

## STATEMENT OF DISCIPLINARY ACTION

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### **The Disciplinary Action**

1. The Monetary Authority (MA) has taken disciplinary action against YIP Wai Pang (YIP)<sup>1</sup> pursuant to section 58A(1) of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (BO) and suspended all of YIP's relevant particulars from the register maintained by the Hong Kong Monetary Authority (HKMA) under section 20(1)(ea) of the BO for a period of 18 months from 12 September 2017 to 11 March 2019 (both dates inclusive).

### **Summary of Facts**

2. YIP was a relationship manager of the registered institution concerned (Bank) responsible for handling client accounts at the material time.
3. It was alleged by a corporate client that YIP had forged the signatures of its two personal guarantors on their Individual Financial Statements (IFSs).
4. YIP admitted that he had completed and signed six sets of IFSs for the years between 2011 and 2014 (Relevant IFSs). YIP further admitted that, for the sake of convenience, he had signed the Relevant IFSs without confirming with the two personal guarantors the accuracy of the information therein. The Relevant IFSs contained a declaration that the information contained therein constituted a full, true and correct statement of the financial condition of the two personal guarantors. It was not until 2015 that the two personal guarantors knew about the Relevant IFSs.
5. YIP's conduct (i) made it appear that the net worth of the two personal guarantors was not an estimate, but had been confirmed and warranted as correct by them; (ii) had the effect of circumventing the alternative control procedure required by the Bank when information on net worth was an estimate; and (iii) had the potential to put both the Bank and the customers concerned at financial risk.

### **Conclusion**

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<sup>1</sup> At the material time, YIP was engaged by Standard Chartered Bank (Hong Kong) Limited. YIP is currently a relevant individual engaged by another registered institution.

6. Having taken into account all of the relevant circumstances of the case, the MA is of the opinion that YIP is not a fit and proper person to be a relevant individual as YIP (i) completed the Relevant IFSs without the consent of the two personal guarantors; (ii) did not verify the accuracy of all the information in the Relevant IFSs; and (iii) forged the signatures of the two personal guarantors on the Relevant IFSs, for the purpose of representing to the Bank that the information set out in the Relevant IFSs had been declared and warranted by the two personal guarantors as constituting a full, true and correct statement of their financial condition.
7. In finding YIP not fit and proper to be a relevant individual, the MA has had regard to section 129(1)(c) and (d) of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Fit and Proper Guidelines issued by the Securities and Futures Commission (SFC). YIP's conduct as set out in paragraph 6 above casts serious doubt on his ability to carry on regulated activities honestly as well as his reputation and character.
8. In determining the disciplinary action set out in the first paragraph, the MA has taken into account all of the relevant circumstances of the case, including the following factors:
  - (a) the forgery was not an isolated incident but involved six sets of IFSs (i.e. the Relevant IFSs);
  - (b) the conduct was repeated over a time horizon of three years;
  - (c) not only were the signatures forged, but the Relevant IFSs were filled in by YIP without verifying all of the information therein and seeking the confirmation and approval of the two personal guarantors;
  - (d) YIP's act potentially put both the Bank and the two personal guarantors concerned at financial risk;
  - (e) YIP has no previous disciplinary record with the HKMA or the SFC; and
  - (f) YIP had been cooperative and admitted his wrongdoing.