

[Home](#) ▶ [News & announcements](#) ▶ [News](#) ▶ [Enforcement news](#)

## Former Hantec International employee reprimanded and fined over \$800,000 for facilitating unlawful leveraged foreign exchange activities

25 Oct 2010

A former account executive of Hantec International Limited, Mr Tam Sak Man, was reprimanded and fined \$816,220 by the Securities and Futures Commission (SFC) for facilitating the unlawful operations of Cosmos Hantec Investment (NZ) Limited (Cosmos Hantec) (Note 1).

Cosmos Hantec was a New Zealand company which operated a leveraged foreign exchange trading business in New Zealand and offered trading services and facilities to Hong Kong clients. As Cosmos Hantec was not licensed by the SFC, its provision of foreign exchange trading services to Hong Kong residents was unlawful (Note 2).

The SFC found that Tam had facilitated Cosmos Hantec's unlicensed activities by assisting a number of Hong Kong residents to open leveraged foreign exchange trading accounts at Cosmos Hantec in 2003 (Note 3). These Hong Kong residents subsequently suffered losses in their trading with Cosmos Hantec. Tam received commission income from the trading of these Hong Kong residents (Note 4).

By facilitating Cosmos Hantec's unlicensed activities, Tam had deprived these Hong Kong residents of the statutory protection under Hong Kong law and exposed them to unnecessary risks, thus breaching the SFC Code of Conduct (Note 5).

In deciding the disciplinary sanctions, the SFC took into account the elapse of time taken to conclude the disciplinary proceedings and Tam's otherwise clear disciplinary record.

End

Notes:

1. Tam was licensed under the Securities and Futures Ordinance to carry on Type 2 (Dealing in Futures Contracts) and Type 3 (leveraged foreign exchange trading) regulated activities and accredited to Hantec International Limited. His licence lapsed in November 2008 and he is not currently licensed.
2. Cosmos Hantec was a company under the Hantec Group. Please see SFC press releases dated [3 October 2007](#), [31 March 2008](#), [2 June 2009](#) and [26 May 2010](#) for details about SFC's previous actions against people related to Cosmos Hantec.
3. The disciplinary action against Tam has been put on hold until the related disciplinary proceedings concerning Cosmos Hantec were resolved by the Court of Appeal. Please refer to the SFC press release dated [26 May 2010](#).
4. The fine of \$816,220 represents a disgorgement of the commission income received by Tam from Cosmos Hantec.
5. General Principle 7 of the Code of Conduct for Persons Licensed by or Registered with the SFC provides that a licensed person should comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of clients and the integrity of the market.

Page last updated : 1 Aug 2012