

## Case Comment

### THE WOLF OF SHENTON WAY

#### *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176

This case comment analyses the Court of Appeal’s decision in *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176, which concluded one of Singapore’s most sophisticated market-manipulation scheme prosecution. Over 14 months, the appellants manipulated the share prices and liquidity of Blumont, Asiasons, and LionGold through extensive wash trades, rollover contra trading, and co-ordinated use of 189 trading accounts, ultimately leveraging artificially inflated shares for financing and prospective acquisitions. The courts affirmed their convictions under ss 197 and 201(b) of the Securities and Futures Act, clarifying key *mens rea* standards, the scope of “purpose” under s 197, and the interpretation of “involvement” in deceptive trading under s 201(b). The case also highlighted structural vulnerabilities in Singapore’s market-supervision regime, including weaknesses in beneficial-ownership verification and credit-facility controls. Against the backdrop of initiatives to deepen Singapore’s equity markets, the decision underscores the need for continuous regulatory refinement to maintain market integrity amidst increasingly sophisticated manipulation techniques.

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#### I. Introduction

1 The artificial inflation and subsequent erosion of some S\$8bn<sup>1</sup> in the market capitalisation of securities listed on the Mainboard of the Singapore Exchange (“SGX”), representing about 1% of its total market

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1 Lydia Lam, “36 Years’ Jail for Mastermind of Scheme That Led to S\$8 Billion Penny Stock Crash in 2013”, *Channel NewsAsia* (28 December 2022) <<https://www.channelnewsasia.com/singapore/penny-stock-crash-john-soh-chee-wen-quah-su-ling-mastermind-2013-penny-stock-crash-jail-market-manipulation-8-billion-3170531>> (accessed 18 February 2026).

capitalisation at the time,<sup>2</sup> was no modest endeavour. Today, with a total market capitalisation of approximately S\$1.1tn,<sup>3</sup> Singapore's capital markets should no longer be characterised as nascent, nor treated as such. Yet, despite the SGX's coextensive role as a front line regulator<sup>4</sup> alongside the Monetary Authority of Singapore ("MAS") as the overarching supervisor,<sup>5</sup> perpetrators of market misconduct continue to deceive both market participants and regulators, thereby eroding institutional and public confidence in Singapore's standing as a regional capital markets hub. In this recent decision, the Court of Appeal in *Soh Chee Wen v Public Prosecutor*<sup>6</sup> ("*Soh Chee Wen CA*") undertook a detailed examination of the statutory mechanisms embedded in ss 197(1)(b) and 201(b) of the Securities and Futures Act 2006<sup>7</sup> ("SFA"), bringing to close the saga of a decade-long judicial battle and, in doing so, reaffirming the centrality of these provisions to Singapore's market misconduct enforcement framework.

## II. Facts

2 Between 1 August 2012 and 3 October 2013, Soh Chee Wen ("Soh") and Quah Su-Ling ("Quah") ("Appellants") deployed a manipulative or deceptive artifice to manipulate the prices of three counters publicly traded on the SGX Mainboard, namely Blumont Group Limited ("Blumont"), Asiasons Capital Ltd ("Asiasons"), and LionGold Corp Ltd ("LionGold") ("collectively BAL"). The Appellants executed their scheme by controlling, co-ordinating the use of, and obtaining financing for 189 trading accounts held with 20 financial institutions in the names of 60 individuals and companies. The Appellants were then individually charged with ten counts of false trading and market rigging pursuant to s 197(1)(b) of the SFA, 162 counts of devising a market manipulation scheme pursuant to s 201(b) of the SFA, and six counts of cheating pursuant to s 420 of the Penal Code.<sup>8</sup>

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2 "Investor Relations Reports", *SGX Group* (30 June 2013) where the SGX reported a total stock market capitalisation of S\$954bn.

3 "Market Statistics Report", *SGX Group* (January 2026) at p 2.

4 Hans Tjio, Wai Yee Wan & Kwok Hon Yee, *Principles and Practice of Securities Regulations in Singapore* (LexisNexis, 3rd Ed, 2017) at para 1.15.

5 Securities and Futures Act 2001 (2020 Rev Ed) ("SFA 2020") Pt 9, Divs 1–4.

6 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176.

7 The case concerned both the previous Securities and Futures Act (Cap 289, 2006 Rev Ed) (pre-amendment SFA 2006) and the Securities and Futures Act (Cap 289, 2006 Rev Ed) (effective from 18 March 2013 to 17 April 2013) (post-amendment SFA 2006).

