



Antitrust: Commission fines Crédit Agricole, HSBC and JPMorgan Chase € 485 million for euro interest rate derivatives cartel

Brussels, 7 December 2016

The European Commission has fined Crédit Agricole, HSBC and JPMorgan Chase, a total of € 485 million for participating in a cartel in euro interest rate derivatives.

The banks colluded on euro interest rate derivative pricing elements, and exchanged sensitive information, in breach of EU antitrust rules.

Crédit Agricole, HSBC and JPMorgan Chase chose not to settle this cartel case with the Commission, unlike Barclays, Deutsche Bank, RBS and Société Générale, with whom the Commission reached a settlement concerning the same cartel in December 2013. Since then, the investigation has continued under the Commission's standard cartel procedure. Today's decision marks the end of a cartel investigation that was the first of several in the financial services sector.

Commissioner Margrethe **Vestager**, in charge of competition policy, said: "A sound and competitive financial sector is essential for investment and growth. Banks have to respect EU competition rules just like any other company operating in the Single Market."

The cartel

Interest rate derivatives are financial products such as forward rate agreements, interest rate swaps or interest rate options, which are used by companies to manage the risk of interest rate fluctuations or for speculation. They derive their value from the level of a benchmark interest rate, such as the Euro Interbank Offered Rate (EURIBOR) and/or the Euro Over-Night Index Average (EONIA) for euro interest rate derivatives. The EURIBOR benchmark interest rate is meant to reflect the cost of interbank lending in euros and is based on individual quotes submitted daily by a panel of banks to a calculation agent.

The Commission's investigation found that there was a cartel in place between September 2005 and May 2008, involving a total of seven banks (Barclays, Crédit Agricole, HSBC, JPMorgan Chase, Deutsche Bank, RBS and Société Générale) over varying time periods. It covered the whole European Economic Area (EEA).

The participating traders of the banks were in regular contact through corporate chat-rooms or instant messaging services. The traders' aim was to distort the normal course of pricing components for euro interest rate derivatives. They did this by telling each other their desired or intended EURIBOR submissions and by exchanging sensitive information on their trading positions or on their trading or pricing strategies.

This means that the seven banks colluded instead of competing with each other on the euro derivatives market. This market is very important not only to banks but also to many companies in the Single Market, which use euro interest rate derivatives to hedge their financing risk.

Today's Commission decision fines Crédit Agricole, HSBC and JPMorgan Chase for their participation in this cartel. This follows a settlement reached with Barclays, Deutsche Bank, RBS and Société Générale in the same cartel in December 2013.

The anti-competitive practices concerning benchmark interest rates revealed through antitrust enforcement have also been addressed by a more stringent regulatory framework. In June 2016, the European Parliament and the EU's Council of Ministers adopted a new Regulation on benchmarks, following a proposal by the Commission. The Regulation makes it a violation of capital markets rules to manipulate benchmarks, such as EURIBOR, and reinforces the investigative and sanctioning powers of financial regulators.

The fines

As for the settling banks, the fines for Crédit Agricole, HSBC and JPMorgan Chase were set on the basis of the Commission's 2006 Guidelines on fines (see Press release and MEMO).

In setting the level of fines, the Commission took into account the banks' value of sales for the products concerned within the EEA, the very serious nature of the infringement, its geographic scope

and its duration.

The fines imposed for the three banks are as follows:

Participants	Duration of participation	Fine (€)
Crédit Agricole	5 months	114 654 000
HSBC	1 month	33 606 000
JPMorgan Chase	5 months	337 196 000

Background

Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the EEA Agreement prohibit cartels and other restrictive business practices.

The Commission's investigation started with unannounced inspections in October 2011. The Commission reached a settlement with Barclays, Deutsche Bank, RBS and Société Générale in December 2013.

Other Commission investigations of cartels involving financial benchmarks and related financial instruments have already led to prohibition decisions concerning Yen (December 2013, February 2015) and Swiss Franc (October 2014 (Libor), October 2014 (bid ask spreads)) interest rate derivatives cartels.

The products concerned in the euro interest rate derivatives cartel are those linked to the EURIBOR and/or the Euro Over-Night Index Average (EONIA). The EURIBOR is a benchmark interest rate intended to reflect the cost of interbank lending in euros. It is widely used in international money markets and it is based on the EURIBOR panel banks' individual quotes submitted daily to a calculation agent. EURIBOR rates may affect either the cash flows that a bank receives from a counterparty, or the cash flow it needs to pay to the counterparty (see MEMO).

