

SFC bans Wong Lap Yin for three years

1 Aug 2016

The Securities and Futures Commission (SFC) has prohibited Mr Wong Lap Yin from re-entering the industry for three years from 29 July 2016 to 28 July 2019 (Note 1).

An SFC investigation found that on 30 May 2012, Wong placed a series of unauthorized bid orders for the shares of China Nonferrous Metals Company Limited (CNFM) shares via a client's (Client A) account. Each of these orders was placed at a price higher than CNFM's nominal price and the orders matched exactly with the prevailing best ask price and quantity such that they were executed as soon as they were entered into the market.

As a result, the share price of CNFM was artificially raised by 37.3 per cent from \$0.075 to \$0.103.

At around the same time, Wong carried out a cross-trade to transfer about 5 million CNFM shares at the price of \$0.105 from the personal account of another client (Client B) to a joint account held by Client B and his wife (the Joint Account).

The SFC found that Wong's purpose in pushing up the share price of CNFM (through the trades in Client A's account) was to facilitate the subsequent cross-trade between Client B's personal account and the Joint Account at a higher price to eliminate the debit cash balance in Client B's personal account (Note 2).

The SFC considers that Wong's conduct was not only unfair to Client A, but was also unfair to other investors because it interfered with the impartiality and objectivity of the normal process of price formation, and might have affected the trading strategy and investment decision of other market participants (Note 3).

In deciding the penalty, the SFC took into account all relevant circumstances, including that:

- Wong's conduct has caused financial loss to Client A;
- a strong message needs to be sent to the market that Wong's conduct is unfair and could jeopardise market integrity and undermine market confidence;
- Wong, who has been in the securities industry for about 15 years, should have known that the manner in which he placed the orders could have the effect of artificially raising the nominal price of the shares; and
- Wong has no previous disciplinary record.

End

Notes:

1. Wong was licensed under the Securities and Futures Ordinance to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Wong was accredited to Phillip Securities (Hong Kong) Limited, Phillip Commodities (HK) Limited and Phillip Capital Management (HK) Limited until 27 September 2012. He is currently not licensed by the SFC.
2. Under Rule 526(3) of the Trading Rules of the Hong Kong Stock Exchange, the price set for direct business cannot be higher than the best offer in the market. Orders are matched on a strict price and time priority basis, so if Wong had not cleared the ask orders at lower price queues first using Client A's account, the cross-trade could not have been carried out at \$0.105.
3. General Principle 1 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission requires licensed persons to act honestly, fairly and in the best interests of their clients and the integrity of the market.

[A copy of the Statement of Disciplinary Action is available on the SFC website](#)

Page last updated : 1 Aug 2016

STATEMENT OF DISCIPLINARY ACTION

The Disciplinary Action

1. The Securities and Futures Commission (**SFC**) has prohibited Mr Wong Lap Yin (**Wong**) from re-entering the industry for 3 years pursuant to section 194 of the Securities and Futures Ordinance (**SFO**).
2. Wong was licensed under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Wong was accredited to Phillip Securities (Hong Kong) Limited (**PSHK**), Phillip Commodities (HK) Limited and Phillip Capital management (HK) Limited until 27 September 2012. He is currently not licensed by the SFC.
3. The SFC found that on 30 May 2012, Wong used the account of a client (**Client A**) to place orders for the shares of China Nonferrous Metals Company Limited (Stock code: 8306) (**CNFM**) which artificially inflated the share price of CNFM, for the purpose of facilitating a cross trade which obliterated the debit balance in the account of another client (**Client B**).

