

## SFC Reprimands Mr Edward Chan Tak Wah and Mr Chan Kwok Tim

21 Dec 1999

The SFC announced today that it had publicly reprimanded:

- Mr Edward Chan Tak Wah (Mr Edward Chan) and
- Mr Chan Kwok Tim (Mr Chan).

The decision to reprimand Mr Edward Chan and Mr Chan stemmed from an investigation into events in early to mid 1993. At the time of these events, Mr Chan was the sole proprietor of Kwok Hing Securities Company (Kwok Hing) and Mr Edward Chan was the manager of that business. As a result of the investigation, the SFC found that:

- in mid 1993, Mr Edward Chan handled assets belonging to a deceased client of Kwok Hing in a manner that created a conflict of interest for both himself and Mr Chan;
- Mr Chan failed to supervise his business allowing the assets involved to be misapplied and the conflict of interest to arise; and
- the relationship between Mr Chan and Mr Edward Chan and the deceased client was insufficiently documented.

The SFC concluded that the actions of Mr Edward Chan and Mr Chan respectively impugned the fitness and properness of each to be registered.

In imposing these penalties upon Mr Chan and Mr Edward Chan, the SFC has taken into account that:

- Mr Edward Chan has surrendered his registration as a dealer and will not reapply for registration for 1 year and then only as a dealer's representative;
- both Mr Chan and Mr Edward Chan have expressed remorse for their conduct which occurred some 6 years ago;
- Mr Chan has incorporated Kwok Hing and since taken steps to improve Kwok Hing's compliance and internal control systems; and
- Mr Chan has undertaken to the SFC to appoint an independent accountant to review Kwok Hing's compliance and internal control systems and implement recommendations made.

Paul Bailey, the SFC's Executive Director of Enforcement, said that the SFC viewed conflicts of interest very seriously. He said that, if similar conduct occurred without the mitigating circumstances of this particular case it would be dealt with more severely. He advised registered persons to properly document their client relationships to protect both their clients and themselves.

Page last updated : 1 Aug 2012

## 證監會公開譴責陳德華及陳國添

1999年12月21日

證券及期貨事務監察委員會今天宣布本會已公開譴責下述人士：

- 陳德華；及
- 陳國添 ("陳氏")。

證監會譴責陳德華及陳氏的決定，源自其對1993年初到1993年中的事件所作的調查。在有關事件發生期間，陳氏是國興證券公司("國興")的獨資經營者，而陳德華則是該公司的經理。證監會在調查中發現：

- 在1993年中，陳德華處理國興一名已故客戶的資產，導致陳氏及其本人因此而導致出現利益衝突；
- 陳氏沒有監督其業務，容許上述資產被誤用，因而導致出現利益衝突；及
- 陳氏及陳德華並沒有足夠地以書面方式紀錄與該名已故客戶之間的關係。

證監會認為陳德華及陳氏的行為使人懷疑他們是否適宜繼續獲得註冊。

證監會決定處分陳氏及陳德華時，已考慮到以下因素：

- 陳德華已交回其作為交易商的註冊，並將於一年內不會再申請註冊，及當一年期屆滿後，亦只會申請註冊為交易商代表；
- 陳氏及陳德華均對他們在大約6年前的行為操守表示悔意；
- 陳氏已將國興改為有限公司，並自此採取措施來改善國興的監察及內部監控制度；及
- 陳氏已向證監會承諾表示會委任獨立會計師事務所檢討國興的監察及內部監控制度，並將會落實有關會計師事務所提出的建議。

證監會法規執行部執行董事白禮賢表示，證監會將以非常嚴厲的態度對待任何涉及利益衝突的事件。白禮賢表示，假若在本個案中不存在任何減輕處罰的因素，證監會必定會更嚴厲對待類似行為。白氏建議註冊人應妥善地以書面方式記錄與客戶的關係，以保障本身及客戶的利益。

最後更新日期：2012年8月1日