

Response statement

14/04/2011

In response to media enquiries, an ICAC spokesman today (Thursday) confirmed that 11 persons were arrested for alleged bribery in relation to fraudulent trading of derivative warrants issued by a bank.

Arrested in an operation codenamed "Leap Over", which commenced on Tuesday, were two senior staff members of the bank as a warrant issuer, a stock investor and eight other persons, including two licensed representatives of a securities firm.

The ICAC commenced an investigation after receiving a corruption complaint.

It is suspected that the two bank staff had conspired to accept advantages from the stock investor and other persons for quoting favourable prices to them in their trading of the bank's derivative warrants, thereby enabling them to make profits.

It is also suspected that the arrestees might have conspired to defraud the bank and investing public by creating a false or misleading appearance of active trading in the derivative warrants issued by the bank.

The bank and the Securities and Futures Commission had rendered full assistance to the ICAC in its investigation.

Inquiries are continuing.