



CARMA NEWS BRIEF

Finance Media Roundup

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COVERAGE: September 1 - September 25, 2023

Welcome to the CARMA Finance Media Roundup, your monthly dose of hand-curated industry news.

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Notable Stories

U.S. Judge Greenlights Class-Action Suit Against Major Banks Over Bond Collusion

Eight major banks, including Bank of America, Goldman Sachs, Barclays, Citigroup, JPMorgan Chase, Morgan Stanley, Royal Bank of Canada and Wells Fargo are facing class-action claims led by U.S. cities, Baltimore and Philadelphia. The banks are accused of colluding to inflate interest rates on over 12,000 variable-rate demand obligations (VRDOs) from 2008 to 2016, potentially causing billions in damages to public services. [Reuters](#)



Why it matters

Media coverage uniformly highlights the significant legal setback for the eight major banks in a long-standing dispute over alleged bond price-fixing. Media outlet [Bloomberg](#) takes an analytical angle, citing a litigation analyst who suggests that this milestone makes a settlement more likely, while providing estimated damages of \$6.5 billion. On the other hand, [Banking Dive](#), zeroes in on the potential impact on public services, noting the alleged collusion and reduced funding for essential services like hospitals and schools. The media's unanimous portrayal of the nearly decade-long legal battle signals its importance in the broader context of conduct and accountability in the financial industry.

UAE SMEs Eye Global Expansion as Emirates NBD Ups Lending and the Emirates Development Bank's (EDB) Funds Green Initiatives

In the UAE, 93% of small and micro businesses plan to expand globally, according to a Visa survey. This move is facilitated by increased digital payments and a shift toward cashless transactions. Concurrently, Emirates NBD has increased its lending to SMEs by 34%, and Emirates Development Bank launched a \$27.2 million solar energy financing program for SMEs. [Zawya](#)



Why it matters

The media narrative cohesively showcases an SME sector in the UAE that is not only thriving but also poised for global and sustainable expansion. [Zawya](#) underscores the sector's global ambitions, fuelled by the widespread adoption of digital payments. [Arabian Business](#) amplifies this narrative by highlighting increased lending from Emirates NBD, signifying robust financial support. Meanwhile, [The National News](#) adds a sustainability angle, detailing EDB's \$27.2 million solar energy financing initiative, which is a part of the bank's efforts to support start-ups through its network of government and corporate partners. The media's portrayal of these developments depicts the UAE's SME sector as dynamic on both the local and global stages, backed by financial lending and a commitment to sustainability.

Singapore Financial Institutions Tightens Customer Auditing in Wake of Major Money-Laundering Scandal

Singaporean banks are intensifying customer scrutiny and due diligence measures following a \$1.8 billion money-laundering scandal. The waiting period to open a private banking account has extended from one month to three to four months. Clients from countries such as China and Turkey in particular are being red-flagged. The tightened measures come after Singapore police charged 10 people in one of the city-state's largest-ever money-laundering investigations. [Financial Times](#)



Why it matters

The media highlights Singapore's financial industry grappling with the fallout of a massive money-laundering scandal. [Financial Times](#) focuses on the banks' proactive tightening of customer scrutiny, which includes, longer waiting periods for account opening, and the specific targeting of clients from a range of select countries. The outlet also discusses the government's role, specifically through The Monetary Authority of Singapore, and the increasing attractiveness of Singapore as a wealth hub, despite the scandal. [The Business Times \(SG\)](#) provides a more legal-centric view, focusing on the accused individuals, who remain in custody due to the severity of the offenses. Both media outlets mention Credit Suisse as one of the banks where the laundered money was held, spotlighting the scandal's far-reaching implications even for major international banks operating in Singapore.

Record Surge in Mortgage Rate Resets Set to Hit UK Homeowners During Holiday Season

Nearly half a million UK homeowners are bracing for steep increases in mortgage repayments as fixed-rate deals expire. The Financial Conduct Authority (FCA) reveals that 485,000 mortgage borrowers will see fixed deals end in Q4 2023, marking the highest number of remortgages since records began in 2017. Consumer group "Which?" warns that some could pay an extra £336 per month. [The Telegraph](#)



Why it matters

The media is ringing alarm bells about a potential 'remortgage shock' that could hit UK homeowners during the festive season. [The Telegraph](#) leans heavily into data from the FCA and consumer group "Which?", highlighting the financial strain on households as fixed mortgage rates expire. [The Independent \(UK\)](#) echoes this sentiment, emphasizing how the timing "around the holiday season" could exacerbate the financial impact. Both outlets underscore a sense of urgency, advising homeowners to evaluate new deals and seek lender support. Media outlets are elevating the issue from a mere financial inconvenience to a sweeping economic concern, warranting immediate attention from both homeowners and policymakers.

Notable Quotes & Commentary

"This is an additional milestone that will push this case to settle eventually. I expect the case to go to trial next year with settlements amounting to roughly \$600 million across the eight defendants." [Bloomberg](#)

Elliott Stein
Senior Litigation Analyst at Bloomberg Intelligence

"It is timely that we have chosen the year we are proudly hosting the crucial Cop28 climate talks to launch our solar energy financing package." [The National News](#)

Ahmed Al Naqbi
CEO at EDB

"The rock-bottom interest rates homeowners enjoyed for more than a decade are firmly behind us, and those who need to remortgage are feeling the full force of the last two years' worth of rate rises." [Head Topics \(UK\)](#)

Ele Clark
Senior Money Editor at "Which?"

In Case You Missed It

HSBC's Insurance Brokerage Unit to Sell Investment Funds in China

HSBC Holdings has secured a Chinese regulatory approval for its insurance brokerage unit to sell investment funds. This move is part of HSBC's strategy to expand into China's \$4 trillion fund market. The unit, established in September 2022, will also offer wealth services like family protection and retirement planning. [Reuters](#)

Citigroup Flags Major UK Job Cuts Amid Sweeping Reorganization

Citigroup has warned its UK employees about potential redundancies as part of a broad reorganization plan. While the exact number of job losses is undisclosed, the bank is engaging in a consultation process for employee feedback, signaling sweeping changes across its UK operations. [Business Standard](#)

European Central Bank Signals Interest Rate Peak, Possible Cut Ahead

European Central Bank (ECB) chief Yannik Stournaras suggests that interest rates have likely peaked and the next move could be a cut. His comments come after the ECB's 10th consecutive rate hike, signaling a potential shift in the bank's policy towards easing financial stability risks. [Bloomberg](#)

Binance.US Slashes Workforce by a Third; CEO Shroder Exits

Binance.US has laid off around a third of its staff, approximately 100 positions, and its CEO Brian Shroder has also departed. The company cites the need for a "seven-year financial runway" and challenges from regulatory agencies as reasons for the downsizing. [Coin Telegraph](#)

Federal Reserve Holds Steady on Rates; Future Policy Shifts in Focus

Federal Reserve officials are expected to keep interest rates unchanged in their upcoming meeting. Investors and Wall Street are keenly watching for any signals regarding future rate hikes or changes in the central bank's approach to combating inflation. [NY Times](#)

PayPal Streamlines Trading Cryptocurrencies through Web3 On and Off Ramps Integration

PayPal has launched On and Off Ramps integration, marking its entry into the Web3 domain. This feature streamlines the buying and selling of cryptocurrencies in the U.S., making digital wallets, dApps, and NFT marketplaces more accessible. [Coin Gape](#)

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