

## SFC bans Chow Chi Keung for life

11 Feb 2016

The Securities and Futures Commission (SFC) has banned Mr Chow Chi Keung, a former licensed representative of Wocom Securities Limited (Wocom), from re-entering the industry for life for misappropriating client monies, forging client signatures and conducting unauthorized transactions in client accounts (Note 1).

The disciplinary action follows a SFC investigation which found that, between 2010 and 2012, Chow, in order to conceal his trading losses in client accounts:

- forged client signatures on 13 Wocom payment instruction forms to facilitate the withdrawal or transfer of client monies from nine client accounts to his or his wife's personal accounts or other client accounts maintained at Wocom. The total sum in the payment instruction forms amounted to more than \$2.5 million; and
- sold securities in five client accounts without their authorization and transferred the sale proceeds to other client accounts (Note 2).

Chow's misconduct calls into question his fitness and properness to be a licensed person. In deciding the penalty, the SFC took into account that Chow's conduct was gravely dishonest and seriously jeopardised the interests of Wocom's clients and the integrity of the market.

End

Notes:

1. Chow was licensed as a representative to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance and was accredited to Wocom Securities Limited and Wocom Limited from 10 January 2000 to 5 December 2012. Chow is currently not licensed by the SFC.
2. Wocom has reported Chow's conduct to the Police.

[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 Chow Chi Keung (**Chow**) 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 Chow:
  - (a) misappropriated client monies;
  - (b) forged client signatures on payment instruction forms; and
  - (c) conducted unauthorised transactions in client accounts.
3. Chow's conduct was dishonest and breached General Principle 1 (honesty and fairness) of the Code of Conduct for Persons Licensed by and Registered with the SFC (**Code of Conduct**).

### Summary of Facts

4. Chow was an account executive of Wocom Securities Limited ("Wocom") from 10 January 2000 to 5 December 2012. Chow's responsibilities included handling the trading accounts of Wocom's clients and completing payment instruction forms in accordance with clients' instructions.
5. In October 2012, Wocom reported to the SFC that Chow may have misappropriated client assets. Wocom also reported the matter to the Police and the investigation is still ongoing.
6. In November 2012, the SFC received a complaint from two clients whose accounts were handled by Chow at Wocom in which they alleged Chow had misappropriated assets from their accounts.
7. In January 2013, the SFC and Wocom jointly engaged an independent accountants firm to conduct an independent review into, among other things, the extent of Chow's misappropriation of client assets and other unauthorised acts in Wocom's client accounts.
8. Chow admitted he forged clients' signatures on 13 payment instruction forms to facilitate the withdrawal or transfer of client monies from nine client accounts to his own or his wife's personal accounts or the accounts of other clients maintained with Wocom. The total sum in these payment instructions forms amounted to approximately \$2,571,482.87.
9. Chow also admitted he sold securities in five client accounts without the clients' knowledge and authority and transferred the sale proceeds to other client accounts in order to conceal his trading losses in those accounts.
10. In late 2011, Wocom introduced new internal controls requiring account executives to state the relationship between the clients and the reason for transfers between client accounts on the payment instruction forms. Chow admitted that, to circumvent Wocom's requirements, he fabricated the

relationships between the clients and provided false reasons for the transfers on the payment instruction forms to facilitate the fund transfers between different client accounts.

11. Chow has made compensation payments to seven out of the nine affected client accounts.

## **Conclusion**

12. General Principle 1 of the Code of Conduct requires a relevant individual to act honestly, fairly, and in the best interests of its clients, when conducting the business of regulated activities.
13. In reaching the decision to take the disciplinary action set out in paragraph 1 above, the SFC has taken into account all relevant circumstances including Chow's conduct was gravely dishonest and seriously jeopardised the interests of Wocom's clients and the integrity of the market.