Summary of Facts

4. In the course of the SFC's regular surveillance of untoward price movements, it was noted that there was a spike in the share price of CNFM from 11:37:28 to 11:37:44 on 30 May 2012, when the nominal price of CNFM shares was raised by 37.3% from \$0.075 to \$0.103.
5. The SFC's investigation revealed that the price spike was attributed to orders placed by PSHK in three client accounts, of which Wong and another staff, who was under Wong's supervision, were the account executives:
 - (i) A series of bid orders for CNFM shares were placed from 11:37:28 to 11:37:42 on 30 May 2012 in Client A's account. Each of those orders was at a price higher than CNFM's nominal price and matched exactly with the prevailing best ask price and quantity, such that the orders were executed as soon as they were entered into the market. As a result of those orders, the nominal price of CNFM shares was raised by 37.3% from \$0.075 to \$0.103.
 - (ii) At the same time, at 11:34:34, an ask order for 5,480,000 CNFM shares was placed at \$0.105 in Client B's personal account. This ask order was matched exactly by a bid order placed at 11:34:44 for 5,480,000 CNFM shares at \$0.105 in a joint account held by Client B and his wife (the **Joint Account**).
 - (iii) Subsequently, at 11:38:29, an ask order for 540,000 CNFM shares was placed in Client A's account (being the number of CNFM shares that PSHK bought in the account from 11:37:28 to 11:37:42) at \$0.103. The price of the order was lowered to \$0.080 at 15:57:56, and the 540,000 CNFM shares were sold gradually during the rest of the day and on the next day.

6. As a result of these transactions:
 - (a) the debit cash balance in Client B's personal account as of the end of April 2012 became a credit cash balance as of the end of May 2012;
 - (b) Client A incurred a financial loss from selling the CNFM shares purchased on 30 May 2012 at a loss; and
 - (c) the day high of CNFM shares on 30 May 2012 changed from \$0.081 to \$0.103, representing an increase of 27.16%. If the trading data on 30 May 2012 were disregarded, the day high of CNFM only ranged from \$0.083 to \$0.087 from 21 May 2012 to 1 June 2012.
7. Wong admitted during the investigation that:
 - (a) Client A did not authorize him to place orders in his account on 30 May 2012;
 - (b) it was his decision to transfer the CNFM shares from Client B's personal account to the Joint Account;
 - (c) the price of the transfer was determined with reference to the amount of the debit cash balance in Client B's personal account; and
 - (d) the sole purpose of placing the sell order for the 5,480,000 CNFM shares in Client B's personal account was to resolve the debit cash balance in that account.

Conclusion

8. The SFC is of the view that the trading in CNFM shares through Client A's account was for the purpose of pushing up the share price of CNFM, in order to facilitate the transfer of the CNFM shares from Client B's personal account to the Joint Account at a higher price, in order to eliminate the debit cash balance in Client B's personal account.
9. Under Rule 526(3) of the Trading Rules of the Hong Kong Stock Exchange, the price set for direct business cannot be higher than the best offer in the market. Orders are matched on a strict price and time priority basis, so if Wong had not cleared the ask orders at lower price queues first using Client A's account (see paragraph 5(i) above), the cross trade between Client B's personal account and the Joint Account could not have taken place at \$0.105.
10. The SFC's investigation also revealed that on or before 30 May 2012, Wong had attempted to seek approval from PSHK's responsible officers for a manual cross trade in CNFM shares between Client B's personal account and the Joint Account. The request was denied because the proposed price of the trade deviated too much from the then market price. This lends support to the view that the acquisition of 5,480,000 CNFM shares by the Joint Account from Client B's personal account, and the transactions in CNFM shares in Client A's account leading up to it, were premeditated.
11. Wong's conduct is unfair to Client A, because the trading of CNFM shares resulted in a financial loss, and the purpose was to facilitate the subsequent

cross-trade between Client B's personal account and the Joint Account at a higher price to eliminate the debit cash balance in Client B's personal account.

