# Klaus Schwab resigns amid allegations as global finance and politics face turbulence



Klaus Schwab, founder of the World Economic Forum, has resigned as chair of the organisation over the Easter weekend following whistleblower allegations that he manipulated the Forum’s research to secure favour with governments. The Financial Times reports these serious claims, highlighting a significant development at the global institution known for convening political, business, and academic leaders.

In a separate but equally notable interview, Tidjane Thiam, former chief executive of Credit Suisse and opposition leader in Ivory Coast, addressed the Financial Times regarding the legal challenges he faces. He declared his intention to “use every legal means” to contest a ruling that has barred him from running for president later in the year. Thiam’s comments underscore ongoing political tensions and legal battles in Ivory Coast as the country approaches its election.

Turning to the financial sector, Cantor Fitzgerald is making bold moves under the leadership of Brandon Lutnick, son of Howard Lutnick, the firm’s longtime chief who stepped down in February to become US commerce secretary amid President Donald Trump’s trade wars. Brandon Lutnick has been appointed CEO of a special purpose acquisition company (Spac) raised by Cantor last year. The Financial Times reveals that this Spac has closed a major $3.6 billion crypto-related deal involving a partnership with tech conglomerate SoftBank, stablecoin issuer Tether, and crypto exchange Bitfinex. The new entity, set to be renamed Twenty One Capital, plans an aggressive acquisition strategy in the bitcoin and crypto space.

Special purpose acquisition companies, once dominant in 2021 before losing value, are staging a comeback through Cantor’s activity. The company has other Spacs actively seeking deals, with Brandon Lutnick at the helm. Despite regulatory scrutiny in late 2023, when Cantor settled charges with the Securities and Exchange Commission (SEC) related to Spacs without admitting wrongdoing, the new US administration under President Trump is seen as pro-crypto, potentially easing the regulatory landscape. The FT notes, “Trump’s new administration is viewed as strongly pro-crypto.” Cantor has also been involved in significant transactions such as advising on Tether’s $775 million investment in the right-wing video platform Rumble.

In wealth management and trading, the high-frequency trading firm Jane Street reported exceptional results for 2024, with net trading revenues reaching $20.5 billion—up 94 per cent from 2023—and profits nearly doubling to almost $13 billion. The firm’s growing influence in global markets is partly attributed to regulatory limits imposed on banks’ proprietary trading post-financial crisis, allowing it and rivals such as Citadel Securities to expand their market share. Jane Street also recently issued $1.4 billion in high-yield bonds to fund further growth, attracting strong investor demand with order books oversubscribed by more than four times. An investor noted that the firm is well-positioned to benefit from “Trump’s policy volatility,” reflecting its strategic alignment with current US political dynamics. Jane Street’s forecast for the first quarter shows expected net trading revenues of $7.2 billion, potentially outpacing banks such as Morgan Stanley and coming close to Goldman Sachs’ $8.6 billion first-quarter performance.

Meanwhile, Canadian pension funds, known for their sizeable private equity (PE) investments, are reassessing their direct involvement in leveraged buyouts due to challenging market conditions. Several major funds, including Caisse de dépôt et placement du Québec and Ontario Municipal Employees Retirement System, are reducing their exposure to direct private company ownership. Ontario Teachers’ Pension Plan is seeking more strategic partnerships rather than direct investing. According to a fund executive, “We are facing a shortage of viable projects and difficulty in exiting from our existing investments.” Competition for talent and the difficulties of managing direct investments amid a downturn have influenced this shift, with pension funds opting to maintain relationships with traditional private equity firms where possible.

In personnel movements, law firm Freshfields has appointed 25 new partners globally across multiple practices including antitrust, dispute resolution, tax, and global transactions. Law firm Sullivan & Cromwell has hired Lawrence Elbaum and Patrick Gadson from Vinson & Elkins to strengthen its corporate governance team. Additionally, Brunswick has brought on Sharon Soderstrom as a senior adviser; Soderstrom was previously chief of staff to former Senate Republican leader Mitch McConnell.

The Financial Times also highlights various industry and market updates: investor support for Goldman Sachs executives’ pay has fallen to a nine-year low; the European Union imposed fines totalling €700 million on Apple and Meta for antitrust violations; Grant Thornton US is expanding through a private equity-backed global acquisition strategy; BT has agreed to sell its Italian business; the Trump administration is moving to exempt car manufacturers from some US tariffs; and ExxonMobil has surpassed Occidental in the US lithium market race.

These developments reflect a complex environment across global politics, finance, and corporate governance as firms and institutions respond to regulatory, market, and geopolitical shifts.

Source: [Noah Wire Services](https://www.noahwire.com)

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