
FINAL NOTICE

To: Paul Robson
Date of Birth: 23 June 1969
Individual Reference Number: PXR01202
Date: 27 February 2015

ACTION

1. For the reasons given in this Final Notice, the Authority hereby makes an order prohibiting Paul Robson, pursuant to section 56 of the Act, from performing any function in relation to any regulated activity carried on by any authorised or exempt person, or exempt professional firm. This order takes effect from 27 February 2015.

SUMMARY OF REASONS

2. The Authority proposes to take this action because, during the period from May 2006 to early 2011, Mr Robson committed deliberate misconduct by attempting to manipulate the JPY LIBOR rate.
3. On 13 January 2014 Mr Robson was charged by the United States Department of Justice ("DOJ") with one count of conspiracy and 13 counts of wire fraud relating to his attempts to manipulate the JPY LIBOR rate between "at least in or about May 2006" to "at least in or about early 2011". A copy of an extract from the indictment is set out at Annex A to this Notice. On 18 August 2014 Mr Robson pleaded guilty to count 1 of the indictment (conspiracy). In light of his criminal conviction for an offence of dishonesty, the Authority finds that Mr Robson lacks honesty and integrity and, therefore, is not fit and proper.

DEFINITIONS

4. The definitions below are used in this Notice:

"Act" means the Financial Services and Markets Act 2000;

"Authority" means the body corporate previously known as the Financial Services Authority and renamed on 1 April 2013 as the Financial Conduct Authority;

"BBA" means the British Bankers' Association, which until 31 January 2014 was the administrator of LIBOR;

"Broker" means an interdealer broker who acted as intermediary in, amongst other things, deals for funding in the cash markets and interest rate derivatives contracts.

"DEPP" means the Authority's Decision Procedure and Penalties Manual;

"EG" means the Authority's Enforcement Guide;

"ENF" means the Authority's Enforcement Manual;

"FIT" means the Authority's Fit and Proper test for Approved Persons;

"JPY" means Japanese Yen;

"JPY LIBOR" means the London Interbank Offered Rate for Japanese Yen;

"LIBOR" means the London Interbank Offered Rate;

"Panel Bank" means a bank with a place on the administrator of LIBOR's panel (the BBA's panel during the Relevant Period) for contributing LIBOR submissions in one or more currencies;

"Rabobank" means the Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.;

"Submitter" means those responsible for determining and making LIBOR submissions on behalf of a Panel Bank;

"Trader" means a person trading interest rate derivatives or trading in the money markets;

"Trading Positions" means trading book positions held either in respect of derivative positions or money market positions; and

"Tribunal" means the Upper Tribunal (Tax and Chancery Chamber).

FACTS AND MATTERS

5. LIBOR is an interest rate benchmark fundamental to the operation of both UK and international financial markets. LIBOR is published daily in a number of currencies and maturities. Until 31 January 2014, LIBOR was administered by the BBA and was set according to a definition published by the BBA.¹ Banks on the LIBOR panels make daily submissions to the BBA to enable LIBOR to be calculated.
6. Rabobank delegated responsibility for determining and making LIBOR submissions to Submitters on its money markets desk.
7. Mr Robson was employed by Rabobank as a money markets trader between October 1990 and October 2008. From January 2006 until November 2008, in his role as a JPY money markets trader, he acted as

¹ Since 1 February 2014, LIBOR had been administered by ICE Benchmark Administration Limited ("IBA") <https://www.theice.com/iba>

the primary JPY LIBOR Submitter for Rabobank. Mr Robson had extensive experience of the money markets and of making JPY LIBOR submissions.

8. Mr Robson understood the BBA definition of LIBOR and knew the factors that were proper for him to take into account when making JPY LIBOR submissions and those that were improper. In particular, he knew that it was improper to take requests from Traders (at Rabobank and other Panel Banks) and Trading Positions into account when making JPY LIBOR submissions, yet he agreed to do so at the request of those Traders as part of a criminal conspiracy.
9. On 29 October 2013 the Authority gave Rabobank a Final Notice for significant failings in relation to LIBOR.
10. On 28 November 2013, the Authority issued Mr Robson with a Warning Notice in respect of the matters described above. The regulatory proceedings against Mr Robson were stayed on 3 December 2013 at the request of the Serious Fraud Office.
11. On 13 January 2014 the DOJ charged Mr Robson with the offence set out in the indictment copied at Annex A. The criminal charge against Mr Robson related to his deliberate misconduct in attempting to manipulate the JPY LIBOR benchmark. On 18 August 2014 Mr Robson pleaded guilty to count 1 of the indictment (conspiracy).

