

Antitrust: Commission sends Statement of Objections in European government bonds cartel

The Commission has concerns that, at different periods between 2007 and 2012, the eight banks participated in a collusive scheme that aimed at distorting competition when acquiring and trading European government bonds (“EGBs”). Traders employed by the banks exchanged commercially sensitive information and coordinated on trading strategies. These contacts would have taken place mainly – but not exclusively – through online chatrooms.

EGBs are sovereign bonds issued in Euro by the central governments of the Eurozone Member States.

If the Commission’s preliminary view were confirmed, such behaviour would violate EU rules that prohibit anticompetitive business practices such as collusion on prices ([Article 101](#) of the Treaty on the Functioning of the European Union and Article 53 of the EEA Agreement).

The Commission’s investigation relates to certain traders at eight banks and does not imply that the alleged anti-competitive conduct was a general practice in the EGBs sector.

The sending of a Statement of Objections does not prejudice the outcome of an investigation.

Background on bond markets

Bonds are debt securities paying a defined rate of interest, which enable entities to raise funding in international financial markets, and which are subsequently held as investments or traded like any other financial instrument.

Bonds are first issued on the “primary market” for sale through auctions or syndicates. Subsequently, bonds are traded between banks, brokers and investors on the “secondary market”. Bonds can be distinguished by the identity of the issuer and the currency in which they are denominated. The trading desks of banks are organised accordingly.

Background on procedure

A Statement of Objections is a formal step in Commission investigations into suspected violations of EU antitrust rules. The Commission informs the parties concerned in writing of the objections raised against them. The parties can then examine the documents in the Commission’s investigation file, reply in writing and request an oral hearing to present their comments on the case before representatives of the Commission and national competition authorities.

If, after the parties have exercised their rights of defence, the Commission concludes that there is sufficient evidence of an infringement, it can adopt a decision prohibiting the conduct and imposing a fine of up to 10% of a company's annual worldwide turnover.

There is no legal deadline for the Commission to complete antitrust inquiries into anticompetitive conduct. The duration of an antitrust investigation depends on a number of factors, including the complexity of the case, the extent to which the undertaking concerned cooperates with the Commission and the exercise of the rights of defence.

More information on this case will be available under the case number AT.40324 in the [public case register](#) on the Commission's [competition website](#).