

Securities and Futures Appeals Tribunal Upholds the SFC's Decision to Suspend Chim Chai Shan Jovin for Dishonestly Signing on Internal Documents

29 Mar 2006

The SFC has suspended Ms Chim Chai Shan Jovin for four months, from 28 March 2006 to 27 July 2006, pursuant to the determination of the Securities and Futures Appeals Tribunal (SFAT) (Note 1).

The disciplinary action follows the SFC's routine inspection of T G Holborn (Hong Kong) Limited's accounts in August 2002, which revealed that three of T G Holborn's investment representatives had received commission for selling unit trust products to their clients whilst unregistered (Note 2).

The SFC's subsequent investigation revealed that Chim, who was at the time a securities investment representative and a branch manager of T G Holborn, had dishonestly signed on two internal client administration forms as the consultant to a client, when in fact one of the unregistered representatives was the consultant. It was also found that as a result of a direction from the compliance department of T G Holborn, Chim substituted the genuine internal client administration forms with those that bore her name as the registered representative of the client, thus hiding the fact that an unregistered consultant had solicited clients.

The SFC started disciplinary proceedings against Chim for breaching the Code of Conduct (Note 3). The SFC concluded that Chim's honesty and accordingly her fitness and properness had been called into question, and issued its decision against Chim on 23 September 2005 suspending her for four months.

Chim lodged an application to the SFAT on 17 October 2005 to review the SFC's decision on the contention that she was not dishonest but merely reckless. The SFAT rejected this argument and dismissed the application yesterday with reasons to follow (Note 4).

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "All licensees have a duty to act honestly and in a fit and proper manner. Although the order to substitute the consultant's name on the internal form was directed by a compliance officer, Chim should have questioned it. Instead she became party to this deceitful cover-up which, had the SFC not found out through its inspection, would have gone unnoticed. Although the document in question was an internal company document, it was meant to help the company ensure that only registered consultants advised clients and constituted a representation to us that the company was complying with the relevant law. Licensees must take care to ensure that all material paperwork, whether internal or external, relating to a firm's business or its compliance with law and regulation accurately reflects the facts so that the firm and the regulator can monitor compliance. Those who deliberately falsify such documents will face harsher penalties and possible criminal prosecution."

Ends

Notes to Editor:

1. Chim is licensed under the Securities and Futures Ordinance to carry on Type 4 (advising on securities) regulated activity. Chim is accredited to Thornton Global Wealth Management. Chim was a representative accredited to T G Holborn at the time of the misconduct.
2. The three unregistered representatives pleaded guilty to unregistered dealing in 2003. Please see SFC press releases dated [9 September 2003](#), [16 September 2003](#) and [4 December 2003](#) for details.
3. The Code of Conduct for Persons Registered with the Securities and Futures Commission came into effect in April 2001.
4. The judgement will be available on the website of the SFAT at www.sfat.gov.hk.

