

Market Misconduct Tribunal bans Andrew Left of Citron Research from trading securities in Hong Kong

20 Oct 2016

The Market Misconduct Tribunal (MMT) has ordered that Mr Andrew Left of Citron Research be banned from trading securities in Hong Kong for the maximum period of five years without the leave of the court after finding him culpable of disclosing false or misleading information inducing transactions under the Securities and Futures Ordinance (SFO) in the publication of a research report on Evergrande Real Estate Group Limited (Evergrande) in June 2012 (Notes 1 & 2).

The MMT has also issued a cease and desist order against Left (Note 3).

Left is ordered to disgorge his profit of \$1,596,240 from shorting shares of Evergrande and to pay the Securities and Futures Commission's (SFC) investigation and legal costs.

The SFC commenced proceedings in the MMT in 2014 against Left. The MMT ruled in August this year that allegations of insolvency and fraudulent accounting in the research report published by Left on Evergrande were false or misleading and likely to alarm ordinary investors and that Left had made these allegations recklessly or negligently with no understanding of the Hong Kong accounting standards that applied and without checking them with an accounting expert or seeking comment from Evergrande.

End

Notes:

1. For further details of the MMT proceedings, please see the SFC's press releases dated [22 December 2014](#), [19 March 2015](#), [2 November 2015](#) and [26 August 2016](#).
2. Under section 257(1)(b) of the SFO, a cold shoulder order is an order that the person shall not, without the leave of the Court of First Instance, in Hong Kong, directly or indirectly, in any way acquire, dispose of or otherwise deal in any securities, futures contract or leveraged foreign exchange contract, or an interest in any securities, futures contract, leveraged foreign exchange contract or collective investment scheme for the period (not exceeding five years) specified in the order.
3. Under section 257(1)(c) of the SFO, a cease and desist order is an order that the person shall not again perpetrate the market misconduct specified in the order.

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