12. Such conduct is also unfair to other investors because it interfered with the impartiality and objectivity of the normal process of price formation, and it might have affected the trading strategy and investment decision of other market participants.
13. Wong's conduct in artificially pushing up the share price of CNFM, and offloading CNFM shares from Client B's personal account to the Joint Account to the benefit of the former and the detriment of the latter is in breach of General Principle 1 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission, which requires Wong to act honestly and fairly, and in the best interests of his clients and the integrity of the market in conducting his business activities.
14. Wong has also breached sections 274(3) and 295(3) of the SFO by taking part in or being concerned in, directly or indirectly, the trading in CNFM shares through Client A's account, with the intention that, or being reckless as to whether, the trading had, or were likely to have, the effect of creating an artificial price, or maintaining at a level that is artificial, for dealings in CNFM shares.
15. Having taken into account all the circumstances, the SFC is of the opinion that Wong is guilty of misconduct and his fitness and properness as a licensed person has been called into question.
16. The SFC has decided to take the disciplinary action against Wong as described in paragraph 1 above, after taking into account all relevant considerations, including:
 - (a) Wong's conduct has caused one of the clients to suffer financial loss;
 - (b) a strong message needs to be sent to the market that we look grimly upon conduct like Wong's which is unfair and could jeopardize market integrity and undermine market confidence;
 - (c) with Wong's experience in the securities industry for about 15 years, he should have known that the manner in which he placed the orders for CNFM shares through Client A's account could have the effect of artificially raising the nominal price; and
 - (d) Wong has a clean disciplinary record with the SFC.

證監會禁止王立賢重投業界三年

2016年8月1日

證券及期貨事務監察委員會（證監會）禁止王立賢（男）重投業界三年，由2016年7月29日起至2019年7月28日止（註1）。

證監會的調查發現，王於2012年5月30日透過一名客戶（客戶甲）的帳戶發出一連串未獲授權的中國有色金屬有限公司（中國有色金屬）股份買盤。該等買盤每個均以高於中國有色金屬按盤價的價格發出，並與當時的最佳賣盤價及數量完全配對，從而令該等買盤能夠在進入市場後隨即獲得執行。

結果，中國有色金屬股份的股價由0.075元被人為地推高37.3%至0.103元。

王於相約時間進行一項交叉盤買賣，將約500萬股中國有色金屬股份按0.105元的價格由另一名客戶（客戶乙）的個人帳戶轉往一個由客戶乙及其妻子持有的聯名帳戶（聯名帳戶）。

證監會發現，王透過客戶甲的帳戶內所進行的交易推高中國有色金屬股價的目的，是為了方便客戶乙的個人帳戶與聯名帳戶於其後以較高價格進行交叉盤買賣，藉此消除客戶乙的個人帳戶內的現金借方結餘（註2）。

證監會認為王的行為不僅對客戶甲有欠公平，對其他投資者亦不公平，原因是此舉干擾到正常定價過程的中立性及客觀性，並有可能影響了其他市場參與者的交易策略及投資決定（註3）。

證監會在釐定罰則時已考慮到所有相關情況，當中包括：

- 王的行為令客戶甲蒙受財政損失；
- 有需要向市場發出強烈的訊息，以示王的行為會造成不公平情況，並有可能危害市場的廉潔穩健及削弱市場信心；
- 王已從事證券業約15年，他理應知道以此方式發出交易指示有可能會導致人為推高股份的按盤價的效果；及
- 王以往並無遭受紀律處分的紀錄。

完

備註：

1. 王根據《證券及期貨條例》獲發牌進行第1類（證券交易）、第2類（期貨合約交易）、第4類（就證券提供意見）及第9類（提供資產管理）受規管活動。王隸屬輝立證券（香港）有限公司、輝立商品（香港）有限公司及輝立資本管理（香港）有限公司，直至2012年9月27日為止。他現時並非證監會持牌人。
2. 根據《香港聯交所交易規則》第526(3)條，就兩邊客交易設定的價格不得高於市場上的最佳發售價。交易指示均會以嚴格的價格及時間優先次序進行配對，故此如果王不先以客戶甲的帳戶清除按較低價格輪候的賣盤，交叉盤買賣便不可能以0.105元的價格進行。
3. 《證券及期貨事務監察委員會持牌人或註冊人操守準則》第1項一般原則規定，持牌人應以誠實、公平和維護客戶最佳利益的態度行事及確保市場廉潔穩健。

