

SFC Prohibits Ng Hung Yu from Re-entering the Industry for Providing False Information at an SFC Interview, Allowing Clandestine and Unauthorised Third Party Orders and Operating Discretionary Accounts Without Written Authorisations

22 Feb 2006

The SFC has prohibited Mr Ng Hung Yu from applying to become a regulated person for two years and nine months for providing false information at an SFC interview, allowing clandestine and unauthorised third party orders and operating discretionary accounts without written authorisations (Note 1). The prohibition order will take effect from 22 February 2006 to 21 November 2008.

The disciplinary proceedings follow an SFC inquiry in which Ng, a former licensed representative of Grand Cathay Securities (Hong Kong) Limited, was found to have placed personal orders and discretionary orders without authorisation in six clients' accounts from November 2002 to April 2003. Ng also allowed an unauthorised third party to place orders in two clients' accounts in circumstances where he should have been aware that there were tell tale signs of market misconduct. When the SFC interviewed Ng about the matter, Ng lied, saying that he had not placed personal orders in the clients' accounts. Due to Ng's unauthorised third party trades, Grand Cathay and Ng's clients were put at risks of litigation and financial losses of around \$800,000.

The SFC concludes that Ng has been guilty of misconduct and his fitness and properness has been called into question. In deciding the prohibition period, the SFC has considered the fact that Ng had a clean disciplinary record, admitted fault and was remorseful.

Mr Alan Linning, SFC's Executive Director of Enforcement, said: "Giving false and misleading information to the SFC during its enquiries and allowing clandestine and unauthorised third party orders are both serious matters. Ng prejudiced the interests of his clients when he allowed an unauthorised third party to operate their accounts. A prohibition order keeps formerly licensed persons who are not fit and proper away from the industry and helps protect investors from being preyed upon."

Ends

Notes to Editor:

1. Ng was formerly licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activity. His licence was revoked on 26 July 2004 after he had ceased to be accredited to Grand Cathay Securities (Hong Kong) Limited.

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