

# Russia's VTB Bank Fined \$5M for Illegal Trades

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The U.S. Commodity Futures Trading Commission (CFTC) has fined Russia's VTB Bank \$5 million after accusing the [company of illegal trading](#).

The St. Petersburg-based VTB Bank is reported to have made more than a hundred fictitious block trades with its subsidiary, the British-incorporated VTB Capital, between December 2010 and June 2013.

The transactions, which were made via the Chicago Mercantile Exchange, had an estimated worth of \$36 billion, the CFTC reported.

The trades allowed VTB Bank to pass its cross-currency risks to VTB Capital at

better rates  
than it could secured from  
outside companies.

"These block trades were fictitious sales, which caused prices to be reported or recorded by the CME (Chicago Mercantile Exchange) that were not true and bona fide prices, in violation of the Commodities Exchange Act (CEA)," the CFTC said in a statement.

The companies are now also barred from making  
privately-negotiated futures, options or  
combination trades with  
each another for the next two years,  
the order said.

Both VTB Bank and VTB Capital cooperated with the CFTC in the case. The companies  
have neither confirmed nor denied  
the CFTC's findings.

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