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Headlines

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- SFO launches probe at Tesco, p.17
- SEC fines 13 firms over Puerto Rico junk bonds, p.19

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Fines in Forex investigation settlement top $4billion

In the ongoing investigation into manipulation of the foreign exchange markets, regulators have reached settlements with six major banks involving penalties of $4.3bn.

The settlements agreed between the UK Financial Conduct Authority ('FCA') and JPMorgan Chase, UBS, Citi, HSBC, and Royal Bank of Scotland involve stiff fines and cited a failure on the part of the banks to improve their controls after the LIBOR rate-rigging scandal.
The regulator said that misconduct in the foreign exchange market spanned five years, from 2008 until 2013, overlapping with the first settlements in relation to LIBOR.

The FCA fines were all above £216m, making them the highest ever levied by the UK regulator, and UBS will pay the highest single penalty of $371m, breaking its own previous record for the highest penalty paid (which was £160m to the FCA in connection with LIBOR manipulation).

In addition to the FCA penalty, the five banks were hit with a $1.5bn fine from the US Commodity Futures Trading Commission for "attempted manipulation of, and for aiding and abetting other banks' attempts to manipulate, global foreign exchange benchmark rates to benefit the positions of certain traders".

Bank of America, Citi, and JPMorgan have also received $950m in penalties from the US Office of the Comptroller of the Currency and ordered to "correct deficiencies and enhance oversight of their FX trading activity".

Four banks - Credit Suisse, Standard

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Central Bank of Ireland imposes record fine on Ulster Bank

The Central Bank of Ireland has imposed its largest fine since taking over regulation of Irish banks in the wake of Ireland's financial crisis between 2008 and 2010.

The regulator has slapped a fine of €3.5m on Ulster Bank, part of the Royal Bank of Scotland, for a month-long technical outage in the summer of 2012. The penalty was stated to be for technology and governance failures that the regulator referred to as causing "widespread and significant loss and inconvenience to customers" and which "threatened confidence in the operation of the banking sector".

Ulster Bank's technology and payments system failed for 4 weeks in 2012 leading to the disruption of transaction-processing services in the Republic and Northern Ireland.

The Central Bank said it had collaborated with the UK Financial Conduct Authority ('FCA') and Prudential Regulation Authority in its investigation - the FCA regulates Ulster Bank's operations in Northern Ireland and is continuing its investigation into the problems across the RBS group.

In addition to the fine, Ulster Bank was

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