

SFC Circular - SFC bans Peter Law Chi Kin for 10 years and fines him \$535,500

The Securities and Futures Commission (SFC) has banned Mr Peter Law Chi Kin, a former licensed representative of Convoy Asset Management Limited (CAML), from re-entering the industry for 10 years from 26 April 2023 to 25 April 2033 for taking part in a stock manipulation scheme. The SFC also fined Law \$535,500, equivalent to the profit that he gained from participating in the scheme.

From June to July 2016, Law was persuaded by his colleague Mr Wong Kwun Shing to join the stock manipulation scheme. He went on to solicit and arrange for 10 of his clients and friends to buy the shares of a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (Company A) from the manipulators involved in the scheme. His clients agreed to hold onto the shares for one to three months during which the manipulators would purportedly push up the share price. They also agreed to sell them only with his permission in return for cash rebates of 12% to 15% of the transaction value. However, his clients ended up suffering substantial losses because they were not allowed to offload their shares before the share price of Company A collapsed.

The SFC also found that Law coordinated with Wong to arrange the transactions through which his clients bought the shares from the manipulators. On each occasion, Wong would confirm the date, time, size and price with the manipulators in advance and inform Law of the same. Law would then give detailed instructions to his clients to ensure that their bid orders would match the manipulators' ask orders. After the transaction was completed, Wong would collect the cash rebates from the manipulators and pay Law for onward distribution to his clients.

By doing so, Law received \$535,500 from the manipulators for his involvement in the scheme, but he did not disclose to his clients that he would receive commission for soliciting them to buy the shares of Company A.

HEINBRO
GROUP

Level 18A, Heng Shan
Centre, 145 Queen's Road
East, Wan Chai, Hong
Kong |
heinbroconsulting.com |
heinbro@heinbro.com |
+852 2811 1708

HEINBRO GROUP

HEINBRO GROUP

Level 18A, Heng Shan
Centre, 145 Queen's
Road East, Wan Chai,
Hong Kong |
heinbroconsulting.com |
heinbro@heinbro.com |
+852 2811 1708

Furthermore, Law told his clients that the scheme was riskless, and he repeatedly gave them reckless advice. This included dissuading his clients from offloading their shares when the share price of Company A began to fall and reassuring them that they would recoup their losses or even make a profit by holding onto the shares. As a result, his clients missed the opportunities to mitigate their losses.

On Law's recommendation, two clients tapped the overdraft facilities offered by a brokerage firm to fund their purchase of the shares of Company A. However, he did not explain to them the risks that they might be required to deposit extra cash into their accounts should the market value of their shares fall. The shares of the two clients were force sold by the brokerage firm when the share price of Company A plummeted.

Law's conduct fell far short of the standards set out in the Code of Conduct for Persons Licensed by or Registered with the SFC, and casts serious doubts on his character, reliability and ability to carry on regulated activities competently, honestly and fairly. The SFC considers that he is not fit and proper to be a licensed person.

In determining the sanction against Law, the SFC has taken into account all relevant circumstances, including:

- Law's misconduct was deliberate, serious and blatantly dishonest and led to significant losses for his clients;
- a strong deterrent message to the industry that the SFC will not tolerate such misconduct;
- Law's admission of his involvement in the scheme and willingness to accept disciplinary sanctions, as well as his remorse; and
- his otherwise clean disciplinary record.

HEINBRO GROUP

中文版本

證監會禁止羅致健重投業界十年並處以罰款535,500元

證券及期貨事務監察委員會（證監會）禁止康宏資產管理有限公司（康宏資產管理）前持牌代表羅致健（男）重投業界十年，由2023年4月26日起至2033年4月25日止，原因是他參與一項股票操縱計劃。證監會亦對羅處以罰款535,500元，相等於他從參與該計劃所賺取的利潤。

在2016年6月至7月期間，羅受其同事黃冠成（男）游說參與有關股票操縱計劃。羅繼而招攬和安排他的十名客戶及朋友向涉及該計劃的操縱者購買一家當時於香港聯合交易所有限公司創業板上市的公司（A公司）的股份。他的客戶同意持有該等股份一至三個月，期間操縱者據稱將會推高A公司的股價。他們亦同意只會在他允許下才出售該等股份，以換取相當於交易價值12%至15%的現金回佣。然而，由於他的客戶不獲准在A公司的股價暴跌前沽出股份，故令他們蒙受了重大損失。

證監會亦發現，羅與黃協調以安排羅的客戶向操縱者購買該等股份。每次交易前黃都會事先與操縱者確認日期、時間、規模及價格，並通知羅。羅隨後會向客戶發出詳細指示，以確保他們的買盤指令與操縱者的賣盤指令互相配對。在交易完成後，黃會從操縱者收取現金回佣並支付予羅，再由羅分派予其客戶。

如此一來，羅因參與該計劃而從操縱者獲取535,500元，但他沒有向其客戶披露他會因招攬他們購買A公司的股份而獲取佣金。

此外，羅告訴其客戶該計劃無任何風險，並多次向他們提供魯莽的建議，包括當A公司的股價開始下跌時，勸阻客戶沽出股份，並向他們保證，只要繼續持

HEINBRO GROUP

Level 18A, Heng Shan
Centre, 145 Queen's
Road East, Wan Chai,
Hong Kong |
heinbroconsulting.com |
heinbro@heinbro.com |
+852 2811 1708

HEINBRO GROUP

HEINBRO GROUP

Level 18A, Heng Shan
Centre, 145 Queen's
Road East, Wan Chai,
Hong Kong |
heinbroconsulting.com |
heinbro@heinbro.com |
+852 2811 1708

有股份便可彌補損失甚至獲利。他的客戶因此錯過了減輕損失的機會。

在羅的建議下，兩名客戶利用某家經紀行提供的透支服務來購買A公司的股份。然而，他沒有向他們說明如果股份市值下跌，他們便可能被要求將額外現金存入他們的帳戶的風險。該兩名客戶的股份均在A公司股價暴跌時被該經紀行強行出售。

羅的行為遠遜於《證券及期貨事務監察委員會持牌人或註冊人操守準則》所訂的標準，並令人對其品格、可靠程度，以至其是否有能力稱職地、誠實地和公正地進行受規管活動產生極大懷疑。證監會認為他並非獲發牌的適當人選。

證監會在決定對羅採取上述處分時，已考慮到所有相關情況，包括：

- 羅的行為屬蓄意、嚴重且明顯有欠誠實，並導致其客戶遭受重大損失；
- 有必要向業界傳遞具阻嚇力的強烈訊息，以示證監會絕不容忍有關失當行為；
- 羅承認參與該計劃並願意接受紀律處分，以及表示了悔意；及
- 他過往並無遭受紀律處分的紀錄。