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SFC bans Song Baojun for 12 months

6 Nov 2019

The Securities and Futures Commission (SFC) has banned Mr Song Baojun, a former relationship manager of The Hongkong and Shanghai Banking Corporation Limited (HSBC), for 12 months from 6 November 2019 to 5 November 2020 (Note 1).

The disciplinary action follows an SFC investigation which found that Song:

- used incomplete application forms pre-signed by a client to effect four unit trust transactions for her on 16 July 2013 and 19 August 2013 without first obtaining her specific authorization for the transactions; and
- failed to advise the client to adopt a lower cost option when he effected two other unit trust transactions for her on 23 April 2013, with the result of the client having to incur an extra cost of around \$5,000.

The SFC considers that Song's conduct calls into question his fitness and properness to be a licensed or registered person.

In deciding the sanction, the SFC took into account all relevant circumstances, including Song's otherwise clean disciplinary record.

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

End

Note:

1. Song was a relevant individual engaged by HSBC to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance between 13 September 2011 and 12 June 2014. Song is currently not registered with the HKMA or licensed by the SFC.

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

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證監會禁止宋保君重投業界12個月

2019年11月6日

證券及期貨事務監察委員會（證監會）禁止香港上海滙豐銀行有限公司（滙豐銀行）前客戶經理宋保君（男）重投業界，為期12個月，由2019年11月6日起至2020年11月5日止（註1）。

證監會經調查後決定採取上述紀律處分行動。調查發現宋：

- 使用了由一名客戶預先簽署但未經填妥的申請表格，在2013年7月16日及2013年8月19日為該客戶進行四宗單位信託基金交易，但事先沒有就有關交易取得該客戶的特定授權；及
- 在2013年4月23日為該客戶進行兩宗交易時，沒有建議她採用費用較低的方法，結果該客戶需多付大約5,000港元的費用。

證監會認為，宋的行為令其作為持牌人或註冊人的適當人選資格受到質疑。

證監會在決定上述紀律處分時，已考慮到所有相關情況，包括宋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）轉介證監會跟進。

完

備註：

1. 宋在2011年9月13日至2014年6月12日期間，是受聘於滙豐銀行進行《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。宋現時沒有名列於金管局的紀錄冊，亦並非證監會持牌人。

[有關紀律行動聲明載於證監會網站](#)

最後更新日期：2019年11月6日

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has prohibited Mr Song Baojun (**Song**)¹ from re-entering the industry for 12 months pursuant to section 196 of the SFO.
2. The SFC's investigation found that when effecting unit trust (**UT**) transactions for a client, Song:
 - (a) used incomplete application forms which were pre-signed by the client to effect 4 UT transactions for her on 16 July 2013 and 19 August 2013 without first having obtained her specific authorization for the transactions; and
 - (b) failed to make adequate disclosure to the client about the cost that would be incurred by using different methods of effecting UT transactions and to advise her to adopt a less costly method to effect 2 transactions on 23 April 2013.
3. Song's conduct was in breach of General Principles 2 and 5, and paragraphs 3.4 and 7.1(a)(i) of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (**Code of Conduct**).

Summary of Facts

4. Song was a relationship manager of HSBC.
5. On 4 April 2014, a client (**Client X**) lodged a complaint with HSBC alleging, among others, that Song effected certain UT transactions in her account without her authorization.

Using incomplete and pre-signed application forms to execute 4 UT transactions without first having obtained specific authorization from client

6. Between 17 June 2013 and 4 September 2013, Client X was out of Hong Kong. Before her departure, she gave Song some incomplete and pre-signed UT application forms so that Song could effect UT transactions for her in case of market fluctuation when she was out of Hong Kong. Song agreed that he would seek Client X's prior approval before using these forms to effect any UT transactions for her.
7. Song used the pre-signed forms given by Client X to effect 4 UT transactions for her on 16 July 2013 and 19 August 2013 when she was out of Hong Kong.
8. **WhatsApp messages exchanged between Song and Client X on 16 July 2013 and 19 August 2013 show that Song effected these transactions for**

¹ Song was a relevant individual engaged by The Hongkong and Shanghai Banking Corporation Limited (**HSBC**) to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (**SFO**) between 13 September 2011 and 12 June 2014. Song is currently not registered with the Hong Kong Monetary Authority or licensed by the SFC.

Client X without first having obtained her specific authorization for the transactions.

