



SFC Enforcement Actions in January 2026 and December 2025

In January 2026 and December 2025, the Hong Kong Securities and Futures Commission (**HK SFC**) announced the results of a series of enforcement actions spanning a broad range of misconduct, including undisclosed personal trading in breach of staff dealing policies, false trading and market manipulation, insider dealing, and fraudulent schemes by former directors and senior executives of a listed company. Notably, the period saw the HK SFC's first enforcement action against an SFC-licensed corporation for breach of the regulatory requirements on distribution of virtual asset funds and other virtual asset-related products, resulting in a reprimand and fine of HK\$4 million imposed on Saxo Capital Markets HK Limited for distributing these products to retail clients without adequate safeguards. Other key developments included a HK\$595 million compensation order obtained against former directors and senior officers of Superb Summit International Group Limited, custodial sentences imposed on individuals convicted of insider dealing and false trading, and a HK\$10.85 million fine levied on EFG Bank AG for product due diligence, record-keeping and reporting failures. These actions underscore the HK SFC's resolve to hold licensed persons, corporations and market participants accountable for regulatory breaches, and to pursue both disciplinary and criminal proceedings where warranted.

Hong Kong Licensed Representative Suspended for 27 months for Breach of Staff Dealing Policies

The HK SFC has suspended the licence of Mr. Wong Chi Fai, a former licensed representative, for 27 months commencing on 23 January 2026.

The HK SFC's investigation revealed that Mr. Wong engaged in undisclosed personal trading activities over a period of nearly ten years while employed at two brokerage firms. Between October 2019 and January 2022, whilst accredited to Fulbright Securities Limited and Fulbright Futures Limited, Mr. Wong conducted approximately 1,300 securities transactions with an aggregate value of HK\$670 million through a securities account held in his relative's name at another brokerage firm, Glory Sun Securities Limited (**GSSL**). He had arranged for the relative to open the account for his personal use. The HK SFC found that, in breach of Fulbright's staff dealing policies, Mr. Wong failed to disclose to Fulbright his beneficial interest in and personal trading activities in the securities account. He also made multiple false declarations affirming that he had no beneficial interest in any external securities accounts.

The HK SFC further found that during his earlier employment at Open Securities Limited (**OSL**), Mr. Wong executed approximately 10,000 personal trades valued at HK\$2.8 billion through a securities account held in a relative's name with OSL, without obtaining the approvals required under OSL's staff dealing policies. He also concealed his

interest in and control over this account in false declarations made between 2011 and 2018.

The staff dealing policies of both firms reflected the regulatory obligations of licensed corporations under paragraph 12.2 of the Code of Conduct to implement procedures and policies on employee trading and to actively monitor the trading activities in their employees' accounts and their related accounts, including accounts in which their employees are beneficially interested. The HK SFC determined that Mr. Wong's conduct in failing to comply with the firms' staff dealing policies was wilful and dishonest, as it circumvented the staff dealing policies of both firms and prevented them from monitoring his personal trading activities. This conduct called into question his fitness and properness to remain a licensed person under the Securities and Futures Ordinance.

In determining the 27-month suspension, the HK SFC had regard to the prolonged duration of the breaches, the significant volume and value of the undisclosed trading, Mr. Wong's cooperation with the HK SFC's investigation, and his otherwise clean disciplinary record.

This case underscores the importance the HK SFC attaches to compliance with staff dealing policies and the obligation of licensed representatives to make full and truthful disclosure of their personal trading activities and beneficial interests in securities accounts.

In a related action, the HK SFC suspended for seven months the licence of Ms Choi Sau Wai, a former licensed representative of GSSL, for allowing Wong to operate and carry out personal trades in the securities account of a GSSL client without obtaining written authorisation from the client or written consent from Wong's employer.

Retail Trader Convicted of False Trading under Section 295 of the Securities and Futures Ordinance

The Eastern Magistrates' Courts convicted Mr. Ng Ka Hei of seven counts of false trading, contrary to section 295 of the Securities and Futures Ordinance on 22 January 2026.

