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Monetary Authority
of Singapore

JOINT NEWS RELEASE

SINGAPORE-HONG KONG JOINT OPERATION AGAINST SUSPECTED CROSS-BORDER PUMP-AND-DUMP SYNDICATE

Singapore, 16 December 2021. The Monetary Authority of Singapore (MAS) and the Commercial Affairs Department (CAD) of the Singapore Police Force have launched a joint investigation into a syndicate suspected of operating pump-and-dump scams on stocks listed on the Hong Kong Stock Exchange, in contravention of the Securities and Futures Act¹. The investigation was coordinated with the Hong Kong Securities and Futures Commission and the Hong Kong Police Force, which launched investigations in Hong Kong on the same day².

2. The simultaneous joint operation involving securities regulators and law enforcement agencies in Singapore and Hong Kong is the first-of-its-kind in tackling cross-border pump-and-dump scams.

3. In a pump-and-dump scam, the syndicate would artificially pump up the price of a company's shares by buying up the shares and spreading false positive news about the company via social media and messaging applications to induce unwary victims to buy the shares. When prices are sufficiently high, it dumps by selling the stocks to the victims. The victims are left holding stocks with plummeted value and end up suffering substantial losses while syndicate members profit from the scam.

4. A Singapore-based suspect was arrested and has surrendered her passport. Cash amounting to approximately S\$4.4 million, suspected to be proceeds from the pump-and-dump scam, have also been seized.

¹ Under the extra-territoriality provision of the Securities and Futures Act, a person may be guilty of an offence relating to an act occurring partly in Singapore even though the security is listed on an overseas market.

² <https://apps.sfc.hk/edistributionWeb/gateway/EN/news-and-announcements/news/doc?refNo=21PR125>

5. MAS and CAD continue to receive reports of victims falling prey to pump-and-dump scams involving overseas stocks. We share relevant information with overseas authorities and will continue to work closely with them to detect and deter such scams. Firm action will be taken against those in Singapore who assist criminal syndicates to perpetrate such scams.

6. Members of the public should be wary of stock recommendations offered on social media and messaging applications, and exercise caution regarding discussions on coordinated trading activities on these applications. Please refer to past advisories³ on pump-and-dump scams for more information.

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³ https://www.police.gov.sg/media-room/news/20210811_police_advisory_on_pump_and_dump_scams_involving_overseas_listed_companies

<https://www.mas.gov.sg/news/media-releases/2021/beware-of-risks-related-to-trading-incited-by-online-discussions>

<https://www.sgx.com/media-centre/20201210-sgx-regco-warns-public-pump-and-dump-activities-exploiting-telegram-chats-and>