有關紀律處分行動聲明載於證監會網站

最後更新日期：2016年8月1日

紀律處分行動聲明

紀律處分行動

1. 證券及期貨事務監察委員會（**證監會**）根據《證券及期貨條例》第 194 條禁止王立賢先生（**王**）重投業界三年。
2. 王根據《證券及期貨條例》獲發牌進行第 1 類（證券交易）、第 2 類（期貨合約交易）、第 4 類（就證券提供意見）及第 9 類（提供資產管理）受規管活動。王隸屬輝立證券（香港）有限公司（**輝立證券香港**）、輝立商品（香港）有限公司及輝立資本管理（香港）有限公司，直至 2012 年 9 月 27 日為止。他現時並非證監會持牌人。
3. 證監會發現，王於 2012 年 5 月 30 日使用一名客戶（**客戶甲**）的帳戶就中國有色金屬有限公司（股份代號：**8306**）（**中國有色金屬**）股份發出交易指示，從而令中國有色金屬的股價被人為地推高，以便進行一項交叉盤買賣，令另一名客戶（**客戶乙**）的帳戶內的借方結餘完全消失。

事實摘要

4. 證監會在進行定期的異常價格變動監察時注意到，中國有色金屬的股價於 2012 年 5 月 30 日 11:37:28 至 11:37:44 期間急升，當時中國有色金屬的按盤價由 0.075 元上升 37.3%至 0.103 元。
5. 證監會的調查發現，股價急升是由於輝立證券香港在三個客戶帳戶（王及另一名受王監督的員工為該等帳戶的客戶主任）內發出的交易指示所致：
 - (i) 於 2012 年 5 月 30 日 11:37:28 至 11:37:42 期間，客戶甲的帳戶發出了一連串中國有色金屬股份的買盤。該等買盤每個均以高於中國有色金屬按盤價的價格發出，並與當時的最佳賣盤價及數量完全配對，從而令該等買盤能夠在進入市場後隨即獲得執行。由於該等買盤的緣故，中國有色金屬股份的按盤價由 0.075 元被推高 37.3%至 0.103 元。
 - (ii) 與此同時，於 11:34:34，客戶乙的個人帳戶發出一項以 0.105 元出售 5,480,000 股中國有色金屬股份的賣盤。此賣盤與另一項於 11:34:44 由客戶乙及其妻子持有的聯名帳戶（**聯名帳戶**）所發出以 0.105 元的價格買入 5,480,000 股中國有色金屬股份的買盤完全配對。
 - (iii) 其後，於 11:38:29，客戶甲的帳戶發出一項以 0.103 元的價格出售 540,000 股中國有色金屬股份（即輝立證券香港於 11:37:28 至 11:37:42 期間在該帳戶內購入的中國有色金屬股份數目）的賣盤。這項賣盤的價格於 15:57:56 被調低至 0.080 元，而該 540,000 股中國有色金屬股份則於該日其餘時間及翌日陸續被出售。
6. 由於該等交易的緣故：

- (a) 客戶乙的個人帳戶於截至 2012 年 4 月底時的現金借方結餘，於截至 2012 年 5 月底時變成了現金貸方結餘；
- (b) 客戶甲在虧損情況下出售於 2012 年 5 月 30 日購入的中國有色金屬股份，因而蒙受財政損失；及
- (c) 中國有色金屬股份於 2012 年 5 月 30 日的全日最高價由 0.081 元變為 0.103 元，相當於 27.16% 的升幅。如不把 2012 年 5 月 30 日的交易數據計算在內，中國有色金屬於 2012 年 5 月 21 日至 2012 年 6 月 1 日期間的每日最高價僅為介乎 0.083 元至 0.087 元之間。

