

## SFC bans Abbie Yip Ka Ying for 18 months

13 Dec 2017

The Securities and Futures Commission (SFC) has banned Ms Abbie Yip Ka Ying, a former trader of BNP Paribas, Hong Kong Branch (BNP Paribas HK), from re-entering the industry for 18 months for breach of the Code of Conduct over her attempts to conceal a trade execution error (Notes 1 & 2).

The SFC found that Yip made multiple attempts to conceal an in-house foreign exchange spot trade execution error made by her on 24 June 2015 and the consequential loss of US\$58,000 from the erroneous trade, including:

- requesting a trader of BNP Paribas to split the loss over two days so that it would be more difficult for other staff to detect the loss;
- manually re-booking the loss in the wrong portfolio so that it would become less detectable;
- failing to include the loss in the requisite daily reports; and
- failing to report the incident and misleading her supervisor when questioned.

In failing to report the incident to management promptly, Yip failed to comply with the internal guidelines and procedures of BNP Paribas HK on the reporting and escalation of material operational incidents.

The SFC considered that Yip's dishonest act called into question her fitness and properness to be a regulated person (Note 3).

In deciding the penalty, the SFC took into account all relevant circumstances, including Yip's multiple attempts to conceal the incident, her more than 12 years of experience in the industry at the time of her misconduct, and her otherwise clean disciplinary record.

The case was referred to the SFC following an investigation by the Hong Kong Monetary Authority (HKMA).

End

Notes:

1. Yip was a relevant individual engaged by BNP Paribas HK to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance from 1 December 2006 to 21 July 2015. Yip was also a licensed representative accredited to BNP Paribas Securities (Asia) Limited from 15 September 2011 to 21 July 2015. Yip is currently neither registered with the HKMA nor licensed by the SFC.
2. Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (Code of Conduct).
3. General Principles 1 and 2 of the Code of Conduct require licensed or registered persons to act honestly, fairly, with due skill, care and diligence, and in the best interests of their clients and the integrity of the market, in conducting their business activities.

[A copy of the Statement of Disciplinary Action is available on the SFC website](#)

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## 證監會禁止葉家瑛重投業界18個月

2017年12月13日

法國巴黎銀行香港分行前交易員葉家瑛（女）因多次試圖隱瞞一項交易執行錯誤，違反了《操守準則》，被證券及期貨事務監察委員會（證監會）禁止重投業界18個月（註1及2）。

證監會發現，葉多次試圖隱瞞她在2015年6月24日執行公司內部的外匯現貨交易時所犯的錯誤以及因該錯誤交易而造成的58,000美元損失，包括：

- 要求法國巴黎銀行一名交易員將該損失攤分兩日入帳，令其他人員更難偵測到該損失；
- 以人手方式將該損失在錯誤的投資組合重新入帳，令該損失更難以被偵測出來；
- 沒有將該損失計入每日所需的報告內；及
- 沒有匯報該事件，並在被問及該事件時誤導其主管。

葉沒有遵循法國巴黎銀行香港分行有關匯報及上報重大操作事件的內部指引和程序，及時向管理層匯報該事件。

證監會認為，葉的不誠實行為令她作為受規管人士的適當人選資格受到質疑（註3）。

證監會在釐定罰則時，已考慮到所有相關情況，包括葉多次試圖隱瞞該事件；在干犯上述失當行為時在業界已擁有超過12年經驗；及過往並無遭受紀律處分的紀錄。

本個案由香港金融管理局（金管局）在作出調查後轉介證監會跟進。

完

備註：

1. 葉在2006年12月1日至2015年7月21日為受聘於法國巴黎銀行香港分行進行《證券及期貨條例》下第1類（證券交易）受規管活動的有關人士，亦曾在2011年9月15日至2015年7月21日擔任隸屬於法國巴黎證券（亞洲）有限公司的持牌代表。葉現時沒有名列於金管局的紀錄冊，亦非證監會持牌人。
2. 《證券及期貨事務監察委員會持牌人或註冊人操守準則》（《操守準則》）。
3. 《操守準則》第1及2項一般原則規定，持牌人或註冊人在經營其業務時，應以誠實、公平、適當的技能、小心審慎和勤勉盡責的態度，以維護客戶的最佳利益及確保市場潔淨穩健。

[有關紀律處分行動聲明載於證監會網站](#)