FAILINGS

12. The regulatory provisions relevant to this Notice are referred to in Annex B. FIT 1.3.1G states that the Authority will have regard to, among other things, a person's honesty and integrity when assessing the fitness and propriety of a person to perform a particular controlled function.
13. Mr Robson engaged in a serious and sustained course of improper conduct from May 2006 to early 2011. Mr Robson's actions were dishonest because he acted as he did despite knowing that taking Trading Positions into account when making LIBOR submissions was not permitted under the BBA's definition of LIBOR.
14. On 13 January 2014, Mr Robson was charged with conspiracy in respect of this behaviour and, on 18 August 2014, he pleaded guilty.
15. Mr Robson's criminal conviction demonstrates a lack of honesty and integrity such that he is not a fit and proper person to perform any function in relation to any regulated activity carried on by any authorised person.

SANCTION

16. The Authority considers that Mr Robson's actions as described in this notice demonstrate that he lacks honesty (and therefore integrity). The seriousness of the misconduct was aggravated by the fact that:
 - a. Mr Robson was an experienced employee of Rabobank and was an approved person, holding the CF30 (Customer) function.
 - b. Mr Robson engaged in this improper activity over a prolonged period of time.

- c. LIBOR is of central importance to the operation of UK and worldwide financial markets. Doubts about the integrity of LIBOR threaten confidence in those markets.
17. The Authority therefore prohibits Mr Robson from carrying out any function in relation to any regulated activity carried out by any authorised person, exempt person or exempt professional firm.

PROCEDURAL MATTERS

Decision maker

18. The decision which gave rise to the obligation to give this Notice was made by the Settlement Decision Makers.
19. This Final Notice is given under, and in accordance with section 390 of the Act.

Publicity

20. Sections 391(4), 391(6) and 391(7) of the Act apply to the publication of information about the matter to which this notice relates. Under those provisions, the Authority must publish such information about the matter to which this notice relates as the Authority considers appropriate. The information may be published in such manner as the Authority considers appropriate. However, the Authority may not publish information if such publication would, in the opinion of the Authority, be unfair to you or prejudicial to the interests of consumers or detrimental to the stability of the UK financial system.
21. The Authority intends to publish such information about the matter to which this Final Notice relates as it considers appropriate

Authority Contacts

22. For more information concerning this matter generally, Mr Robson should contact Patrick Meaney (direct line: 020 7066 7420) or Alex Odell (direct line: 020 7066 5158) of the Enforcement and Market Oversight Division of the Authority.

Therese Chambers
Project Sponsor

Financial Conduct Authority, Enforcement and Market Oversight Division

ORIGINAL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

14 CRIM272

UNITED STATES OF AMERICA

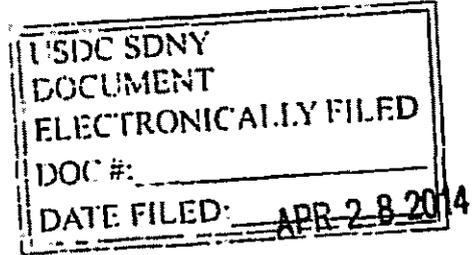
Indictment---
Crim. No.

v.

VIOLATIONS: 18 U.S.C. Sections 1349
(Conspiracy), 1343 (Wire Fraud) & 2
(Aiding and Abetting), and Forfeiture.

PAUL ROBSON,
PAUL THOMPSON, and
TETSUYA MOTOMURA.

Defendants.



INDICTMENT

The grand jury charges that, at all times relevant to this Indictment:

COUNT ONE
(Conspiracy)

General Allegations

1. The London Interbank Offered Rate ("LIBOR") was a benchmark interest rate overseen by the British Bankers' Association ("BBA"), a trade association based in London, United Kingdom representing approximately 200 banks from more than 60 countries.

2. LIBOR was calculated every London business day by averaging the interest rates at which designated banks ("Contributor Panel" banks) estimated that they could borrow unsecured funds from other banks across ten currencies, including the Japanese Yen ("Yen"). Contributor Panel banks for each currency submitted their estimated borrowing rates for fifteen different borrowing periods ("maturities" or "tenors"), ranging in length from overnight to one year, including maturities of one month, three months, and six months (commonly referred to on paper as "1m," "3m," and "6m"). Thomson Reuters, acting as an

agent for the BBA, received electronically the Contributor Panel banks' estimated interest rate submissions at or before approximately 11:10 a.m. in London. Among other currencies, Thomson Reuters received estimated interest rate submissions for the Yen LIBOR from sixteen designated Contributor Panel banks, specifically from bank employees referred to as "submitters" or "setters." Upon receipt of the sixteen Contributor Panel banks' Yen LIBOR submissions, Thomson Reuters: (a) ranked the submissions from highest to lowest; (b) excluded the four highest and four lowest submissions; and (c) averaged the remaining middle eight submissions to determine the official Yen LIBOR setting (also referred to as the "fix") used to settle trades and as a reference rate for various financial products. This process was repeated for each different maturity or tenor. Contributor Panel banks' Yen LIBOR submissions went to between two and five decimal places, and the published Yen LIBOR fix was rounded, if necessary, to five decimal places. In the context of measuring interest rates, one "basis point" (or "bp") was one-hundredth of one percent (0.01 percent).

