

Competition Commission slams media report on rand probe

By [Dane McDonald](#)

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The Competition Commission slammed media reports that it is investigating the "fall of the rand" as inaccurate. Competition Commission spokesperson Themba Mathebula told Fin24 that the body was referring to a [report by IOL](#) which said that an "investigation into the collapse of the rand has started".



Allan Swart via [123RF](#)

According to Mathebula the report was "not accurate". He said the only investigation that the Commission was conducting involved currency traders.

On 19 May 2015, the Commission issued a statement announcing that it had initiated an investigation against BNP Paribas, BNP Paribas South Africa, Citigroup, Citigroup Global Markets, Barclays Bank, Barclays Africa Group, JP Morgan Chase & Co, JP Morgan South Africa, Investec, Standard New York Securities and Standard Chartered Bank.

"The Respondents who are traders in foreign currencies have allegedly been directly or indirectly fixing prices in relation to bids, offers and bid-offer spreads in respect of spot, futures and forwards currency trades ... The Commission's investigation is focusing on trade in currency pairs involving the South African rand," it said at the time.

The alleged collusion the "ZAR domination" was carried out through electronic messaging platforms used for currency trading, which enabled the Respondents to coordinate their trading activities when quoting customers who buy or sell currencies, the Commission said.

Eliminating competition

"This coordination has the effect of eliminating competition among the Respondents, as it enabled them to charge an agreed price for a specific amount of currency.

"This anti-competitive behaviour is not unique to transactions involving the South African rand. The Commission's investigation follows similar investigations launched by other competition authorities in other jurisdictions," it said.

"Conduct of this nature distorts the price of foreign exchange and artificially inflates the cost of trading in foreign currency paired with the South African rand," said the Competition Commissioner, Tembinkosi Bonakele.

Source: [Fin24](#) via News24 Wire

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