
Enforcement News

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12 January 2007

SFC Revokes the Licence of Yip Kwok Kay and Bans Him for Life

The SFC has revoked the licence of Mr Yip Kwok Kay and banned him from re-entering the industry for life under the Securities and Futures Ordinance for misappropriating client assets (Note 1).

An SFC investigation found that Yip, the major shareholder and responsible officer of Wing Yip Company Limited, had misappropriated client assets since 1998. Yip concealed the misappropriation by producing and sending fictitious transaction records to the affected clients (Notes 2 and 3).

As a result of Yip's misconduct, the SFC concludes that his fitness and properness has been gravely called into question. The SFC has therefore taken the disciplinary action.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "Yip was dishonest. The SFC will not allow dishonest licensees to participate in the market and put investors at risk."

Ends

Notes:

1. Yip is a representative licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities) regulated activity and accredited to Wing Yip Company Limited. He is also the responsible officer of Wing Yip.
2. Yip pleaded guilty to 23 counts of theft and five counts of false accounting at the District Court, and was sentenced to 40 months' imprisonment on 14 December 2006.
3. Please see SFC press releases dated [7](#), [8](#) and [10 August 2006](#) for details. Wing

Yip is currently under administration. On 21 November 2006, the Court issued preliminary orders concerning the allocation and distribution of securities to Wing Yip's clients. The administrators estimated that the shortfall in cash and securities was approximately \$12.3 million.

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