3. By approximately 12:00 p.m. in the United Kingdom, Thomson Reuters published the averaged rates - or LIBORs - to, among others, Bloomberg LP network equipment which thereafter transmitted the LIBORs to servers located in New York, New York and elsewhere. Thomson Reuters as a general matter, pursuant to service agreements with various clients, transmitted the rates to servers and traders of LIBOR-based financial products around the world, including to those located in New York, New York and elsewhere.

4. The published LIBOR rates were used as the basis for the pricing of fixed-income futures, options, swaps, forward rate agreements, and other derivative instruments.

5. Interest rate swaps involved an agreement between counterparties to exchange payments in the future: one counterparty pays a fixed rate while the other pays a variable one.

Generally, the fixed rate was agreed upon at the outset by the counterparties and the variable rate was set at some point in the future. Often times, the variable rate was based on a reference rate such as Yen LIBOR. The actual value of the contract could not be determined until the date on which the variable rate was set. At that point, payments were exchanged, and, depending on the value of the variable rate, one party made money and the other lost money.

6. Traders made predictions on where LIBORs would set in the future. Traders, on behalf of their respective financial institutions, often entered into multiple derivatives contracts containing LIBORs as a price component based on those views. Therefore, the profit and loss that flowed from those contracts was directly affected by the relevant LIBORs on certain dates. If the relevant LIBORs moved in the direction favorable to the trader's position, the financial institution and the trader benefitted at the expense of their counterparties. When the traders' predictions were wrong and LIBOR moved in an unfavorable direction, the traders and the financial institutions stood to lose money to their counterparties.

7. Because traders often took large derivative positions, even small moves in the LIBOR fix could result in large swings in profits or losses from trades.

8. In addition to being used to price derivative products, financial institutions and other lenders in the United States and elsewhere frequently used LIBOR to set their own reference interest rates for financial instruments and consumer lending products, which included mortgages, credit cards, and student loans, among others.

9. A Contributor Panel bank's submission was to be an independent estimate of that bank's borrowing costs, and not altered to reflect trading positions that stood to gain or lose based on LIBOR rates.

10. Because LIBOR was calculated as an average of banks' submissions, if a bank coordinated its submission with another Contributor Panel bank, it could affect the fix more significantly than if it manipulated only its own submission.

11. One of the Yen LIBOR Contributor Panel banks was Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank"), a financial institution and global financial services company headquartered in Utrecht, the Netherlands with an FDIC insured branch located in New York, New York.

12. From at least in or about May 2006 through at least in or about early 2012 Trader-R was a Senior Trader on Rabobank's Money Market/FX Forwards desks in Tokyo, Japan and elsewhere in Asia. Trader-R traded derivative products that referenced Yen LIBOR. Because these trades were settled based on the published Yen LIBOR, the profitability of Trader-R's trading positions depended on the direction in which Yen LIBORs moved.

13. Another of the Yen LIBOR Contributor Panel banks was Bank-A, a global financial services company headquartered in London, United Kingdom.

14. Submitter-A worked for Bank-A as a trader from at least May 2006 to at least October 2008. At times while employed at Bank-A, Submitter-A was responsible for making the bank's Yen LIBOR submission.

15. Another of the Yen LIBOR Contributor Panel banks was UBS AG, a financial institution located in Zurich, Switzerland. Tom Hayes worked for UBS AG as a trader from at least July 2006 to at least September 2009.

16. Bank B was a federally chartered and insured financial institution within the definition of Title 18, United States Code, Section 20 and was headquartered in Charlotte, North Carolina.

The Defendants

17. From at least May 2006 through at least November 2008 defendant PAUL ROBSON a/k/a "Pookie," a/k/a "Pooks" ("ROBSON") worked as a Senior Trader at Rabobank's Money Markets and Short Term Forwards desk in London. From in or about January 2006 until at least November 2008, he served as Rabobank's primary submitter of Yen LIBOR to the BBA. Starting sometime in 2009, ROBSON worked at a brokerage firm in the United Kingdom and thereafter moved to a London-based office of a Japanese bank. At times during that period, ROBSON traded derivative products that referenced Yen LIBOR. Because these trades were settled based on the published Yen LIBOR, the profitability of ROBSON's trading positions depended on the direction in which Yen LIBORs moved.