The importance of transactions in euro interest rate derivatives is enormous for banks and corporations. According to the Bank for International Settlements, in June 2016, the worldwide gross market value of euro interest rate over-the-counter (OTC) derivatives represented US\$ 6401 billion (currently around €5980 billion), that is around 42% of all OTC interest rate derivatives (all currencies) and around 31% of all OTC derivatives (all asset classes).

More information will be available on the Commission's competition website, in the public case register under the case number 39914.

More information on the Commission's action against cartels is available on its cartels website, including a list of the ten highest cartel fines by case. New decisions on competition policy are listed in the electronic newsletter Competition weekly e-News.

Action for damages

Any person or firm affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court and Council Regulation 1/2003 both confirm that in cases before national courts, a Commission decision is binding proof that the behaviour took place and was illegal. Even though the Commission has fined the companies concerned, damages may be awarded without these being reduced on account of the Commission fine.

The Antitrust Damages Directive, which Member States have to implement in their legal systems by 27 December 2016, makes it easier for victims of anti-competitive practices to obtain damages. More information on antitrust damages actions, including a practical guide on how to quantify antitrust harm, is available here.

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La Commissione infligge ammende
Crédit Agricole, HSBC e JPMorgan
Chase 485 milioni di € per interessi di
euro derivati su tassi di cartello: Antitrust

Bruxelles, 7 dicembre 2016

La Commissione europea ha multato il
Crédit Agricole, HSBC e JPMorgan
Chase, per un totale di € 485.000.000 per
la partecipazione a un cartello in derivati
su tassi di interesse in euro.

Le banche un accordo su elementi
tariffari derivati su tassi di interesse euro,
e si scambiavano informazioni sensibili,
in violazione delle norme antitrust
comunitarie.

Crédit Agricole, HSBC e JPMorgan
Chase hanno scelto di non risolvere
questo caso di cartello con la
Commissione, a differenza di Barclays,
Deutsche Bank, RBS e Société Générale,
con il quale la Commissione ha raggiunto
un accordo relativo alla stessa intesa nel
dicembre 2013. Da allora, l'indagine ha
proseguita sotto procedura di cartello
standard della Commissione. La
decisione di oggi segna la fine di
un'indagine cartello che è stato il primo di
una serie nel settore dei servizi finanziari.

Commissario Margrethe Vestager,
responsabile della politica di
concorrenza, ha dichiarato: "A
competitivo settore finanziario del suono
ed è essenziale per gli investimenti e la
crescita. Le banche devono rispettare le
regole di concorrenza dell'UE proprio
come qualsiasi altra società che opera
nel mercato unico. "

il cartello

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The cartel

Interest rate derivatives are financial products such as forward rate agreements, interest rate swaps or interest rate options, which are used by companies to manage the risk of interest rate fluctuations or for speculation. They derive their value from the level of a benchmark interest

derivati su tassi di interesse sono prodotti finanziari come i contratti di forward rate, interest rate swap o opzioni su tassi di interesse, che vengono utilizzati dalle aziende per gestire il rischio di oscillazione dei tassi di interesse o per la speculazione. Essi derivano il loro valore dal livello di un tasso di interesse di riferimento, come ad esempio l'Euro Interbank Offered Rate (EURIBOR) e / o l'Euro Over-Night Index Average (EONIA) per i derivati su tassi di interesse in euro. Il tasso di interesse di riferimento EURIBOR ha lo scopo di riflettere il costo dei prestiti interbancari in euro e si basa su citazioni individuali presentati tutti i giorni da un gruppo di banche per un agente di calcolo.

L'indagine della Commissione ha accertato che vi era un cartello nel luogo tra settembre 2005 e maggio 2008 per un totale di sette banche (Barclays, Crédit Agricole, HSBC, JPMorgan Chase, Deutsche Bank, RBS e Société Générale) su vari periodi di tempo. E' coperto l'intero Spazio economico europeo (SEE).

I commercianti partecipanti delle banche erano in regolare contatto tramite chat-room aziendali o servizi di messaggistica istantanea. I commercianti obiettivo era quello di falsare il normale corso delle componenti tariffarie per i derivati su tassi di interesse in euro. Lo hanno fatto dicendo vicende i desiderati o destinati osservazioni Euribor e attraverso lo scambio di informazioni sensibili sulle loro posizioni di trading o sulle loro strategie di trading o di prezzo.

