

SFC bans and fines Ricky Kwan Po Kit

5 Jul 2010

The Securities and Futures Commission (SFC) has banned Mr Ricky Kwan Po Kit, formerly a responsible officer of ICEA Securities Limited (ICEAS), from re-entering the industry for five years from 2 July 2010 to 1 July 2015 and fined him \$228,000 (Notes 1 & 2).

The disciplinary action follows an SFC investigation into the trades conducted by ICEAS in the shares of a listed company in 2004 (Note 3).

The SFC found that Kwan operated a secret account in his brother-in-law's name at ICEAS whilst also acting as a proprietary trader for ICEAS without proper disclosure to ICEAS. He also bought shares for the secret account from ICEAS, generating a profit for himself. In doing so, he placed himself in a position of serious conflict in breach of the General Principle 6 (conflicts of interest) of the Code of Conduct (Note 4).

In deciding the disciplinary sanctions, the SFC took into account that:

- Kwan frankly admitted his fault and accepted a resolution of the disciplinary action;
- Kwan disgorged his unjust profit gained by way of the fine;
- the elapse of time taken to conclude the disciplinary proceedings;
- Kwan has not been licensed since year 2005; and
- Kwan's otherwise clear disciplinary record.

End

Notes:

1. Kwan was licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities) regulated activity. He was accredited to ICEAS from August 2000 to December 2005. He has not been licensed or accredited to any licensed corporation after he left ICEAS.
2. ICEAS is now known as Tung Shing Securities (Brokers) Limited.
3. For disciplinary action against ICEAS, see SFC [press release](#) dated 6 June 2008.
4. General Principle 6 of the Code of Conduct for Persons Licensed by or Registered with the SFC (April 2003) provides that a licensed person should try to avoid conflicts of interest and when they cannot be avoided, should ensure that its clients are fairly treated.

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