8 Penal Code (Cap 224, 2008 Rev Ed).

3 At first instance, the General Division of the High Court (“High Court”) in *Public Prosecutor v Soh Chee Wen*<sup>9</sup> (“*Soh Chee Wen HC*”) convicted the Appellants on almost all charges, sentencing Soh to an aggregate of 36 years’ imprisonment and Quah to an aggregate of 20 years’ imprisonment.<sup>10</sup>

4 On appeal, the Appellants unsuccessfully attempted to recast the facts by asserting that they were not the true masterminds of the share manipulation scheme<sup>11</sup> and that no deception existed as the relevant impugned accountholders permitted the use of their accounts and the trading representatives of the affected financial institutions<sup>12</sup> (“FIs”) were aware of their involvement.<sup>13</sup> As the Court of Appeal ultimately upheld the factual findings in respect of false trading and market manipulation scheme,<sup>14</sup> it is instructive to refer to the High Court’s comprehensive fact-finding and analysis.

**A. False trading and market rigging transactions – s 197 of the Securities and Futures Act**

5 Hoo Sheau Peng J in the High Court first found that the Appellants had exercised control over 187 out of 189 of the impugned trading accounts.<sup>15</sup> Thereafter, while the High Court broadly accepted the Prosecution’s expert evidence that the BAL shares were by estimation overvalued<sup>16</sup> *vis-à-vis* their fair market value,<sup>17</sup> it concluded that the

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9 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299.

10 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [1490].

11 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [193].

12 Twenty financial institutions including nine local brokerages and 11 foreign brokerages and private banks; see *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [25].

13 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [243].

14 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [231].

15 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [727] and [823]. There, the High Court stated that the mere fact of control was “strong *indicium*” of the false trading scheme and proof of “*absolute* control” was “not strictly necessary” [emphasis in original].

16 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [827]. The Prosecution’s expert witness personally assessed the listed share prices of Blumont to be 3,112%, Asiasons to be 1,514%, and LionGold to be 464% of their respective “implied share prices”. While the trial judge at [848] disagreed with the expert witness’s valuation method of both excluding high outliers and applying the median over the mean trading multiple to reduce variance distortions, she ultimately found that even after substituting the outlier data back in, LionGold shares were still overvalued by 329.61%.

17 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [829]. The High Court neutrally cited a working definition of “fair market value” by the US International Valuation Standards commonly used for US tax purposes: “the price at which the  
(*cont’d on the next page*)

valuation evidence carried little to no probative value in establishing the Appellants' legal liability for the price manipulation charges. The High Court reasoned that the mere observation that the BAL share price was overvalued, did not *ipso facto* suggest a motive or intent to use the artificially valuable shares.<sup>18</sup> Nevertheless, the High Court relied on the testimony<sup>19</sup> of traders who operated directly under the Appellants' general mandates to establish the latter's *mens rea* in respect of their false trading scheme:

(a) Step 1: Conduct rollover contra trading for BAL Shares

The starting point was that the BAL shares were not widely marginable, meaning that FIs considered them too risky to support leveraged trading. To overcome this, the Appellants engaged in active churning and washing of the BAL shares through rollover contra trading.<sup>20</sup> This method involved purchasing BAL shares on a contra-basis and selling them within the settlement window, thereby avoiding to pay or obtain finance for the purchase price.<sup>21</sup> Thereafter, any notional difference between the purchase and sale prices (net of commissions and fees) would be booked as a contra profit or loss. The relevant trading accounts would then immediately repurchase similar positions to maintain market exposure (*ie*, rolling over the trade).<sup>22</sup> This strategy allowed the Appellants to trade large volumes of BAL shares without incurring the substantial capital outlay required to acquire and hold the shares outright.

(b) Step 2: Wash the BAL Shares

The majority of the contra-rollovers ostensibly<sup>23</sup> took the form of wash trades, where the bids and asks originated from parties acting in concert rather than independent market participants, such that no genuine exchange of money occurred.<sup>24</sup> By repeatedly rolling over their contra-positions in this manner, the Appellants engineered a gradual and stable increase in the BAL share price, punctuated only by instances where they deliberately

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property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts”.

18 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [840], [849] and [857].

19 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [74]–[76] and [865].

20 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [74].

21 At the material time, the SGX allowed settlement on a T+5 basis.

22 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [325].

