

SFC Prohibits Do Yu Lun from Re-entry to the Industry for Life Under the SFO for Attempted Theft

17 Oct 2003

The SFC has imposed a prohibition order for life on Mr Do Yu Lun as a licensed representative for attempting to steal \$12,000 from a client.

This is the first time that a prohibition order is imposed under section 194(1)(b)(iv) of the Securities and Futures Ordinance (SFO), which was implemented on 1 April 2003.

The prohibition from re-entry to the industry stems from an inquiry in which the SFC found that Do attempted to transfer his client's money into his own securities account by writing his name and his securities account number on his client's deposit slip so that the money paid by his client would be credited to his own securities account. His employer, Phillip Securities (HK) Limited, detected Do's action and prevented the theft. His employer terminated his employment and at the same time reported the matter to the SFC.

The SFC also found that Do carried out the above act intentionally with a view to deceiving his client and employer. In addition, Do was found to have given false and misleading information to the SFC and his employer during the course of enquiries. Do's conduct was highly improper, serious and unlawful.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Theft and attempted theft are very serious matters, as is giving false and misleading information to the SFC during its enquiries. A person guilty of such conduct is not fit and proper to remain licensed. The need to protect investors and the market from these types of conduct warrants nothing less than a prohibition order for life. Licensed persons are reminded to observe the highest standards of integrity and ensure that their actions comply with the applicable laws, rules and code of conduct as well as the internal control policies of their employers. This is the first case in which the SFC has imposed a prohibition order on a licensed person under the SFO, and we take this opportunity to remind all market participants that in appropriate cases, the SFC will not hesitate to impose a fine in addition to the sanctions of public reprimand, suspension, revocation and prohibition. We believe that a fine is a deterrent sanction in its own right and that if it is sufficiently large, it demonstrates that it does not pay to commit breaches of the law."

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