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## Enforcement News

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23 July 2007

### **SFC Suspends Wong Yick Keung**

The SFC has suspended Mr Wong Yick Keung for six months from 20 July 2007 to 19 January 2008 (Note 1).

The disciplinary action follows an SFC investigation which found that Wong misled a client about the existence of floating losses in her account arising from leveraged foreign exchange contracts in a locked position and, on one occasion, played down the significance of the client's losses.

The SFC also found that Wong failed to comply with the SFC's margin requirements for leveraged foreign exchange contracts and opened new positions for his client when there was insufficient margin in the account (Note 2).

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "Not to tell a client about a loss position is a cardinal breach and give the client a completely false sense of security. Clients are entitled to trust their advisors not to mislead them about such fundamental issues."

Ends

Notes:

1. Wong is licensed under the Securities and Futures Ordinance to carry on Type 3 (leveraged foreign exchange trading) regulated activity. He was accredited to Hantec International Limited at the time of the failing and is not currently accredited to any licensed corporation.

2. Paragraph 23 of Schedule 6 to the Code of Conduct requires a licensed person to set the initial margin and maintenance margin level for its clients at not less than 5% and 3% respectively of the gross principal value of the contract offered by the

licensed person. For cross currency trades and locked positions, only one set of margin is required.

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