最後更新日期：2017年12月13日

## STATEMENT OF DISCIPLINARY ACTION

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### The disciplinary action

1. The Securities and Futures Commission (“**SFC**”) has prohibited Ms Yip Ka Ying Abbie (“**Yip**”)<sup>1</sup> for eighteen (18) months, pursuant to section 196 of the SFO, from doing all or any of the following in relation to any regulated activities:
  - (a) applying to be licensed or registered;
  - (b) applying to be approved under section 126(1) of the SFO as a responsible officer of a licensed corporation;
  - (c) applying to be given consent to act or continue to act as an executive officer of a registered institution under section 71C of the Banking Ordinance; and
  - (d) seeking through a registered institution to have her name entered in the register maintained by the HKMA under section 20 of the Banking Ordinance as that of a person engaged by a registered institution in respect of a regulated activity.
2. The disciplinary action is taken because Yip acted dishonestly by attempting to conceal a trade execution error made by her on 24 June 2015 and the consequential loss to BNPPHK, and failed to comply with BNPPHK’s internal guidelines and procedures on the reporting and escalation of material operational incidents.
3. Yip’s conduct is dishonest and casts serious doubts on her reputation, character and reliability.

### Summary of facts

4. Yip joined BNPPHK in December 2006. Yip was a trader in BNPPHK’s Global Markets’ Prime Solutions & Financing Department. Yip was mainly in charge of consolidating and hedging interest rate and foreign exchange exposure.

#### The incident

5. On 24 June 2015, Yip received instructions to execute an in-house 55,000 EUR/JPY spot trade. Yip made a “fat finger” error and executed a 55 million trade instead (“**Trade Error**”). Yip realised the error immediately and proceeded to cancel the trade without reporting to her supervisor.

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<sup>1</sup> Yip was a relevant individual engaged by BNP Paribas, Hong Kong Branch (“**BNPPHK**”) to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (“**SFO**”) from 1 December 2006 to 21 July 2015. Yip was also a licensed representative accredited to BNP Paribas Securities (Asia) Limited from 15 September 2011 to 21 July 2015. Yip is currently neither registered with the Hong Kong Monetary Authority (“**HKMA**”) nor licensed by the SFC.

6. The position for the cancellation (i.e. unwinding of the excess amount) (“**Unwind Trade**”) was covered by the London FX desk of BNP Paribas (“**BNPP**”) and resulted in a loss of €52,000 (or USD58,000) (“**Loss**”) to the book of a BNPP trader (“**N**”).

Attempts to conceal the incident

7. Yip attempted to conceal the incident in a number of ways.
  - (i) **Requesting to split the Loss**
8. After realising the Loss, Yip entered an Instant Bloomberg (“**IB**”) chat with N and asked if it could be booked over two days. N refused Yip’s request and escalated the incident to BNPP’s senior management. Evidence from Yip’s supervisor suggests that splitting the Loss over two days could have made it more difficult for BNPP’s operations staff to detect the loss, as irregular activities are detected based on the frequency and size of the trades.
  - (ii) **Booking the Loss in the wrong portfolio**
9. According to BNPPHK’s internal guidelines, in-house FX hedging transactions (such as the Trade Error and the Unwind Trade) should be booked in a portfolio for FX hedges. BNPPHK’s records show that the Trade Error was booked in the correct portfolio by default but Yip manually re-booked the trade and the Unwind Trade in another portfolio which, according to her supervisor, was not the correct portfolio for FX hedges and contained products which were more volatile in terms of profit and loss (“**PnL**”). Evidence from Yip’s supervisor suggests that the wrong booking could have made the Loss less detectable.
  - (iii) **Failure to include the Loss in the PnL estimate and PnL report**
10. BNPPHK’s procedures require traders to send a daily PnL estimate to their team as well as an end-of-day PnL report to Middle Office for reconciliation. Yip did not include the Loss in her PnL estimate or PnL report on 24 June 2015.
  - (iv) **Failure to report the incident**
11. Yip did not report the incident to any supervisor or management on 24 June 2015, and only told her supervisor the next day when she was specifically questioned about it. Further, traders are required to sign off their controls on a daily basis and input any issues and incidents that occurred during the day. Yip signed off on her controls on 24 June 2015 without reporting the incident.
  - (v) **Misrepresentations to Yip’s supervisor**
12. When Yip’s supervisor asked her for her IB and email communications relating to the incident, Yip sent him an email containing an extract of her IB chat with N. Yip omitted the part of the conversation where she made the request to split the Loss.

**Breaches and reasons for action**

13. Section 129 of the SFO provides that, in considering whether a person is fit and proper, the SFC shall have regard to, in addition to any other matter that the

SFC may consider relevant, the person's ability to carry on the regulated activity competently, honestly and fairly, and the reputation, character, reliability and financial integrity of the person.