## 證監會終身禁止周自強重投業界

2016年2月11日

證券及期貨事務監察委員會（證監會）終身禁止宏高證券有限公司（宏高）的前持牌代表周自強（男）重投業界，原因是他挪用客戶資金、假冒客戶簽名及在客戶帳戶內進行未經授權的交易（註1）。

證監會經調查後採取上述紀律處分行動。調查發現，在2010年至2012年期間，周為了隱瞞其於客戶帳戶的交易虧損，曾作出以下行為：

- 在13份宏高付款指示表格上假冒客戶簽名，以便從九個客戶帳戶中提取或轉移客戶資金至其本人或其妻子的個人帳戶或其他客戶在宏高開立的帳戶。該等付款指示表格涉及的款額合共超過250萬元；及
- 在未經客戶授權的情況下，出售五個客戶帳戶內的證券，並將出售該等證券的所得款項轉移至其他客戶的帳戶（註2）。

周的失當行為令他作為持牌人的適當人選資格受到質疑。證監會在釐定罰則時，已考慮到周的行為極不誠實，嚴重危害宏高客戶的利益和市場的廉潔穩健。

完

備註：

1. 周曾根據《證券及期貨條例》獲發牌以代表身分從事第1類（證券交易）及第2類（期貨合約交易）受規管活動，並在2000年1月10日至2012年12月5日期間隸屬宏高證券有限公司及宏高有限公司。周現時並非證監會持牌人。
2. 宏高已就周的行為向警方作出舉報。

有關紀律處分行動聲明載於證監會網站

最後更新日期：2016年2月11日

## 紀律處分行動聲明

### 紀律處分行動

1. 證券及期貨事務監察委員會（**證監會**）依據《證券及期貨條例》（**該條例**）第194條終身禁止周自強（**周**）重投業界。
2. 證監會採取上述紀律處分行動，因為周：
  - (a) 挪用客戶資金；
  - (b) 在付款指示表格上假冒客戶簽名；及
  - (c) 在客戶帳戶內進行未經授權的交易。
3. 周的行為有欠誠實，及違反了《證券及期貨事務監察委員會持牌人或註冊人操守準則》（**《操守準則》**）第1項一般原則（誠實及公平）。

### 事實摘要

4. 在2000年1月10日至2012年12月5日期間，周為宏高證券有限公司（“宏高”）的客戶主任。周的職責包括處理宏高客戶的交易帳戶，及按照客戶指示填寫付款指示表格。
5. 2012年10月，宏高向證監會舉報，指周可能挪用了客戶資產。宏高亦已向警方作出舉報，現時調查仍在進行中。
6. 2012年11月，證監會接獲兩名宏高客戶的投訴，指周挪用了他們的帳戶內的資產。該兩名客戶的帳戶均由周負責處理。
7. 2013年1月，證監會與宏高共同延聘一家獨立會計師事務所，就（其中包括）周挪用了多少客戶資產及其於宏高的客戶帳戶內其他未經授權的行為進行獨立審核。
8. 周承認，他在13份付款指示表格上假冒客戶簽名，以便從九個客戶帳戶中提取或轉移客戶資金至其本人或其妻子的個人帳戶或其他客戶在宏高開立的帳戶。該等付款指示表格涉及的款額合共約達2,571,482.87元。
9. 周亦承認，他在客戶不知情及沒有作出授權的情況下，出售五個客戶帳戶內的證券，並將出售該等證券的所得款項轉移至其他客戶帳戶，以隱瞞其於該等帳戶的交易虧損。
10. 2011年底，宏高引入新的內部監控措施，規定客戶主任須在付款指示表格上說明與客戶的關係，及在客戶帳戶之間進行轉帳的理由。周承認，為規避宏高的規定，他在付款指示表格上捏造與客戶的關係，及就轉帳提供虛假的理由，以便在不同的客戶帳戶之間轉移資金。
11. 在九個受影響的客戶帳戶當中，周已向其中七個帳戶作出賠償。

### 結論

12. 《操守準則》第 1 項一般原則規定，有關人士在經營受規管活動的業務時，應以誠實、公平和維護客戶最佳利益的態度行事。
13. 證監會在達致採取上文第 1 段所述的紀律處分行動的決定時，已考慮到所有相關情況，包括周的行為極不誠實，及嚴重危害宏高客戶的利益和市場的廉潔穩健。