

Enforcement Actions

4 April 2003

SFC Suspends Ho Ying Wai for Breaching the Code of Conduct and the Internal Policies of His Employer

The SFC has suspended Mr Ho Ying Wai's licence for three months.

The SFC started an inquiry into Ho's conduct after receiving a complaint from one of his clients. The SFC found that Ho had breached:

- General Principle 2 of the Code of Conduct by failing to obtain a written authorisation from the client before permitting her husband to operate her account;
- paragraph 2.1 of the Code of Conduct by providing misleading information to the client and her husband in relation to trading activities Ho conducted for them; and
- internal policies and procedures of his employer by operating the client's account on a discretionary basis and accepting orders from the client's husband for her account without obtaining her written authorisation.

The SFC concluded that Ho was guilty of misconduct and his fitness and properness had been called into question. The SFC therefore decided to suspend his licence for three months.

The SFC issued its decision to suspend Ho's licence on 7 November 2002. However, Ho appealed to the Securities and Futures Appeals Panel against the decision. On 1 April 2003, Ho withdrew his appeal and his suspension therefore took effect on the same day.

Mr Eugene Goyne, Director of Enforcement, said: "Licensed persons must not allow a third party to operate a client's account without obtaining written authorisation from the client. They should also ensure that information provided to clients must not be misleading and follow their employers' internal policies or guidelines. The SFC will punish anyone who fails to observe these requirements. Under the Securities and Futures Ordinance, which took effect on 1 April, we can fine and impose other new sanctions, which we will use robustly to ensure Hong Kong's intermediaries are honest, competent and financially stable."

Ho is a deemed representative of Shenyin Wanguo Securities (H.K.) Limited and Shenyin Wanguo Futures (H.K.) Limited respectively.

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