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SFC Reprimands Tsui Wing Kit for Breaching the Code of Conduct

10 Nov 2005

The SFC has reprimanded Mr Tsui Wing Kit, a former licensed representative of Celestial Commodities Limited, for breaching the Code of Conduct (Notes 1 and 2).

The SFC inquired into Tsui's conduct after receiving a complaint from one of his clients. The SFC investigation found that, between July and November 2004, Tsui had breached the Code of Conduct and Celestial's internal policy by:

- conducting discretionary trading without proper written authorisation from the client;
- failing to record clients' orders on Celestial's central telephone recording system; and
- failing to record the order receipt/confirmation time and to mark on the order sheets indicating that the orders were not centrally recorded as required by Celestial.

The SFC concludes that Tsui's fitness and properness has been called into question.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "A licensed person must not operate a client's account on a discretionary basis without obtaining a written authorisation from the client. This is for the protection of both the client and the licensee if a dispute arises at a later date. Furthermore, the use of mobile phone to take clients' orders is discouraged as it prevents an employer from keeping a proper audit trail of its clients' order placing. Where orders are accepted by mobile phone, the time of receipt and the order details should be recorded immediately. Failure to comply with these requirements may lead to disciplinary action by the SFC."

Ends

Notes:

1. Tsui is licensed under the Securities and Futures Ordinance to carry on Type 2 (dealing in futures contracts) regulated activity. He is currently not accredited to any licensed corporation.
2. The Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission came into effect in April 2003.

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