

SFC bans Steve Luk Ka Cheung for life

1 Apr 2010

The Securities and Futures Commission (SFC) has banned Mr Steve Luk Ka Cheung (Note 1) from re-entering the industry for life following a Market Misconduct Tribunal (MMT) determination that Luk had engaged in market misconduct.

The MMT determined that Luk, a former vice-president and fund manager of JF Asset Management Ltd, and two other parties had engaged in insider dealing in respect of the shares of China Overseas Land and Investment Ltd (COLI). The MMT made certain orders against Luk, including orders that he should not, without the leave of the court, take part in the management of any company and acquire, dispose of or otherwise deal in any securities for nine months (Note 2).

During the period from 7 to 26 January 2004, Mr David Tsien Pak Cheong, then an equity salesman of JP Morgan Securities (Asia Pacific) Ltd, disclosed to Mr Edmond Leung Chi Keung and Luk relevant information in respect of negotiations between JP Morgan and COLI in relation to a top-up placement of the latter's shares. Leung and Luk then separately sold COLI shares held by funds they managed to avoid the loss to those funds in the value of those shares, flowing from what they believed would be a fall in the market price of COLI shares following disclosure of the relevant information to the market.

"Insider dealing undermines the fairness and efficiency of the financial market. Following the MMT's finding, the SFC is exercising its protective jurisdiction by prohibiting Luk from re-entering the market again as an intermediary and threatening market integrity," the SFC's Executive Director of Enforcement Mr Mark Steward said.

End

Notes:

1. Luk was licensed under the Securities and Futures Ordinance to carry on Type 9 (asset management) regulated activity and had been accredited to JF Asset Management Ltd and JF International Management Inc from 1990 to 2005. His licence was revoked in November 2006 and he does not currently hold an SFC licence.
2. The MMT's report concerned dealing in shares of COLI between 7 January 2004 and 26 January 2004. Part I and Part II of the MMT report, dated 8 July 2009 and 20 August 2009 respectively, are available on the MMT's website (www.mmt.gov.hk/).

Page last updated : 1 Aug 2012