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## Brokers suspended for conducting trades without client's proper authorization

22 Aug 2011

The Securities and Futures Commission (SFC) has suspended the licence of Mr Ma King Lun for six months from 22 August 2011 to 21 February 2012 and the respective licences of Mr Tong Pok Wai and Mr Sit Chi Hang for four months from 22 August 2011 to 21 December 2011 (Note 1) for breaching the SFC's Code of Conduct (Note 2).

The disciplinary action follows an SFC investigation which found a number of irregularities in the conduct of a client's discretionary account between November 2009 and February 2010.

In particular, the SFC found that Ma did not have proper written authority from his client to exercise discretion. The SFC also found Ma arranged for two colleagues, Tong and Sit, to make calls to the trading desk pretending to be his client. Although the orders were authorized by the client, the conduct of Ma, Tong and Sit were highly irregular and contrary to their obligations under the Code of Conduct.

In deciding upon the penalty, the SFC has taken into consideration that the client did not suffer any loss, the trio's admission of misconduct and co-operation with the SFC, and their otherwise clean disciplinary record.

End

Notes:

1. Ma is licensed to carry on Type 3 (leveraged foreign exchange trading) regulated activity under the Securities and Futures Ordinance (SFO). He was accredited to Phillip Securities (Hong Kong) Limited and Phillip Commodities (HK) Limited (collectively Phillip) from 24 August 2009 to 13 March 2010. Tong is licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. He was accredited to Phillip from 26 September 2008 to 27 February 2010. Sit is licensed to carry on Type 1, Type 2 (dealing in futures contracts), Type 3 and Type 5 (advising on futures contracts) regulated activities under the SFO. He is accredited to China Everbright Securities (HK) Limited and China Everbright Forex & Futures (HK) Limited.

2. Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

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