



Press release

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COMCO fines banks for participating in the EURIBOR cartel

The Competition Commission (COMCO) has closed its investigation against certain banks related to interest rate derivatives in euro with an amicable settlement and imposes total fines of approximately CHF 45.3 million.

COMCO reached the conclusion that between September 2005 and May 2008 several banks participated, for different durations, in a cartel in interest rate derivatives in euro. Four of these banks (Barclays, Deutsche Bank, Royal Bank of Scotland [RBS] and Société Générale) signed an amicable settlement, approved by the COMCO on December 5, 2016. Barclays and Deutsche Bank participated in the cartel for 32 months, Société Générale for 26 months and RBS for 8 months. COMCO imposed total fines of approximately CHF 45.3 million. Deutsche Bank received full immunity for revealing the existence of the cartel to the COMCO. The other banks involved received reductions of their respective fines for cooperating with the investigation under the leniency programme. The individual fines amount to CHF 29.772 million for Barclays, CHF 12.332 million for RBS and CHF 3.254 million for Société Générale. The proceeding continues against BNP Paribas, Crédit Agricole, HSBC, JPMorgan and Rabobank.

The cartel aimed at distorting the normal course of pricing components for interest rate derivatives in euro. Traders of different banks occasionally discussed their bank's submissions for the calculation of the EURIBOR as well as their trading and pricing strategies.

Interest rate derivatives (e.g. forward rate agreements, swaps, futures, options) are financial products used for managing the risk of interest rate fluctuations. They derive their value from the level of a benchmark interest rate, such as the Euro Interbank Offered Rate (EURIBOR).

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

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