

Commerce Commission - Interest Rate Swaps Investigation (IRS)

Update notes 9 May 2013

Topic	Update
Investigation priority	<ul style="list-style-type: none"> • IRS investigation receiving high priority in the Commission. • Steering Group established for project supervision and progress monitoring <ul style="list-style-type: none"> ○ Steering group comprises – senior management and senior technical experts. • Commissioners being updated monthly on investigation progress.
Indicative timeframe	<ul style="list-style-type: none"> • Estimated investigation timeframe depends on timely information receipt.
Investigation team	<ul style="list-style-type: none"> • Large team working on investigation – consistent with high priority. • Significant additional resources applied.
Complainants	<ul style="list-style-type: none"> • As at 7 May 2013 - 98 contacts about rural swaps either by complaint or through questionnaire process. • Another three complaints about commercial swaps.
Information requests – current/ future	<ul style="list-style-type: none"> • Commission received preliminary information from Banks during assessment phase. • Commission issued statutory notices, under the Fair Trading Act (s47G) on the Banks under investigation and received some information which is in the process of being reviewed. • Some information yet to be supplied, requiring interrogation of old bank I.T systems. • Additional information requests are under discussion with Banks. • Further notices will be issued.
Financial Markets Authority	<ul style="list-style-type: none"> • The Commission is liaising with the Financial Markets Authority in respect of the investigation and is sharing information and expertise.
UK Financial Conduct Authority	<ul style="list-style-type: none"> • The Commission has been in contact with the Financial Conduct Authority to discuss its investigation.
Other stakeholder engagement	<ul style="list-style-type: none"> • The Commission is in contact with other interested parties, including Federated Farmers which is drawing the attention of its members to the Commission’s investigation and questionnaire process. This may lead to further information being received.

Confidentiality

- The Commission has:
 - Written to Banks advising our view that any witness is able to provide information without fear of adverse consequences.
 - Scheduled meetings with the Banks to seek their commitment to abide by this.