23 The charges did not proceed under s 197(3) of the SFA 2006. See below at para 15.

24 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [78].

conducted “aggressive trading” to drive prices sharply higher following positive corporate announcements.<sup>25</sup>

This wash trading strategy further enabled the Appellants to exercise control over the bulk of the BAL shares and deploy these artificially supported shares as collateral in margin accounts, purportedly for the trading of other shares, thereby expanding their total trading capacity. Collectively, these actions created the illusion of liquidity, lent credibility to the price increments and drew public market interest in the BAL shares, while simultaneously avoiding contra losses. The use of numerous unique trading accounts further gave the manipulative activity the veneer of legitimate market participation and helped the Appellants evade detection, for a while.

(c) Step 3: Use the artificially priced BAL Shares to obtain financing

The Appellants then sought to pledge the artificially inflated BAL shares to FIs<sup>26</sup> as collateral to obtain additional trading lines (*ie*, monetise the BAL shares), thereby securing the trading limits necessary to execute the manipulative trades. During this period, artificially churning the BAL shares remained imperative, as liquidity was a fundamental criterion for FIs before accepting shares as collateral, and was also necessary to prevent the FIs from reducing or withdrawing the credit facilities. Further, maintaining the BAL share prices through churn trading was also similarly crucial to safeguard against triggering margin calls from the FIs.

(d) Step 4: Use the artificially priced BAL shares as currency for corporate acquisitions

Thereafter, the Appellants sought to use these artificially supported BAL shares to acquire asset-rich companies. Throughout this process, maintaining the perception of liquidity was crucial, as shareholders of the target companies being acquired via share swaps relied on the apparent tradability and stability of the BAL shares that they were to receive.

(e) Step 5: Increase BAL’s market capitalisation

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25 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [88]–[95].

26 Although not the subject of analysis in this case comment, the appellants were found to have positively misrepresented to Goldman Sachs International and International Brokers LLC that the BAL securities were legitimate collateral to obtain S\$820m in margin facilities, which led to their conviction under s 420 of the Penal Code. See *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [244].

For the foreseeable future, the Appellants strategised to continue gradually increasing the BAL share prices while issuing new shares<sup>27</sup> to expand BAL's market capitalisation. By grooming BAL for index entrance, the Appellants sought to enhance the three counters' visibility and attract genuine market participation, thereby reinforcing the justification for target shareholders to accept corporate acquisitions structured through BAL share-swaps arrangements. This, if successfully implemented, would in the trial judge's view have conferred "*post hoc* legitimacy to the inflated markets and prices for the shares".<sup>28</sup>

6 From 2 January 2013 to 30 September 2013, Blumont's share price rose eightfold from S\$0.30/share to S\$2.45/share, and its market capitalisation rose twelvefold from S\$508m to S\$6.3bn. These valuations were wholly untethered from Blumont's underlying financial fundamentals, as illustrated by the implied price-to-earnings ratio ("P/E ratio") of approximately 127 times at the peak share price.<sup>29</sup>

7 These events triggered an initial query from the SGX on 1 October 2013. On 4 October 2013, Blumont's share price plummeted from S\$1.895 to S\$0.88. Asiason's from S\$2.65 to S\$1.04, and LionGold's from S\$1.42 to S\$0.875, resulting in the SGX suspending trading in all three counters. When trading resumed on 7 October 2013, BAL's share prices crashed to S\$0.13 (B), S\$0.15 (A), and S\$0.25 (L), respectively.<sup>30</sup>

## **B. Operating a fraud or deception – s 201(b) of the Securities and Futures Act**

8 Having earlier established that the Appellants exercised control over the relevant trading accounts, the High Court concluded on the evidence that it was likely that the Appellants had engaged in a criminal conspiracy to deceive the affected FIs through active concealment of

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27 On 29 July 2013, Blumont announced a rights issue at S\$0.05/share at a 1:2 rights-to-share ratio. This meant that every existing shareholder, most of which were held by parties in concert with the Appellants, could purchase one new share for every two shares they held at the time. See *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [14] where the High Court reproduced the 1 October 2013 SGX Query.

28 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [866].

29 Blumont Group Ltd, *Annual Report 2013* (April 2014) at pp 8 and 49. The P/E ratio was calculated on the basis of Blumont's earnings-per-share ("EPS") of \$0.0193 for FY2012, already the most favourable available figure, given that FY2013 recorded a negative EPS \$(0.0377) for FY2013. The meteoric rise in Blumont's share value from S\$0.30/share to S\$2.45/share was thus wholly inconsistent with any rational fundamental valuation.

