

**Notice under Section 204 of the  
Securities and Futures Ordinance  
Cap. 571 (Ordinance)**

It appears to the Securities and Futures Commission (**Commission**), for the reasons set out in the Statement of Reasons of even date, that the Commission should exercise the powers conferred by section 204 of the Ordinance.

**THE COMMISSION HEREBY GIVES NOTICE THAT:**

Except with the prior written consent of the Commission, such consent to be granted by any two Executive Directors of the Commission:

1. Pursuant to section 204 of the Ordinance, Money Concepts Asset Management Limited (**Specified Corporation**) is prohibited from carrying on any business, whether directly or through agents, which constitutes regulated activities for which it is licensed by the Commission.
2. Pursuant to the provisions of section 217 of the Ordinance, an application may be made to the Securities and Futures Appeals Tribunal for a review of the Commission's decision to impose the prohibitions by this Notice. Such application must be made within twenty-one days after the day on which this Notice is served on the Specified Corporation. Further, pursuant to the provisions of section 208 of the Ordinance, the Specified Corporation may apply to the Commission for the prohibitions imposed by this Notice to be withdrawn, substituted or varied.

This Notice takes effect at the time of service upon the Specified Corporation.

Dated this 17<sup>th</sup> day of February 2025

Julia Leung  
Chief Executive Officer

For and on behalf of  
Securities and Futures Commission

**Statement of Reasons**  
**Pursuant to Section 209(2) of the Securities and Futures Ordinance**  
**(Cap. 571) (Ordinance)**

1. Money Concepts Asset Management Limited (**Specified Corporation**) is a corporation licensed under the Ordinance to carry on Type 4 and Type 9 regulated activities, subject to the condition that:
  - (a) for Type 9 regulated activity, the licensee shall not:
    - (i) conduct business involving the discretionary management of any collective investment scheme, as defined under the Ordinance; and
    - (ii) provide a service of managing a portfolio of futures contracts for another person.
2. It appears to the Securities and Futures Commission (**Commission**) that:
  - (a) the Specified Corporation is not a fit and proper person to remain licensed or is not a fit and proper person to carry on any regulated activity for which it is licensed;
  - (b) the Specified Corporation has failed to comply with the requirement specified in section 180(2) of the Ordinance or, in purported compliance with such requirement, has furnished to the Commission false or misleading information in a material particular;
  - (c) the licence of the Specified Corporation may be revoked or suspended on any of the grounds specified in section 194(1) of the Ordinance; and
  - (d) the imposition of the prohibitions set out in the Notice issued by the Commission of even date under section 204 of the Ordinance (to which this Statement of Reasons is attached) is desirable in the interest of the investing public or in the public interest.
3. The Commission has reached this view based on the following matters:

*Suspected breaches of section 4 of the Securities and Futures (Financial Resources) Rules (FRR) and section 146(1) of the Ordinance*

  - (a) Between March 2016 and December 2020, the Specified Corporation has failed to maintain sufficient liquid capital as required under the FRR, and in breach of section 146(1) of the Ordinance, failed to notify the Commission of it and to cease carrying on regulated activities. During this period, funds were withdrawn from the Specified Corporation's bank account at the beginning of

a month, with repayments by approximately the same amounts of money at month-end. The Specified Corporation's liquid capital dropped below the required level during intra-month periods, the intra-month liquid capital deficits ranged from around HK\$1 million to HK\$3 million, in breach of section 4 of the FRR and the Specified Corporation did not notify the Commission of the liquid capital deficits and did not cease carrying on regulated activities, in breach of section 146(1) of the Ordinance;

- (b) Between 7 December 2022 and 30 March 2023, and between 22 February 2024 and 31 December 2024, the Specified Corporation's liquid capital dropped below the required level, resulting in liquid capital deficits of approximately HK\$1.8 million to HK\$3.7 million, in breach of section 4 of the FRR. There continues to be liquid capital deficits since 1 January 2025 as far as the Commission is aware.

*Suspected provision of fabricated documents and/or false information*

- (c) While the investigation is still ongoing, evidence obtained by the Commission to date suggests that the Specified Corporation has submitted fabricated broker and bank statements and provided false information to the Commission:
  - (i) between around February 2021 and December 2022, the Specified Corporation claimed that it maintained a deposit of US\$500,000 in an account with a US broker (**US Broker Account**);
  - (ii) on 8 February and 3 March 2021, the Specified Corporation provided to the Commission a set of account statements in respect of the US Broker Account from 1 September to 31 December 2020 purportedly issued by the US broker (**US Broker Account Statements**);
  - (iii) evidence obtained by the Commission shows that the US Broker Account did not belong to the Specified Corporation, the US Broker Account did not have a balance of US\$500,000 at the material times and the US Broker Account Statements were not issued by the US broker; and
  - (iv) on 4 January and 3 March 2021, the Specified Corporation provided to the Commission bank statements of its bank account for July 2019 and October 2020 (**Bank Statements**). Evidence obtained by the Commission shows that certain transactions in the Bank Statements were altered and the bank balances were inflated by up to HK\$3 million, calling into question the Specified Corporation's fitness and properness to remain licensed.

*Carrying on (or holding itself out as carrying on) regulated activities despite not satisfying the relevant requirements*

- (d) On 23 February 2024, the Specified Corporation notified the Commission that it has incurred a required liquid capital deficit of HK\$2.2 million. On 26 February 2024, the Commission issued a letter to the Specified Corporation reminding it to immediately cease carrying on any regulated activity for which it is licensed pursuant to section 146(1) of the Ordinance.
  - (e) On 2 June 2024, following the departure of one of its two responsible officers, the Specified Corporation no longer had sufficient responsible officers in respect of its regulated activities. On 14 June 2024, the Commission issued a letter to the Specified Corporation reminding it not to carry on any regulated activity for which it is licensed pursuant to section 125(1) of the Ordinance.
  - (f) Evidence obtained by the Commission suggests that the Specified Corporation has continued to carry on, or held itself out as carrying on, regulated activities after February 2024 by:
    - (i) entering into an agreement with another licensed corporation (**HK Broker**) in May 2024, under which the HK Broker would act as the Specified Corporation's broker to effect transactions for the purpose of discretionary management services rendered by the Specified Corporation to its clients; and
    - (ii) referring at least 10 clients to open accounts with the HK Broker in May and June 2024 and obtaining clients' written authorisation to provide discretionary services in respect of their accounts at the HK Broker.
  - (g) Evidence also shows that the sole responsible officer of the Specified Corporation between 2 June 2024 and 8 January 2025 was a responsible officer in name only and had not taken up any supervisory responsibilities during his tenure, which commenced in June 2023.
4. The Commission considers that the above matters call into serious question the honesty, reliability and integrity of the Specified Corporation, its ability to carry on regulated activities competently, honestly and fairly, and therefore its fitness and properness to remain licensed.
5. Further, by reason of the above matters, the Commission considers that the licence of the Specified Corporation may be revoked or suspended by reason of any of the grounds specified in section 194(1) of the Ordinance.

6. The Specified Corporation has also failed to comply with the requirement specified in section 180(2) of the Ordinance and, in purported compliance with such requirement, has furnished the Commission with information which was at the time when it was furnished false or misleading in a material particular.
7. In the circumstances, the Commission considers it desirable in the interest of the clients of the Specified Corporation, and in the wider interest of the investing public or in the public interest, to impose on the Specified Corporation the prohibitions stipulated in the Notice to which this Statement of Reasons is attached.

Julia Leung  
Chief Executive Officer

For and on behalf of  
Securities and Futures Commission

Dated this 17<sup>th</sup> day of February 2025