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SFC suspends Liu Ka Ming for facilitating secret account operation

20 Jul 2009

The Securities and Futures Commission (SFC) has suspended Mr Liu Ka Ming (Liu) (Note 1) for eight months from 18 July 2009 to 18 March 2010 for facilitating the operation of a secret account (Note 2).

An SFC investigation found that Liu facilitated his brother, Liu Ka Hin, to operate a secret account at Piper Jaffray Asia Securities Ltd (formerly known as Goldbond Securities Ltd) (PJA).

Liu Ka Hin worked at PJA as an account executive during the relevant period. Liu knowingly allowed Liu Ka Hin to operate an account opened in Liu's name for his brother's personal trading in April 2007. When Liu subsequently became a licensed representative accredited to Wintone Securities Ltd (Wintone) in May 2007, he did not inform the management of Wintone the existence of his trading account at PJA, nor did he submit monthly statements of that account to Wintone. His conduct amounted to a breach of the staff dealing policy of Wintone.

In deciding the penalty, the SFC took into account all relevant circumstances including:

- Liu's misconduct had indirectly facilitated Liu Ka Hin's misappropriation (Note 3); and
- Liu's clean disciplinary record.

End

Notes:

1. Liu is licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activities, accredited to Wintone Securities Ltd.
2. The SFC has taken action against a number of operators of secret accounts. Please see Enforcement Reporter of October 2007 for details.
3. In a separate misappropriation case, Liu Ka Hin was found to have opened trading accounts in his relatives' names (including that of Liu) to facilitate his personal trading. He arranged for clients' deposits, totalling almost \$34 million, to be credited to his relatives' accounts. On 23 April 2008, the SFC revoked the licence of Liu Ka Hin and banned him for life from re-entering the industry. Please see SFC [press release](#) dated 23 April 2008 for details.

Page last updated : 1 Aug 2012