

Investec stands alone as sole South African bank facing charges in rand manipulation case

 By [Katja Hamilton](#)

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While 23 out of 28 banks charged with manipulating the SA rand-US dollar exchange rate have had charges against them dismissed by the Competition Commission, Investec remains the only South Africa-based bank that still faces charges.



Source: Investec

Unlike other banks that [challenged the case](#), the bank did not approach the appeal court to contest the case going to trial.

This has led to its continued legal scrutiny, alongside BNP Paribas, JPMorgan, HSBC, and Credit Suisse Securities, which have yet to address the Commission's charges against them.

Covering the period from 2007 to 2013, the Commission asserted that multiple banks had engaged in a co-ordinated scheme to manipulate bid prices, offers, and bid-offer spreads concerning spot trades involving rand currency pairs.

It claimed that traders from competing banks communicated frequently and regularly while participating in transactions involving USD-ZAR currency pairs through online chat terminals. Consequently, purchasers of rands would pay prices artificially inflated, while sellers would execute sales at artificially reduced prices.

The Commission's rand manipulation case reached a decisive turning point last week when The Competition Appeals Court (CAC) dismissed a probe into four international banks accused of engaging in rigged trades involving the rand/dollar pair. This, on the basis that it lacked jurisdiction to prosecute certain international banks and claims of insufficient evidence.

The CAC also upheld the appeals by 19 respondent banks.

Investec has [committed to defending itself](#) during the trial, with a spokesperson affirming that the bank's currency traders were not involved in a co-ordinated scheme to manipulate the dollar-rand pairing over a decade ago.

BNP Paribas, JPMorgan, HSBC and Credit Suisse Securities have already pleaded guilty to charges brought by the US Department of Justice in 2015.

The Commission is considering consulting its legal team before deciding on the next course of action.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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