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# SFC Suspends Tan King Yu for Aiding and Abetting Unlicensed Activities and Failing to Assist SFC Investigations

19 May 2006

The SFC has suspended Ms Tan King Yu for five months from 19 May 2006 to 18 October 2006 for aiding and abetting unlicensed persons to cold call people to conduct leveraged foreign exchange trading and for failing to assist SFC investigations (Note 1).

The suspension follows an SFC inquiry in which Tan, a licensed representative of Hong Kong Forex Investment Limited, was found to have coached Ms Mok Sze Wan, who was unlicensed, to cold call people to promote leveraged foreign exchange trading between March and July 2004. Mok made unsolicited telephone calls to over 10 people including a senior executive of the SFC. Tan had full knowledge of Mok's cold calling and her attempts to persuade the SFC staff member to open an account with Hong Kong Forex. Tan also coached other unlicensed persons to cold call people to open accounts with Hong Kong Forex. When the SFC interviewed Tan about the unlicensed activities, she gave false, misleading and evasive answers. Consequently, Tan was charged with and convicted of aiding and abetting unlicensed activities and failure to give assistance in SFC investigations. Mok was charged with and convicted of unlicensed leveraged foreign exchange trading (Note 2).

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

In deciding the penalty, the SFC has considered all the circumstances of the case, including the following:

- unlicensed activities and the aiding and abetting of such activities are serious offences which undermine the regulatory protection accorded to the investing public;
- failure to give assistance in SFC investigations obstructs SFC's staff in the execution of their duty;
- Tan deliberately or knowingly breached the law;
- Tan had had two years of experience in the industry when she committed the offences;
- Tan was convicted in Court and sentenced; and
- Tan had no previous disciplinary record.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Cold calling people to enter into leveraged foreign exchange trading is outlawed because of the financial risks that it poses to unwary investors. This case is exacerbated by the fact that Tan aided and abetted an unlicensed person to cold call. When questioned during our investigations on matters that Tan should have known, she gave false, misleading and evasive answers with a view to evading her culpability. Acts such as giving false, misleading and evasive answers to SFC investigators are caught by the Securities and Futures Ordinance and punishable as a criminal offence with a conviction record."

Ends

Notes:

1. Tan is licensed under the Securities and Futures Ordinance to carry on Type 3 (leveraged foreign exchange trading) regulated activity. She is a representative accredited to Hong Kong Forex Investment Limited.
2. Please see SFC press releases dated [8 February 2006](#) and [1 September 2005](#) for details.

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