

Enforcement Actions

3 October 2002

Court Dismisses Appeals Against Prison Sentences for Market Manipulation

Judge: The Crime is not Victimless

The Securities and Futures Commission welcomes the Court's confirmation that market manipulation is a serious crime that warrants immediate custodial sentence.

The High Court today dismissed appeals lodged by Choy Wai Zak and Yuen, Cyril Sze Ning against the immediate custodial sentences imposed on them for market manipulation.

On 18 March 2002, Choy and Yuen were convicted at Western Magistracy of manipulating the shares of Hong Kong Parkview Group Limited (Note 1). The magistrate Mr P.C. White sentenced them to immediate terms of imprisonment. Choy was convicted of two offences and sentenced to a total of eight months' imprisonment. Yuen was convicted of one offence and sentenced to four months' imprisonment.

Choy and Yuen appealed against sentence and their cases were heard today before His Honour Mr Justice Lugar-Mawson. Both appeals were dismissed.

In confirming the original sentences, the Judge said that market manipulation was an offence involving deception and dishonesty which struck at the honest operation of the securities market and as such it was not a victimless crime. The offence could lead to significant profits for perpetrators, as well as large losses for investors. He noted that the offences carried a maximum sentence of two years' imprisonment and concluded that the sentences imposed by the magistrate were well within the maximum and were not manifestly excessive or wrong in principle.

Ends

Note to Editor:

(1) Please refer to the press release titled "Immediate Custodial Sentence for Market Manipulators" issued on 18 March 2002 for details of the case. The release is available on the SFC website at www.hksfc.org.hk.

Page last updated: 4 October 2002