

UBS Faces \$1bn Fine Over Libor Manipulation



The total amount - worth around £620m - will be a combined penalty from US and UK regulators, and is expected to be confirmed early next week.

UBS declined to comment on the news.

It comes two days after the **Serious Fraud Office made three arrests** as part of its investigation into the fixing of the interbank lending rate.

Sky sources suggested that one of the people detained previously worked as a trader at UBS, which has a big presence in the City of London.

Last month, the Financial Services Authority fined the Swiss bank £29.7m for internal failings that allowed a London-based rogue trader to cause the biggest fraud in British history.

Unauthorised trading by Kweku Adoboli resulted in £1.4bn worth of losses for UBS.

To date, Barclays is the only UK bank to have been fined in connection with the rigging of Libor.

It was fined £290m in June, and its chief executive, Bob Diamond, resigned the following month.

Libor - or the London Interbank Offered Rate - is the rate used to fix the cost of borrowing on mortgages, loans and derivatives.