



BANK OF ENGLAND

News release

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PRA imposes £17.85m fine on The Bank of Tokyo-Mitsubishi UFJ Limited and £8.925m fine on MUFG Securities EMEA plc for failing to be open with the PRA

The Prudential Regulation Authority (PRA) has today imposed a fine of £17.85m on The Bank of Tokyo-Mitsubishi UFJ Limited (BTMU) and a fine of £8.925m on MUFG Securities EMEA plc (MUS(EMEA)) for failing to be open and cooperative with the PRA in relation to an enforcement action into BTMU by the New York Department of Financial Services (DFS).

In November 2014 BTMU was fined \$315m for pressuring its consultant to water down a supposedly objective report on BTMU's dealings with sanctioned countries, submitted to DFS, thereby misleading regulators. The DFS enforcement action also had implications for the then Chair of MUS(EMEA).

BTMU and MUS(EMEA) did not inform the PRA of the DFS action until after the DFS' public announcement. BTMU's inadequate systems and controls for the communication of relevant information contributed to this failure to be open with the PRA.

BTMU and MUS(EMEA) in this case fell significantly short of the PRA's expectations of PRA-authorised firms. The PRA's proactive and forward-looking supervisory approach, assessing safety and soundness not just against current risks, but also against those that could plausibly arise further ahead, requires firms to engage in open dialogue with the PRA. This includes taking the initiative to ensure the PRA has all relevant information at an early stage. Where a firm operates across multiple jurisdictions, the PRA expects it to be organised such that, when issues arise concerning its operations in one jurisdiction which may impact on other jurisdictions, the regulatory responsibilities of the firm as a whole are appropriately considered. Where senior managers have roles and responsibilities in more than one entity within a group they must ensure that they consider the regulatory responsibilities of each firm, as well as their own responsibilities to the UK regulators.

Further, the PRA expects firms to have in place adequate reporting systems. The timely and accurate provision of information by firms is crucial to the PRA's ability to supervise firms effectively and to meet its statutory objectives.

Sam Woods, Deputy Governor, Prudential Regulation and CEO of the PRA said:

“We expect all firms to be open and straightforward in their dealings with the PRA. Where firms fall short of this expectation, we will enforce it.”

BTMU and MUS(EMEA) agreed to settle at an early stage and were therefore entitled to a 30% discount, without which they would have been fined £25.5m and £12.75m respectively.

Since 2014, BTMU and MUS(EMEA) have taken remedial action in developing and implementing measures to enhance the sharing of information relating to regulatory investigations and other matters of regulatory interest. BTMU and MUS(EMEA) cooperated fully with the PRA investigation.

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Note to Editors

1. [Final Notice](#)
2. The PRA has coordinated with the Financial Conduct Authority (FCA) as the investigation has progressed and the FCA fully supports the PRA's findings and resulting action against BTMU and MUS(EMEA)
3. DFS Consent Order <http://www.dfs.ny.gov/about/ea/ea141118.pdf> 18 November 2014