

SFC Reprimands Chuangs and Co Ltd and its Dealing Director, Mr Chuang King Tak Peter

7 May 1998

The Securities and Futures Commission today announced that it had publicly reprimanded Chuang and Co Ltd (Chuang) and its dealing director, Mr Chuang King Tak, Peter (Peter Chuang) for misconduct on grounds that they failed to put in place proper and effective internal control procedures to protect clients from financial loss arising from theft and failed to supervise staff which resulted in a person not registered with the SFC engaging in unregistered dealing.

The SFC's action stemmed from an inquiry covering the period January 1995 to September 1996 (the relevant period) in which the SFC found that:

(a) Ms Tsi Ki Fun (Tsi), a dealer's representative of Chuang, sold clients securities without their authority to settle her own unprofitable trades which she had booked to these clients accounts without their authority. This trading practice went on during the relevant period resulting in deficiencies in stocks in these clients accounts. The deficiencies were discovered because Tsi could not settle sales by her clients since the securities that were in their accounts had already been sold by Tsi.

(b) Peter Chuang and Chuang failed to properly supervise Tsi during the relevant period by allowing her to use Lau Cheung On, a person not registered with the SFC, to introduce prospective clients to her and receive orders from these clients which he then passed to Tsi for execution.

As a result of these findings, the SFC concluded that Peter Chuang and Chuang were guilty of misconduct in that they failed to develop and implement appropriate and effective internal control procedures to ensure the business of Chuang was conducted in a proper manner so as to ensure clients assets are properly protected from theft, fraud and other dishonest acts. The SFC further concluded that their failures were prejudicial to the interests of the investing public.

In deciding to publicly reprimand Chuang and Peter Chuang, the SFC took into account that:

- (i) Chuang had taken steps to strengthen its internal control procedures;
- (ii) Chuang had fully compensated the clients whose securities were misappropriated by Tsi; and
- (iii) Peter Chuang co-operated fully in the SFC's investigation.

For further information, please contact Bill Weeks at 2840-9287 or Kathleen Ho at 2840-9231.

證監會譴責莊氏投資有限公司及其交易董事莊景德

1998年5月7日

證券及期貨事務監察委員會今天公布，該會公開譴責莊氏投資有限公司(莊氏)及其交易董事莊景德行為失當，指其未有執行妥善及有效的內部監控程序，以保障客戶不會因偷竊個案而蒙受金錢損失，以及未有適當監督其屬下職員，致使一名未有向證監會註冊的人士得以進行無牌證券交易。

證監會的行動源自一宗涵蓋1995年1月至1996年9月期間(有關期間)的調查。證監會在該項調查發現：

(a) 莊氏的一名交易商代表戚琪芬(戚氏)在未獲客戶授權的情況下，出售客戶的證券，以交收其本身進行的虧蝕交易，且戚氏在未獲客戶授權的情況下，將該等虧蝕交易記入客戶的帳戶。在有關期間，戚氏持續進行有關交易活動，導致該等客戶的帳戶短欠股票。由於戚氏已售出客戶存於帳戶內的證券，戚氏無法交收客戶的賣盤，因而揭發短欠股票一事。

(b) 在有關期間，莊景德及莊氏未有適當監督戚氏，允許其利用劉祥安(一名未有向證監會註冊的人士)向其介紹客戶，以及接收和執行由劉祥安發送的客戶買賣盤。

根據調查所得，證監會認為莊景德及莊氏行為失當，未有制定及執行妥善及有效的內部監控程序，以確保莊氏的業務適當運作，和確保客戶不會因偷竊、詐騙及其他不誠實行為而蒙受金錢損失。證監會更認為上述失當行為有損投資大眾的利益。

在決定公開譴責莊氏及莊景德時，證監會已考慮下列因素：

- (i) 莊氏已採取措施加強內部監控程序；
- (ii) 對於遭戚氏挪用證券的客戶，莊氏已悉數賠償其損失；
- (iii) 在證監會調查期間，莊景德與證監會的調查人員充分合作。

如有進一步查詢，請致電與韋克志(2840 - 9289)聯絡。

最後更新日期：2012年8月1日