

SFC Suspends Registration of Chan Kam Yau of Promising Securities Company

The SFC announced today that it had suspended the registration of Mr Chan Kam Yau (Chan) as a securities dealer's representative of Chan Hing Sum trading as Promising Securities Company (Promising) for a period of one month effective from 12 August 1997.

The SFC's action stemmed from an inquiry in which the SFC found that:-

(a) Chan knowingly assisted Li Chun (Li), the Chairman of Best Wide Group Ltd (Best Wide), to disguise Li's dealings in the shares of Best Wide through two other Promising clients' accounts in the knowledge such an arrangement was designed to circumvent the notification requirements imposed on Li. (Li was convicted on 12 November 1996 for contravening Section 28(2)(a) of the Securities (Disclosure of Interests) Ordinance.)

(b) Chan used clients' accounts to accommodate third party's share dealings without obtaining their prior approval and exposed them to rights and obligations which were not theirs. In addition he exposed his principal to potential liabilities without his principal's knowledge and consent; and

(c) Such activities were prejudicial to the interests of the investing public.

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