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SFC bans Chak Tsz Hoi for life

4 Mar 2014

The Securities and Futures Commission (SFC) has banned Mr Chak Tsz Hoi, a former employee of Bank of East Asia, Limited (BEA), from re-entering the industry for life (Note 1).

On 13 June 2011, Chak was convicted by the District Court on 23 counts of obtaining access to a computer with dishonest intent. He was sentenced to imprisonment of 10 months (Note 2).

Between May and June 2008, Chak altered the data entered in BEA's equity derivatives trading system in order to conceal the losses in his equity derivatives transactions for BEA. After the data was corrected, BEA estimated its unrealised losses from Chak's unexpired equity derivatives transactions to be approximately \$80 million as at 30 June 2008 (Note 3).

The SFC considers Chak not a fit and proper person as a result of his convictions.

The case was referred to the SFC by the Hong Kong Monetary Authority.

End

Notes:

1. Chak was a relevant individual engaged by BEA to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (SFO) from August 2005 to September 2008. Chak was also licensed by the SFC as a representative of East Asia Securities Company Limited to carry on Type 1 (dealing in securities) regulated activity and of East Asia Futures Limited to carry on Type 2 (dealing in futures contracts) regulated activity under the SFO from October 2005 to September 2008. Chak is currently not registered with the Hong Kong Monetary Authority or licensed by the SFC.
2. Please see the Reasons for Sentence (DCCC1358/2010) which is available on the Judiciary's website (www.judiciary.gov.hk).
3. Chak was required to create a folder in BEA's equity derivatives system for each stock option he traded for BEA and to input the strike price, expiry date and conversion ratio into the folder. The conversion ratios for Hong Kong stock options must be set at "1", which means one stock option is convertible to one lot of the underlying stock. Between May and June 2008, Chak changed the conversion ratios in 57 folders from "1" to "10". As a result, the theoretical value of the stock options was reduced to one-tenth of the actual theoretical value. In July 2008, Chak changed the conversion ratios back from "10" to "1".

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證監會終身禁止翟子開重投業界

2014年3月4日

證券及期貨事務監察委員會（證監會）終身禁止東亞銀行有限公司（東亞銀行）前僱員翟子開（男）重投業界（註1）。

2011年6月13日，翟被區域法院裁定23項有不誠實意圖而取用電腦罪名成立，判處監禁十個月（註2）。

2008年5月至6月，翟更改輸入東亞銀行股票衍生工具交易系統的數據，以隱瞞他為東亞銀行進行股票衍生工具交易所造成的損失。有關數據經更正後，東亞銀行估計，截至2008年6月30日，翟就未到期的股票衍生工具進行的交易所涉及的未實現虧損約為8,000萬元（註3）。

鑑於翟被定罪，證監會認為他並非獲發牌的適當人選。

本個案由香港金融管理局轉介證監會跟進。

完

備註：

1. 2005年8月至2008年9月，翟是受聘於東亞銀行進行《證券及期貨條例》下第1類（證券交易）及第4類（就證券提供意見）受規管活動的有關人士。2005年10月至2008年9月，翟亦獲證監會發牌為東亞證券有限公司及東亞期貨有限公司的持牌代表，分別進行《證券及期貨條例》下第1類（證券交易）和第2類（期貨合約交易）受規管活動。翟現時沒有名列於香港金融管理局的紀錄冊，亦並非證監會持牌人。
2. 請參閱司法機構網站（www.judiciary.gov.hk）所載的《判刑理由書》（DCCC1358/2010）。
3. 翟必須就他為東亞銀行進行的每項股票期權的交易，在東亞銀行的股票衍生工具系統中設立資料夾，將行使價、到期日及換股比率輸入資料夾內。香港股票期權的換股比率必須是“一”，意思是一項股票期權可換成一手正股。2008年5月至6月，翟將57個資料夾內的換股比率由“一”改為“十”。結果，相關股票期權的理論價值被降低至實際理論價值的十分之一。2008年7月，翟將有關換股比率由“十”還原為“一”。

最後更新日期：2014年3月4日