

23 August 2011

SFC bans Steve Luk Ka Cheung for 10 years

The Securities and Futures Commission (SFC) has resolved its disciplinary proceedings against Mr Steve Luk Ka Cheung, a former vice-president and fund manager of JF Asset Management Ltd by consent, and banned him from re-entering the industry for 10 years from 1 April 2010 to 31 March 2020 (Note 1 & 2).

The SFC's disciplinary action follows a finding by the Market Misconduct Tribunal (MMT) that Luk, together with Mr David Tsien, a former equity salesman of JP Morgan Securities (Asia Pacific) Ltd (JP Morgan), and another party, had engaged in insider dealings in respect of the shares of China Overseas Land and Investment Ltd (COLI) (Note 3).

The Court of Appeal has earlier reaffirmed the decision of the Securities and Futures Appeals Tribunal (SFAT) to ban Tsien from re-entering the industry for 10 years (Note 4).

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 His licence was revoked in November 2006 and he does not currently hold an SFC licence.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. Please see SFC's press release dated 1 April 2010 for the SFC's disciplinary action against Luk which banned him from re-entering the industry for life.
3. The MMT found that Tsien, between 7 January 2004 and 26 January 2004, disclosed inside information to Luk and another party in respect of negotiations between JP Morgan and COLI in relation to a top-up placement of the latter's shares. Luk and the other tippee then separately sold COLI shares to avoid the loss 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. The MMT's report is available on the MMT's website (www.mmt.gov.hk).
4. The Court of Appeal's decision followed the hearing of appeal against the decision of the SFAT by the SFC which varied the SFC's initial decision to ban Tsien from re-entering the industry for life to 10 years.

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