



# SFC suspends Tang Kai Shing for eight months

5 Sep 2022

The Securities and Futures Commission (SFC) has suspended Mr Tang Kai Shing, responsible officer (RO) and managing director of Rifa Futures Limited (Rifa), for eight months from 2 September 2022 to 1 May 2023 (Note 1).

The disciplinary action follows the SFC's sanctions against Rifa over breaches of know-your-client, anti-money laundering and counter-terrorist financing (AML/CFT) and other regulatory requirements between May 2016 and October 2018 (Notes 2 & 3).

The SFC considers Rifa's breaches were attributable to Tang's failure to discharge his duties as an RO and the most senior member of Rifa's management during the material time.

The SFC's investigation found that Rifa, without conducting adequate due diligence, was unable to properly assess and manage the money laundering and terrorist financing and other risks associated with permitting its clients to use client supplied systems (CSSs) in placing orders. Rifa was also found to have failed to conduct adequate ongoing monitoring of clients' fund movements to ensure they were consistent with the clients' nature of business, risk profile and source of fund (Notes 4 & 5).

In deciding the disciplinary sanction against Tang, the SFC took into account that:

the failures of him and Rifa to diligently monitor clients' activities and to put in place adequate and effective AML/CFT systems and controls are serious because their failings could damage public confidence and market integrity;

a strong deterrent message is necessary to the market and industry that these failures are not acceptable;

he was responsible for Rifa's failures by virtue of his capacity as the senior management of Rifa and Manager-In-Charge (MIC) of the Overall Management Oversight, Compliance and AML and CFT functions; and

he has an otherwise clean disciplinary record with the SFC.

End

Notes:

1. Tang is licensed under the Securities and Futures Ordinance to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities. Tang has been accredited to Rifa and approved to act as its RO for Type 2 regulated activity since 8 April 2014. Tang has been Rifa's MIC of the Overall Management Oversight, Compliance and AML and CFT functions since 3 July 2017.
2. Rifa (previously known as i-STAR International Futures Co. Limited) was reprimanded and fined \$9 million by the SFC over a number of regulatory breaches. Please refer to the SFC's press release dated [25 July 2022](#).
3. Please refer to the Statement of Disciplinary Action for the relevant regulatory requirements.
4. CSSs are trading software developed and/or designated by either third party vendors or the clients that enable them to conduct electronic trading through the internet, mobile phones and other electronic channels.
5. The CSSs were connected to Rifa's broker supplied system (BSS) through application programming interface (a set of functions that allows applications to access data and interact with external software components or operating systems). BSSs are trading facilities developed by exchange participants or vendor. Share the

exchange participants to provide electronic trading services to investors through the internet, mobile phones, and other electronic channels.

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

Page last updated 05 Sep 2022

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[Openings](#)

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