

# Antitrust: Commission sends Statement of Objections in US Dollar supra-sovereign, sovereign and agency bond trading cartel

The Commission has concerns that at different periods between 2009 and 2015, the four banks exchanged commercially sensitive information and coordinated on prices concerning US dollar denominated supra-sovereign, sovereign and agency bonds, known as “SSA bonds”. These contacts would have taken place mainly through online chatrooms.

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 conduct by certain traders at the four banks and does not imply that the alleged anti-competitive conduct was a general practice amongst SSA bond traders.

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 funds 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 to investors 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. “SSA bonds” is an umbrella term for three types of bonds:

(i) Supra-sovereign bonds issued by supranational institutions or agencies, for example the European Investment Bank;

(ii) Sovereign bonds issued by central governments under another law than their domestic law and/or in other currencies than domestic currencies (e.g. bonds issued in US Dollars by European governments); and

(iii) Agency (sub-sovereign) bonds issued by government-related agencies and public authorities below the level of national government, for example regional development banks.

## 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.40346](#) in the [public case register](#) on the Commission's [competition website](#).