
STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has suspended the licence of Mr Wong Chi Fai (**Wong**) for 27 months from 23 January 2026 to 22 April 2028 pursuant to section 194 of the Securities and Futures Ordinance (**SFO**).
2. The SFC found that between May 2011 and December 2018, Wong breached the staff dealing policies of his then principal, Open Securities Limited (**OSL**)¹, by concealing his financial interests in and control over a securities account held in the name of his niece at OSL (**OSL Account**) and by engaging in personal trading in the OSL Account without obtaining the required approval.
3. The SFC also found that between October 2019 and January 2022, Wong breached the staff dealing policies of his then principals, Fulbright Securities Limited² and Fulbright Futures Limited³ (collectively **Fulbright**), by failing to disclose to Fulbright his beneficial interests and personal trading activities in a securities account held in the name of his niece maintained at Glory Sun Securities Limited (**GS Account**).

Summary of facts

Background

4. Wong joined OSL as an account executive (**AE**) in December 2005 and facilitated the opening of the OSL Account on 13 December 2005. He left OSL in December 2018.
5. In June 2019, Wong joined Fulbright as an account executive. Shortly thereafter, he arranged for his niece to open the GS Account on 29 October 2019.
6. During the SFC's investigation into a suspected ramp-and-dump scheme, the SFC looked into certain securities transactions that were conducted in the OSL Account and the GS Account.

OSL's Policies

¹ Wong was formerly accredited to OSL (formerly known as TC Concord Securities Limited and Taiwan Concord Capital Securities (Hong Kong) Limited) as a licensed representative for Type 1 (dealing in securities) regulated activity from 20 December 2005 to 31 December 2018 and Type 2 (dealing in futures contracts) regulated activity from 24 March 2011 to 31 December 2018.

² Wong was formerly accredited to Fulbright Securities Limited as a licensed representative for Type 1 (dealing in securities) regulated activity from 5 July 2019 to 23 January 2026.

³ Wong was formerly accredited to Fulbright Futures Limited as a licensed representative for Type 2 (dealing in futures contracts) regulated activity from 5 July 2019 to 23 January 2026.

7. At the material time, OSL required its employees and AEs (including Wong) to observe the personal trading policies in its Compliance Manual (**OSL Policies**), which provided, among other things, that:
 - (a) each employee is required to disclose all accounts in which he/she has a personal financial interest, a legal right to effect transactions, or otherwise influences or exercises control over (**Employee-Associated Accounts**) by submitting a prescribed declaration form to seek approval from his/her department head and the Legal and Compliance Department (**OSL LCD**);
 - (b) on an annual basis, an employee must confirm the accuracy and completeness of the information regarding his/her Employee-Associated Accounts by completing an annual acknowledgement form distributed by OSL LCD;
 - (c) OSL, in its sole discretion, may deny approval of an Employee-Associated Account if the relevant employee does not provide duplicate confirmations and statements in a timely manner;
 - (d) where an employee proposes to conduct any dealing in his/her Employee-Associated Accounts, he/she must complete a prescribed application form and submit it to his/her department head and OSL LCD for approval; and
 - (e) all transactions in Employee-Associated Accounts will be reported to and actively monitored by OSL LCD.
8. During his employment with OSL, Wong signed a number of "*Receipt and Acknowledgement*" forms, acknowledging and confirming that he had received, read, understood and agreed to comply with OSL's Compliance Manual and/or the OSL Policies.
9. Further, between 2011 and 2018, Wong submitted five declaration forms to OSL, declaring that there were no trading accounts in which he had beneficial interests, control and influence over.

Fulbright's Policies

10. At the material time, Fulbright's staff dealing policy and procedures (**Fulbright Policies**), which were applicable to its AEs (including Wong), provided, among other things, that:
 - (a) staff members and AEs are required to:
 - (i) identify all accounts in which they have beneficial interests (**Related Accounts**) and report them to the senior management of Fulbright; and

- (ii) obtain approval from a responsible officer (**RO**) or the senior management of Fulbright prior to opening securities accounts with other intermediaries;
- (b) where a staff member or AE obtained approval to maintain a securities account with another intermediary, he/she should arrange for copies of all trade confirmations and account statements to be provided to the Compliance Department for review and record keeping;
- (c) Fulbright has full discretion to prohibit or limit staff dealing activities of staff members and AEs, which should generally be conducted through Fulbright; and
- (d) all dealings in Related Accounts must be reviewed by an RO on a regular basis.
11. Upon joining Fulbright, Wong duly acknowledged receipt and agreed to comply with the Fulbright Policies on 13 June 2019. Wong also submitted 3 written annual declarations to Fulbright between September 2019 and June 2021, confirming that he did not hold any Related Accounts outside Fulbright.

