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Court of Appeal declines permission for further appeals against market manipulation convictions of warrant traders

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The Court of Appeal has declined to allow an appeal to the Court of Final Appeal on a point of law by Mr Patrick Fu Kor Kuen and Mr Francis Lee Shu Yuen in respect of their convictions for manipulating derivative warrants (Note 1).

On 7 May 2010, the District Court convicted Fu and Lee of 20 counts of creating a false and misleading appearance of active trading in derivative warrants issued by Macquarie Bank Ltd between January 2004 and January 2005.

On 23 December 2010, the Court of Appeal upheld the convictions and held that the purpose of the market manipulation provisions is to keep markets free of manipulation and that breach of those provisions is serious even in the absence of proof of loss to investors. Nevertheless, the Court of Appeal reduced the sentences against Fu and Lee from 33 and 36 months to 20 and 21 months respectively.

The Court of Appeal has ruled that the decision did not give rise to a point of law of great and general importance that would justify an appeal to the Court of Final Appeal (Note 2).

End

Notes:

1. Please see SFC's press releases dated [7 May 2010](#), [13 May 2010](#) and [23 December 2010](#) regarding the convictions, appeal and sentences.
2. The Court of Appeal's judgment will be available on the Judiciary's website.

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