# Klaus Schwab resigns amid whistleblower claims as global finance sees major shifts



World Economic Forum founder Klaus Schwab has reportedly resigned as chair of the organisation over Easter weekend following whistleblower allegations that he manipulated the organisation’s research to gain favour with governments. The Financial Times revealed these claims in a significant exposé, highlighting the circumstances surrounding Schwab’s departure.

In parallel, the Financial Times conducted a major interview with Ivorian opposition leader and former Credit Suisse chief executive Tidjane Thiam. Thiam is contesting a ruling that bars him from running for president later this year. Speaking to the FT, he declared he would “use every legal means” to challenge the decision, signalling a determined stance ahead of the election.

Turning to the financial sector, Cantor Fitzgerald, the New York-based brokerage known for its ties to the Trump administration, is making large moves in the cryptocurrency and special purpose acquisition company (Spac) markets. Following the February departure of Howard Lutnick, who left to become US commerce secretary under President Donald Trump, the firm retains significant involvement at the intersection of finance and political policy. Lutnick’s son, 27-year-old Brandon Lutnick, has been appointed chief executive of a Cantor-raised Spac that recently confirmed a substantial deal.

The deal involves a $3.6 billion “bitcoin acquisition vehicle” in partnership with tech conglomerate SoftBank, stablecoin issuer Tether, and cryptocurrency exchange Bitfinex. The Spac will be renamed Twenty One Capital and intends to pursue aggressive acquisitions in the crypto space. The structure mirrors that of MicroStrategy, a software company which pivoted to crypto asset accumulation and saw its valuation soar dramatically. This move represents a comeback effort for Spacs, whose popularity ebbed after a boom and subsequent value decline in 2021. Cantor has also raised two other Spacs with Brandon Lutnick as CEO and has underwritten several recent Spac deals.

Cantor’s engagement in crypto aligns with a shift in regulatory tone following President Trump’s re-election. Under Trump’s presidency, perceived as pro-crypto, Cantor is positioned to benefit from policy volatility. The company’s longstanding collaboration with Tether exemplifies this relationship, as illustrated by its advisory role in Tether’s $775 million investment in the rightwing video platform Rumble, which Cantor helped take public via a Spac in 2022.

Meanwhile, Jane Street, a New York high-frequency trading firm, disclosed record financial results for 2024, marking a sharp increase in net trading revenues and profits. The firm earned $20.5 billion in net trading revenues last year, nearly doubling from 2023, and reported profits of nearly $13 billion, up from $5.9 billion in the previous year. These figures underscore Jane Street’s rising influence in capital markets, rivaling traditional Wall Street banks such as Goldman Sachs and Morgan Stanley. In fact, Jane Street anticipates a first-quarter 2024 net trading revenue of approximately $7.2 billion, exceeding Morgan Stanley’s reported revenues and approaching Goldman Sachs’s figures.

The Financial Times notes Jane Street’s success stems partly from regulatory changes post-2008 financial crisis that limited proprietary trading by conventional banks, as well as bank executives’ relative lack of enthusiasm for trading arms compared to other business lines. This environment has allowed firms like Jane Street and Citadel Securities to expand their market share. Additionally, Jane Street recently raised around $1.4 billion in the US corporate debt market, with strong demand allowing it to secure attractive borrowing terms.

In the pension fund sphere, several major Canadian funds are scaling back their direct private equity investment strategies amid a tougher market for divesting their holdings. Traditionally, some large pension plans, including those in Canada’s $3.2 trillion pension system, have attempted to bypass private equity firms’ fee structures by conducting leveraged buyouts themselves. However, the downturn in private equity has led funds such as Caisse de dépôt et placement du Québec and Ontario Municipal Employees Retirement System to reduce allocations to directly held private companies. Meanwhile, the Ontario Teachers’ Pension Plan is exploring strategic partnerships. An executive from one of these funds described current challenges as “facing a shortage of viable projects and difficulty in exiting from our existing investments.”

These pension funds continue to invest in traditional private equity funds partly to access co-investment opportunities at lower fees but have found it challenging to compete with specialised buyout firms for talent and deal flow. The experience highlights the complexity of managing private equity investments during market downturns.

On a personnel level, several notable moves were reported: Freshfields has appointed 25 new partners globally, including in its antitrust, competition, trade, dispute resolution, transactions, people and reward, and tax teams. Sullivan & Cromwell has hired Lawrence Elbaum and Patrick Gadson from Vinson & Elkins to join its corporate governance practice later this month. Brunswick has added Sharon Soderstrom as a senior adviser based in Washington, DC; she previously served as chief of staff to former Senate Republican leader Mitch McConnell.

Additional coverage includes reports of investor opposition to Goldman Sachs executives’ pay reaching a nine-year low, European Union fines on Apple and Meta totalling €700 million for antitrust violations, Grant Thornton’s global expansion through private equity-backed acquisitions, BT’s agreement to sell its Italian business, Donald Trump’s decision to exempt carmakers from certain US tariffs, and ExxonMobil’s leading position in the US lithium market over Occidental.

The Financial Times continues to provide extensive coverage of these developments affecting global finance, politics, and corporate governance.

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