆款項撥歸政府收益。

在同意和解時，證監會曾考慮到佳富達及陸的合作態度，包括就證監會的紀律處分行動作出和解，及承認缺失，特別是陸對自己的缺失表示懊悔。證監會亦注意到佳富達的客戶看來並沒有因佳富達的缺失而蒙受金錢損失，而佳富達之後亦加強了內部監控。

證監會法規執行部執行董事李顯能先生 (Mr Alan Linning) 表示：“無牌交易令客戶的資產蒙受風險，亦危害到發牌制度的穩健性。經紀行及其管理層應密切及盡責地監督其職員的工作，以致即使他們有不當或不法活動，亦能及早察覺。健全的內部監控有助及早察覺不當的活動，從而使有關方面能夠採取適當的補救行動。”

完

備註：

1. 陸金是根據《證券及期貨條例》就第1類(證券交易)受規管活動的業務獲發牌的代表。陸是佳富達證券有限公司的負責人員。
2. 佳富達證券有限公司是根據《證券及期貨條例》獲發牌經營第1類(證券交易)受規管活動的業務的法團。
3. 陳少冬早前被裁定無牌交易罪名成立。詳情請參閱證監會在2004年2月4日發出的新聞稿。

最後更新日期：2012年8月1日