

SFC Suspends the Licence of Kwan Wai Fong for Misconduct Relating to Handling Client Accounts

5 May 2003

The SFC has suspended the licence of Ms Kwan Wai Fong for four weeks under the Securities and Futures Ordinance. At the time of the misconduct, Kwan was a dealer's representative accredited to HT Securities Limited and HT Futures Limited.

The action stemmed from an investigation by the SFC in September 2000. The SFC found that Kwan conducted discretionary trading on behalf of her clients in breach of her employer's policy.

Kwan also failed to take reasonable steps to ascertain the true and full identity of a client and the client's financial standing and investment objectives. Kwan admitted that she had declared witnessing the client signing his account opening documents when in fact she was not certain if she had met the client before.

Furthermore, Kwan accepted orders from a third party without confirming with the particular client whether the third party was properly authorised. Kwan also failed to ensure that particular client had fully understood the potential risks and possessed sufficient financial resources to deal in derivatives products.

The SFC found that Kwan had been guilty of misconduct. As a result, the SFC concludes that the fitness and propriety of Kwan as a licensed representative has been called into question and decides to suspend her licences for four weeks.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "The SFC takes a serious view of any improper conduct by licensees that may prejudice the interests of their clients. Sloppy client identification, not checking if clients have properly authorised people placing orders for their accounts, not properly witnessing the execution of client account documents and making careless product recommendations to clients are all things we will punish."

Kwan is a licensed representative of HT Securities Limited and HT Futures Limited.

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