30 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [15]–[18].

their involvement and trades of the BAL shares. The High Court was mindful that the Prosecution did not charge the Appellants for engaging in the illegitimate practice of unauthorised nominee trading,<sup>31</sup> although concealing their involvement by itself already formed a key “*indicium* of nominee trading”.<sup>32</sup>

9 As a matter of regulatory compliance, anti-money laundering (“AML”) and counter-financing of terrorism (“CFT”) frameworks required FIs, when onboarding clients for securities-trading accounts, to obtain contractual warranties that the client is the beneficial owner of all trades conducted through the account, and for third-party authorisation to be given in formal writing.<sup>33</sup> Accordingly, the Appellants were found to have been plainly aware that express formal authorisation from both the relevant account holder and the FI was necessary before instructing trades on behalf of another.<sup>34</sup> On the facts, Soh, being an undischarged bankrupt, was legally incapable of trading in his own name, while Quah had refused to execute the requisite third-party authorisation forms. It was therefore evident, as found by the trial judge and endorsed by the Court of Appeal, that the Appellants actively sought to subvert the FI’s authorisation safeguards, attracting the penal provisions under s 201(b) of the SFA.<sup>35</sup>

### III. Legal issues

#### A. *False trading and market rigging transactions – s 197 of the Securities and Futures Act*

##### (1) *Churning or rigging the market – s 197(1) of the Securities and Futures Act*

10 Under s 197(1) of both the SFA 2006<sup>36</sup> and SFA 2020,<sup>37</sup> any course of conduct that creates a “false or misleading appearance” of (a) “active trading in any capital markets products” (“market churning”) or (b) “the

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31 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [1395]–[1396].

32 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [975]. Nevertheless, the High Court at [510]–[511] stated that adverse inferences would likely be drawn in favour of finding illegal activity where the evidence showed an exercise of control over concealed accounts.

33 Rules 12.4.1 and 13.6.1 now superseded by Rules 4.22 and 5.10.1 of the SGXST Rules.

34 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [963].

35 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [242].

36 Securities and Futures Act (Cap 289, 2006 Rev Ed).

37 Securities and Futures Act 2001 (2020 Rev Ed).

price of any capital markets products” (“market rigging”) on an organised market is prohibited.

11 At trial, the High Court was alive to the fact that three of the Prosecution’s false trading charges pertained to the previous version of s 197(1)(b) of the SFA, which was in force before the 18 March 2013 amendments.<sup>38</sup> While the amendments did not alter the *actus reus* requirement under sub-s (1), they introduced significant statutory clarifications to the *mens rea* requirement under the newly enacted sub-s (1A). Under the pre-amendment regime of the SFA 2006, the statute was silent on *mens rea*. Under both the post-amendment and the current framework, under which the former governed the other seven charges, s 197(1A) of the SFA expressly required the Prosecution to prove beyond a reasonable doubt that the accused either had actual knowledge or was reckless (*ie*, constructive knowledge), that the conduct created a false or misleading appearance of active trading.

12 The trial judge’s elegant approach to *mens rea* coheres harmoniously with both the current statutory regime and pre-existing case law, which involved assessing the *actus reus* of creating a false market through artificially distorting the true market forces of supply and demand<sup>39</sup> in tandem with the fault element of “purpose”.

13 Under the earlier regime, in the absence of express statutory delineation, debate centred on the meaning of “intent” and the requisite threshold to satisfy it. Notably, the trial judge departed from the view expressed in *Monetary Authority of Singapore v Tan Chong Koay*,<sup>40</sup> which, drawing from Australian jurisprudence,<sup>41</sup> suggested that the impugned conduct must be carried out with the “sole or dominant intent” to create a false or misleading appearance of active trading. As the trial judge correctly found, *North v Marra Developments Ltd*<sup>42</sup> simply involved factual scenarios where the conduct happened to be undertaken with a “sole or dominant intent”. This level was more than sufficient to satisfy the *mens rea* requirement of “purpose” or “intent” but was not a strictly necessary threshold.<sup>43</sup>

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38 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [160]. See the Securities and Futures (Amendment) Act 2012 (Act 34 of 2012).

39 *Monetary Authority of Singapore v Tan Chong Koay* [2011] 1 SLR 348 at [61].  
40 [2011] 1 SLR 348.

