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## SFC Reprimands and Fines Tsoi Siu Ho for Breaching His Employer's Staff Dealing Policy and the Code of Conduct

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The SFC has reprimanded Mr Tsoi Siu Ho and fined him \$40,000 for breaching his employer's staff dealing policy, the Leveraged Foreign Exchange Trading (Books, Contract Notes and Conduct of Business) Rules and the Code of Conduct. Tsoi also failed to familiarise himself with the requirements in the Leveraged Foreign Exchange Trading Rules and the Code of Conduct. The reprimand and fine are the result of a settlement between the SFC and Tsoi (Note 1).

From 3 January 2003 to 6 January 2005, whilst Tsoi was employed by the Hong Kong Forex Investment Limited as a licensed foreign exchange representative, he maintained a leveraged foreign exchange trading account at another licensed person, Emperor International Exchange (Hong Kong) Company Limited.

In opening the account with Emperor, Tsoi breached the restriction contained in the staff trading policy of his employer, which clearly states that no member shall be a client of another licensed leveraged foreign exchange trader.

Tsoi also failed to familiarise himself with the requirements in the Leveraged Foreign Exchange Trading Rules and the Code of Conduct, in that he did not know that, as a licensee authorised to carry out leveraged foreign exchange trading activities, he was prohibited from holding a leveraged foreign exchange trading account at another licensed person other than his employer.

In light of the above findings, the SFC concludes that the fitness and properness of Tsoi has been called into question.

In deciding the fine, the SFC has taken into account the Disciplinary Fining Guidelines and all the circumstances of the case (Note 2).

Mr Eugène Goyne, an SFC Senior Director of Enforcement, said: "Employees of a licensed person are expected to be familiar with all the relevant requirements in the Code of Conduct and should comply with both the Code of Conduct and their employer's staff dealing policy. Breach of the Code of Conduct cannot be excused under any circumstances by claiming ignorance of its requirements. Licensees authorised to carry out leveraged foreign exchange trading are reminded that no representatives or employees of a licensed person should be a client of another licensed person for trading in leveraged foreign exchange contracts."

Ends

Notes:

1. Tsoi was previously licensed under the Securities and Futures Ordinance to carry on Type 3 (leveraged foreign exchange trading) regulated activity, accredited to Hong Kong Forex Investment Limited. Tsoi left Hong Kong Forex Investment Limited on 1 May 2006 and is not accredited to any licensed corporation.

2. [The Disciplinary Fining Guidelines](http://www.sfc.hk) are available on the SFC website at <http://www.sfc.hk>.

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