
Enforcement News

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SFC Bans Liu Ka Hin for Life

The SFC has revoked the licence of Liu Ka Hin, a former licensed representative of Goldbond Securities Limited and Goldbond Futures Limited (now called Piper Jaffray Asia Securities Limited and Piper Jaffray Asia Futures Limited respectively) (together referred to as “**Piper Jaffray**”) (*Note 1*). Liu was also banned for life from re-entering the industry (*Note 2*).

The action follows an SFC investigation which revealed that from 5 February 2007 to 4 October 2007, Liu had opened trading accounts in his relatives’ names to facilitate his own personal trading without the knowledge of his employer, and this was in breach of his employer’s staff dealing policy.

After Liu lost money by investing through these accounts, he persuaded a client to invest in a financial product through Piper Jaffray, knowing that Piper Jaffray did not sell such products to its clients. Liu then used the money deposited by this client to settle the losses he incurred in his related accounts. In the process, he had

- asked the client to fax the bank-in slips for the money to a fax number under his control;
- falsified written instructions on these slips in order to mislead Piper Jaffray’s settlement department into diverting the funds into the related accounts he controlled; and
- sent fake confirmation notes to the affected client.

The misappropriated client assets were estimated to be at least \$20 million.

On 29 February 2008, Liu was arrested by the Hong Kong Police and charged with

one count of theft.

Ends

Notes:

1. Piper Jaffray took over the Goldbond group after the offences were committed.
2. At the relevant time, Liu was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities and was accredited to the then Goldbond Securities Limited and Goldbond Futures Limited.

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