18. From at least in or about June 2006 through at least in or about October 2008, defendant PAUL THOMPSON ("THOMPSON") was Rabobank's Head of Money Market and Derivatives Trading for Northeast Asia. In or about October 2008, he was promoted to Executive Director of local currency trading for Asia, and from in or about November 2010 to at least in or about January 2011 he was a Managing Director and head of liquidity and finance for Rabobank Asia. At times during that period, THOMPSON traded derivative products that referenced Yen LIBOR. Because these trades were settled based on the

published Yen LIBOR, the profitability of THOMPSON's trading positions depended on the direction in which Yen LIBORs moved.

19. From at least in or about May 2006 through at least late 2010, defendant TEISUYA MOTOMURA a/k/a "Moto man" ("MOTOMURA"), was a Senior Trader at Rabobank's Tokyo desk. During that time, MOTOMURA supervised money market and derivative traders employed at Rabobank's Tokyo desk, including, at times, Trader-R and Submitter-A. MOTOMURA traded derivative products that referenced Yen LIBOR. Because these trades were settled based on the published Yen LIBOR, the profitability of MOTOMURA's trading positions depended on the direction in which Yen LIBORs moved.

The Conspiracy

20. From at least in or about May 2006 through at least in or about early 2011, in the Southern District of New York and elsewhere, PAUL ROBSON, PAUL THOMPSON, and TEISUYA MOTOMURA, the defendants, together with Trader-R and others known and unknown, did knowingly combine, conspire, confederate, and agree to commit certain offenses against the United States, that is:

- (A) to devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted certain wire communications in interstate and foreign commerce for the purpose of executing the scheme; to wit, the defendants engaged in a scheme to manipulate and attempt to manipulate the benchmark interest rates referenced by derivative products throughout the financial industry to their advantage, by the dissemination, and submission, of false and fraudulent statements intended to

influence and manipulate the benchmark interest rates to which the profitability of interest rate derivative trades was tied, and the defendants contemplated, foresaw, and caused use of wires in interstate and foreign commerce in carrying out the scheme, in violation of Title 18, United States Code, Section 1343; and

- (B) to execute and attempt to execute a scheme and artifice to defraud a financial institution, the deposits for which were at the time insured by the Federal Deposit Insurance Corporation; and to obtain and attempt to obtain moneys, funds, credits, assets, and other properties owned by and under the custody and control of a financial institution by means of materially false and fraudulent pretenses, representations, and promises, as well as by omission of material facts in violation of Title 18, United States Code, Section 1344.

The Scheme

21. From at least in or about May 2006 through at least in or about early 2011, PAUL ROBSON, PAUL THOMPSON, and TETSUYA MOTOMURA, the defendants, together with Trader-R and Submitter-A, and others known and unknown to the grand jury, intending to manipulate and attempt to manipulate the benchmark interest rates referenced by derivative products throughout the financial industry to their advantage, engaged in a scheme to obtain money and property by making false and fraudulent Yen LIBOR submissions to the BBA for inclusion in the calculation of Yen LIBOR. The scheme had an effect on one or more financial institutions, within the meaning of Title 18, United States Code, Sections 20 and 3293(2). The conduct of the conspirators caused Rabobank and other financial institutions to be susceptible to substantial risk of loss and to suffer actual loss. In particular, Rabobank

agreed to pay approximately \$325 million in penalties to the United States Department of Justice as a result of the conduct.

Manner and Means

22. In order to further the objects and goals of the conspiracy, defendants PAUL ROBSON, PAUL THOMPSON, and TETSUYA MOTOMURA together with Trader-R and Submitter-A and others known and unknown to the grand jury used the following manners and means, among others:

- a. From at least May 2006 through at least November 2008 ROBSON had primary responsibility for making Rabobank's Yen LIBOR submissions to the BBA.
- b. ROBSON, THOMPSON, MOTOMURA, and Trader-R traded derivative products whose value was tied to the Yen LIBOR fix.
- c. THOMPSON, MOTOMURA and Trader-R requested that ROBSON and other Rabobank Yen LIBOR submitters make Yen LIBOR submissions that benefitted their trading positions.
- d. ROBSON often accommodated such requests by making and causing false and fraudulent Yen LIBOR submissions to be made. Sometimes ROBSON submitted rates at a specific level requested by a co-defendant or Trader-R and consistent with the requester's interests. Other times, ROBSON made a higher or lower Yen LIBOR submission consistent with the direction requested by a co-defendant or Trader-R and consistent with the requester's interests. On many occasions, ROBSON'S manipulated Yen LIBOR submissions were to the detriment of, among others, Rabobank's counterparties to derivative contracts.

