

## Contents

Contents.....	1
HKMA Warns about so-called "HKIC Group" website.....	1
Regina Ip Launches Online Security Awareness Campaign.....	1
Monetary Authority Warns of Fake HSBC Page on Management Association Website.....	2
HKMA Washes Hands of BitCoin in wake of MyCoin Collapse.....	3

## HKMA Warns about so-called "HKIC Group" website

[<web-link for this article>](#)

The Hong Kong Monetary Authority (HKMA) has warned that the so-called "HKIC Group" running the website <http://www.hkicgroup.com> is not, despite its claims, regulated by the HKMA or authorised to operate as a bank under the Banking Ordinance and it does not have the approval to establish a local representative office. The HKMA provides [a list of authorised institutions](#) on its website.



The Hong Kong Police are investigating and anyone who has provided personal information to the website, or used it for any financial transaction should contact any local Police Station or the Commercial Crime Bureau at 2860 5012.

The domain of the website, [hkicgroup.com](http://hkicgroup.com) is registered to Danian Wallis with a real residential address in Swanley, UK, and the name and location match an IT consultant registered on LinkedIn. Whether he was involved in the creation of the site, and, if he was, whether he knew the claim of regulation by the HKMA was false, is unknown. IT practitioners should make sure they understand who they are working for, for their own protection.

### More Information

- [HKMA Register](#)

## Regina Ip Launches Online Security Awareness Campaign

[<web-link for this article>](#)

Legislative Council Member and former Secretary for Security Regina Ip has, perhaps unintentionally, boosted awareness of online security by revealing that about HK\$500,000 was stolen from her bank account following an email break-in. She received an email apparently from her friend, MTR Corporation chairman Dr Raymond Chien, saying, 'Regina, I need help. Urgent. Please open the attachment', but Chien contacted her hours later, saying that his email had been hijacked and advising her to change her password. Being busy, she forgot and only found out on Tuesday, 4th February that US\$65,000 had been withdrawn from her Swiss bank account when bank staff informed her. Ms Ip believes the criminals found an instruction she once made to the bank to transfer a sum in US dollars to an account in the United States, and they then forged a letter to the bank for the transfer.

The Police have categorised the case as obtaining property by deception, and advised the public to avoid downloading documents from unknown sources, change passwords regularly and avoid using the same password for multiple accounts. While the Police advice covers some of the biggest risks, it is unclear if it would have prevented this incident. Ms Ip believed she knew the source of the document: Dr Chien, while it was, in fact, Dr Chien's hijacked email account.

Ms Ip is to be praised for sacrificing her own reputation to bring public attention to the potential consequences of momentary inattention and misjudgement when using information technology. Dr. Chien has not publicly commented on his mistake. As Secretary for Security, Ms Ip was the member of the Hong Kong Government in charge of the Security Bureau, which is responsible for public safety, security, and immigration matters. Surely, during that time, she was comprehensively briefed on cybercrime and common tricks used by criminals in scams.

What can we learn from this crime?

- Everyone makes mistakes
- When someone informs you of a breach that affects you, evaluate the risk to your systems immediately, there might still be time to prevent major loss.
- Evaluate the security policies, and how they affect you, of those you do business with. In this case, the bank accepted a forged letter as an instruction - how was it signed, was it just an image of a signature? Requiring 2-factor authentication (e.g. password and security device) for transactions would be a lot more secure.
- Pay attention to security briefings, they could be the valuable lesson that prevents the costly lesson.

### **More Information**

- [Hong Kong lawmaker Regina Ip falls victim to HK\\$500,000 cybertheft](#)
- [Regina Ip loses US\\$65,000 in e-mail scam](#)

## **Monetary Authority Warns of Fake HSBC Page on Management Association Website**

[<web-link for this article>](#)

The Hong Kong Monetary Authority (Monetary Authority) has issued a warning about a fraudulent webpage "<http://hkds.org.hk/slucu/index.htm>" that imitates the official website of The Hongkong and Shanghai Banking Corporation Limited (HSBC). The page was hosted on a website about diploma courses run by the Hong Kong Management Association (Management Association). The Management Association was established in 1960. As a non-profit-making professional organization, its mission is "to improve the

effectiveness and efficiency of management in Hong Kong.” The Management Association webserver is apparently running Microsoft-IIS/5.0 on Windows 2000, which is obsolete and unsupported software.

