
Enforcement News

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8 January 2008

10-month Suspension for Luk Kam Kwong Kenneth

The SFC has suspended Mr Luk Kam Kwong Kenneth for 10 months from 8 January to 7 November 2008 for his failure to act candidly during an insider dealing inquiry and for favouring his own interests ahead of his client's (Note 1).

The action follows an inquiry conducted by the Insider Dealing Tribunal in 2006, concerning trading in the then Cheong Ming Holdings Limited (Note 2) in which Luk failed to respond to the IDT and the SFC with the candour expected of a licensed person (Note 3).

His evidence before the IDT in 2006 also led to the discovery that, in January 2000, Luk executed a client's order to purchase 400,000 shares in Cheong Ming but allocated 170,000 shares to the sister of his then girlfriend rather than allocating all of the shares to his client (Note 4). This conduct was contrary to his client's interests and contravened Luk's obligations to act in the best interests of his client and to ensure his client was fairly treated.

In making this decision, the SFC took into account the fact that Luk has now compensated his client for not allocating all the ordered shares to his client's account. It has also considered Luk's co-operation with the SFC's investigation following the IDT inquiry, his frank admissions and his remorse.

Ends

Notes:

1. Luk is licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities, accredited to Core Pacific-Yamaichi International (H.K.) Limited, Core Pacific-Yamaichi Securities (H.K.) Limited and Core Pacific-Yamaichi Futures (H.K.)

Limited.

2. Currently known as Cheong Ming Investments Limited.

3. For further information, please refer to the Report of the Insider Dealing Tribunal on whether insider dealing took place in relation to the listed securities of Cheong Ming Investments Limited, which is available on the Insider Dealing Tribunal's website at www.idt.gov.hk.

4. This misconduct was not known or investigated by the SFC until 2006.

Page last updated: 8 January 2008