41 *North v Marra Developments Ltd* (1981) 148 CLR 42 at 59 and *Fame Decorators Agencies Pty Ltd v Jeffries Industries Ltd* (1998) 28 ACSR 58 at 62–63.

42 (1981) 148 CLR 42.

43 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [171].

14 Under the amended statute carried forward unchanged into the present SFA 2020, the statutory language expressly imposes the requirement of “purpose”. Nevertheless, despite the Appellants’ “contrived” assertions to the contrary, the High Court saw little “analytical difference” at law between the “common parlance” meaning of “purpose” and “intent” for the purposes of drawing an objective inference regarding the fault element.<sup>44</sup> Indeed, Parliament’s subsequent codification of a rebuttable presumption that an accused person’s “purpose, or one of [their] purposes is to create a false or misleading appearance of active trading” under the present regime of ss 197(3), 197(4) and 197(6) of the SFA 2020 underscores the accuracy of the trial judge’s views. Mere intent, and not a “sole or dominant intent” is sufficient to satisfy the *mens rea* threshold.

15 Interestingly, in the course of its joinder analysis, the Court of Appeal remarked that “the pre-amendment and post-amendment versions of s 197(1)(b) of the SFA had different *mens rea* requirements.”<sup>45</sup> While this may, at first glance, appear to militate against a harmonised reading of the *mens rea* elements across both versions, the observation must be construed in its proper context. The Court of Appeal’s primary concern was whether the Prosecution was entitled to bring separate false trading charges, which it held in the affirmative, by reference to the definitions of “illegal” and “offence” in ss 43 and 40(2) of the Penal Code,<sup>46</sup> read with s 120A(1)(a) thereof. The Court of Appeal also noted that this view was consistent with s 132(1) of the Criminal Procedure Code 2010.<sup>47</sup> For that purpose, it sufficed that the amendment constituted a “relevant change in the law”,<sup>48</sup> rendering the two versions legally distinct as a matter of statutory prescription, irrespective of whether their substantive *mens rea* differed in practice.

16 Accordingly, having regard to the broader statutory architecture of ss 197(3), 197(4) and 197(6), the Court of Appeal’s observation is best understood as a reference to the formal drafting difference: that the pre-amendment version was silent, whereas the amended version expressly prescribed the requisite mental element, rather than a pronouncement that the operative standard of culpability was substantively altered.<sup>49</sup>

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44 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [177] and [179] affirming *Muhammad Khalis bin Ramlee v Public Prosecutor* [2018] 5 SLR 449 at [36]–[37].

45 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [224].

46 Cap 224, 2008 Rev Ed.

47 Criminal Procedure Code 2010 (2020 Rev Ed).

48 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [224].

49 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [223]–[224].

(2) *Wash trading – ss 197(2) and 197(3) of the Securities and Futures Act*

17 Notably, despite extensive discussion and the apparent prominence of the issue of wash trading in the Prosecution's case theory,<sup>50</sup> the charges against the Appellants were not ultimately brought under ss 197(2) and 197(3) of the SFA 2006. One plausible explanation is that the Prosecution may have concluded that the circumstantial evidence of "the proximity of calls, orders and trades, could not have been explained by pure coincidence" was not as probative under a s 197(3) case theory, and that the totality of the evidence was better captured under the broader false trading provisions in s 197(1) of the SFA 2006.

18 Sections 197(2) and (3) of both the post-amendment SFA 2006 and the SFA 2020 prohibit transactions that do not involve any change in beneficial ownership, as well as offers to buy or sell the same or substantially the same quantity of securities at substantially the same price. Here, the provision states that the commission of these prohibited acts gives rise to a rebuttable presumption (*per* sub-s (4)) that the accused's purpose, or one of their purposes, is to create a false or misleading appearance of active trading, "without prejudice to the generality of subsection (1)". Read together, the statutory language makes plain that it was Parliament's intent for the wash trading provisions under s 197(3) to operate as a specific subset within the broader false trading prohibition under s 197(1) of the SFA.

19 It is posited that the Appellants' conduct could have well been caught by ss 197(2) and 197(3) of the SFA 2006. Under sub-s (5), which has remained substantively unchanged in the present SFA 2020, the statute clarifies that a transaction does not involve a change in beneficial ownership if it involved "a person who had an interest in the securities before the purchase or sale, or a person associated with the first-mentioned person in relation to those securities, has an interest in the securities after the purchase or sale." This was plainly the case for the relevant trading accounts that were effectively bidding and asking BAL shares amongst themselves. Further, the Appellants could not avail themselves of the defence under sub-s (6), since the totality of the evidence heavily pointed towards a clear "purpose" to artificially support both the price and liquidity of the BAL shares. This analysis aligns with the Court of Appeal's endorsement of the trial judge's assessment that the Prosecution's evidence was probative of "identifying features that showed illegal use of those accounts, assuming the fact of control".<sup>51</sup>

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50 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [74]–[87].

