

# Joint Press Release by Securities and Futures Commission and the Stock Exchange of Hong Kong Limited - Action Against Chan Yuen Yee

15 Jun 1999

The Securities and Futures Commission ("SFC") and The Stock Exchange of Hong Kong Limited ("the Exchange") jointly announce today (Tuesday) that they have taken action against Ms Chan Yuen Yee ("Ms Chan") trading as Tai Shing Stock Investment Company, a securities dealer and a Member of the Exchange.

This action stemmed from an investigation by the SFC during 1993 to 1995 which revealed that:

- Ms Chan's dealer's representatives used various nominee accounts at Ms Chan's business to conduct trading malpractices and short selling;
- the dealer's representatives of other brokerages used various nominee accounts at Ms Chan's business to conduct trading malpractices;
- Ms Chan's dealer's representatives facilitated trading malpractices conducted by dealer's representatives of other brokerages; and
- Ms Chan did not establish and maintain proper procedures in respect of dealing practices, record keeping, monitoring staff dealing, monitoring compliance with legal requirements relating to short selling, monitoring manual cross trades, ensuring registration of staff, ensuring the maintenance of proper account opening procedures and handling the movement of client assets.

The SFC's investigation found that Ms Chan was aware of the above trading malpractices and short selling activities and had facilitated these improper activities by signing settlement cheques in such a way as to allow the payee of the cheques to be altered, thereby facilitating the diversion of funds to dealer's representatives and others.

As a result, the SFC has decided to publicly reprimand Ms Chan. In addition, the Disciplinary Committee of the Exchange ("the Disciplinary Committee") has decided to impose a penalty of public censure plus a fine of HK\$40,000 on Ms Chan.

In deciding on this course of action, the SFC and the Disciplinary Committee took into account that Ms Chan:

- had incorporated her business as Tai Shing Stock Investment Company Limited;
- will voluntarily surrender her registration as a securities dealer for a period of three years effective from June 30, 1999;
- had appointed, on a full-time basis, a person acceptable to the SFC and the Exchange to be a Dealing Director of Tai Shing Stock Investment Company Limited's business;
- had taken effective measures to address the shortcomings in the business' operations as a result of various inspections by the SFC and the Exchange from 1995 to 1998; and
- had agreed to engage an independent firm of accountants acceptable to the SFC and the Exchange to perform a review of the business' systems and internal control procedures and to fully implement all recommendations that may be made in that report.

To date, the SFC has already taken action against six registered persons who have been involved in short selling or trading malpractices through nominee accounts held with Ms Chan or in facilitating these activities.

Page last updated : 1 Aug 2012

# 證券及期貨事務監察委員會及香港聯合交易所聯合新聞稿 - 證監會及聯交所對陳婉儀女士採取紀律行動

1999年6月15日

證券及期貨事務監察委員會（證監會）及香港聯合交易所（聯交所）今天（星期二）聯合公布，已對經營大盛證券投資公司的證券交易商及聯交所會員陳婉儀女士（陳氏）採取紀律行動。

此項行動源自證監會在1993年至1995年進行的調查。該調查發現：

- 陳氏的交易商代表利用他們在陳氏公司開設的多個代名人戶口進行不當交易及賣空活動；
- 其他經紀的交易商代表利用他們在陳氏公司開設的多個代名人戶口進行不當交易；
- 陳氏的交易商代表協助其他經紀的交易商代表進行不當交易；及
- 陳氏未有設立及維持適當的程序，包括買賣方面、紀錄貯存、僱員證券買賣的監管、賣空交易的監管以確保符合有關的法律規定、利用人手進行交叉盤的監管、確保僱員註冊、確保設立適當的戶口開設程序及處理客戶的資產流動的正確程序。

證監會的調查發現陳氏知悉上述不當交易及賣空活動，以及協助此等不當活動，方法是陳氏簽署作交收用途的支票方式是可以更改支票抬頭人，故此協助將有關的款項轉往交易商代表及其他人士。

基於上述調查結果，證監會決定公開譴責陳氏。同時，聯交所紀律委員會（紀律委員會）亦決定對陳氏作出公開譴責及罰款港幣40,000元的處分。

證監會及紀律委員會在決定採取紀律行動時，曾考慮陳氏：

- 將其公司成立為大盛證券投資有限公司；
- 由1999年6月30日起自願撤回其證券交易商的註冊，為期3年；
- 委任一名為證監會及聯交所接納的全職交易董事，以管理大盛證券投資有限公司的業務；
- 已採取有效的措施改善其公司運作上的不足之處，這是證監會及聯交所在1995年至1998年間進行多次查訪的結果；及
- 同意委任一所證監會及聯交所均接納的獨立的會計師事務所，以檢討其公司的系統及內部監管程序，並全面實施有關會計師報告內所提出的所有建議。

截至目前為止，證監會已對6名有關連的註冊人士採取行動；該等人士透過在陳氏設立的代名人戶口從事賣空或不當交易的活動，或協助此等活動。

最後更新日期：2012年8月1日