

JUDGE RAKOFF

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
 UNITED STATES OF AMERICA :
 :
 v. :
 :
 BNP PARIBAS USA, INC., :
 :
 Defendant. :
 ----- X

Criminal No.
 Filed:
 Violation: 15 U.S.C. § 1

18 CRIM 061

INFORMATION

The United States of America, acting through its attorneys, charges:

SHERMAN ACT CONSPIRACY
(15 U.S.C. § 1)

DEFENDANT AND CO-CONSPIRATORS

At all relevant times, unless otherwise specified:

1. BNP Paribas USA, Inc. ("Defendant") is a U.S. banking and financial services holding company organized under the laws of Delaware with its headquarters in New York, New York. Defendant was, during the Relevant Period (defined in paragraph 10 below), named Paribas North America, Inc., and was the U.S. holding company for the U.S. Corporate and Investment Banking operations of BNP Paribas S.A., the Paris-based parent company. Defendant was designated as the intermediate holding company for the U.S. businesses of BNP Paribas S.A. as required by the Federal Reserve's Regulation YY in July 2016, after the Relevant Period, and at such time and thereafter elected its current independent directors.

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2. Various financial institutions and individuals, not made defendants in this Information, participated as co-conspirators in the offense charged in this Information and performed acts and made statements in furtherance thereof.

3. Whenever in this Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

BACKGROUND

4. The foreign currency exchange (“FX”) market is a global market in which participants trade currencies, in pairs. In a currency pair, each currency is valued relative to the other. The ratio that expresses the value of one currency to the other is referred to as the “exchange rate,” “rate,” or simply “price.” Trading in Central and Eastern European, Middle Eastern, and African (“CEEMEA”) currencies typically involves exchanging one CEEMEA currency, such as the South African Rand (“ZAR”), for a non-CEEMEA currency, such as the U.S. Dollar (“USD”). In the currency pair USD/ZAR, USD is referred to as the “base” currency and ZAR is referred to as the “counter” currency. Prices are quoted in terms of how many units of the counter currency are required in exchange for a stated amount of the base currency.

5. FX transactions include “spot” transactions, in which the exchange of currencies occurs typically within two days of the trade date, and “forward” transactions,

in which the exchange of currencies occurs on a more distant, agreed-upon date following the trade date.

6. FX dealers, also known as FX market makers, are financial institutions that quote prices to buy and sell currencies to customers looking to trade. Customers include corporations, hedge funds, pension funds, and other entities, located in New York, other states, and in foreign countries, that want to exchange large amounts of one currency into an equivalent amount of another currency. Prices for such transactions are typically conveyed to these customers in the form of a “two-way price” quote, comprised of the “bid” (the price at which the FX dealer will buy the base currency) and the “offer” (the price at which the FX dealer will sell the base currency).

7. One category of customer order is an order to buy or sell a specific amount of currency at the price quoted by the FX dealer. Another category of customer order is a “fix” order, where the order is to buy or sell a specific amount of currency at a benchmark rate to be determined subsequently. “Fixes” establish such benchmark rates by generating a snapshot of the price of a currency pair based on market activity for that currency pair occurring within a predetermined, and short, window of time. A third category of customer order is known as a “limit” order. In a limit order, a customer places an order to buy or sell a particular currency only if the market price of that currency reaches or exceeds a set price level.

8. Once the FX dealer and the customer agree on price for a particular type of customer order, the FX dealer then assumes the risk of an unfavorable movement in price

of the quoted currency pair that might occur between the time the FX dealer and the customer enter into their trade and when the FX dealer is able to fill or offset that customer trade in what is known as the “interdealer market.” Interdealer trades can be executed directly between competing FX dealers, through brokers, or on electronic FX trading platforms.

9. During the Relevant Period, Defendant acted as an FX dealer, in the United States and elsewhere, for CEEMEA currencies, and for both spot and forward transactions.

