Office of the Comptroller of the Currency
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OCC Fines Three Banks $950 Million for FX Trading Improprieties

WASHINGTON – The Office of the Comptroller of the Currency (OCC) today assessed $950 million in fines against three national banks for unsafe or unsound practices related to their foreign exchange (FX) trading businesses.

The fines against Bank of America, N.A.; Citibank, N.A.; and JPMorgan Chase Bank, N.A., follow multiagency examinations and investigations of the banks' activities in the global FX market, which has an average daily volume of more than $5 trillion dollars.

"We expect national banks and federal savings associations to have controls in place that are sufficiently robust to ensure that employees will follow the law and adhere to the highest standards of conduct," said Comptroller of the Currency Thomas J. Curry. "The enforcement actions we are issuing today make clear that the OCC will take forceful action, not only when the institutions we supervise engage in wrongdoing, but when management fails to exercise the oversight necessary to ensure that employees follow laws and regulations intended to protect customers and maintain the integrity of markets."

Mr. Curry said that it is vital that federal banks and thrifts, particularly the large institutions that play an important role in currency and credit markets, foster a healthy corporate culture that encourages ethical business practices. "These enforcement actions were taken because several large banks permitted an environment to develop in which unscrupulous traders discussed manipulating foreign exchange markets. Our action today, and those of our fellow regulatory agencies here in the United States, in the United Kingdom and in Europe, sends a very strong signal that such misconduct will not be tolerated."

The OCC's examinations found the banks failed to identify or prevent employee misconduct related to FX sales and trading. The OCC found that between 2008 and 2013, some of the banks' traders held discussions in online chat rooms about coordinating FX trading strategies to manipulate exchange rates to benefit traders or the bank. In addition, the traders disclosed confidential bank information, including customer orders and rate spreads. The OCC's examinations also found that traders discussed activity to trigger trading actions potentially detrimental to customers and beneficial to the trader or bank, and discussed pending orders and agreed not to trade in particular currencies.

The OCC's examinations found that the banks had deficiencies in their internal controls and had engaged in unsafe or unsound banking practices with respect to the oversight and governance of FX trading, resulting in the banks' failure to identify the risks related to sales, trading, and supervision of employee conduct in FX trading. As a result of these control deficiencies and unsafe or unsound practices, the employee misconduct went undetected for several years.

The $950 million total includes $250 million assessed against Bank of America, $350 million against Citibank, and $350 million against JPMorgan Chase Bank. In addition to assessing civil money penalties, the OCC issued cease and desist orders requiring the banks to correct deficiencies and enhance oversight of their FX trading activity.

Concurrent with the OCC's enforcement action, the U.S. Commodity Futures Trading Commission and the U.K. Financial Conduct Authority took actions against some of these financial institutions for improprieties related to their FX trading activities.

Related Links

- Consent Order Against Bank of America, N.A. (PDF)
- Consent Order for Civil Money Penalty Against Bank of America, N.A. (PDF)
- Consent Order Against Citibank, N.A. (PDF)

- Consent Order for Civil Money Penalty Against Citibank, N.A. (PDF)
- Consent Order Against JPMorgan Chase Bank, N.A. (PDF)
- Consent Order for Civil Money Penalty Against JPMorgan Chase Bank, N.A. (PDF)

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