- e. In addition to manipulating Rabobank's Yen LIBOR submission on behalf of one or more co-defendant or Trader-R, ROBSON, on occasion, coordinated his Yen LIBOR submission with Submitter-A. At times ROBSON submitted Yen LIBOR at a level requested by Submitter-A, and, at other times, Submitter-A submitted Yen LIBOR at a level requested by ROBSON.
- f. On many occasions, the combined effect of Rabobank and Bank-A's false and fraudulent submissions moved the Yen LIBOR fix more than it otherwise would have if Rabobank alone submitted manipulated rates.
- g. After January 2009, when Rabobank's Yen LIBOR submitters moved to Utrecht, and until at least November 2010, Trader-R continued to send multiple requests for Yen LIBOR rates that benefitted his trading positions to the Rabobank submitters for them to submit to the BBA.

Overt Acts

23. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

May 10 and May 11, 2006

24. On or about May 10, 2006, ROBSON stated to Submitter-A that, "for info i've been asked by my singapore man [THOMPSON] to help him out with a silly low 6m fixing today."

25. Later that same day, ROBSON admitted to Trader-R, "it must be pretty embarrassing to set such a low libor (I was very embarrassed to sey my 6 mth - but wanted to help thomo [THOMPSON]). tomorrow it will be more like 33 from me."

26. On or about May 10, 2006, Rabobank submitted a 6-month Yen LIBOR rate of 0.26 percent, which was one basis point lower than the previous day, moving Rabobank's submission down from the panel's second highest to tied for second lowest, while the other panel banks submissions increased by an average 7 basis points.

27. On or about May 11, 2006, the following day, THOMPSON thanked ROBSON "for yest" and indicated that he needed "6 mth Libor" low again.

28. On or about May 11, 2006, Robson responded, "6m sets at 31 today mate...will put in something rediculously low again tho -- no probs."

29. On or about May 11, 2006, Rabobank submitted a 6-month Yen LIBOR rate of 0.28 percent, remaining at second lowest.

May 19, 2006

30. On or about May 19, 2006, after THOMPSON informed ROBSON that his net exposure for his 3-month fixes was 125 billion Yen, he requested that ROBSON, "sneak your 3m libor down a cheeky 1 or 2 bp" because "it will make a bit of diff for me."

31. On or about May 19, 2006, ROBSON responded, "No prob mate I mark it low."

32. On or about May 19, 2006, Rabobank submitted a 3-month Yen LIBOR rate of 0.17 percent, four basis points lower than Rabobank's submission the day before, moving its submission from the panel's second highest to tied for the lowest.

July 27, 2006 and July 28, 2006

33. On or about July 27, 2006, ROBSON wrote to Submitter-A, "morning skip....my little yellow friend in tokyo [Trader-R] wants a high 1m fix from me today....am going to set .37 - just for your info sir." To this, Submitter-A responded, "that suits me mate as got some month end fixings so happy to ablige..rubbery jubbery.:-O"

34. On or about July 27, 2006, Bank-A submitted a 1-month Yen LIBOR rate of 0.37 percent, two basis points higher than Bank-A's submission the day before, moving its submission from tied for the panel's lowest to tied with Rabobank for the second highest submission. Rabobank also submitted a 1-month Yen LIBOR rate of 0.37 percent.

35. On or about July 28, 2006, after ROBSON wrote to Submitter-A, "morning skipper.....will be setting an obscenely high 1m again today...poss 38 just fyi." Submitter-A responded, "(K)...oh dear..my poor customers....hehehe!! manual input libors again today then!!!!"

36. On or about July 28, 2006, Bank-A and Rabobank both submitted 1-month Yen LIBOR rates of 0.38 percent, which tied them for the second highest submission that day on the panel.

November 8, 2006 and November 9, 2006

37. On or about November 8, 2006, THOMPSON stated to ROBSON, "Got a few big 3mth fixings in next 2 days, any chance you cud bump it up a couple? What do u actually think 3mth today 45.25 - 45.5 ish?"

38. On that same day, ROBSON responded, "will set them high and dry skip."

39. On or about November 8, 2006, Rabobank submitted a 3-month Yen LIBOR rate of 0.46 percent, which was 3 basis points higher than its previous day's submission, moving it from tied for the panel's second lowest to tied for the panel's third highest.

40. On or about November 9, 2006, the following day, THOMPSON stated, "Thx skip. 1 more today -- 3mths."

41. On that same day, ROBSON responded that he would set it high again asking "is 46 (w) ok or higher?"

42. On or about November 9, 2006, Rabobank again submitted a 3-month Yen LIBOR rate of 0.46 percent, keeping Rabobank's submission tied for the panel's third highest.

December 13, 2006

43. On or about December 13, 2006, THOMPSON stated to ROBSON, "Wouldn't mind slightly higher 1m and slightly lower 6m if you have any room over the next 5 days..got a few biggies rolling off."

44. On or about December 13, 2006, Rabobank submitted a 1-month Yen LIBOR rate of 0.48 percent, one basis point higher than Rabobank's submission the day before, moving Rabobank's submission from the middle of the panel to tied for the panel's third highest.

