

US fines HSBC \$175mn for lax forex oversight

Washington

The US central bank yesterday fined global banking giant HSBC \$175 million for failing to oversee foreign exchange traders who misused confidential client information and colluded with traders at competing banks.

Between 2008 and 2013, the bank failed to detect misconduct by senior traders, including its global head of foreign exchange cash trading, according to the Federal Reserve.

Traders used “confidential inside information” to execute trades that benefited the bank but hurt a corporate client, conduct that resulted in traders’ federal indictment in New York on fraud charges.

An internal review by HSBC, which cooperated with authorities, also found traders attempted to manipulate foreign currency benchmark fixes and market prices generally by colluding with traders at other banks.

In an order, the Fed also directed HSBC to improve internal oversight measures and compliance with risk management requirements in its foreign exchange trading.

The enforcement action comes two months after the Fed also fined BNP Paribas \$246 million over similar violations.

HSBC was one of six major US and European banks fined a total of \$4.2 billion by global regulators in a November 2014 crackdown for attempted manipulation of the foreign exchange market.

The bank in 2012 paid \$1.9 billion in fines and other charges after settling with US prosecutors over allegations it had deliberately moved money for drug cartels, clients tied to terrorist organizations and sanctions-barred countries, or failed to prevent this.

The agreement, due to expire this year, requires the bank to cooperate with US law enforcement and avoid further violations or risk seeing reinstated charges linked to money laundering. (AFP)

EU to propose Google, Facebook tax in 2018

Tallinn

The EU will propose a new tax on tech giants such as Google and Facebook next year despite opposition by several states that fear a blow to their economies, European Commission chief Jean-Claude Juncker said Friday.

Championed by French President Emmanuel Macron, the new tax on digital multinationals will target revenue generated in an EU country, instead of on profits that are booked in a low-tax EU headquarters, often Ireland or Luxembourg.

The hope is to have a formal proposal by EU ministers in December, that would become a draft law by the commission, the EU’s executive arm, in 2018.

“Tax has to be paid where it is due, be it offline or online,” Juncker said after an EU summit in Tallinn, Estonia.

“The commission will propose next year new rules on fair and effective taxation that provides legal certainty and a level playing field for all.”

Juncker made the commitment after Macron pressed the issue at the second day of the summit, where the leaders discussed the opportunities and dangers of the digital economy.

The push by France, already backed by powerful Germany, is part of a wider onslaught by the EU on Google and other US tech behemoths as Europe seeks ways to regulate Silicon Valley more tightly.

In a closely watched speech on Europe Tuesday, Macron thundered against high tech companies that had become the “freeloaders of the modern world.”

So far about a dozen of the EU’s 28 member states have signed on to the idea, though many urge action to take place on a global level, such as the G20, instead of just in Europe.

Turning trash into treasure

Members of La Tricyclerie collect organic wastes from restaurants and companies

Nantes

Putting an end to the unnecessary burning of biodegradable waste, one restaurant at a time, has become the forceful mission of a team of French cyclists.

Their creative initiative, which relies largely on volunteers, has even impressed the United Nations.

La Tricyclerie, a neat play on the French words for sorting out rubbish, recycling and biking, turns vegetable, coffee, and other organic waste into compost.

Coordinator Valentine Vilboux, 29, travels on her electric bicycle to restaurants in the western city of Nantes, collecting peelings otherwise destined for the bin.

“It’s simple; we take everything, even the eggshells and citrus fruits. Everything apart from bread, meat and fish,” she

says.

“It’s a lot! It proves the food is fresh and homemade,” she says, of one cafe after weighing out 20 kilos (44 pounds) of vegetable peelings.

Launched at the end of 2015 with just eight restaurants on board, the anti-waste tour has grown to include 23 restaurants and nine businesses, catching the attention of the United Nations.

La Tricyclerie and its founder Coline Billon, 26, are one of 12 world finalists, whittled down from 2,400 candidates, for the UN’s “Young Champions of the Earth” competition. The prize, to be awarded in November, is \$15,000 (12,500 euros).

“It’s very rewarding, even if you don’t feel like you’ve invented something incredible,” said Vilboux.

Black gold

While paper and glass recycling is becoming automatic to many, biodegradable waste generally ends up in landfill or incinerators in France.

This “black gold” could serve as fertiliser for farmers once it’s been composted, and currently represents a third of French household rubbish.

Salad bar manager Colette Marghieri wanted to join the scheme, even though there is no legal obligation to separate biodegradable rubbish.

“At the start, I had some doubts about the sorting but it’s easy and it doesn’t disrupt the service at all,” she said.

Fellow restaurant manager Guenole Clequin said: “It’s simple and very effective. We can see how much used to be thrown away.”

La Tricyclerie, which has two paid staff and about 10 volunteer collectors on bikes, receives a financial contribution of 40 euros per month and an annual membership fee of 50 euros from each business.

“A real community with the restaurants has built up around the reduction of rubbish and the creation of compost -- we are real environmental actors,”

said one of the volunteers, Pierre Briand, stirring smoking compost.

Cyclists call at each restaurant twice a week to pick up the waste.

The compost is redistributed free of charge to community gardens or to students of the Nantes horticultural school.

La Tricyclerie, which collects around 1.5 tonnes of waste a month, has set itself an objective of reducing the volume of restaurant food waste in the city by 40 percent.

And the impact could spread out of town.

The initiative has already been contacted by interested individuals in the southern French city of Perpignan, the Belgian capital Brussels, and the Indian Ocean island of La Reunion. “It’s a little drop, but the potential is enormous,” Vilboux said gently. (AFP)



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