14. General Principles 1 and 2 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission ("**Code of Conduct**") require licensed or registered persons to act honestly, fairly, with due skill, care and diligence, and in the best interests of their clients and the integrity of the market, in conducting their business activities.
15. Having considered all the circumstances, the SFC is of the view that Yip had:
  - (a) acted dishonestly by attempting to conceal a trade execution error made by her on 24 June 2015 and the consequential loss to BNPPHK, in breach of General Principle 1 (Honesty and fairness) of the Code of Conduct; and
  - (b) failed to comply with BNPPHK's internal guidelines and procedures on the reporting and escalation of material operational incidents, in breach of General Principle 2 (Diligence) of the Code of Conduct.
16. Yip's conduct was intentional and dishonest. The effect of her conduct was to cover up her own mistake and to mislead her supervisor / management about it. Yip failed to provide any reasonable explanations for her various attempts to conceal the incident.
17. In failing to report the incident to management promptly, Yip failed to comply with BNPPHK's internal policies and procedures on the reporting and escalation of material operational incidents. Yip had multiple opportunities to do so on 24 June 2015, but she revealed the incident only in the following morning when her supervisor made specific enquiries.

## **Conclusion**

18. Confidence in the financial market relies, in part, on the trustworthiness of regulated persons. Yip's conduct clearly shows a lack of integrity on her part.
19. The SFC has decided that a prohibition of eighteen (18) months is appropriate and commensurate with the SFC's view on the gravity of Yip's conduct. In coming to the decision to take disciplinary action against Yip, the SFC has taken into account all relevant circumstances, including that:
  - (a) Yip made not just one, but multiple, attempts to conceal the incident.
  - (b) Yip's attempts to conceal the incident were deliberate and dishonest.
  - (c) Yip had more than 12 years of experience in the industry at the time of her misconduct.
  - (d) Yip did not make any personal monetary gains from her misconduct.
  - (e) Yip did not cause any loss to BNPPHK's clients or other investors.
  - (f) Yip has no disciplinary record with the SFC.

## 紀律處分行動聲明

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### 紀律處分行動

1. 證券及期貨事務監察委員會（“**證監會**”）依據《證券及期貨條例》第 196 條，禁止葉家瑛（“**葉**”）<sup>1</sup>就任何受規管活動作出以下所有或其中任何事情，為期十八（18）個月：
  - (a) 申請牌照或註冊；
  - (b) 申請根據《證券及期貨條例》第 126(1)條獲核准成為持牌法團的負責人員；
  - (c) 申請根據《銀行業條例》第 71C 條獲給予同意以或繼續以註冊機構的主管人員的身分行事；及
  - (d) 透過註冊機構，尋求名列於香港金融管理局根據《銀行業條例》第 20 條備存的紀錄冊並顯示她就某類受規管活動受聘於該註冊機構。
2. 本會採取上述紀律處分行動，是因為葉的行為不誠實，試圖隱瞞她在 2015 年 6 月 24 日執行交易時所犯的錯誤及因此對法巴香港造成的損失，以及她沒有遵循法巴香港有關匯報及上報重大操作事件的內部指引和程序。
3. 葉的行為有欠誠實，令人對其信譽、品格及可靠程度產生極大懷疑。

### 事實摘要

4. 葉在 2006 年 12 月加入法巴香港。她在法巴香港的環球市場主要解決方案及融資部門擔任交易員，主要負責整合及對沖利率和外匯風險承擔。

### 事件

5. 2015 年 6 月 24 日，葉收到指示，為公司內部執行 55,000 歐元兌日圓的現貨交易。葉因落盤錯誤而執行了 5,500 萬的交易（“**該交易錯誤**”）。她即時發現該錯誤，並隨即在沒有通報其主管的情況下取消了該交易。
6. 須予取消的持倉（即為額外數額平倉）（“**該平倉交易**”）由法國巴黎銀行（“**法巴**”）的倫敦外匯部門填補相關差額，並導致一名法巴交易員（“**N**”）的帳簿損失 52,000 歐元（或 58,000 美元）（“**該損失**”）。

### 試圖隱瞞該事件

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<sup>1</sup> 葉在 2006 年 12 月 1 日至 2015 年 7 月 21 日為受聘於法國巴黎銀行香港分行（“**法巴香港**”）進行《證券及期貨條例》下第 1 類（證券交易）受規管活動的有關人士，亦曾在 2011 年 9 月 15 日至 2015 年 7 月 21 日擔任隸屬於法國巴黎證券（亞洲）有限公司的持牌代表。葉現時沒有名列於香港金融管理局（“**金管局**”）的紀錄冊，亦非證監會持牌人。