45. On or about December 13, 2006, Rabobank submitted a 6-month Yen LIBOR rate of 0.60 percent, 4 basis points lower than Rabobank's submission the day before, moving Rabobank's submission from the middle of the panel to the panel's lowest.

December 18, 2006

46. On or about December 18, 2006, after Trader-R informed THOMPSON that he needed a high 1-month, THOMPSON responded that he would tell the person he believed to be submitting rates that day "to put a high 1s for you." THOMPSON further clarified that he will inform the backup submitter, "for choice put it higher rather than lower" and explained "I don't like to tell them in too black and white but Pookie [ROBSON] always understands."

47. On or about December 18, 2006, THOMPSON sent an email to the senior trader he believed to be submitting Rabobank's Yen LIBOR rates that day, stating, "your in the yen libors hot seat in Pooks absence. If in doubt can you go higher on 1m and 3m please as both myself and Tokyo are very long these fixings today so every little bit helps."

March 22 and March 23, 2007

48. On or about March 22, 2007, ROBSON told Submitter-A that he needed a high 1-month Yen LIBOR "set tomorrow" and stated, "if you can ask your man to set a nice high one like today pls?"

49. On or about March 22, 2007, Submitter-A forwarded ROBSON's message to a colleague at Bank-A stating, "We usually try and help each other out...but only if it suits."

50. On the following day, on or about March 23, 2007, Bank-A submitted a 1-month Yen LIBOR rate of 0.76 percent, the same rate as the previous day, keeping Bank-A's submission as the highest on the panel.

March 26, 2007 through March 30, 2007

51. On or about March 26, 2007, THOMPSON asked ROBSON, "On libors, this week have a fair bit of 6mths rolling off, I am short so if you can discreetly drop your 6m by 1-2 bp without any trouble would be great – if not no probs mate."

52. On that same date, ROBSON responded, "sure no prob – all my stuff is mainly 1 mth so will keep that high and drop 6's cheers."

53. On or about March 26, 2007, Rabobank submitted a 6-month Yen LIBOR rate of 0.74 percent. Over the course of that week, Rabobank's 6-month Yen LIBOR submissions dropped four basis points and went from being tied for second highest on the panel to being tied for lowest on the panel. Rabobank's 1-month Yen LIBOR submission on March 26, 2007, stayed at the same level as the previous day and was tied for the second highest of all panel banks.

June 15, 2007

54. On or about June 15, 2007, THOMPSON asked ROBSON, "can you try to keep your 6m high today?"

55. On or about June 15, 2007, after ROBSON told Trader-R, "thomo wanted a high one." Trader-R stated, "Thomo should have told me this. I wanted them to be lower."

September 21, 2007

56. On or about September 21, 2007, Trader-R asked ROBSON, "wehre do you think today's libors are? If you can, I would like 1mth libors higher today." ROBSON responded, "Bookies reckon 1m sets at .85."

57. On or about September 21, 2007, Trader-R informed ROBSON, "I have some fixings in 1mth so would appreciate if you can put it higher mate."

58. ROBSON answered, "No prob mate let me know your level." After Trader-R asked for "0.90% for 1mth," ROBSON confirmed, "Sure no prob...I'll probably get a few phone calls but no worries mate... there's bigger crooks in the market than us guys!"

59. On or about September 21, 2007, Rabobank submitted a 1-month Yen LIBOR rate of 0.90 percent, which was 7 basis points higher than the previous day, moving Rabobank's submission from the middle of the panel to the panel's highest.

October 30, 2007

60. On or about October 30, 2007, ROBSON asked MOTOMURA, "Do you want me to set anything for you?"

61. On that same date, MOTOMURA replied, "if it is lower, it's better for me" and asked for "low 6's. please."

62. On or about October 30, 2007, Rabobank submitted a 6-month Yen LIBOR rate of 0.98 percent, three basis points lower than Rabobank's submission the day before, moving Rabobank's submission from the middle of the panel to the panel's second lowest.

February 27, 2008

63. On or about February 27, 2008, Trader-R requested ROBSON submit "1m 0.70% 3m 0.92% 6m 0.98% Please cheers." ROBSON responded, "Ok will do skip."

64. On or about February 27, 2008, Rabobank submitted 1-month, 3-month, and 6-month Yen LIBOR rates of 0.70 percent, 0.92 percent, and 0.98 percent, respectively.

March 19, 2008

65. On or about March 19, 2008, MOTOMURA stated to Trader-R that they had 1650 contracts and asked Trader-R to make the rate as high as possible.

66. On or about March 19, 2008, Trader-R wrote to ROBSON, "We have loads of 6mth fixings today. If possible, could you set 6m libor to 1.10% please? We don't have particular interest in other libors."

