



U.S. COMMODITY FUTURES TRADING COMMISSION
ENSURING THE INTEGRITY OF THE FUTURES & OPTIONS MARKETS

SPEECHES & TESTIMONY

Statement of Chairman Gary Gensler on Settlement Order against Rabobank

October 29, 2013

Washington, DC — Commodity Futures Trading Commission (CFTC) Chairman Gary Gensler today made the following statement on the CFTC's enforcement action that requires **Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.** (Rabobank) pay a \$475 million penalty for manipulation and false reporting charges related to LIBOR and Euribor:

"With today's settlement, the CFTC has shown – now for the fifth time – how banks have pervasively rigged key interest rate benchmarks, such as LIBOR and Euribor.

"Unfortunately, we once again see how the public trust can be violated through bad actors readily manipulating benchmark interest rates.

"Through hundreds of manipulative acts spanning six years, in six offices, and on three continents, more than two dozen Rabobank employees, including a senior manager, manipulated, attempted to manipulate and falsely reported crucial reference rates in global financial markets. Rabobank employees also aided and abetted other banks to manipulate benchmark interest rates.

"I wish I could say that this won't happen again, but I can't. LIBOR and Euribor are not sufficiently anchored in observable transactions. Thus, they are basically more akin to fiction than fact. That's the fundamental challenge so sharply revealed by Rabobank and our prior cases.

"This fifth instance of benchmark manipulative conduct highlights the critical need to find replacements for LIBOR and Euribor – replacements truly anchored in observable transactions.

"Though addressing governance and conflicts of interest regarding benchmarks is critical, that will not solve the lack of transactions in the market underlying these benchmarks.

"That is why the work of the Financial Stability Board to find alternatives and consider potential transitions to these alternatives is so important. The CFTC looks forward to continuing to work with the international community on much needed reforms."

Last Updated: October 29, 2013