9. General Principle 2 of the Code of Conduct requires a licensed or registered person to act with due skill, care and diligence, in the best interests of its clients and the integrity of the market, in conducting business activities.
10. Paragraph 7.1(a)(i) of the Code of Conduct provides that a licensed or registered person should not effect a transaction for a client unless before the transaction is effected, the client, or a person designated in writing by the client, has specifically authorized the transaction.
11. The SFC found that Song's conduct of accepting the pre-signed forms from Client X and using such forms to effect the 4 UT transactions for her without first having obtained her specific authorization was in breach of General Principle 2 and paragraph 7.1(a)(i) of the Code of Conduct.

Failure to provide adequate relevant material information and act diligently in advising client on the cost of effecting 2 UT transactions

12. On 23 April 2013, Song effected 2 UT transactions for Client X which involved the sale of a UT in Hong Kong dollars (HKD UT) and the purchase of another one in Australian dollars. The 2 UTs were the same but in different currencies.
13. Client X agreed to effect these transactions as advised by Song. However, Song did not advise her that another option to effect the transactions was to switch the currency of the HKD UT to Australian dollars, which would involve lower cost.
14. The way Song effected the transactions required Client X to pay approximately HKD5,000 more cost.
15. General Principle 5 of the Code of Conduct requires a licensed or registered person to make adequate disclosure of relevant material information in its dealings with its clients.
16. Paragraph 3.4 of the Code of Conduct provides that when providing advice to a client, a licensed or registered person should act diligently and carefully in providing the advice and ensure that its advice and recommendations are based on thorough analysis and take into account available alternatives.
17. Song failed to inform Client X of the different methods of effecting the UT transactions, and to properly explain to her the cost that would be incurred in each option and advise her to adopt a less costly method to effect the 2 UT transactions on 23 April 2013.
18. The SFC found that Song failed to make adequate disclosure of relevant material information to Client X, and ensure that his advice to her took into account available alternatives, in breach of General Principle 5 and paragraph 3.4 of the Code of Conduct.

Conclusion

19. The SFC is of the view that Song is not a fit and proper person to be a regulated person.

20. The SFC has decided that a prohibition of twelve (12) months is appropriate and commensurate with the SFC's view on the gravity of Song's conduct. In coming to the decision to take disciplinary action against Song, the SFC has taken into account all relevant circumstances, including that:
- (a) Song breached the trust and confidence that his client had placed in him;
 - (b) Song's conduct has demonstrated weak compliance awareness;
 - (c) there is no evidence that Song had obtained any pecuniary benefits as a result of his conduct;
 - (d) a deterrent message needs to be sent to the market; and
 - (e) Song has an otherwise clean disciplinary record.

紀律行動聲明

紀律行動

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》（**該條例**）第 196 條禁止宋保君先生（**宋**）¹重投業界，為期 12 個月。
2. 證監會的調查發現，宋在為一名客戶進行單位信託基金交易時：
 - (a) 使用了由該客戶預先簽署但未經填妥的申請表格，在 2013 年 7 月 16 日及 2013 年 8 月 19 日為該客戶進行了四宗單位信託基金交易，但事先沒有就有關交易取得該客戶的特定授權；及
 - (b) 沒有向該客戶充分披露使用不同方法進行單位信託基金交易所產生的費用，及沒有建議該客戶採用費用較低的方法在 2013 年 4 月 23 日進行兩宗交易。
3. 宋的行為違反了《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 2 項及第 5 項一般原則和第 3.4 及 7.1(a)(i) 段的規定。

事實摘要

4. 宋曾是滙豐銀行的客戶經理。
5. 2014 年 4 月 4 日，一名客戶（**客戶 X**）向滙豐銀行作出投訴，指（除其他事項外）宋在未經她授權的情況下在其帳戶內進行若干單位信託基金交易。

未經客戶事先特定授權而使用預先簽署但未經填妥的申請表格進行四宗單位信託基金交易

6. 2013 年 6 月 17 日至 2013 年 9 月 4 日期間，客戶 X 不在香港。離港前，她將數張預先簽署但未經填妥的單位信託基金申請表格交給宋，以備萬一在她離港期間市場出現波動，宋便可為她進行單位信託基金交易。宋同意在使用這些表格為客戶 X 進行任何單位信託基金交易前，會事先徵求她的批准。
7. 宋在客戶 X 離港期間，使用她所給予預先簽署的表格，在 2013 年 7 月 16 日及 2013 年 8 月 19 日為她進行了四宗單位信託基金交易。
8. 宋與客戶 X 在 2013 年 7 月 16 日及 2013 年 8 月 19 日互發的 WhatsApp 訊息顯示，宋在為客戶 X 進行該等交易前，並未獲得她對該等交易的特定授權。
9. 《操守準則》第 2 項一般原則規定，持牌人或註冊人在經營其業務時，應以適當的技能、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。
10. 《操守準則》第 7.1(a)(i)段規定，持牌人或註冊人不應為客戶進行交易，除非在進行交易之前已獲得該客戶或其以書面指定的人士特定授權進行交易。