Ciò significa che le sette banche collusione invece di competere con l'altro sul mercato dei derivati in euro. Questo mercato è molto importante non solo per le banche, ma anche per molte aziende nel mercato unico, che utilizzano i derivati su tassi di interesse in euro a copertura del loro rischio di finanziamento.

molte decisione odierna della

Superato di 2160 caratteri il massimo di 5000 consentito: **TRADUCI ALTRO**

IBOR and/or the Euro Over-Night Index Average (EONIA). The EURIBOR is a benchmark interest rate intended to reflect the cost of interbank lending in euros. It is widely used in international money markets and it is based on the EURIBOR panel banks' individual quotes submitted daily to a calculation agent. EURIBOR rates may affect either the cash flows that a bank receives from a counterparty, or the cash flow it needs to pay to the counterparty (see MEMO). The importance of transactions in euro interest rate derivatives is enormous for banks and corporations. According to the Bank for International Settlements, in June 2016, the worldwide gross market value of euro interest rate over-the-counter (OTC) derivatives represented US\$ 6401 billion (currently around €5980 billion), that is around 42% of all OTC interest rate derivatives (all currencies) and around 31% of all OTC derivatives (all asset classes). More information will be available on the Commission's competition website, in the public case register under the case number 39914. More information on the Commission's action against cartels is available on its cartels website, including a list of the ten highest cartel fines by case. New decisions on competition policy are listed in the electronic newsletter Competition weekly e-News. Action for damages Any person or firm affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court and Council Regulation 1/2003 both confirm that in cases before national courts, a Commission decision is binding proof that the behaviour took place and was illegal. Even though the Commission has fined the companies concerned, damages may be awarded without these being reduced on account of the Commission fine. The Antitrust Damages Directive, which

Commissione Crédit Agricole, HSBC e JPMorgan Chase per la loro partecipazione a questo cartello. Questo segue un accordo raggiunto con Barclays, Deutsche Bank, RBS e Société Générale nello stesso cartello nel dicembre 2013.

Le pratiche anticoncorrenziali in materia di tassi di interesse di riferimento rivelato attraverso norme antitrust sono stati affrontati da un quadro normativo più stringente. Nel mese di giugno 2016, il Parlamento europeo e il Consiglio dei ministri dell'Unione europea ha adottato un nuovo regolamento sui parametri di riferimento, a seguito di una proposta della Commissione. Il regolamento rende una violazione delle regole di mercati dei capitali per manipolare parametri di riferimento, come ad esempio Euribor, e rafforza i poteri di indagine e sanzionatori di regolatori finanziari.

le multe

Per quanto riguarda le banche di assestamento, le multe per Crédit Agricole, HSBC e JPMorgan Chase sono stati fissati sulla base di orientamenti del 2006 della Commissione sulle ammende (vedi comunicato e MEMO).

Nel fissare il livello delle ammende, la Commissione ha preso in considerazione il valore delle vendite dei prodotti in questione all'interno del SEE, la natura molto grave dell'infrazione, la sua portata geografica e la sua durata delle banche.

Le ammende per le tre banche sono i seguenti:

I partecipanti

Durata della partecipazione

Fine (€)

Crédit Agricole

Member States have to implement in their legal systems by 27 December 2016, makes it easier for victims of anti-competitive practices to obtain damages. More information on antitrust damages actions, including a practical guide on how to quantify antitrust harm, is available here.

5 mesi

114 654 000

HSBC

1 mese

33 606 000

JPMorgan Chase

5 mesi

337 196 000

sfondo

L'articolo 101 del trattato sul funzionamento dell'Unione europea (TFUE) e l'articolo 53 dell'accordo SEE vietano cartelli e altre pratiche commerciali restrittive.

L'indagine della Commissione è iniziata con ispezioni a sorpresa nel mese di ottobre 2011. La Commissione ha raggiunto un accordo con Barclays, Deutsche Bank, RBS e Société Générale in dicembre 2013.

Altre indagini della Commissione di cartelli che coinvolgono parametri finanziari e strumenti finanziari connessi hanno già portato a decisioni di divieto in materia di Yen (dicembre 2013 febbraio 2015) e franco svizzero (ottobre 2014 (Libor), Ottobre 2014 (bid spread)) dei tassi di interesse dei derivati cartelli.

I prodotti in questione nell'interesse di euro derivati su tassi di cartello sono quelli legati alla EUR