

SFC bans Yu Chun Chieh for life

2 Jun 2015

The Securities and Futures Commission (SFC) has banned Mr Yu Chun Chieh, a former licensed representative, from re-entering the industry for life for misappropriating an investor's money and misleading him with false account statements (Note 1).

In around May 2013, Yu persuaded a Taiwan-based investor to deposit money for fund investment into Yu's private bank account in Hong Kong on the false basis that a bank account in Hong Kong was needed to open a securities account with his employer, a licensed corporation. Yu claimed that he will return the money to the investor after the securities account is opened.

The investor transferred around \$3.9 million into Yu's bank account which Yu then misappropriated by transferring the money to another private account in Taiwan. None of the moneys were used to open any securities account or to acquire securities for the investor. To cover up his misconduct, he falsified account statements with his firm's letterhead to mislead the investor into believing that the money was invested in the funds as agreed.

The SFC considers that Yu's dishonest conduct calls into serious question his fitness and properness to be a licensed person and decided to ban him for life (Note 2).

The SFC reminds investors should only deposit money for investment to the designated bank account of the licensed corporation.

End

Notes:

1. Yu was licensed as a representative to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance and was accredited to QMIS Securities (Asia) Limited (previously known as Zavori Securities (Asia) Limited) between 11 April 2013 and 3 January 2014. Yu is currently not a licensed person.
2. Yu was arrested by the Police and charged with the offence of theft under the Theft Ordinance.

[A copy of the Statement of Disciplinary Action is available on the SFC website](#)

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STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has prohibited Mr Yu Chun Chieh (**Yu**) from re-entering the industry for life pursuant to section 194 of the Securities and Futures Ordinance (**SFO**).
2. The disciplinary action is taken because Yu:
 - (a) misappropriated money received from an investor, and
 - (b) provided the investor with false account statements to mislead him into believing the money was put into some agreed fund investment.
3. Yu's conduct has called into serious question about his fitness and propriety to be a licensed person.

Summary of Facts

4. Yu was a licensed representative of QMIS Securities (Asia) Limited (**QMIS**)¹ from April 2013 to January 2014. He is currently not a licensed person.
5. On March 2014, the SFC received a complaint from a Taiwan-based investor that Yu misappropriated his money.
6. It was found that Yu asked the investor to open an investment account at his brokerage firm to invest in certain funds in May 2013. Yu told the investor that a bank account in Hong Kong was needed to facilitate the account opening. Knowing that the investor did not have a bank account in Hong Kong, Yu asked the investor to deposit money directly to his bank account in Hong Kong.
7. In June 2013, the investor transferred a total of around \$3,900,000² to Yu's account held at a bank in Hong Kong. In the following months, Yu sent account statements bearing the brokerage firm's letterhead to the investor. These statements showed that certain funds were subscribed.
8. In fact, Yu did not open an account at the brokerage firm for the investor and subscribe any of the funds as agreed with the investor, rather he transferred money back to his bank account in Taiwan. Yu admitted to the SFC that he sent false account statements to the investor to cover his misconduct.

¹ QMIS was previously known as Zavori Securities (Asia) Limited.

² Around US\$500,000.

Conclusion

9. Yu's appropriation of the investor's money is dishonest. The seriousness of his misconduct is aggravated by sending the investor false account statements. As a result, Yu's fitness and properness to be a licensed person has been gravely called into question.