

Press release

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Embargo:

Foreign exchange manipulation: **FINMA issues six industry bans**

The Swiss Financial Market Supervisory Authority FINMA has issued industry bans of between one and five years against six managers and traders formally employed in the UBS foreign exchange and precious metals business. FINMA concluded that the individuals in question were directly responsible for the serious breaches of regulation at UBS in this business, as communicated in 2014. Four other enforcement proceedings against UBS traders were discontinued in August 2015.

In November 2014, FINMA began enforcement proceedings against 11 UBS managers and traders with the aim of clarifying their involvement in and knowledge of the misconduct in foreign exchange and precious metals trading at Opfikon in Zurich (see [press release](#) dated 12 November 2014).

Industry bans of between one and five years

While four enforcement proceedings were discontinued in August 2015, FINMA proceeded with a further six, coming to the conclusion that those concerned bore significant responsibility for the serious organisational shortcomings and improper conduct at UBS. Consequently, FINMA has issued industry bans against the then responsible heads of global foreign exchange trading and global foreign exchange spot trading, prohibiting them from holding senior management positions at institutions supervised by FINMA for periods of four and five years respectively. FINMA has also issued industry bans of at least one year against four foreign exchange and precious metals traders who worked on the spot trading desk in Opfikon. Proceedings against one further UBS employee are continuing. None of those involved are still active at UBS.

Individually responsible for serious breaches of regulation

The proceedings conducted by FINMA established that those responsible for the management of foreign exchange trading tolerated, and at times encouraged, behaviour which was improper and against the interests of clients. Although managers were aware that traders were able to use chat groups to share information and knew of the risks associated with this behaviour, they failed to implement adequate systems and controls and to consistently monitor compliance with internal and external rules. Traders shared confidential client information, sometimes revealing the identity of clients to third parties, deliberately triggered stop-loss orders and engaged in front running. They also repeatedly attempted to manipulate foreign exchange benchmarks. FINMA concluded that those involved were in-

dividually responsible for the serious breaches of regulation in foreign exchange and precious metals trading at UBS.

Four enforcement actions discontinued

Four further enforcement actions against UBS foreign exchange traders were discontinued in August 2015. Since there were indications that their behaviour had contributed to serious breaches of regulatory provisions, FINMA issued reprimands without taking further action against these individuals.

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