

5 October 2001

### **SFC Takes Action Against Unregistered Dealing**

The SFC announced that it had successfully prosecuted Mr Tam Yiu Man (Tam), a former Senior Vice President of South China Securities Limited (SCS) for aiding and abetting employees of SCS to act as dealer's representatives of SCS without them being registered with the SFC.

Tam, who at the time of the offences was registered as a dealer's representative with the SFC, pleaded guilty to 3 summonses before Mr Simon Wong at Western Magistracy and was fined a total of \$15,000 and ordered to pay costs to the SFC of \$14,997.

An investigation by the SFC found that between September 1999 and June 2000 unregistered employees of SCS had introduced clients to open accounts to trade in securities with the company and regularly handled clients' orders for trading in securities in return for commission payments. Tam was the team leader responsible for supervising these employees and had instructed them to undertake the unregistered dealing.

A SFC spokesman said that brokerages should ensure that none of their staff act as dealer's representatives unless they are registered as such with the SFC. In addition brokerages should ensure that their registered staff are properly supervised.

*Page last updated: 7 November 2001*