

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

SFC Reprimands and Fines Wong Chi Ming for Breach of the Staff Dealing Policy of His Employer

22 May 2006

The SFC has reprimanded Mr Wong Chi Ming and fined him \$35,000 for breach of his employer's staff dealing policy. Wong was found to have opened trading accounts in the name of his brother with another broker and conducted personal trades without his employer's consent (Note 1).

The reprimand and fine follow an SFC investigation into dealings in the shares of a listed company between September and December 2003. At that time, Wong was a licensed person accredited to Guotai Junan Securities (Hong Kong) Limited. The SFC investigation revealed that Wong used his brother's name to open a securities account and a futures trading account on 7 November 2002 and 24 June 2003 respectively with another broker to conduct his personal trades. He did not inform his employer of his interests in his brother's accounts. Wong also requested that his account executive at the other brokerage execute his orders through another party's account at the same brokerage when his brother's account did not have a sufficient trading limit.

Wong breached his employer's staff dealing policy, which provided that from 4 February 2003 onwards, securities and futures trading of staff must be placed through his employer. No account should be opened with other brokers after that date and all existing accounts opened with other brokers should be closed by 30 June 2003.

In light of the above findings, the SFC concludes that the fitness and properness of Wong has been called into question.

In deciding the fine, the SFC has taken into account the Disciplinary Fining Guidelines and all the circumstances of the case (Note 2). The reprimand and fine are the result of a settlement between Wong and the SFC.

Mr Alan Linning, the SFC's Executive Director of Enforcement, said: "Employees of a licensed person should always comply with the Code of Conduct as well as their employer's staff dealing policy. Staff dealing policies exist to prevent conflicts of interests between a firm's clients and its staff, and to assist a firm in detecting trading malpractice by its staff. Breach of the employer's staff dealing policy such as in this case means that the employee's trading activities will not be monitored by his employer, which may jeopardise the interests of the employer and clients as a result".

Ends

Notes:

1. Wong was previously licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity. Wong's licence was revoked on 13 June 2005 at his request.
2. The [Disciplinary Fining Guidelines](#) are available on the SFC website at <http://www.sfc.hk>.

Page last updated : 1 Aug 2012