

SFC Reprimands Securities Dealer

18 Sep 1997

The SFC today announced that it has reprimanded Mr Lim Yee. The reprimand related to misconduct and managerial failures on the part of Mr Lim Yee whilst trading as Town Hang Securities Company (Town Hang) during the period 1 July 1994 to 20 March 1997.

The action against Mr Lim Yee resulted from an investigation by the Commission which found that during the three month period 1 July 1994 to 30 September 1994:-

- on 103 separate occasions he sold securities as an agent of his clients without first checking if these clients had the necessary securities to cover their sales; and

throughout the period 1 July 1994 to 20 March 1997:-

- he allowed two private bank accounts, not being part of the business of Town Hang, to be employed in irregular settlement procedures;
- he failed to implement internal controls and procedures to detect short selling and to act as a deterrent to persons intending to short sell;
- he failed to implement controls and procedures for monitoring 'In-house' cross trades;
- he failed to ensure compliance with Rule 520 of the Rules of The Stock Exchange of Hong Kong Limited, which requires members to input details of a transaction into the system within 15 minutes after the conclusion of the transaction; and
- he failed to implement controls and procedures to ensure client orders were handled fairly, in the order in which they were received and that they received priority over staff orders.

The public reprimand takes into account Mr Lim's action to remedy these failings.

Page last updated : 1 Aug 2012