

SFC bans Kong Kar Bong for 10 years

11 Dec 2018

The Securities and Futures Commission (SFC) has banned Mr Kong Kar Bong, a former account executive of Sanfull Securities Limited (Sanfull), from re-entering the industry for 10 years from 11 December 2018 to 10 December 2028 (Note 1).

The SFC found that in June 2012, Kong received two cheques from a friend for opening a securities account and a futures account at Sanfull. While the securities account of Kong's friend was opened, the futures account was never opened. Instead, Kong deposited the cheque of \$500,000 that his friend had issued for the futures account into his own securities account at Sanfull.

In September 2012, upon his friend's repeated inquiries about the status of the futures account, Kong misrepresented to his friend that the futures account existed and the \$500,000 sum was in the futures account by emailing a forged statement to his friend showing a balance of \$500,000 in an account under his friend's name.

Kong's friend only became aware that his futures account did not exist when he requested Sanfull to close the account in 2014.

The SFC considers that Kong's conduct was deliberate and dishonest and called into question his character, reliability, and fitness and properness to be a regulated person.

In deciding the sanction, the SFC took into account all relevant circumstances, including Kong's otherwise clean disciplinary record.

End

Note:

1. Kong was licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activity and was accredited to Sanfull between 21 May 2012 and 21 September 2013. Kong is currently not licensed by the SFC.

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

Page last updated : 11 Dec 2018

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has prohibited Mr Kong Kar Bong (**Kong**)¹, a former account executive of Sanfull Securities Limited (**Sanfull**), from re-entering the industry for 10 years pursuant to section 194 of the Securities and Futures Ordinance.
2. The SFC found that Kong had provided a forged account statement to a client (**Client**) and misrepresented to the Client that the Client maintained a futures trading account at Sanfull and a cheque issued by the Client for \$500,000 (**Cheque**) had been deposited into the account, in breach of General Principle 1 of the Code of Conduct².

Summary of facts

3. Kong was an account executive of Sanfull between 21 May 2012 and 21 September 2013.
4. In June 2012, Kong accompanied his friend, the Client, to open a securities account and a futures account at the office of Sanfull. The Client later wrote two cheques payable to Sanfull in the amounts of \$1,000,000 and \$500,000 to be deposited in the securities account and futures account respectively and gave the cheques to Kong. While the securities account was opened, the Client did not receive any information or statements regarding the deposit of \$500,000 into his futures account.
5. On 4 September 2012, upon the Client's repeated inquiries, Kong sent an email (**Email**) to the Client attaching a statement dated 4 September 2012 (**Sept Statement**) which appeared to be issued by Sanfull to the Client in relation to an account no. 01700888 (**A/C 888**) showing an account balance of \$500,000. Kong also attached an email from a person named "Li" via the email account of Sanfull's settlement department forwarding the statement to him.
6. Kong then sent a further email to the Client with the subject line "*RE: pls sign for email service on 01700888*" on the same day. He attached a "Change of Client's Particulars" form in respect of A/C 888 for the Client to provide his updated email address. The Client signed and returned the form with the required information to Kong by email.
7. On 3 June 2014, when the Client requested to close A/C 888, Sanfull told him that A/C 888 did not exist and it was not aware of his alleged deposit of \$500,000.

¹ Kong was licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activity and was accredited to Sanfull between 21 May 2012 and 21 September 2013. Kong is currently not licensed by the SFC.

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

8. According to Sanfull, the Client had never opened a futures account with Sanfull or Sanfull Futures Limited. A/C 888 did not exist. The Sept Statement was forged. Further, it did not have a staff named "Li" working in its settlement department in 2012. Sanfull also confirmed that the Cheque was deposited in Kong's securities account at the firm.
9. Kong claimed that since the Client's futures account had not been opened at the time, he temporarily deposited the sum of \$500,000 in his securities account at Sanfull and the Client agreed to such an arrangement.
10. Kong further claimed that he had forgotten if he had sent the Client the Email to which he attached the Sept Statement. He claimed to have no recollection of the Sept Statement because he had seen too many daily statements.
11. According to the Client, Kong told him that the Cheque would be deposited into his futures account for subsequent trading. Kong never told him that the money would be kept in Kong's personal account.
12. By sending the Client the Sept Statement and the "Change of Client's Particulars" form, Kong misrepresented to the Client that the futures account existed and the \$500,000 sum remained in the account.
13. General Principle 1 of the Code of Conduct requires a licensed person to act honestly, fairly, and in the best interests of its clients and the integrity of the market in conducting business activities.
14. We consider Kong's conduct in providing a forged account statement to the Client and his misrepresentation to the Client to be deliberate and dishonest and was in breach of General Principle 1 of the Code of Conduct. Kong's conduct has called into question his character, reliability, and his fitness and properness to be a regulated person.

Conclusion

15. The SFC is of the view that Kong's fitness and properness to be a regulated person has been called into question.
16. In reaching the decision to take disciplinary action against Kong for the matters set out in paragraph 2, the SFC has taken into account all relevant circumstances, including:
 - (a) the ability to carry on regulated activities honestly is fundamental to the fitness and properness of a regulated person; and
 - (b) Kong has an otherwise clean disciplinary record.