
Enforcement Actions

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30 March 2004

SFC Successfully Prosecutes Lam Kwong Tim Spencer for Failing to Notify the SFC of Liquid Capital Deficiencies

The SFC has successfully prosecuted Mr Lam Kwong Tim Spencer, the sole dealing director of Tai Wah Securities Limited, which was ordered to be wound up by the High Court last October, for failing to notify the SFC of Tai Wah's liquid capital deficiencies.

Lam today pleaded guilty to one summons before Mr Anthony Yuen, the magistrate at Eastern Magistracy, for breaches of section 65C and section 147 of the Securities Ordinance. He was fined \$7,000 and ordered to pay the SFC investigation costs of \$18,660.

The SFC investigation revealed that Tai Wah had conducted substantial proprietary trades in one stock via an outsider broker since early March 2003, with an average holding value exceeding \$3 million. As its excess liquid capital never exceeded \$1 million and with deductions for haircut and concentration calculation regarding its house position in the said stock, Tai Wah failed to comply with the \$3 million minimum liquid capital requirement under the Financial Resources Rules during 25 March to 28 March 2003. No notification under section 65C was ever filed by Tai Wah regarding the failure.

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