

## SFC Takes Actions Against Vermont Securities Company Limited and Chung Ming Tru Daniel

25 May 2000

The Securities and Futures Commission (SFC) announced today that it had publicly reprimanded Vermont Securities Company Limited (Vermont), a securities dealer under the Securities Ordinance (SO), and suspended the registration of its dealing director, Chung Ming Tru, Daniel (Chung) for one month.

The SFC's action stemmed from an investigation in which it was found that during the period from 13 May 1997 to 31 March 1998 Vermont had appointed an investment adviser as its agent to solicit new clients, open accounts and place trading orders for these new clients. In August 1999 the SFC prosecuted the investment adviser who pleaded guilty for carrying on a business of dealing in securities without being registered as a securities dealer and was sentenced accordingly.

It was found that by setting up the above agency arrangement, Vermont had: -

- a. allowed the agent to handle client orders without proper registration;
- b. failed to ensure that adequate policies and procedures were in place to ensure its compliance with the applicable legal and regulatory requirements relating to registration; and
- c. failed to ensure that the agent had in place effective policies and operational procedures in relation to its day-to-day business operations to ensure the compliance with the relevant legal and regulatory requirements relating to client identity, the safeguarding of clients assets and the maintenance of proper records and the reliability of the information contained therein.

Chung who was the dealing director responsible for managing the day-to-day operation of Vermont and actively participated in appointing the agent had the direct responsibility for the above conduct and failings.

The SFC concluded that the conduct of Vermont and Chung had put Vermont, its clients and the registration regime at risk and had impugned their fitness and properness to be registered.

In considering this course of actions, the SFC had taken into account the fact that the problems of Vermont essentially arose as a result of the accommodations of Chung whose registration is suspended for one month and such accommodations were largely caused by Chung's misunderstanding of what an investment adviser was allowed to do under the current registration regime.

Page last updated : 1 Aug 2012

## 證監會對威敏證券有限公司及鍾明儲採取行動

2000年5月25日

證券及期貨事務監察委員會(證監會)今天公布,本會已公開譴責根據《證券條例》註冊的證券交易商威敏證券有限公司(威敏),並暫時吊銷其交易董事鍾明儲(鍾氏)的註冊資格1個月。

證監會的行動源自一項調查,當中發現在1997年5月13日至1998年3月31日期間,威敏曾委任一名投資顧問為代理人,代其招攬客戶、為這些新客戶開立帳戶及發出買賣指示。證監會在1999年8月檢控該投資顧問,指其在未註冊作為證券交易商的情況下從事證券交易業務。該名投資顧問承認有關控罪並獲法院判以相應的懲罰。

證監會亦發現,威敏在設立上述代理安排時,曾經:

- a. 容許該代理人在未獲得適當的註冊資格的情況下處理客戶的買賣指示;
- b. 未有確保該公司已設立妥善的政策及程序,以確保威敏已遵從有關註冊資格的適用的法律及監管要求;及
- c. 未有確保該名代理人已就其日常業務運作設立有效的政策及營運程序,以確保就客戶身分、客戶資產的保障、有關紀錄的保存,及該等紀錄中的資料的可靠程度方面的有關法律及監管要求已獲得遵從。

由於鍾氏身為交易董事,負責管理威敏的日常運作並積極參與該名代理人的委任安排,因此需直接就上述行為及缺失負上責任。

證監會認為威敏及鍾氏的行為令威敏、其客戶以及註冊機制蒙受風險,使人質疑他們是否為獲准註冊的適當人選。

證監會在採取上述行動時,已考慮到威敏的問題主要是因為鍾氏對有關人士給予配合所致,而鍾氏亦因此被暫時吊銷註冊資格1個月。證監會亦考慮到,鍾氏給予有關的配合,主要是由於他對現行註冊機制之下,投資顧問可從事的活動有所誤解。

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