The conviction follows a prosecution by the HK SFC regarding market manipulation activities conducted between 20 September 2022 and 24 October 2023 involving six Main Board-listed companies. The Court found that Mr. Ng had:

- **Employed "scaffolding"**: repeatedly placing and subsequently cancelling orders at progressively higher prices; and
- **Conducted wash trades**: acting as both the buyer and seller in transactions to create a misleading appearance of active trading.

These activities artificially inflated the share prices, allowing Mr. Ng to make a profit of HK\$117,715 on disposing of the shares. Mr. Ng pleaded guilty to all charges.

HK SFC Obtains HK\$595 Million Compensation Order against Former Directors and Senior Executives of HKEX-Listed Company

On 21 January 2026, the Court of First Instance granted the HK SFC final orders against three former senior figures of Superb Summit International Group Limited (**Superb Summit**), a company formerly listed on the Main Board of the Hong Kong Stock Exchange.

The Court found that the individuals had orchestrated or participated in fraudulent schemes that caused significant financial loss to Superb Summit. The ruling is notable for the severity of the sanctions and the confirmation that liability for corporate misconduct extends to shadow directors and senior officers, not merely appointed directors. The proceedings centred on two fraudulent transactions:

- **The 2009 Acquisition**: Mr. Yang, a shadow director of Superb Summit controlling a 22.6% stake in the company, concealed his personal interest in the acquisition of a target company. The target purportedly held forestry assets which were found not to exist. This fraud resulted in a loss of HK\$347 million for Superb Summit.
- **The 2014 Acquisition**: Mr. Yang masterminded, and Mr. Wu (a former executive director) and Mr. Chan (a former CFO and company secretary) were involved in, the acquisition of a company holding grossly overvalued engineering technology. The acquisition resulted in a misappropriation of HK\$248 million from Superb Summit. The Court found that Wu and Chan had breached their fiduciary duties through their active involvement in this scheme.

The three defendants were ordered to pay aggregate compensation of HK\$595 million to Superb Summit. Mr. Yang was ordered to pay HK\$347 million regarding the 2009 Acquisition, and Mr. Yang, Mr. Wu and Mr. Chan King were made jointly and severally liable for paying HK\$248 million regarding the 2014 Acquisition.

The Court also imposed long-term disqualification orders of 15 years for Mr. Yang and 12 years for Mr. Wu and Mr. Chan, prohibiting the individuals from being directors or participating in the management of any corporation in Hong Kong. The defendants were ordered to pay the SFC's costs.

This judgment concludes the HK SFC's legal action regarding Superb Summit. Prior to this ruling, the HK SFC has already obtained disqualification orders against ten other former directors of the company, with terms ranging from 2.5 to 10 years.

HK SFC Reprimands and Fines Saxo Capital Markets HK Limited HK\$4 million for Regulatory Breaches in Distributing Virtual Asset Funds and Products

The HK SFC has reprimanded and fined Saxo Capital Markets HK Limited (**SCMHK**) HK\$4 million for regulatory breaches in distributing unauthorised virtual asset (**VA**) funds and VA-related products (collectively, **VA Products**) on its online trading platform.

From 1 November 2018 to 25 November 2022, SCMHK permitted retail clients to trade certain VA Products on its online platform that should have been restricted to professional investors (**PIs**) under two HK SFC circulars that were in effect at the relevant time.¹ The HK SFC's investigation found that SCMHK executed 1,446 transactions involving 32 VA Products for six PIs and 130 retail clients on its online platform. These were all complex products, and included 21 exchange-traded derivatives.

Contrary to the circulars' guidance, SCMHK failed to assess clients' VA knowledge before effecting transactions, conduct the required due diligence on VA Products, or provide sufficient VA-specific information and warnings.

SCMHK lacked specific VA Product due diligence procedures and relied on group-level protocols established by its parent company to identify instruments with exposure to VAs. Deficiencies in these protocols meant the 32 VA Products went unidentified, resulting in them being made available to all SCMHK's clients irrespective of whether they were PIs or not. SCMHK only discovered this in November 2022 when notified by its parent company.

The HK SFC found that SCMHK had failed to implement adequate policies and controls to manage and supervise the platform's compliance with regulatory requirements for VA Product distribution.

SCMHK also failed to ensure compliance with the requirements for complex products. It did not ensure: (i) that the transactions in complex VA Products conducted on its platform were suitable for clients; or (ii) that sufficient product information and appropriate warnings were made available on its online platform to enable clients to understand the nature and risks of those complex VA Products before making an investment decision.

