

## SFC resolves compliance issues with Win Wong Securities Ltd, Chan Sin Keung and Kwan Tart Yung

3 Mar 2009

The Securities and Futures Commission (SFC) has resolved certain compliance issues with Win Wong Securities Ltd (Win Wong), Chan Sin Keung and Kwan Tart Yung (Note 1).

Under the resolution:

- the SFC has issued a reprimand to Win Wong, Chan and Kwan and fined Win Wong \$500,000, Chan \$300,000, and Kwan \$100,000 respectively;
- Win Wong will appoint a third responsible officer, in addition to Chan and Kwan, to supervise the daily operation of Win Wong;
- Win Wong will engage an independent audit firm to conduct reviews of its internal control and compliance systems;
- the timing of the reviews will be determined by the SFC; and
- if Win Wong, Chan and/or Kwan are found to have committed material breaches or failures within three years of the agreement, their licences may be suspended for three months.

The SFC found serious internal control deficiencies in Win Wong under the management of Chan and Kwan, including:

- failure to provide contract notes and monthly statements to its clients within the prescribed time;
- failure to maintain a correct client stock record;
- failure to ensure that proper written authorisations for hold-mail arrangements were obtained;
- failure to segregate duties of the front and back office staff;
- failure to notice that its settlement staff had used one client's securities to settle another client's sale transaction; and
- failure to ensure adequate and diligent supervision of its staff.

The SFC also found that Win Wong, Chan and Kwan had failed to remedy these deficiencies after they had been identified in the SFC's inspections.

Win Wong, Chan and Kwan acknowledge the findings of the SFC in respect of the compliance lapses. They regret that the compliance lapses occurred.

In deciding to resolve compliance issues with Win Wong, Chan and Kwan, the SFC took into account that:

- Win Wong has implemented certain internal controls and compliance measures, and hired additional staff to ensure that similar compliance lapses will not re-occur in the future; and
- Win Wong, Chan and Kwan fully co-operated with the SFC at both the investigation and disciplinary stages.

End

Notes:

1. Win Wong Securities Ltd is a corporation licensed under the Securities and Futures Ordinance (SFO) to carry on business in Type 1 (dealing in securities) regulated activity. Kwan and Chan are persons licensed under the SFO to carry on Type 1 (dealing in securities) regulated activity. Both of them are responsible officers and accredited to Win Wong Securities Ltd.

Page last updated : 1 Aug 2012