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SFC Suspends Siu Hon Ming for Improper Conduct Including Failures Relating to Unsolicited Calls

13 Feb 2006

The SFC has suspended Mr Siu Hon Ming for five weeks from 13 February 2006 to 19 March 2006 for improper conduct including failures relating to unsolicited calls (Note 1).

The suspension follows an SFC inquiry which found that Siu, a senior business manager of Hantec International Limited between March and June 2002, had asked a broker trainee to make unsolicited calls with a view to soliciting clients. Siu also paid an introductory fee to another broker trainee for introducing his relative to open an account with Hantec. Both trainees were not registered with the SFC. Siu also signed on the account opening document of a client solicited to certify that he had witnessed the signing of the document by the client, and that he had explained the contents of the documents to the client when in fact he was not present when the client signed the documents.

The SFC inquiry also revealed that on 21 October 2004, when Siu was a licensed representative of Shun Loong Forex Company Limited, he had failed to record the order instructions and confirmations of a client in the centralised telephone recording system of Shun Loong and had failed to record the order details on trading blotters or dealing tickets. He also failed to submit Commission Fee Payable Forms of that client to Shun Loong on a timely basis.

As a result, Siu breached the Conduct of Business Guidelines for Licence Holders under the Leveraged Foreign Exchange Trading Ordinance (LFETO), the internal procedure of Shun Loong and the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

The SFC concludes that the fitness and properness of Siu has been called into question.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Regulated persons are expected to follow their employers' internal procedure and the relevant requirements in the Code of Conduct and other rules and guidelines issued by the SFC. Unsolicited calls are generally prohibited under section 39 of the LFETO (Note 2). Siu failed to comply with all regulatory requirements applicable to the conduct of his activities by asking a broker trainee to make unsolicited calls with a view to soliciting clients. The SFC also cast doubt on his honesty as he signed to certify that he had witnessed a client signing account opening documents when in fact he had not."

"It is also important to submit Commission Fee Payable Forms on a timely basis and record client orders to avoid unnecessary disputes with clients who might dispute the commission charged and orders placed," Mr Linning added.

Ends

Notes to Editor:

1. Siu is licensed under the Securities and Futures Ordinance (SFO) to carry on Type 3 (leveraged foreign exchange trading) regulated activity. He is not accredited to any licensed corporation.
2. LFETO was one of the 10 ordinances replaced by the SFO in April 2003. Section 39 of LFETO was replaced by section 174 of the SFO.

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