7. 王在接受調查期間承認：

- (a) 客戶甲沒有授權他於 2012 年 5 月 30 日在帳戶內發出交易指示；
- (b) 是他本人決定把中國有色金屬股份從客戶乙的個人帳戶轉往聯名帳戶；
- (c) 轉讓價格是參照客戶乙的個人帳戶的現金借方結餘的金額而釐定；及
- (d) 發出賣盤售出客戶乙的個人帳戶內的 5,480,000 股中國有色金屬股份的唯一目的，是要解決該帳戶內的現金借方結餘。

結論

- 8. 證監會認為，透過客戶甲的帳戶買賣中國有色金屬股份的目的是要推高中國有色金屬的股價，以便按較高價格把中國有色金屬股份從客戶乙的個人帳戶轉往聯名帳戶，從而把客戶乙的個人帳戶內的現金借方結餘消除。
- 9. 根據《香港聯交所交易規則》第 526(3) 條，就兩邊客交易設定的價格不得高於市場上的最佳發售價。交易指示均會以嚴格的價格及時間優先次序進行配對，故此如果王不先以客戶甲的帳戶清除按較低價格輪候的賣盤（見上文第 5(i) 段），客戶乙的個人帳戶與聯名帳戶之間的交叉盤買賣便不可能以 0.105 元的價格進行。
- 10. 證監會的調查亦發現，於 2012 年 5 月 30 日或之前，王曾經尋求輝立證券香港的負責人員批准以人手操作方式，在客戶乙的個人帳戶與聯名帳戶之間進行中國有色金屬股份的交叉盤買賣。由於建議的交易價格偏離當時市價太遠，故要求遭到拒絕。這項發現支持了本會的看法，即聯名帳戶從客戶乙的個人帳戶購入 5,480,000 股中國有色金屬股份，以及在此項購入前於客戶甲的帳戶內進行的中國有色金屬股份交易均是有預謀的。
- 11. 王的行為對客戶甲有欠公平，原因是中國有色金屬股份的交易引致財政損失，而該項交易的目的是為了方便客戶乙的個人帳戶與聯名帳戶於其後以較高價格進行交叉盤買賣，藉此消除客戶乙的個人帳戶內的現金借方結餘。
- 12. 該等行為亦對其他投資者有欠公平，原因是此舉干擾到正常定價過程的中立性及客觀性，並有可能影響了其他市場參與者的交易策略及投資決定。
- 13. 王以人為方式推高中國有色金屬的股價，以及把中國有色金屬股份從客戶乙的個人帳戶售予聯名帳戶，從而令前者獲益，但卻令後者的利益受損的行為，違反了

《證券及期貨事務監察委員會持牌人或註冊人操守準則》第 1 項一般原則，當中規定王在進行其業務時，須以誠實、公平和維護客戶最佳利益的態度行事及確保市場廉潔穩健。

14. 王亦由於意圖使中國有色金屬股份的交易具有或相當可能具有有關效果(即為中國有色金屬股份的交易設定非真實的價格或維持非真實的價格水平)，或罔顧該宗交易是否具有或相當可能具有有關效果，而透過客戶甲的帳戶直接或間接參與或牽涉入中國有色金屬股份的交易，違反了《證券及期貨條例》第 274(3)及 295(3)條。
15. 證監會經考慮所有情況後，認為王犯有失當行為，令人質疑其作為持牌人的適當人選資格。
16. 證監會在作出包括以下各項在內的所有相關考慮後，決定對王採取上文第 1 段所述的紀律處分行動：
 - (a) 王的行為令其中一名客戶蒙受財政損失；
 - (b) 有需要向市場發出強烈的訊息，表明證監會嚴厲對待類似王所作出的行為，因為該等行為會造成不公平情況，並有可能危害市場的廉潔穩健及削弱市場信心；
 - (c) 以王於證券業約 15 年的經驗，他理應知道透過客戶甲的帳戶發出中國有色金屬交易指示的方法，有可能會導致人為推高按盤價的效果；及
 - (d) 王以往並無遭受證監會紀律處分的紀錄。