67. ROBSON wrote back, "Sry just to confirm 6m you want at 1.10??? Ok will do that but I will prob get a phone call at I set 02 yesterday and brokers reckon everything a little lower today... indications are... 1m 85 2m 91 3m 975 6m 1.03."

68. After learning that ROBSON expected the 6-month rate to be 1.03, Trader-R responded. "actually,,, moto man [MOTOMURA] would like 6m to be higher today..... If it is not appropriate. it is fine matc, I will explain the situation to him." To this, ROBSON assured. "Well its no prob mate - I can set it that high....It will be quite funny to see the reaction!"

69. On that same day, ROBSON told Submitter-A that Trader-R needed a "high 6m libor if you can help skip - asked me to set 1.10!"

70. Also on that same day, Trader-R informed MOTOMURA that ROBSON would submit a 6-month Yen LIBOR rate of 1.1 percent and this would increase the resulting Yen LIBOR fix by 0.1 basis point. MOTOMURA responded that this was splendid.

71. On or about March 19, 2008, Rabobank submitted a 6-month Yen LIBOR rate of 1.10 percent, eight basis points higher than Rabobank's submission the day before, moving its submission from the middle of the panel to the panel's second highest.

72. Because Bank-B had an interest swap agreement with Rabobank, the profitability of which was tied to LIBOR, Bank-B was directly affected by the Yen LIBOR rate on March 19, 2008.

April 17, 2008

73. On or about April 17, 2008, Trader-R stated to ROBSON, "Moto [MOTOMURA] would like to have 6m libor lower mate."

74. On or about April 17, 2008, Rabobank submitted a 6-month Yen LIBOR rate of 0.96 percent, which was three basis points lower than the day before, moving Rabobank's submission from the middle of the panel to tied for the panel's third lowest.

April 23, 2008

75. On or about April 23, 2008, Trader-R requested ROBSON submit "1m 0.68% 3m 0.93% 6m 0.97% pls cheers." ROBSON responded, "Ok will do."

76. On or about April 23, 2008, Rabobank submitted 1-month, 3-month, and 6-month Yen LIBOR rates of 0.68 percent, 0.93 percent, and 0.97 percent, respectively.

July 18, 2008

77. On or about July 18, 2008, in an exchange between ROBSON and a broker located in the United Kingdom regarding setting the one-month Yen LIBOR rate, the broker asked ROBSON to submit a rate "as low as possible basically," and told ROBSON that it was for "UBS...Tom [Hayes]." After offering to set 0.63 percent, ROBSON said "Make sure he [Hayes] knows... you know scratch my back."

78. On or about July 18, 2008, Rabobank submitted a 1-month Yen LIBOR rate of 0.63 percent, eight basis points lower than the previous day, moving Rabobank's submission from tied for the highest to tied for the second lowest.

July 24, 2008 through July 30, 2008

79. On or about July 24, 2008, Trader-R asked ROBSON, "Could you set 6m at 0.97% please? Moto [MOTOMURA] has big fixings over the next couple of weeks so that it would be nice if you could keep it as low as possible for some time."

80. On that same date, ROBSON affirmed, "Will do mate."

81. On or about July 24, 2008, Rabobank submitted a 6-month Yen LIBOR rate of 0.97 percent, which was three basis points lower than Rabobank's submission the day before, moving Rabobank's submission from the middle of the panel to tied for the panel's second lowest.

82. On or about July 25, 2008, Rabobank submitted 0.97 percent which was the panel's second lowest 6-month Yen LIBOR rate.

83. Rabobank's submission for the 6-month Yen LIBOR rate remained at 0.97 percent-- the second lowest submission-- through July 30, 2008.

August 4, 2008 through August 7, 2008

84. On August 4, 2008, in a Bloomberg chat, MOTOMURA asked ROBSON, "Please set today's 6mth LIBOR at 0.96 I have chunky fixing."

On that same day, ROBSON responded, "no worries mate."

85. On or about August 4, 2008, Rabobank submitted a 6-month Yen LIBOR rate of 0.96 percent, which was three basis points lower than the previous day, moving Rabobank's submission from tied for the panel's fourth lowest to the second lowest.

86. On or about August 6, 2008, MOTOMURA stated to ROBSON, "Good Morning. I have another side of fixing today and tomorrow. Can we make 6mth libor at 0.98?"

87. On that same date, ROBSON replied, "OK higher?...sure thing."

88. On or about August 6 and August 7, 2008, Rabobank submitted a 6-month Yen LIBOR rate of 1.00 percent, which was four basis points higher than August 5, 2008, moving Rabobank's submission from the panel's second lowest to the upper half.

May 15, 2009

89. On or about May 15, 2009, Trader-R asked ROBSON, who, at that time was working at a brokerage firm, "How about 6m yen libor for today?"

