

SFC Takes Action Against Kwan Yick Securities (International) Limited and its Staff for Internal Control Failure and Having Aided, Abetted a Company in Unregistered Securities Dealing

4 Sep 1997

The Securities and Futures Commission (SFC) announced today that it had on 1 September 1997, successfully prosecuted:

- (a) Gins Development Company Limited (Gins) for unregistered dealing in securities; and
- (b) Kwan Yick Securities (International) Limited (Kwan Yick) and Mr Lee Ping Kwai (PK Lee), a dealing director of Kwan Yick and a director of Gins, for aiding and abetting the unregistered securities dealing of Gins.

They were each fined \$5,000 by Mr PC White at Western Magistracy and were ordered to pay costs totalling \$15,000 to the SFC.

The SFC has also taken disciplinary action in relation to the unregistered dealing by Gins and internal control failure by Kwan Yick, resulting in the issue of public reprimands against:

- (a) Kwan Yick; and
- (b) Ms Lee Cheng Suet Chun and Mr Lee Kai Yan, both dealing directors accredited to Kwan Yick.

Mr Cheung Chow Loi, a dealer's representative of Kwan Yick was also reprimanded by the SFC for having facilitated unregistered dealing by Gins.

PK Lee has voluntarily surrendered his registration as a securities dealer and undertaken not to re-apply for any registration with the SFC within two years.

The SFC's action stemmed from an investigation covering 1 March 1995 to 29 March 1996, during which Gins remunerated three unregistered persons handling securities trading orders they received from clients of Kwan Yick, while Kwan Yick reimbursed Gins for such payment in the form of management fees. During this period, one of these unregistered persons had also misappropriated securities from the accounts of two clients of Kwan Yick, and he was subsequently convicted of theft in court. The SFC's enquiries revealed that he was allowed by Kwan Yick to withdraw securities from the accounts of the two clients without their authorisation.

In deciding to publicly reprimand these persons, the SFC took into account that Kwan Yick has undertaken to ensure that:

- (a) it will not aid and abet, assist or facilitate securities dealing by unregistered persons;
- (b) it has at all times satisfactory internal control procedures to protect its clients from financial loss arising from theft, fraud and other dishonest acts, professional misconduct or omissions; and
- (c) it will compensate the two said clients in the event that they fail to obtain compensation from the convicted unregistered person who had stolen their securities.

證監會就均益證券(國際)有限公司及其職員未有執行妥善內部監控與協助及教唆一家公司無牌進行證券交易採取行動

1997年9月4日

證券及期貨事務監察委員會(證監會)今天公布,該會於1997年9月1日成功檢控:

- a) 銓真發展有限公司(銓真)無牌進行證券交易;及
- b) 均益證券(國際)有限公司(均益)及李炳夔(均益的交易董事和銓真的董事)協助及教唆銓真無牌進行證券交易。

上述公司及人士分別被西區裁判法院韋達裁判法官判罰5,000元,及須向證監會支付總額15,000元的調查費用。

證監會亦就銓真無牌進行證券交易及均益未有執行妥善內部監控一事,公開譴責下列公司及人士:

- a) 均益;及
- b) 李鄭雪真及李榮仁,上述兩人均為隸屬均益的交易董事。

此外,證監會亦公開譴責均益的交易商代表張洲來,指其利便銓真無牌進行證券交易。

李炳夔已自願交回其證券交易商註冊,及保證兩年內不會再向證監會申請任何註冊。

證監會的行動事緣一宗涵蓋1995年3月1日至1996年3月29日的調查。調查發現銓真向三名處理均益客戶證券買賣盤的無牌人士支付報酬,而均益則以管理費用的形式向銓真付還有關費用。在此期間,其中一名無牌人士因挪用均益兩名客戶存放於其帳戶內的證券,被法庭判處偷竊罪名成立。證監會的調查發現他是獲得均益許可,在未獲得該兩名客戶授權的情況下,於其帳戶提取證券。

證監會在決定公開譴責上述人士前,已考慮均益承諾確保:

- a) 不會再協助及教唆、幫助或利便無牌人士進行證券交易;
- b) 在任何時間內設有令人滿意的內部監控管理程序,保障客戶不會因偷竊、詐騙及其他不誠實行為、專業上的失當行為或遺漏而蒙受金錢損失;及
- c) 如果上述兩名客戶未能獲得上述被判處偷竊其證券罪名成立的無牌人士的賠償,則均益將賠償該兩名客戶的損失。

最後更新日期:2012年8月1日