¹ 宋在 2011 年 9 月 13 日至 2014 年 6 月 12 日期間，是受聘於香港上海滙豐銀行有限公司（滙豐銀行）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。宋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。

11. 證監會認為，宋接收客戶 X 預先簽署的表格，及在事先未經她特定授權下便使用該等表格為她進行四宗單位信託基金交易的行為，違反了《操守準則》第 2 項一般原則及第 7.1(a)(i) 段的規定。

在為客戶進行兩宗單位信託基金交易時，沒有提供充分的有關重要資料及以勤勉盡責的態度就交易的費用提供建議

12. 2013 年 4 月 23 日，宋為客戶 X 進行了兩宗單位信託基金交易，當中涉及賣出一隻港元單位信託基金（**港元單位信託基金**），及買入一隻澳元單位信託基金。除貨幣不同外，這兩隻單位信託基金是相同的。
13. 客戶 X 同意按宋的建議進行該等交易。然而，宋並沒有告知她進行該等交易的另一方法是把港元單位信託基金的貨幣轉為澳元，而此做法涉及的費用會較低。
14. 宋進行該等交易的方式令客戶 X 需多付大約 5,000 港元的費用。
15. 《操守準則》第 5 項一般原則規定，持牌人或註冊人與客戶進行交易時，應充分披露有關的重要資料。
16. 《操守準則》第 3.4 段規定，當持牌人或註冊人向客戶提供建議時，應勤勉盡責及謹慎行事，並確保其向客戶提供的建議或推薦，都是經過透徹分析和考慮過其他可行途徑，然後才作出的。
17. 宋沒有告知客戶 X 進行該等單位信託基金交易的不同方法，沒有向她妥善解釋每個方法可能會產生的費用，亦沒有建議她採取費用較低的方法在 2013 年 4 月 23 日進行該兩宗單位信託基金交易。
18. 證監會認為，宋沒有向客戶 X 充分披露有關的重要資料，亦沒有確保向她提供的建議是經考慮過其他可行途徑後才作出的，因而違反了《操守準則》第 5 項一般原則及第 3.4 段的規定。

結論

19. 證監會認為宋並非作為受規管人士的適當人選。
20. 證監會認為，十二（12）個月的禁止期是適當的處分，此決定亦符合本會對宋的行為的嚴重性的看法。在決定對宋採取紀律行動時，證監會已考慮到所有相關情況，包括：
 - (a) 宋違背了其客戶對他的信任和信心；
 - (b) 宋的行為顯示其合規意識薄弱；
 - (c) 並無證據顯示宋因其行為獲得任何金錢利益；
 - (d) 必須向市場傳遞具阻嚇力的訊息；及
 - (e) 宋過往並無遭受紀律處分的紀錄。

Name of Relevant Individual	: SONG, BAOJUN
Chinese Name of Relevant Individual	: 宋保君
HKMA Registration Number	: AF2903

Current Registration**Not Applicable****Business Address****Not Applicable****Conditions****Not Applicable****Registration History**

HKMA Registration Number	Registered Institution	Regulated Activity	Effective Period	Is an Executive Officer? (Yes / No)
AF2903	HANG SENG BANK, LIMITED	Type 1: dealing in securities	25 Dec 2015 - 04 Jan 2016	No
AF2903	HANG SENG BANK, LIMITED	Type 4: advising on securities	25 Dec 2015 - 04 Jan 2016	No
AF2903	HANG SENG BANK, LIMITED	Type 7: providing automated trading services	25 Dec 2015 - 04 Jan 2016	No
AF2903	DAH SING BANK, LIMITED	Type 1: dealing in securities	15 Jul 2014 - 30 Apr 2015	No
AF2903	DAH SING BANK, LIMITED	Type 4: advising on securities	15 Jul 2014 - 30 Apr 2015	No
AF2903	HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (THE)	Type 1: dealing in securities	13 Sep 2011 - 12 Jun 2014	No
AF2903	HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (THE)	Type 4: advising on securities	13 Sep 2011 - 12 Jun 2014	No

Public Disciplinary Actions

Records of public disciplinary actions taken against the relevant individual by the SFC

Not Applicable

Records of public disciplinary actions taken against the relevant individual by the HKMA

Not Applicable