7. 葉試圖透過多種方法隱瞞該事件。
- (i) **要求將該損失分開入帳**
8. 葉發現該損失後，於彭博即時通訊系統（Instant Bloomberg，簡稱“IB”）與 N 通訊，詢問可否將該損失攤分兩日入帳。N 拒絕了葉的要求，並將該事件上報至法巴的高級管理層。葉的主管的證供顯示，將該損失攤分兩日入帳，會令法巴的操作人員更難偵測到該損失，因為他們是根據交易的頻率和規模來偵測不尋常活動。
- (ii) **將該損失在錯誤的投資組合入帳**
9. 根據法巴香港的內部指引，公司內部的外匯對沖交易（如該交易錯誤及該平倉交易）應在外匯對沖的投資組合入帳。法巴香港的紀錄顯示，該交易錯誤已自動記入正確的投資組合，但葉以人手方式將該交易及該平倉交易在另一個投資組合重新入帳，而據她的主管表示，另一個投資組合並非外匯對沖的正確投資組合，當中含有損益波動較大的產品。葉的主管的證供顯示，錯誤記帳會令該損失更難被偵測出來。
- (iii) **沒有將該損失計入損益估算及損益報告內**
10. 法巴香港的程序要求交易員向其團隊發出每日損益估算及向中台部門發出日終損益報告，作對帳之用。葉在 2015 年 6 月 24 日沒有將該損失計入其損益估算或損益報告內。
- (iv) **沒有匯報該事件**
11. 葉沒有在 2015 年 6 月 24 日向任何主管或管理層匯報該事件。及至翌日，當她特別被問及該事件時才告知其主管。此外，交易員須每日簽署其監控紀錄，並輸入當日所發生的任何問題及事件。葉在 2015 年 6 月 24 日簽署其監控紀錄時，沒有就該事件作出匯報。
- (v) **向葉的主管作出失實陳述**
12. 當葉的主管要求她交出與該事件有關的 IB 及電郵通訊時，葉向他發送一封載有她與 N 的 IB 通訊節錄的電郵。葉省略了她要求將該損失分開入帳的對話部分。

#### 違反規定及採取行動的理由

13. 《證券及期貨條例》第 129 條規定，證監會在考慮某人是否適當人選時，除考慮其認為有關的任何事項外，亦須考慮有關人士是否有能力稱職地、誠實地而公正地進行有關的受規管活動，以及有關人士的信譽、品格、可靠程度及在財政方面的穩健性。
14. 《證券及期貨事務監察委員會持牌人或註冊人操守準則》（“《操守準則》”）第 1 及 2 項一般原則規定，持牌人或註冊人在經營其業務時，應以誠實、公平、適當的技能、小心審慎和勤勉盡責的態度行事，以維護客戶的最佳利益及確保市場廉潔穩健。

15. 經考慮所有情況後，證監會認為：
- (a) 葉的行為不誠實，試圖隱瞞她在 2015 年 6 月 24 日所作出的一項交易執行錯誤及因此對法巴香港造成的損失，違反了《操守準則》第 1 項一般原則（誠實及公平）；及
  - (b) 葉沒有遵循法巴香港有關匯報及上報重大操作事件的內部指引和程序，違反了《操守準則》第 2 項一般原則（勤勉盡責）。
16. 葉的行為屬蓄意而且有欠誠實，目的是要掩飾其錯誤及誤導其主管／管理層。葉對於其多次試圖隱瞞該事件的行為，沒有提供任何合理解釋。
17. 葉沒有遵循法巴香港有關匯報及上報重大操作事件的內部指引和程序，及時向管理層匯報該事件。她在 2015 年 6 月 24 日有多次機會匯報及上報該事件，但她待其主管於翌日早上作出特定查問時，才披露該事件。

### 結論

18. 金融市場的信心某程度上依賴受規管人士的可信賴程度。葉的行為清楚顯示她缺乏誠信。
19. 證監會認為，十八（18）個月的禁止期是適當的處分，此決定亦符合本會對葉的行為嚴重性的看法。在決定對葉採取紀律處分行動時，證監會已考慮到所有相關情況，包括：
- (a) 葉不止一次，而是多次試圖隱瞞該事件。
  - (b) 葉試圖隱瞞該事件屬蓄意及不誠實的行為。
  - (c) 葉在干犯上述失當行為時在業界已擁有超過 12 年經驗。
  - (d) 葉沒有透過其失當行為取得任何個人金錢收益。
  - (e) 葉沒有令法巴香港的客戶或其他投資者蒙受任何損失。
  - (f) 葉過往並無遭受證監會紀律處分的紀錄。