At the time of writing, the webpage had been removed. Anyone who used the fake page should contact HSBC at 2233 3000 and any local Police Station or the Commercial Crime Bureau of the Hong Kong Police Force at 2860 5012.

### More Information

- [Suspected fraudulent website: http://hkdse.hkma.org.hk/sluvu/index.htm](http://hkdse.hkma.org.hk/sluvu/index.htm)

## HKMA Washes Hands of BitCoin in wake of MyCoin Collapse

[<web-link for this article>](#)

Forty-three clients of the Hong Kong based company MyCoin filed police reports on 11th February, claiming that deception was involved in a Ponzi scheme packaged as bitcoin trading. The Hong Kong Monetary Authority has restated its position that Bitcoin is not a legal tender but a virtual “commodity” and “it does not qualify as a means of payment or electronic money”. Legislative Council Member Leung Yiu-chung said that he was upset by the Authority's response called on the authority to stop the sale of bitcoins in Hong Kong.

The company's website, <https://www.mycoin.hk/>, continues to operate from an Amazon webserver in the USA. The website was probably not designed by a native English speaker; under the heading “BTC Trading Start Here”, it says, “We will on every selection button, every word of copywriting, every page design of contemplate, is to make user in the most simple, natural and quick way to complete operation.”

The allegation is that MyCoin pretended to be a bitcoin trading platform, and took clients' money but bought no bitcoins. Many MyCoin clients made out cheques to Rich Might Investment Ltd as payment to MyCoin and the same company registered the mycoin.hk domain in January 2014. The sole director of Rich Might Investment Ltd, William Dennis Atwood, resigned on 10th November 2014 and transferred all his shares to a British Virgin Islands-based company the same day. Clients say that they have been unable to cash in their bitcoins since December. The company's Tsim Sha Tsui office shut in January.

The extent of the fraud is unknown. The company previously claimed to have 3,000 local investors, with an average investment of HK\$1 million, but it is suspected that the company targeted Mainland Chinese investors, and there are [stories of potential investors](#) being flown to [lavish parties in Thailand](#).

What effect will this have on other companies trading Bitcoins in Hong Kong? At least three companies have set up bitcoin ATMs since March 2014. A key difference is that the client actually receives the bitcoins from the ATM, so the risks of having a trading account in an untrustworthy company are eliminated.

Yui Kee Chief Consultant Allan Dyer commented, “The people who say bitcoin is not a currency or want to ban bitcoin are missing the point. The fraud was that bitcoin was **not** involved, people paid money and did not gain ownership of bitcoins as promised. The question is how to educate or regulate, so that people know how to identify legitimate bitcoin traders and bitcoins.”

### More Information

- [The HKMA reminds the public to be aware of the risks associated with Bitcoin](#)
- [MyCoin clients file police reports over suspected bitcoin pyramid scheme](#)

- [MyCoin director quit one month before bitcoin platform changed trading rules](#)
- [Investors fear HK\\$3b losses in closure of bitcoin trading company](#)
- [The Mycoin scandal in Hong Kong had nothing to do with actual bitcoins](#)
- [A year after Mt. Gox's implosion, nearly \\$400 million has evaporated from a Hong Kong bitcoin exchange](#)
- [HK Bitcoin ATM Store In Hong Kong Is Now Open 24/7/365](#)
- [MyCoin closes its doors, \\$387 million in investor funds vanishes](#)
- [It's a bitcoin party! Pattaya, Thailand](#)
- [SPOTTED: Bitcoin ATM being set up on Bonham Road near HKU's East Gate](#)
- [Handprints, Gov't ID, Photo: Is This The World's Most Invasive ATM?](#)
- [Three companies set to launch bitcoin ATMs in Hong Kong within days](#)
- [Hong Kong's First Bitcoin ATM Goes Live Today](#)



Suite C & D, 8/F, Yally Industrial Building  
 6 Yip Fat Street, Wong Chuk Hang, Hong Kong  
 Tel: 2870 8550 Fax: 2870 8563  
 E-mail: [info@yuikee.com.hk](mailto:info@yuikee.com.hk)  
<http://www.yuikee.com.hk/>

