



## Emirates battles against multiple headwinds

Over the past decade, Emirates, the Gulf's biggest airline, has been guilty of inflicting pain on rivals in the US, Europe and Asia. Now it is the one being hurt, hit by the region's economic slowdown, US travel restrictions and a ban on laptops.

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# HSBC faces new claims of forex rigging related to currency firm's 2006 trades

MARTIN ARNOLD — LONDON

HSBC is facing a fresh legal battle over allegations that its traders manipulated foreign exchange markets for their own profit at the expense of their clients, with the claims centring on trades from more than a decade ago.

ECU Group, a UK-based currency investment firm, has filed an application to London's commercial court asking for HSBC to be required to hand over records relating to three large forex orders, each worth more than \$100m, that it executed in 2006.

The court filing, seen by the Financial Times, comes after regulators uncovered systematic rigging of the \$5tn-a-day forex market by traders at HSBC

and several other global banks, which were fined \$4.3bn three years ago.

At the time of ECU's 2006 forex trades, the firm suspected it was being ripped off by HSBC traders "front running" its forex orders. When it complained, the bank promised a full internal inquiry, only to report back that it had found no wrongdoing.

Although ECU was convinced it was a victim of foul play by the way the market appeared to move systematically against it within minutes of each large order it placed, the firm was persuaded by the bank to let the matter drop.

However, it recently decided to return to the fray after the US Department of Justice charged two of HSBC's top forex traders with "front running" a client's

trade last year, arresting one as he tried to leave New York's John F Kennedy airport. That was the last straw for ECU, which decided that it now had grounds to doubt the findings of HSBC's internal investigation.

In response, the firm filed an application for pre-action disclosure — a fact-finding step ahead of a potential full lawsuit. It is asking the judge to require HSBC to hand over records that the bank has failed to provide voluntarily.

While a statute of limitations usually prevents legal action being taken more than six years after an event, this can be waived if a court finds evidence of "concealment" by the defendant of the original wrongdoing.

HSBC and ECU declined to comment.