
STATEMENT OF DISCIPLINARY ACTION

I. The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has banned Mr Fok Chi Kin (**Fok**) for a period of eight months pursuant to section 194(1)(b)(iv) of the Securities and Futures Ordinance (**SFO**).
2. Fok was licensed to carry on Types 1 (dealing in securities) and 4 (advising on securities) regulated activities under the SFO. He was accredited to JPMorgan Funds (Asia) Limited (**JPFL**) to carry on Type 1 (dealing in securities) regulated activities from 2 August 2011 to 8 April 2016 and BNP Paribas Investment Partners Asia Limited (**BNP**) to carry on Types 1 (dealing in securities) and 4 (advising on securities) regulated activities from 19 April to 31 May 2016. Fok is not currently licensed by the SFC.
3. The SFC found that Fok transferred JPFL's proprietary information and client data without permission and for purposes other than that for which the data was collected, in breach of JPFL's internal policies, the Personal Data (Privacy) Ordinance (**PDPO**), and the Code of Conduct for Persons Licensed by or Registered with the SFC (**Code of Conduct**).

II. Summary of facts

4. Fok was a vice president of JPFL responsible for providing sales support to the firm's intermediary sales team before he tendered his resignation on 8 March 2016. He left JPFL on 10 April 2016 and joined BNP as a client relationship manager the following day (i.e. 11 April 2016).
5. On 24 March 2016, JPFL discovered two outbound emails from Fok's JPFL email account which raised concern that JPFL's proprietary and client information might have been sent to an external third party. A subsequent JPFL's internal investigation revealed that:
 - (a) On 26 February 2016, Fok sent a sales presentation regarding a J.P. Morgan investment fund (**Sales Presentation**) from his JPFL email account to his personal email account. On the same day, Fok forwarded the Sales Presentation from his personal email account to a former colleague, whose employer was not a client of JPFL.
 - (b) On 23 March 2016, Fok sent a client list comprising business contacts of employees of JPFL's business partners/clients (**Contact List**) from his JPFL email account to his personal email account. The content of the Contact List included, *inter alia*, the names, positions, office addresses, office/mobile numbers and office/personal email addresses of approximately 2000 gatekeepers/relationship managers associated with over 80 intermediaries and distributors of JPFL's funds. The Contact List also recorded the latest dates JPFL contacted those persons and the assets under management of the relevant business entities.

- (c) On 11 April 2016 (i.e. Fok's first day of work at BNP), Fok forwarded the Contact List from his personal email account to his BNP email account. He also saved a copy of the Contact List in his desktop computer at BNP. Fok admitted to having called eight contacts in the Contact List to inform them of his change of employment.
6. JPFL reported the matter to the SFC and informed BNP of the incident in May 2016. Consequently, BNP terminated Fok's employment with effect from 14 June 2016.

III. Conclusion

7. Both the Sales Presentation and the Contact List were proprietary to JPFL. Fok has breached JPFL's internal policies as well as his employment contract with JPFL by sending such information to his personal and BNP email accounts and to a third party.
8. As the Contact List comprised personal data, Fok's conduct was also in violation of Data Protection Principle 3 in Schedule 1 of the PDPO, which provides that personal data shall not, without the prescribed consent of the data subject, be used for a new purpose. New purpose, in relation to the use of personal data, means any purpose other than that for which the data was to be used at the time of collection of the data, or a purpose directly related to such purpose.
9. Further, the SFC is of the view that Fok has acted contrary to General Principle 1 and paragraph 12.1 of the Code of Conduct, which called into question his fitness and properness to remain licensed.
10. In deciding the disciplinary sanction set out in paragraph 1, the SFC has taken into account all relevant circumstances, including:
- (a) there is no evidence that JPFL or its clients/business partners had suffered any loss as a result of this incident;
 - (b) Fok admitted liability for his misconduct; and
 - (c) Fok has an otherwise clean disciplinary record with the SFC.