

Politics

HK Sets Record Jail Sentence for Market Manipulation

By [Kiuyan Wong](#)

July 22, 2024 at 6:32 AM GMT+2

Corrected July 23, 2024 at 4:30 AM GMT+2



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A Hong Kong court sentenced two defendants to six years and eight months of prison time for market manipulation, the longest ever punishment for such an offense in the financial hub, according to the presiding judge.

The Hong Kong High Court announced the sentencing on Monday after convicting three defendants in May over false trading in the listed firm [Ching Lee Holdings Ltd.](#) The activities lasted more than five months in 2016 and resulted in illicit profits of over HK\$124 million (\$15.9 million), according to the [Securities and Futures Commission](#). One of the defendants received a four year and four month sentence.

The case also marked the [first ever jury win](#) for the SFC involving a market manipulation case.

The lengthy sentences were justifiable since there's a need to send a strong message to the investing public and to safeguard Hong Kong's reputation as a global financial center, Judge Douglas Yau said on Monday.

The SFC is ramping up its enforcement of market misconduct. In October, the court will once again hear the alleged insider trading case that brought the star hedge fund [Segantii Capital Management](#) to a sudden downfall.

[Segantii Hong Kong Insider Dealing Case Adjourned to Oct. 15 \(1\)](#)

Usually the regulator pursues criminal cases involving market misconduct at lower courts with judge-alone sitting, or via civil venue at the Market Misconduct Tribunal presided by a judge and two other members proficient in financial cases.

(Corrects last name of judge in story that ran on July 22.)

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