

Enforcement Actions

16 September 2002

SFC Suspends Lo Kwok Sun for Not Promptly Executing Clients' Trades

The Securities and Futures Commission announces today that it has suspended the dealer's representative registrations of Mr Lo Kwok Sun for one month.

The action follows inquiries into the conduct of Lo under section 56 of the Securities Ordinance and section 36 of the Commodities Trading Ordinance. The inquiries revealed that Lo had:

- failed to promptly execute a client's trading order in breach of paragraph 3.1 of the Code of Conduct for Persons Registered with the SFC, which requires a registered person to take all reasonable steps to execute promptly client orders in accordance with their instructions;
- failed to comply with the internal policy of his employer to the same effect; and
- bought securities on behalf of a client without getting the client's prior consent in breach of paragraph 7 of the Code of Conduct, which requires a registered person to obtain either a specific instruction from a client before executing a transaction for that client or a written authorization from that client.

The SFC concluded that Lo was guilty of misconduct and his fitness and properness had been called into question. The SFC therefore decided to suspend his registrations for one month.

The SFC issued its decision to suspend Lo's registrations on 17 April 2002. However, Lo appealed to the Securities and Futures Appeals Panel against the decision. On 13 September 2002, Lo withdrew his appeal. His suspension therefore took effect on 14 September 2002.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "A registered person must ensure that he understands and complies with the instructions of clients and uses his best efforts to execute their orders promptly. Without a written authorization from a client, a registered person should only trade if his client has given specific instructions. We will treat any breaches of these requirements seriously."

Lo is a securities dealer's representative accredited to China Everbright Securities (HK) Ltd and a commodities dealer's representative accredited to China Everbright Futures Ltd.

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