



SFC Enforcement Reporter

A monthly summary of SFC enforcement action

February 2007

Highlights

In January 2007, the SFC disciplined two licensees

Discipline

Licensee banned for life for stealing

The SFC revoked the licence of Mr Yip Kwok Kay and banned him from re-entering the industry for life. Yip, the major shareholder and responsible officer of Wing Yip Company Ltd, had misappropriated client assets since 1998. He concealed the misappropriation by producing and sending fictitious transaction records to affected clients.

(Press release issued on 12 January 2007)

This case further illustrates that there is no place for thieves and dishonest people in the securities and futures industry. The SFC will continue to crack down on stealing and other dishonest activities.

Licensee banned for order recording and account opening failures

The SFC banned Ms Shih Helen from re-entering the industry for one month. Shih failed to record clients' orders in the telephone recording system and time stamp the trade tickets properly. She also failed to witness the signatures and verify the identification documents of six clients. The disciplinary action took into account that Shih had no previous disciplinary history and a bankruptcy order was made against her in August 2006.

(Press release issued on 3 January 2007)

The SFC expects licensees to play their part in upholding market integrity. They must personally verify the identity of new clients and keep a proper audit trail of client orders. Those who fail to do so will be disciplined.

General Enforcement Statistics

From 1 April 2006 to 31 January 2007, the SFC successfully prosecuted 47 entities. In the same period, the SFC took disciplinary action against 72 licensees for various regulatory breaches. In addition, the SFC entered into settlements with three licensees with no formal sanction imposed.

If you want to know more, the SFC's press releases are available at www.sfc.hk.

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