

## SFC Settles Disciplinary Action with Mak Wai Kwong

26 Aug 2005

The SFC has reprimanded Mr Mak Wai Kwong, a licensed representative of UOB Kay Hian (Hong Kong) Limited and UOB Kay Hian Futures (Hong Kong) Limited, for improper conduct relating to the handling of a client account (Note 1).

Mak also agreed to pay \$35,000 to the SFC in settling the SFC's disciplinary action against him. The SFC accepted the payment in lieu of a proposed six-week suspension. The SFC considers the settlement to be in the public interest and will pay the sum to government revenue.

The action stems from a market manipulation investigation into the trading of the shares of New Chinese Medicine Holding Limited from August to September 2002 (Note 2). Mak was an account executive of Luk Fook Securities Limited at the relevant time and was responsible for the account of a client who traded in New Chinese Medicine shares (Note 3). Mak allowed a third party to place orders for the client without proper written authorisation. He also recklessly represented that he had witnessed the signing of the account opening documents by the client when in fact he had not.

The SFC therefore concludes that Mak has been guilty of misconduct and his fitness and properness has been called into question.

In settling its disciplinary action and accepting the payment from Mak, the SFC has taken into account that:

- Mak fully co-operated with the SFC in its investigation;
- Mak has repaid his employer part of the loss suffered as a result of the unauthorised trades conducted through the client account;
- Mak frankly admitted his guilt and was remorseful about his misconduct; and
- Mak accepted a resolution of the disciplinary action by settlement and saved the SFC's resources.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "A licensee should only sign as a witness on the account opening documents of a client when he actually witnessed the execution of the documents by the client. This is to ensure that the documents are properly authorised by the client rather than any third party who intends to use the client's account for unlawful activities. The SFC will continue to take action against those licensees who sign as witnesses on the account opening documents when they have not witnessed the signing."

Ends

Notes to Editor:

1. Mak is licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities.
2. The market manipulation investigation concerning New Chinese Medicine Holdings Limited has been concluded with no prosecution.
3. Luk Fook Securities Limited ceased to be a licensed corporation in November 2003.

Page last updated : 1 Aug 2012