90. ROBSON responded, "well strange one...guys think the same 72..problem is UBS wants a high one today so he will call his friends to get it higher if he can...but 72 it shud be again"

91. Trader-R wrote back, "i anyway want it to be hight so,, fine with me cheers"

92. ROBSON responded, "ok fair enough - will see what we can do for you mate !"

(Title 18, United States Code, Section 1349.)

ANNEX B

GUIDANCE AND POLICY TO STATUTORY PROVISIONS AND RULES

RELEVANT STATUTORY PROVISIONS

1. The Authority has the power, pursuant to section 56 of the Act, to make a prohibition order if it appears to the Authority that an individual is not a fit and proper person to perform functions in relation to a regulated activity carried on by an authorised person, exempt person or exempt professional firm. Pursuant to section 56(2) of the Act, such an order may relate to a specified function, any function falling within a specified description or any function.

The Fit and Proper test for Approved Persons ("FIT")

2. FIT sets out the criteria for assessing a person's fitness and propriety.
3. FIT 1.1.2G states:

"The purpose of FIT is to set out and describe the criteria that the Authority will consider when assessing the fitness and propriety of a candidate for a controlled function (see generally SUP 10 on approved persons). The criteria are also relevant in assessing the continuing fitness and propriety of approved persons. The criteria that the Authority will consider in relation to an authorised person are described in COND."

4. FIT 1.2.3G states:

"Under section 63(1) of the Act (Withdrawal of approval), the Authority may withdraw its approval if it considers that the person in respect of whom the approval was given is not fit and proper to perform the controlled function to which the approval relates."

5. FIT 1.3.1G states that the Authority will have regard to, among other things, a person's honesty and integrity when assessing the fitness and propriety of a person to perform a particular controlled function.

6. FIT 1.3.3G states:

"The criteria listed in FIT 2.1 to FIT 2.3 are guidance and will be applied in general terms where the Authority is determining a person's fitness and propriety. It would be impossible to produce a definitive list of all the matters which would be relevant to a particular determination."

7. FIT 2.1.1 states:

"In determining a person's honesty, integrity and reputation, the Authority will have regard to all relevant matters including, but not limited to, those set out in FIT 2.1.3 G which may have arisen either in the United Kingdom or elsewhere[...]"

Prohibition order

8. The Authority's approach to deciding whether to impose a prohibition order, and the scope of any such prohibition order, is set out in chapter 9 of EG. The provisions of EG set out below are those which were in force from 28 August 2007.
9. EG 9.1 sets out how the Authority's power to make a prohibition order under section 56 of the Act helps it work towards achieving its regulatory objectives. The Authority may exercise this power where it considers that, to achieve any of its objectives, it is appropriate either to prevent an individual from performing any functions in relation to regulated activities or to restrict the functions which he may perform.

10. EG 9.3 states:

"In deciding whether to make a prohibition order and/or, in the case of an approved person, to withdraw its approval, the Authority will consider all the relevant circumstances including whether other enforcement action should be taken or has been taken already against that individual by the Authority. ... in some cases the Authority may take other enforcement action against the individual in addition to seeking a prohibition order and/or withdrawing its approval. The Authority will also consider whether enforcement action has been taken against the individual by other enforcement agencies or designated professional bodies."

11. EG 9.5 states:

"The scope of a prohibition order will depend on the range of functions which the individual concerned performs in relation to regulated activities, the reasons why he is not fit and proper and the severity of risk which he poses to consumers or the market generally."

12. EG 9.8 to 9.14 set out guidance on the Authority's approach to making prohibition orders against approved persons.
13. EG 9.8 states that, in deciding whether to make a prohibition order, the Authority will consider whether its regulatory objectives can be achieved adequately by imposing disciplinary sanctions.
14. Specifically in relation to approved persons, EG 9.9 states that in deciding whether to make a prohibition order, the Authority will consider all the relevant circumstances of the case. These include, but are not limited to, the following:

(2) Whether the individual is fit and proper to perform functions in relation to regulated activities. The criteria for assessing the fitness and propriety of approved persons are set out in FIT 2.1 (Honesty, integrity and reputation); FIT 2.2 (Competence and capability) and FIT 2.3 (Financial soundness).

(3) Whether, and to what extent, the approved person has:

- a. *[.....]*
- b. *been knowingly concerned in a contravention by the relevant firm of a requirement imposed on the firm by*

or under the Act (including the Principles and other rules) or failed to comply with any directly applicable Community regulation made under MiFID or any directly applicable provision of the auction regulation.

(8) The severity of the risk which the individual poses to consumers and to confidence in the financial system.

15. One example of a type of behaviour which have previously resulted in the Authority deciding to issue a prohibition order or withdraw the approval of an approved person, set out in EG 9.12, is “[s]evere acts of dishonesty”.