

**FOR IMMEDIATE RELEASE**

**MAS Imposes Civil Penalty of \$3.9 million on Credit Suisse AG  
for Misconduct by its Relationship Managers**

Singapore, 28 December 2023... The Monetary Authority of Singapore (MAS) has imposed a civil penalty of \$3.9 million on Credit Suisse AG (Credit Suisse), for its failure to prevent or detect misconduct by its relationship managers<sup>1</sup> (RMs) in the Singapore branch. The RMs had provided clients with inaccurate or incomplete post-trade disclosures, resulting in clients being charged spreads which were above bilaterally agreed rates for 39 over-the-counter (OTC) bond transactions.

2 When Credit Suisse executes OTC transactions requested by its clients, it charges a spread over the price obtained from the relevant interbank counterparties. For the 39 transactions, the RMs had, in contravention of sections 201(c) and 201(d) of the Securities and Futures Act 2001 (SFA):

- a. made false statements to their clients regarding the executed interbank prices and/or spreads charged; and/or
- b. omitted material information that the spreads charged were above the agreed rates.

3 This enforcement action on Credit Suisse follows MAS' review of pricing and disclosure practices in the private banking industry. Investigations revealed that the bank had failed to put in place adequate controls, such as post-trade monitoring, to prevent or detect the RMs' misconduct. Credit Suisse has since strengthened its internal controls to prevent the recurrence of such misconduct.

4 The bank has admitted liability under section 236C of the SFA for its failure to prevent or detect the misconduct by its RMs, and paid MAS the civil penalty<sup>2</sup>. As part of the civil penalty settlement, Credit Suisse has also separately compensated its affected clients.

5 Ms Ho Hern Shin, Deputy Managing Director (Financial Supervision), MAS, said, "Financial institutions should implement robust governance frameworks and processes to ensure fair and transparent pricing to their customers. We will continue to engage the banks to improve their controls in this area and will not hesitate to take firm enforcement action against financial institutions found to have breached our laws."

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<sup>1</sup> Relationship managers here refer to relationship managers, assistant relationship managers, investment consultants or execution desk personnel.

<sup>2</sup> Credit Suisse paid MAS the civil penalty immediately after the imposition of the civil penalty.

## Additional information

### **(A) The civil penalty regime**

A civil penalty action is not a criminal action and does not attract criminal sanctions. The civil penalty regime, designed to complement criminal sanctions and provide a nuanced approach to combat market misconduct, became operational at the beginning of 2004.

Under [section 232 of the SFA](#), MAS may enter into an agreement with any person for that person to pay, with or without admission of liability, a civil penalty for contravening any provision of Part 12 of the SFA. The civil penalty may be up to three times the amount of the profit gained or loss avoided by that person as a result of the contravention, subject to a minimum of \$50,000 (if the person is not a corporation) or \$100,000 (if the person is a corporation).

### **(B) [Section 201\(c\) of the SFA](#)**

Under section 201(c) of the SFA, no person shall, directly or indirectly, in connection with the subscription, purchase or sale of any capital market products, make any statement he knows to be false in a material particular.

### **(C) [Section 201\(d\) of the SFA](#)**

Under section 201(d) of the SFA, no person shall, directly or indirectly, in connection with the subscription, purchase or sale of any capital market products, omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

### **(D) [Section 236C of the SFA](#)**

Under section 236C of the SFA, a corporation which fails to prevent or detect a contravention of any provision in Part 12 of the SFA that is committed by an employee or officer for its benefit and attributable to its negligence, commits a contravention and shall be liable to an order for a civil penalty.

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