28 June 2011

Investor convicted of manipulating Callable Bull Bear Contracts

The Eastern Magistracy today sentenced Mr Lam Lok Yin to serve 120 hours of community service after he pleaded guilty to manipulating four Callable Bull Bear Contracts (CBBCs) during the pre-opening session (POS) between 18 May and 16 July 2009 (Note 1).

Lam was also ordered to pay a total fine of $89,100 and $60,007 investigation costs to the Securities and Futures Commission (SFC). The fine amounts to the total net profit earned by him in carrying out the manipulation.

An SFC investigation found that, on four occasions between 18 May and 16 July 2009, Lam raised the indicative equilibrium price (IEP) of four CBBCs by artificially placing auction orders and limit orders at escalating prices during the POS (Note 2). The SFC alleged that Lam created an artificial price in respect of the four CBBCs.

The four CBBCs involved were: UB#HKEXRP0906H ("Stock 31735"); SG#CLIFERC0911G ("Stock 62861"); DB#CLIFERP0908R ("Stock 62619"); and DB#CLIFERC0912G ("Stock 65052") (Note 3).

Lam's orders raised the IEP of the CBBCs by 16% to 25% on the relevant days. As a result, Lam was able to make a total net profit of $89,100 when he sold his holdings on the same days he raised the IEP.

End

Notes:

1. The POS commences at 9:30 am on each trading day, and comprises 4 periods:
(i) Order Input Period (9:30 am to 9:45 am)
(ii) Pre-order Matching Period (9:45 am to 9:50 am)
(iii) Order Matching Period (9:50 am to 9:58 am)
(iv) Blocking Period (9:58 am to 10:00 am)
2. The IEP is the price during the POS at which the maximum number of shares could be traded if order matching occurred at that time.
3. The underlying stocks of the CBBCs were :
(i) UB#HKEXRP0906H ("Stock 31735") – Hong Kong Exchange and Clearing Limited
(ii) SG#CLIFERC0911G ("Stock 62861"), DB#CLIFERP0908R ("Stock 62619") and DB#CLIFERC0912G ("Stock 65052") – China Life Insurance Company Limited

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投資者操縱牛熊證罪成

2011年6月28日

林樂然（男）承認曾在2009年5月18日至7月16日期間的開市前時段操縱四隻牛熊證，今天被東區裁判法院判處120小時社會服務令（註1）。

林同時被判罰款合共89,100元，並須向證券及期貨事務監察委員會（證監會）繳付調查費60,007元。罰款金額相當於林透過操縱牛熊證而賺取的利潤。

證監會的調查發現，在2009年5月18日至7月16日期間，林先後四次在開市前時段，以逐步提升價格的方式發出涉及非真實價格的競價盤及限價盤，從而推高了該四隻牛熊證的參考平衡價格（註2）。證監會指控林就該四隻牛熊證設定非真實的買賣價格。

該四隻牛熊證分別為港交瑞銀九六熊H（"股份代號31735"）、中壽法興九甲牛G（"股份代號62861"）、中壽德銀九八熊R（"股份代號62619"）及中壽德銀九乙牛G（"股份代號65052"）（註3）。

林所落的買賣盤引致該等牛熊證在有關日期的參考平衡價格上升了16%至25%。林推高這些權證的參考平衡價格後，在同一天沽出該等權證，總共獲利89,100元。

完

備註:

1. 林開市前時段在每個交易日上午9時30分開始，分為四個時段:
(i) 輸入買賣盤時段（上午9時30分至9時45分）

(ii) 對盤前時段（上午9時45分至9時50分）

(iii) 對盤時段（上午9時50分至9時58分）

(iv) 暫停時段（上午9時58分至10時正）

2. 參考平衡價格是指在開市前時段內，若當時進行對盤可以成交最多股數的價格。
3. 該等牛熊證的正股為:
(i) 港交瑞銀九六熊H（"股份代號31735"）──香港交易及結算所有限公司

(ii) 中壽法興九甲牛G（"股份代號62861"）、中壽德銀九八熊R（"股份代號62619"）及中壽德銀九乙牛G（"股份代號65052"）──中國人壽保險股份有限公司。

最後更新日期：2012年8月1日