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## Enforcement News

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7 September 2009

### Two people fined for unlicensed dealings in leveraged forex trading

Two former agents of Glory Sky Precious Metals Ltd were fined \$2,200 and \$1,500 for unlicensed dealings in leveraged foreign exchange trading.

Mr Chau Lap Cheung and Mr Alan Chung Wai Wa were also ordered to pay investigation costs of \$11,998 and \$11,583 to the Securities and Futures Commission (SFC) respectively. Chau and Chung were convicted on 31 August and 4 September 2009 in the Eastern Magistracy.

The SFC prosecuted Chau and Chung following an investigation which revealed that between August and December 2006, Chau and Chung, whilst appointed by Glory Sky Precious Metals Ltd (Note 1) as agents but unlicensed, solicited clients to open accounts in Hong Kong with an unlicensed entity known as Glory Sky Global Markets Investment Ltd (Glory Sky Macau) (Note 2) to trade leveraged foreign exchange contracts, in breach of section 114 of the Securities and Futures Ordinance (SFO).

The SFC investigation also revealed that in around December 2006, Mr Vin Ko Ho Ming (Note 3), being a licensed representative of Glory Sky Global Markets Ltd in Hong Kong (Glory Sky Hong Kong) (Note 4), solicited clients to open two accounts in Hong Kong with Glory Sky Macau to trade leveraged foreign exchange contracts. The magistrate ruled that the SFC was unable to prove the case beyond all reasonable doubts and acquitted Ko on 1 September 2009.

The SFC reminds investors not to enter into leveraged foreign exchange trading with unlicensed entities or unlicensed representatives in or outside Hong Kong in order to protect their own interests. Investors can check if an entity or representative is licensed in Hong Kong on the SFC website ([www.sfc.hk](http://www.sfc.hk)).

End

#### Notes:

1. Glory Sky Precious Metals Ltd is not licensed by the SFC to conduct any regulated activity in Hong Kong.
2. Glory Sky Macau is neither licensed in Hong Kong nor in Macau to carry on business in leveraged foreign exchange trading.
3. Ko is licensed under the SFO to carry on Type 3 (leveraged foreign exchange trading) regulated activity and has been accredited to Glory Sky Hong Kong since 30 August 2006. He has been a responsible officer of Glory Sky Hong Kong since 14 December 2007.
4. Glory Sky Hong Kong is a corporation licensed under the SFO to carry on Type 3 (leveraged foreign exchange trading) regulated activity. Glory Sky Hong Kong, Glory Sky Macau and Glory Sky Precious Metals Ltd are all subsidiaries of Glory Sky Group Ltd.

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