



Press release

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COMCO fines banks for participating in Yen LIBOR / Euroyen TIBOR cartels

The Competition Commission (COMCO) has closed its investigation against certain banks related to interest rate derivatives in yen with an amicable settlement and imposes total fines of approximately CHF 14.4 million.

COMCO found in the yen interest rate derivatives sector several distinct bilateral infringements of competition law, lasting between 1 and 10 months, in the period from 2007 to 2010. Four of the banks involved (Citigroup, Deutsche Bank, JPMorgan and Royal Bank of Scotland [RBS]) signed an amicable settlement, approved by the COMCO on December 5, 2016. COMCO imposed total fines of approximately CHF 14.4 million. The individual fines amount to CHF 3.779 million for Citigroup, CHF 5.027 million for Deutsche Bank, CHF 1.703 million for JPMorgan and CHF 3.926 million for RBS. COMCO decided to discontinue the proceeding against the Japanese banks Mizuho, Sumitomo Mitsui and The Bank of Tokyo-Mitsubishi. The procedure continues against the banks HSBC, Lloyds, Rabobank and UBS, and against the Interdealer/Cash Brokers ICAP, RP Martin and Tullett Prebon. Furthermore, COMCO decided to discontinue the proceeding related to the Yen TIBOR benchmark against all parties.

The collusion in the Yen interest rate derivatives sector included discussions between traders of the participating banks on certain Yen LIBOR submissions. The traders involved also exchanged, on occasions, commercially sensitive information relating either to trading positions or to future Yen LIBOR submissions and in one of the infringements relating to certain future submissions for the Euroyen TIBOR (Tokyo interbank offered rate).

Interest rate derivatives (e.g. forward rate agreements, swaps, futures, options) are financial products, which are used by banks or companies for managing the risk of interest rate fluctuations. They derive their value from the level of a benchmark interest rate, such as the London interbank offered rate (LIBOR) – which is used for various currencies including the Japanese yen.

COMCO's decision can be appealed to the Federal Administrative Court.

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