

SFC Suspends Mak Chung Wai

5 Nov 2007

The SFC has suspended Mr Mak Chung Wai for six months from 5 November 2007 to 4 May 2008 for procuring an unlicensed person to engage in leveraged foreign exchange dealing. Mak was a manager of Hong Kong Forex Investment Limited (Note 1).

The SFC found that Mak procured an unlicensed Sincere Bullion Limited staff member to induce clients to trade leveraged foreign exchange contracts at Hong Kong Forex (Note 2). Three people were induced to open accounts at Hong Kong Forex. Mak gave commission rebates to the unlicensed staff member for trades conducted in the three clients' accounts (Note 3).

Mr Mark Steward, the SFC's Executive Director of Enforcement, said: "Leveraged foreign exchange trading is risky, and traders are licensed to ensure that they are honest and qualified to give trading advice. Mak undermined this protection and put Hong Kong Forex's clients at risk."

Ends

Notes:

1. Mak is licensed under the Securities and Futures Ordinance to carry on Type 3 (leveraged foreign exchange trading) regulated activity. He was accredited to Hong Kong Forex between 24 December 2002 and 16 May 2007. He is currently not accredited to any firm.
2. Hong Kong Forex and Sincere Bullion are subsidiaries of the same holding company. Sincere Bullion is not licensed with the SFC.
3. The unlicensed staff member was convicted for performing a regulated function whilst unlicensed, which contravened section 114 of the SFO. Please see SFC press release dated 21 December 2006 for details.

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