



CITIGROUP TO PAY \$15 MILLION TO SETTLE U.S. COMPLIANCE CHARGES

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A unit of Citigroup Inc ([C.N](#)) will pay \$15 million to settle civil charges alleging it failed to enforce policies designed to prevent and detect insider trading, U.S. regulators said.

Wednesday's settlement with the Securities and Exchange Commission marks the second time this week that Citigroup has been dinged for regulatory failures.

Earlier this week, two units of the bank also agreed to pay another \$180 million to settle charges it defrauded hedge fund investors during the financial crisis.

A Citigroup spokeswoman said the company is "pleased to have the matter resolved."

In the latest enforcement case, the SEC said on Wednesday that Citigroup failed to review thousands of trades executed by its trading desks during a 10-year period.

Federal securities laws require brokers to take reasonable steps to ensure that traders are not misusing material, non-public information when executing transactions.

In addition, the SEC said that Citigroup also improperly routed 467,000 transactions on behalf of certain advisory clients to an affiliated market-making firm for execution.

Under the settlement, the bank volunteered to pay the \$2.5 million in its profits from these principal trades back to the affected clients, the SEC said.

It also must hire a consultant to review its trade surveillance system.

Citigroup settled the case without admitting or denying the charges.

(Reporting by Sarah N. Lynch; Editing by [Emily Stephenson](#) and [Susan Heavey](#))

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