

SFC Suspends Weng Yi Jiong for Failings Relating to Operation of a Client Account by a Third Party

7 Mar 2005

The SFC has suspended the licence of Mr Weng Yi Jiong for one month from 7 March 2005 to 6 April 2005 (both dates inclusive) for failings relating to operation of a client account by a third party. (Note 1)

The suspension stems from an inquiry in which the SFC found that, during the period from October 2002 to July 2003, Weng, at the request of one of his clients, had allowed a third party to operate the client's account. However, Weng failed to:

- obtain a proper written authorisation from the client for the third party to operate his account;
- comply with his employer's internal policies on third party authority to operate a client's account;
- take reasonable steps to establish the true and full identity of the third party, in breach of the *Code of Conduct*; and
- keep a record of the third party's identity information, in breach of the *Code of Conduct*.

The SFC concludes that the fitness and properness of Weng has been called into question and decides to suspend Weng. In deciding on the penalty, the SFC has taken into account the fact that:

- Weng did not dispute the SFC's findings;
- Weng obtained a duly signed third party authorisation form and a copy of the identification document of the third party afterwards;
- Weng co-operated with the SFC's investigations; and
- Weng has no previous disciplinary record.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Licensees must not accept instructions from any third party unless a written authorisation from the account holder is in place. Verbal authorisation is not acceptable and cannot provide sufficient protection to both the clients and the licensees when disputes arise. Also, licensees have a very important duty to know their clients. When handling a transaction, they must satisfy themselves about the identity of those who originate instructions in relation to the transaction and record the information. Weng's action fell short of the standard expected of him and deserves the suspension."

Ends

Notes to Editor:

1. Weng is a licensed representative accredited to Shenyin Wanguo Securities (H.K.) Limited. He is approved to carry on Type 1(dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

Page last updated : 1 Aug 2012