51 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [158].

20 This observation is important, as a fundamental canon of statutory interpretation is that “Parliament shuns tautology and does not legislate in vain; the court should therefore endeavour to give significance to every word in an enactment”.<sup>52</sup> If wash trades are invariably subsumed under s 197(1)(b) of the SFA, it risks rendering s 197(2) of the SFA otiose. Additionally, the statutory defence under s 197(6) appears *prima facie* redundant (*ie*, a tautology) since any accused person who proves that their trades were not undertaken for the “purpose” of creating a false or misleading appearance of its price would, by definition, negate liability under s 197(1)(b). The only logical interpretation is that the legislative framework envisages instances of non-price sensitive wash trades that are nonetheless proscribed under the churning prohibition of s 197(1)(a) of the SFA.

(3) *The practice of contra trading*

21 It was emphasised that “contra trading was not, by itself, an illegitimate trading technique”<sup>53</sup> that attracted the penal provisions of s 197 of the SFA. The corollary principle is that trading on a rolling contra basis, without more, was not prohibited. These mechanisms were merely the means by which the Appellants carried out their false trading. The necessary ingredient was the deployment of manipulative trading techniques like wash trading to artificially inflate the liquidity of the BAL shares.

**B. No attribution of knowledge to financial institutions**

22 In affirming the trial judge’s findings, the Court of Appeal held that any knowledge the trading representatives may have had of the Appellants wrongdoing could not, whether by reason of fact, principle, rule, or policy, be attributed to their respective FIs.<sup>54</sup> This was because the Appellants had never been authorised in writing in the first place. Further, the Court of Appeal clarified that even if the trading representatives were acting within their actual or ostensible authority, no rule of attribution

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52 *Tan Cheng Bock v Attorney-General* [2017] SLR 850 at [38] affirming *JD Ltd v Comptroller of Income Tax* [2006] 1 SLR 484 at [43].

53 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [77]. See MAS Circular No CMI 04/2020, “Good Practices in Managing Customer Credit Risks” (18 February 2020) which states the “available” nature of contra trading where customers do not have to put up any collateral but have to be settled on a net basis within the settlement cycle of T+2.

54 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [239] endorsing *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [995] and [1002].

operated to impute knowledge onto the FIs, since it was the FIs themselves who were the victim of their agents' wrongdoing.<sup>55</sup>

23 This reasoning finds doctrinal resonance in the English position articulated in *Singularis Holdings Ltd v Daiwa Capital Markets Europe Ltd*.<sup>56</sup> In that case, the UK Supreme Court held that attribution was unavailable where doing so would militate against the very duty whose breach was being enforced. Learned academics have opined that the operative question is not whether a general rule of attribution applies, but whether the attribution is consonant with the context and purpose of the duty in question<sup>57</sup> – a purposive and highly fact-sensitive inquiry that, in the premises, the Court of Appeal has tacitly endorsed.

### C. *Operating a fraud or deception – s 201(b) of the Securities and Futures Act*

24 Under s 201(b) of both the SFA 2006 and SFA 2020, any act, practice or course of business which operates or is likely to operate as a fraud or deception is prohibited. Given that it is a “catch-all” provision, a threshold safeguard against an overexpansive application would be the need to particularise the specific type of act, practice, or course of business alleged to be deceptive.<sup>58</sup> These charges were levied against the Appellant's acts of concealing their identities from the affected FIs in the instruction of the orders and trades in order to perpetuate their deceptive artifice.

#### (1) *The scope of “involvement” in unauthorised share trading cases*

25 In *obiter*,<sup>59</sup> the High Court criticised the Prosecution's broad framing of the charges which appeared to suggest that the mere act of concealing one's “involvement in the instruction of orders of trades” was sufficient to attract liability under s 201(b) of the SFA. While the High Court accepted that the breadth of the provision could in principle accommodate such an approach, it nonetheless opined that

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55 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [241] citing *Ho Kang Peng v Scintronix Corp Ltd* [2014] 3 SLR 329 at [68]–[70].

