

Citibank agrees to R69.5m fine

Citibank has agreed to pay an administrative penalty of almost R69.5 million in relation to the bank's involvement in a forex trading cartel, the Competition Commission said.



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Citibank has also agreed to appear as a witness in the hearings involving the prosecution of other banks, which are also accused of being involved in this cartel.

About 17 banks, including Standard Bank, Absa, JP Morgan, Investec Ltd, BNP Paribas and Nomura, have been accused of being involved in currency manipulation.

Citibank admitted to the Competition Tribunal that between 2007 and 2013, it colluded with its competitors in respect of spot trading of ZAR currency pairs, in contravention of the Competition Act. These competitors are the banks that are cited as the respondents in the complaint referral.

“The [Competition] Commission believes that the case against the banks is very clear from its papers and we will be resisting any attempts to delay proceedings at the Tribunal on the basis of technicalities.

“We therefore call upon the banks to file their answers to the case in the interest of the speedy resolution of this matter,” said the Commissioner of the Competition Commission, Tembinkosi Bonakele.

The Commission notes that despite filing its papers with the Tribunal on 15 February against 17 banks, none of the banks have to date filed their answers to the case, except HSBC, which has filed papers, disputing that it participated in the cartel.

Subsequent to the Commission filing its case, the Tribunal convened a pre-hearing on 10 March, at which most of the banks indicated that they would be filing exception applications, challenging the commission's case on the basis that it did not have jurisdiction to investigate and prosecute the matter.

Further, other banks indicated that they require evidence in the Commission's possession against them.

The Tribunal, by agreement of all parties, directed among others, as follows: the Commission is to file a supplementary affidavit to its complaint referral by 31 March 2017, and any banks wishing to file an exception applications should do so by 3 May 2017.

A second pre-hearing will be held on 23 June, where further directives on proceedings will be given.

The hearing of the exception applications is set down for 20 - 21 July 2017.

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