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SFC suspends Peter Tam Man Chuen

2 Jul 2010

The Securities and Futures Commission (SFC) has suspended Mr Peter Tam Man Chuen, an account executive of Taifair Securities Limited (Taifair), for 18 months from 1 July 2010 to 31 December 2011 (Note 1).

The decision stems from an SFC investigation which found that Taifair's settlement supervisor, who was not licensed with the SFC, had misappropriated clients' assets.

The investigation also found that Tam – although misled by the settlement supervisor – had also failed to act consistently with his obligations to his clients and that these failures made it easier for the misappropriation to occur.

In particular, the SFC found that Tam should not have relied on Taifair's settlement supervisor's assurances and should have required proper authorisation from clients before accepting the supervisor's instructions to trade for some of his clients; and that he blindly followed instructions from the supervisor instead of questioning suspicious directions, including directions to sign client account opening forms in which he declared he had provided risk disclosure to clients when he had not done so.

In deciding on the sanction, the SFC took into account all the circumstances including:

- Tam's failures caused substantial losses to his clients;
- he was under misguided instructions from his supervisor;
- his co-operation and remorse;
- he was experienced within the industry; and
- he has no previous disciplinary record.

The whereabouts of the settlement supervisor is unknown and the SFC has referred the matter to the police. Taifair has reimbursed all affected clients.

End

Notes:

1. Tam is licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activity.

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