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SFC Bans Wong Tak Yuen Adrian from Re-entering the Industry for Facilitating Unlicensed Dealing Activities

20 Feb 2006

The SFC has banned Mr Wong Tak Yuen Adrian, a former securities dealer's representative of VC CEF Brokerage Limited (now known as VC Brokerage Ltd), from re-entering the industry for three years for facilitating an unlicensed person to impersonate his brother, a manager at VC, to engage in unlicensed activities (Note 1). The penalty is the result of a settlement between Wong and the SFC.

The SFC commenced an inquiry into Wong's conduct after the arrest of the unlicensed person on 16 February 2004 (Note 2).

The SFC found that, from July 2003 to February 2004, Wong, who had known the brothers for a considerable period of time, had facilitated the unlicensed person to act in place of his brother in handling client orders directly thereby breaching his fiduciary duty owed to VC.

The SFC concludes that Wong has been guilty of misconduct and his fitness and properness has been called into question.

In settling the disciplinary action, the SFC has taken into account the fact that:

- Wong has a clear record;
- there was no reported loss caused to VC or to any other person; and
- Wong co-operated with the SFC.

The SFC considers the settlement to be in the interest of the investing public and in the public interest.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Wong allowed the unlicensed person to assume his brother's duties as a securities dealer's representative at VC. He also concealed from his employer the arrangement by the unlicensed person to take phone orders and to pass them to the dealing room. Wong's dishonesty subjected his employer and his clients to unnecessary financial and regulatory risks."

"All licensed representatives must strictly comply with the Code of Conduct. Wong's conduct facilitated the unlicensed activities. The SFC takes a serious view of dishonesty as well as supervisory failings. The SFC will continue to take appropriate action against members of the industry who fail to comply with the regulatory requirements," Mr Linning added.

Ends

Notes to Editor:

1. Wong left VC in February 2004 and has not been licensed with the SFC since then. Wong withdrew his application for a licence on 24 November 2004. The three-year ban imposed in the present case will take effect from 20 February 2006 to 19 February 2009.

2. The unlicensed person was subsequently convicted after trial on 20 February 2004 for obtaining pecuniary advantage by deception and was sentenced to perform 150 hours of community service. His appeal to the High Court against conviction was dismissed on 18 July 2005. Meanwhile, his brother, the then manager at VC, left the industry in February 2004.

3. The [Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission](#) is available on the SFC's website at <http://www.sfc.hk>.

