



BANK OF ENGLAND

News release

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Oversight Committee - Foreign Exchange market investigation

The Oversight Committee has appointed Lord Grabiner QC to lead its investigation into the role of Bank officials in relation to conduct issues in the foreign exchange market. As previously announced, the investigation, supported by Travers Smith LLP, will focus on matters relevant to the FCA's current investigation into trading on the foreign exchange market, and specifically whether any Bank official, during the period July 2005 to December 2013:

- (a) was either (i) involved in attempted or actual manipulation of the foreign exchange market (including the WMR FX benchmark), or (ii) aware of attempted or actual manipulation of the foreign exchange market, or (iii) aware of the potential for such manipulation or (iv) colluded with market participants in relation to any such manipulation or aware of any such collusion between participants;
- (b) was either (i) involved in the sharing of confidential client information or (ii) aware of the sharing of such information between participants for the purposes of transacting business in the foreign exchange market; or
- (c) was involved in, or aware of, any other unlawful or improper behaviour or practices in the foreign exchange market.

In light of the results of the investigation, the Oversight Committee may request recommendations to improve processes and procedures within the Bank.

The investigation will be given access to:

- any electronic, audio and hard copy materials within the possession of the Bank that may be relevant to its investigation;
- any Bank employees or officers; and
- any experts in the field of foreign exchange (whether or not from within the Bank) that the investigation needs to consult in order properly to understand the workings of the foreign exchange market and the issues relating in particular to the WMR FX benchmark.

The conclusions of the investigation will be contained in a report that will be made publicly available. The publication is likely to be deferred until the conclusion of the FCA's investigation.

Sir David Lees, Chairman of Court and of the Oversight Committee said: "The Oversight Committee has been monitoring developments since it was first informed of the internal foreign exchange market review last November, and is delighted that Lord Grabiner has agreed to lead our investigation. The Oversight Committee believes that it is essential that matters raised by the Bank's initial review should be thoroughly and independently examined and that the Bank's executive should act on any lessons learned."

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Notes to Editors

1. Lord Grabiner QC is a commercial lawyer with a substantial court and advisory practice. For over 40 years he has been involved in much of the highest profile commercial litigation that has been fought in London. Specialising in banking & finance, oil & gas, civil fraud, competition and company disputes, Lord Grabiner is highly experienced both as an advocate and also an arbitrator in domestic and international arbitrations. He has been Head of Chambers at One Essex Court (a leading set of Commercial Law Chambers) since 1994.
2. The Oversight Committee was created by the 2012 Financial Services Act, and consists of all the Non-executive Directors of the Bank of England. Its responsibilities include monitoring the Bank's performance against all its objectives — the statutory objectives for monetary policy and financial stability (including the responsibilities of the FPC), and strategic objectives set by the Bank's Court itself — and also keeping under review the achievement of the Bank's financial management objectives, the Bank's internal controls, and the procedures of the MPC and the FPC. Members of the Committee may attend meetings of the MPC, the PRA Board and the FPC and have access to their briefing papers. The Committee may commission external reviews to inform its work.
3. Court – including Oversight Committee members – was briefed about the Bank executive's investigation at all of its meetings from November 2013 onwards. At its March meeting Court was informed of the Bank's decision to suspend a member of staff and the Oversight Committee decided to take responsibility for the investigation from that point onwards.
4. The FCA's investigation into trading on the foreign exchange market was announced in the FCA's statement of 16 October 2013 - see <http://www.fca.org.uk/news/forex-investigation-statement>.