For the 87 clients (82 retail and 5 PIs) who traded the 21 exchange-traded derivatives, SCMHK did not adequately assess or characterise the clients based on their derivatives knowledge as required by paragraphs 5.1A, 5.3 and 5.5(b) of the SFC Code of Conduct.

Former Vice President of Computershare Jailed for Insider Dealing

On 18 December 2025, the Eastern Magistrates' Court sentenced Mr. Choi Chun Wai, a former Vice President at Computershare Hong Kong Investor Services Limited, to two months' imprisonment for insider dealing in the shares of ENM Holdings Limited. Mr. Choi was also ordered to pay a fine of HK\$289,500, representing the losses avoided, and HK\$120,407 in HK SFC investigation costs.

The Court heard that while employed as Vice President of Corporate Services at Computershare, Mr. Choi obtained inside information concerning ENM's privatisation. On 25 September 2023, he sold his entire holding of 1.5 million ENM shares before the announcement that the privatisation had lapsed, thereby avoiding losses of approximately HK\$289,500.

In passing sentence, the Court acknowledged Mr. Choi's remorse but emphasised the seriousness of insider dealing, finding an immediate custodial sentence to be appropriate.

¹ SFC [Circular to Intermediaries on Distribution of Virtual Asset Funds](#) issued on 1 November 2018 and SFC/HKMA [Joint Circular on Intermediaries' Virtual Asset-related Activities](#) issued on 28 January 2022

China All Access Former Executive Director Jailed for False Trading under Section 295 of the Securities and Futures Ordinance

On 17 December 2025, the Shatin Magistrates' Court sentenced Ms Wong Yuk Lan, a former Administration Controller of China All Access (Holdings) Limited, to eight months' imprisonment following her conviction for false trading in market manipulation proceedings brought by the HK SFC. Ms Wong was also ordered to pay the SFC's investigation costs.

Between 29 and 31 December 2014, Ms. Wong placed a series of bid orders for China All Access shares through her personal securities account during the final minutes before market close at prices exceeding prevailing market levels. The Court found that she had no genuine intention to purchase the shares but sought to create a false or misleading appearance of market demand for China All Access shares in order to alleviate pressure arising from margin calls on an account held by her partner.

HK SFC Reprimands and Fines EFG Bank AG HK\$10.85 Million for Regulatory Breaches and Internal Control Failures

The HK SFC publicly reprimanded and fined EFG Bank AG (**EFG**) HK\$10,850,000 for failures between January 2015 and December 2020 relating to product due diligence, record-keeping and reporting obligations.

The disciplinary action followed EFG's self-report in December 2020. The HK SFC's investigation found that EFG failed to consider one or more special product features when conducting product due diligence on 322 bonds, including two bonds that were not classified as complex products after regulatory changes relating to complex products (the **Complex Product Regime**) came into effect on 6 July 2019. EFG also failed to update its product due diligence internal policies promptly to reflect the regulatory changes, only doing so three months after the regime took effect.

Following implementation of the Complex Product Regime, EFG failed on 29 occasions to provide sufficient complex product information to customers and failed on 14 occasions to provide adequate warning statements before or at the point of transaction.

EFG was also unable to locate product due diligence records for 141 bonds, despite its internal policies requiring such records to be archived for 10 years, in breach of the Management, Supervision and Internal Control Guidelines for Persons Licensed by or Registered with the HK SFC (**Internal Control Guidelines**).

Additionally, EFG failed to report the product due diligence failures to the HK SFC immediately upon suspecting them in July 2020. Instead, it engaged external reviewers to assess its product due diligence framework and only submitted its self-report in December 2020.

The HK SFC found these failures constituted breaches of General Principles 2 and 5, paragraphs 3.4, 5.2, 5.5(a) and 12.5 of the Code of Conduct, and Parts IV, V and VII of the Internal Control Guidelines.

In determining the sanction, the HK SFC considered the duration of the failures, the need for deterrence, EFG's remedial measures to enhance its product due diligence framework, its cooperation with the HKMA and HK SFC, and its implementation of enhanced complaint handling procedures for affected customers.

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