56 [2020] AC 1189; [2019] UKSC 50.

57 Rachel Leow, “Attribution and Illegality Again” (2020) 136 *Law Quarterly Review* 181.

58 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [959] affirming *Public Prosecutor v Cheong Hock Lai* [2004] 3 SLR(R) 203 at [41].

59 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [971] and [976]. The appellants' case was that the Prosecution's charges lacked particularity for the definition of “involvement”, rather than the antecedent question of whether being “involved” in the instruction of orders and trades even constituted an offence in the first place under s 201(b) of the Securities and Futures Act.

the Prosecution should have more appropriately framed the s 201(b) charges in a manner similar to the “unauthorised share trading” charges in *Ng Geok Eng v Public Prosecutor*,<sup>60</sup> which contained an additional requisite limb of the accused having ultimate “beneficial ownership”. In the trial judge’s view, this would have adroitly avoided the thorny issue of having to determine the types of “involvement” that fall within the systemic mischief that s 201(b) of the SFA seeks to sanction.<sup>61</sup> Indeed, an overexpansive interpretation of “involvement” would have undermined the legislative intent of the provision by “catch[ing] many largely innocuous practices” such as the provision of general financial advice or offering stock tips.<sup>62</sup>

26 Nevertheless, the High Court ultimately held that a narrow interpretation of “involvement” was permissible, even before establishing beneficial ownership or illegal activity, as bare “involvement” was a strong *indicium* of the kinds of mischief contemplated under s 201(b) of the SFA.<sup>63</sup>

27 On appeal, the Court of Appeal upheld the trial judge’s views that the Appellant’s acts of giving indirect instructions as opposed to direct instructions was “more insidious” as it “cloaks the potential discovery of wrongdoing behind a veneer of legitimacy”.<sup>64</sup> Indeed, a higher degree of culpability was engaged in the operation of a deception against the FIs, since the use of authorised account holders to instruct trades involved deceiving both the trading representatives and the FIs. Ostensibly, this indicates that the Court of Appeal was open to affirming the High Court’s contrasting suggestion – that the trading representatives would have been held partially liable if the trading representatives had accepted the Appellants’ direct instructions.<sup>65</sup>

(2) *Current jurisprudence – mens rea*

28 In *Sun Weiyeh v Public Prosecutor*<sup>66</sup> (“*Sun Weiyeh*”), the issue pertained to an accused person being prosecuted under the “fraud” limb

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60 [2007] 1 SLR(R) 913. In this case, the charges specifically alleged that the accused used the account holder’s trading account to conduct trades in the securities without notifying the financial institution in writing nor seeking its prior consent, which were trades carried out for his own benefit.

61 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [969].

62 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [973].

63 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [974].

64 *Soh Chee Wen v Public Prosecutor* [2025] 2 SLR 176 at [237] endorsing *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [975].

65 *Public Prosecutor v Soh Chee Wen* [2023] SGHC 299 at [975].

66 [2025] 5 SLR 372.

of s 201(b) of the SFA 2006. The High Court defined “fraud” as where “accused persons abused their positions to enrich themselves or entities or persons connected to them at the expense of their principals”.<sup>67</sup> From the perspective of analytical clarity, this is a helpful distinction from the “deception” limb of s 201(b) of the SFA which the accused argued was not separate or distinct from fraud given related developments elsewhere. While the common denominator seems to be the accused’s “beneficial ownership”, the “fraud” limb appears to be directed at situations where the accused directly participates in the fraudulent or deceptive scheme. In contrast, “deception” appears to target accused persons who attempt to obscure their involvement through indirect participation.

29 One interesting issue not discussed in both *Soh Chee Wen HC* and *Soh Chee Wen CA* is whether there is a *mens rea* requirement for s 201(b) of the SFA. In *Sun Weiyeh*, the High Court held, absent either express or implied statutory language to the contrary, a rebuttable presumption arises that *mens rea* is a necessary element of an offence.

30 As for the requisite threshold, *Sun Weiyeh* appeared to implicitly accept<sup>68</sup> that s 201(b) of the SFA is *in pari materia* with Rule 10b-5<sup>69</sup> in the US. Referring to American jurisprudence,<sup>70</sup> the High Court disagreed with counsel’s submissions on the US position and concluded that it is not necessary to prove that the accused person specifically intended to deceive, manipulate or defraud. Instead, it is sufficient to establish that the offender acted with an objectively dishonest state of mind,<sup>71</sup> since “fraud invariably and inherently involved dishonesty” as its touchstone.<sup>72</sup>

(3) *The tenuous analogy to the US statutory regime*

31 In the US, Rule 10b-5 states as follows:

**§ 240.10b-5 Employment of manipulative and deceptive devices.**

It shall be unlawful for any person, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,

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67 *Sun Weiyeh v Public Prosecutor* [2025] 5 SLR 372 at [50] and [61(c)].