Wong's breaches of the OSL Policies and the Fulbright Policies

12. The SFC's investigation revealed that Wong breached the OSL Policies between May 2011 and December 2018. Specifically:
- (a) Between 1 January 2015⁴ and 31 December 2018⁵, Wong conducted approximately 10,000 transactions with an aggregate value of HK\$2.8 billion in the OSL Account without seeking approval from, or providing duplicate trade confirmations and account statements to, his department head and OSL LCD.
- (b) Despite his financial interests in and control over the OSL Account, Wong neither disclosed the same to OSL nor obtained approval from his department head and OSL LCD. Instead, on five separate occasions between May 2011 and December 2018, he falsely declared to OSL that there were no trading accounts held by other persons in which he had any beneficial interest or influence.
13. Furthermore, Wong breached the Fulbright Policies between October 2019 and January 2022. Specifically:
- (a) Wong arranged for his niece to open the GS Account on 29 October 2019 for his personal use. In doing so, he neither (i) obtained approval from Fulbright's RO or senior management; nor (ii) arranged for copies of all

⁴ OSL was unable to provide the monthly statements of the OSL Account for the period before January 2015 to the SFC due to the expiration of the retention period. As a result, the SFC was unable to ascertain whether Wong conducted any personal dealings in the OSL Account prior to 1 January 2015.

⁵ I.e. Wong's last day of employment with OSL.

trade confirmations and account statements to be delivered to Fulbright's Compliance Department.

- (b) Unbeknownst to Fulbright, between 1 November 2019 and 31 January 2022, Wong conducted approximately 1,300 transactions with an aggregate value of HK\$670 million in the GS Account.
- (c) Despite his beneficial interest in the GS Account, Wong did not disclose the same to Fulbright. Instead, he falsely declared to Fulbright in 2019, 2020, and 2021 that he had no Related Accounts outside Fulbright.

14. Wong admitted to the SFC that he:

- (a) knew that, as a licensed representative, he was obliged to report his trading activities to his principal and should not use another person's account to conduct personal dealings; and
- (b) conducted personal dealings in the GS Account in order to avoid disclosure to Fulbright.

Conclusion

- 15. The OSL Policies and the Fulbright Policies reflect the regulatory requirements under paragraph 12.2 of the Code of Conduct for Persons Licensed by or Registered with the SFC, which requires licensed corporations to implement procedures and policies on employee trading and to actively monitor the trading activities in their employees' accounts and their related accounts, including accounts in which their employees hold beneficial interests.
- 16. Wong's failures to comply with the OSL Policies and Fulbright Policies circumvented OSL and Fulbright's internal controls and evaded their monitoring of his personal trading activities. His repeated false declarations made to OSL and Fulbright that he had no Employee-Associated Accounts or Related Accounts, coupled with his admission mentioned in paragraph 14 above, indicate that his failures were wilful and dishonest.
- 17. In light of the above, the SFC is of the view that Wong is not a fit and proper person to remain licensed as his conduct casts serious doubts on his character, reliability and ability to carry on regulated activities competently, honestly and fairly.
- 18. In reaching the decision to take the disciplinary action set out in paragraph 1 above, the SFC has taken into account all the relevant circumstances, including:
 - (a) Wong's breaches lasted for nearly 10 years;
 - (b) Wong conducted approximately 11,300 personal trades with an aggregate value of over HK\$3.4 billion, which were primarily attributable to his frequent day trading and short-term margin trading activities;

- (c) there is no evidence that his trading activities in the OSL Account and GS Account prejudiced the interests of OSL and Fulbright's clients or market integrity;
- (d) a deterrent message needs to be sent to the market that the SFC would not tolerate deliberate circumvention of internal control policies by licensed individuals;
- (e) Wong cooperated with the SFC in resolving the SFC's concerns; and
- (f) Wong has an otherwise clean disciplinary record with the SFC.