

ADDENDUM TO NOVEMBER PUBLISHED MINUTES

Court decided to omit the following section from its minutes for 14 November 2013, published on 23 December. As provided in paragraph 12A (3) of Schedule 1 of the Bank of England Act, the Court may withhold information from publication within the statutory timetable (in this case, two weeks after the date of the next following meeting) where this would in the opinion of court be against the public interest. Given recent disclosures by the Bank, at the Treasury Committee and in a press notice, the Court believes that with the Bank's internal inquiry now in the public domain publication is no longer against the public interest.

Executive Report

FX Investigations (Mr Nicholson in attendance)

The Governor referred to regulatory investigations, reported recently in the press, into apparent attempts by traders to manipulate foreign exchange markets, specifically around the 4.00pm benchmark. It had also been reported in the previous day's press that the Bank had been aware of the potential for manipulation and that the matter had been discussed at one of the meetings of the Foreign Exchange Chief Dealers Sub-group. This was a serious issue and the Bank was treating it as such. Legal advisers had been retained and records were being examined. Thus far there was nothing to suggest that Bank staff were aware of any actual or alleged manipulation of the benchmark; although there had been some discussion of the potential for manipulation. But records were being examined, and the Bank was co-operating fully with the FCA.

The Governor said that the Markets area had an escalation policy, under which suggestions of market abuse or collusion from any contacts within the market would be reported upwards. No such reports had been made on this issue.

The Governor added that the implications of the investigations for the integrity of global foreign exchange markets had been a concern in Basel during the previous weekend and the Governor's Committee was to write to the FSB asking for proposals to improve the market structure.

Mr Nicholson said that the fact of the internal enquiry was known to only a few people in the Bank and should not be discussed.