68 *Sun Weiyeh v Public Prosecutor* [2025] 5 SLR 372 at [55]–[56].

69 §10(b) of the US Securities Exchange Act of 1934 (“SEA”) read with 17 CFR (US) §240.10b5 (“Rule 10b5”).

70 *Sun Weiyeh v Public Prosecutor* [2025] 5 SLR 372 at [56] analysing the US Supreme Court decisions of *Ernst & Ernst v Hochfelder* 425 US 185 (1976) and *Aaron v SEC* 446 US 680 (1980) both cases proscribed Rule 10b5 as importing the necessary element of “knowing or intentional conduct”.

71 *Sun Weiyeh v Public Prosecutor* [2025] 5 SLR 372 at [61(d)].

72 *Sun Weiyeh v Public Prosecutor* [2025] 5 SLR 372 at [58].

- (a) To employ any device, scheme, or artifice to defraud, ([in *pari materia* with s 201(a) of the SFA])
- (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or ([in *pari materia* with ss 201(c) and (d) of the SFA])
- (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, ([in *pari materia* with s 201(b) of the SFA])

in connection with the purchase or sale of any security.

32 On a textual comparison, the statutory language employed in s 201 of the SFA appears to mirror Rule 10b-5. This *prima facie* parallel may provide some tentative jurisprudential basis to interpret s 201 of the SFA in an analogous interpretive framework to Rule 10b-5. However, it bears emphasis that Rule 10b-5 was deliberately drafted in broad and flexible terms to capture a wide spectrum of market misconduct, including insider trading and market manipulation.

33 This is distinguished from the structure of the SFA, which delineates specific statutory provisions to address discrete forms of misconduct, such as s 198 of the SFA which targets market manipulation, and s 219 of the SFA which governs insider trading. The more granular legislative scheme under the SFA suggests a policy choice toward specificity rather than the overarching, catch-all approach embodied in Rule 10b-5. Therefore, analytical clarity requires recognising that s 201(b) was merely “inspired” by Rule 10b-5 and that the canons of construction applicable to the former provision should not be applied in an overtly derivative or mechanistic reference to the latter.

#### IV. Conclusion

34 The *Soh Chee Wen* saga underscores the need to re-examine whether Singapore’s statutory and regulatory framework remains sufficiently robust against increasingly frequent<sup>73</sup> and sophisticated forms of market manipulation. While the Court of Appeal’s decision affirms the centrality of ss 197 and 201 of the SFA as the backbone of

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73 See recent Monetary Authority of Singapore Civil Sanctions on 26 February 2025 against five individuals for false and unauthorised trading under ss 197 and 201(b) of the Securities and Futures Act <<https://www.mas.gov.sg/regulation/enforcement/enforcement-actions/2025/civil-penalty-actions-taken-against-five-individuals-for-false-and-unauthorised-trading>> (accessed 1 March 2026).

Singapore's market-misconduct enforcement regime, the case exposes structural lacunae, most acutely in treatment of contra-trading practices. These concerns magnify in light of Parliament's renewed commitment to strengthening Singapore's public equity markets, evidenced by the announced second tranche<sup>74</sup> of the S\$6.5bn co-investment programme between the Singapore Government and Temasek Holdings.<sup>75</sup>

35 Capital markets development and market integrity are mutually enforcing, where the former is only as durable as the latter. Indeed, if Singapore is to attract the depth of institutional participation envisaged, the legislative framework must keep pace with the evolving sophistication of those who seek to exploit it.

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74 Lawrence Wong, Prime Minister of Singapore, "Budget Statement: Securing Our Future Together in a Changed World", Budget 2026 speech (12 February 2026) <<https://www.singaporebudget.gov.sg/budget-speech/budget-statement>> at para 46.

75 Monetary Authority of Singapore, "MAS Announces Expansion of Equity Market Development Programme", media release (12 February 2026) <<https://www.mas.gov.sg/news/media-releases/2026/mas-announces-expansion-of-equity-market-development-programme>> (accessed 18 February 2026).