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SFC Reprimands Peace Town Forex Limited and Suspends its Responsible Officers

10 Oct 2006

The SFC has reprimanded Peace Town Forex Limited (PT Forex) and suspended the licence of Mr Chan Sheung Chi Steven, a responsible officer for PT Forex, for three years from 9 October 2006 to 8 October 2009 (Notes 1 and 2).

This action followed an SFC investigation which found, amongst other things, that:

- PT Forex used a dormant company to fund commission payments to individuals carrying on leveraged foreign exchange trading without a licence (Note 3);
- Chan knew about the payments and suggested how they could be made to avoid suspicion; and
- PT Forex failed to stop or prevent the unlawful activity from continuing despite internal documents revealing the true nature of the payments.

The SFC has also suspended the licence of another responsible officer, Mr Chou Si Kit, for 10 weeks from 9 October 2006 to 17 December 2006 (Note 4). Chou was presented with vouchers for the payments but failed to question why such payments were being made from a dormant company.

The SFC also notes that PT Forex has paid compensation to a client who suffered loss through the unlicensed trading.

The suspensions were decided upon by the SFC in March 2006. Thereafter, Chan and Chou applied to the Securities and Futures Appeals Tribunal (SFAT) for a review of the SFC's decisions. They subsequently withdrew their applications and leave was granted for them to do so by the SFAT on 9 October 2006.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "Licence holders should know better than to assist those carrying out unlicensed activities. Chan's conduct was dangerous and damaging to PT Forex, its clients and ultimately the market. His three year suspension should warn others this is the least they can expect if caught."

Ends

Notes:

1. PT Forex is deemed licensed under the Securities and Futures Ordinance to carry on Type 3 (leveraged foreign exchange trading) regulated activity.
2. Chan holds a deemed licence to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. Chan is a responsible officer accredited to Peace Town Forex Limited, Peace Town Capital Management Limited, Peace Town Fund Management Limited, Peace Town Futures Limited and Peace Town Securities Limited.
3. Please see [SFC press release dated 1 April 2003](#).
4. Chou holds a deemed licence to carry on Types 1, 2, 3, 4, 5, 6 and 9 regulated activities. Chou is a responsible officer accredited to Peace Town Forex Limited, Peace Town Futures Limited and Peace Town Securities Limited.

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