DESCRIPTION OF THE OFFENSE

10. From at least as early as September 2011 and continuing until at least July 2013 (“Relevant Period”), the exact dates being unknown to the United States, in the Southern District of New York and elsewhere, Defendant and its co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by fixing prices for CEEMEA currencies traded in the United States and elsewhere. The combination and conspiracy engaged in by Defendant and its co-conspirators was in unreasonable restraint of interstate and U.S. import trade and commerce in violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

11. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among Defendant and its co-conspirators, the substantial terms of which were to fix prices for CEEMEA currencies traded in the United States and elsewhere.

**MANNER AND MEANS BY WHICH THE
CONSPIRACY WAS CARRIED OUT**

12. For the purposes of forming and carrying out the charged combination and conspiracy, Defendant and its co-conspirators did those things which they combined and conspired to do, including, among other things:

(a) agreeing to enter into non-bona fide trades among themselves on an electronic FX trading platform, for the sole purpose of manipulating prices;

(b) agreeing to subsequently cancel these non-bona fide trades, or to offset them by entering into equivalent trades in the opposite direction, in a manner designed to hide such actions from other FX market participants;

(c) coordinating on the price, size, and timing of their bids and offers on an electronic FX trading platform in order to manipulate prices on that and other electronic FX trading platforms;

(d) agreeing to refrain from trading where one or more of the co-conspirators had a stronger need to buy or sell than the others, in order to prevent the co-conspirators from bidding up the price or offering down the price against each other;

(e) coordinating their trading prior to and during fixes in a manner intended to manipulate final fix prices;

(f) coordinating their trading in order to move pricing through their customers' limit order levels;

- (g) agreeing on pricing to quote to specific customers;
- (h) engaging in the above-described behavior by communicating through private chat rooms, phone calls, text messages, other personal cell phone applications, and in-person meetings within the Southern District of New York, among other means of communication; and
- (i) employing measures to hide their coordinated conduct from customers as well as other FX market participants, including by using code names for specific customers, communicating by personal cell phone applications instead of on recorded business phone lines, and concealing the existence of trades entered into solely to manipulate prices, among other steps.

TRADE AND COMMERCE

13. During the Relevant Period, the business activities of Defendant and its co-conspirators that are the subject of this Information were within the flow of, and substantially affected, interstate and U.S. import trade and commerce. Defendant and its co-conspirators filled substantial quantities of CEEMEA customer orders, and traded substantial quantities of CEEMEA currencies in the interdealer market, with customers and counterparties located in New York, in other states, and in foreign countries, in a continuous and uninterrupted flow of interstate and U.S. import trade and commerce. Defendant and its co-conspirators also caused substantial payments for FX transactions to travel in interstate and U.S. import trade and commerce.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

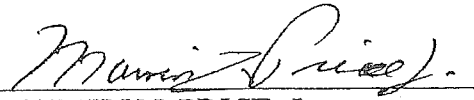
Dated:

January 27, 2018


MAKAN DELRAHIM
Assistant Attorney General
Antitrust Division
U.S. Department of Justice



JEFFREY D. MARTINO
Chief, New York Office
Antitrust Division
U.S. Department of Justice



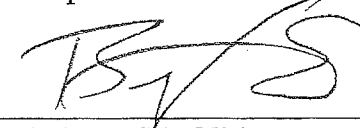
MARVIN N. PRICE, Jr.
Acting Deputy Assistant Attorney General
Antitrust Division
U.S. Department of Justice



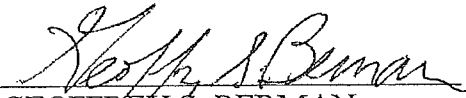
JOSEPH MUOIO
Assistant Chief, New York Office
Antitrust Division
U.S. Department of Justice



MICHELLE O. RINDONE
Acting Director of Criminal Enforcement
Antitrust Division
U.S. Department of Justice



BENJAMIN SIROTA
DAVID CHU
ERIC HOFFMANN
BRYAN SERINO
GRACE PYUN



GEOFFREY S. BERMAN
United States Attorney
Southern District of New York

Trial Attorneys, Antitrust Division
U.S. Department of Justice
26 Federal Plaza, Room 3630
New York, New York 10278
212-335-8000