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## MARKETS

# BNP Paribas Fined by Fed Over Currency Manipulation

French bank to pay \$246 million to resolve probe of misconduct in its foreign-exchange business



BNP Paribas will pay a \$246 million fine to the Federal Reserve to resolve a probe of misconduct in its foreign exchange business. PHOTO: ERIC PIERMONT/AGENCE FRANCE-PRESSE/GETTY IMAGES

By Nick Kostov

Updated July 17, 2017 3:48 p.m. ET

PARIS—The French bank BNP Paribas SA [BNPQY -0.91% ▼](#) on Monday agreed to pay \$246 million to the U.S. Federal Reserve to resolve an investigation of misconduct in its foreign-exchange business.

Traders at the French bank who buy and sell U.S. dollars and other currencies used electronic chat rooms to collude with rivals to manipulate prices and benchmark rates, the Fed said in a statement. It ordered BNP Paribas to improve its senior management oversight and controls relating to the firm's foreign-exchange trading.

BNP Paribas, which also agreed to a \$350 million settlement in May with New York's state banking regulator over the deficiencies, said that it "deeply regrets the past misconduct which was a clear breach of the high standards on which the group operates."

Several global banks, including Barclays PLC, Citigroup Inc. and J.P. Morgan Chase & Co., have together paid billions of dollars in fines in recent years after being accused of wrongdoing in currency markets.

BNP Paribas said the misconduct took place between 2007 and 2013.

In January, the Fed banned former BNP Paribas trader Jason Katz, who pleaded guilty to violating federal antitrust laws, from working in the U.S. banking industry in connection with his manipulation of foreign-exchange prices.

The U.S. central bank also barred the French lender from re-employing individuals who were involved in the misconduct.

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The banks added that it has improved its systems of control by increasing resources and staff dedicated to compliance, conducting staff training and launching a new code of conduct that applies to all staff.

BNP Paribas is the latest in a line of banks fined for a failure to stop traders from trying to manipulate foreign-exchange markets.