

Barclays' Financial Crime Compliance Statement (ABC, AML, Anti-Tax Evasion Facilitation and Sanctions)

Barclays recognises that economic crimes have an adverse effect on individuals and communities wherever they occur. Endemic economic crime (particularly when associated with organised crime and terrorist financing) can threaten laws, democratic processes and basic human freedoms, impoverishing states and distorting free trade and competition.

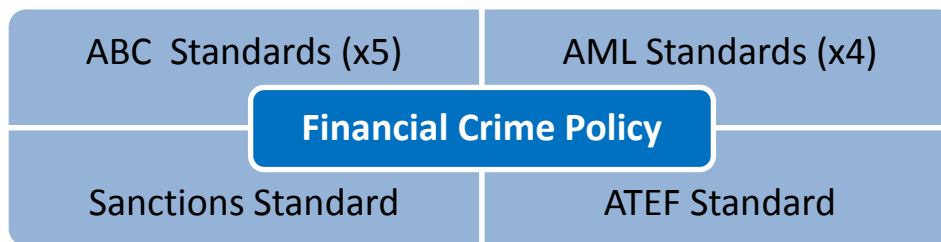
Barclays is committed to conducting its global activities with integrity and respecting its regulatory, ethical and social responsibilities to:

- Protect customers, employees, and others with whom we do business; and
- Support governments, regulators, and law enforcement in wider economic crime prevention.

We will not tolerate any deliberate breach of financial crime laws and regulations (e.g. bribery, corruption, and money laundering, sanctions, or tax evasion facilitation) that apply to our business and the transactions we undertake.

Barclays has a dedicated global Financial Crime function, which sits within Compliance. The Financial Crime function facilitates risk-based, effective and efficient financial crime risk management by providing expert support and oversight to the business and our legal entities (Barclays Bank UK PLC and Barclays Bank PLC operate alongside, but independently from one another as part of the Barclays Group under the listed entity, Barclays PLC).

We have adopted a holistic approach to Financial Crime and have one group-wide Financial Crime Policy that sets the minimum control requirements in four key risk areas: anti-bribery & corruption (ABC); anti-money laundering & counter-terrorist financing (AML); anti-tax evasion facilitation (ATEF) and sanctions. This combined approach allows us to identify and manage relevant synergies and connections between the key risk areas.



Eleven group-wide Financial Crime Standards and associated risk-based systems & controls support the Financial Crime Policy, which is:

- Designed to ensure that all Barclays employees, businesses and legal entities comply with all UK, extra-territorial and locally applicable legal and regulatory obligations
- Supported by the Barclays Board of Directors and applicable to all Barclays' legal entities and business dealings globally
- Approved by the Global Head of Compliance (member of the Executive Committee)
- Regularly reviewed for content and effectiveness, which provides senior executive management oversight committees and the Board Audit Committee with the necessary assurance regarding the operating effectiveness of the Barclays Financial Crime control framework.

Employees are made aware that failure to comply with the Financial Crime Policy and/or associated Standards may give rise to disciplinary action, up to and including dismissal.

For further details of the Barclays approach to Financial Crime compliance and prevention, see the following appendices:

- Anti-Bribery & Corruption – Appendix A
- Anti-Money Laundering & Counter-Terrorist Financing – Appendix B
- Anti-Tax Evasion Facilitation – Appendix C
- Sanctions – Appendix D
- Frequently Asked Questions – Appendix E.

Appendix A

Anti-Bribery & Corruption (ABC)

Barclays is subject to the provisions of the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977, which have extra-territorial effect globally, as well as to applicable local anti-bribery & corruption laws.

The Barclays Financial Crime Policy and ABC Standards apply to all our employees, businesses and legal entities and are designed to ensure that Barclays' employees know how to identify and manage the legal, regulatory and reputational risks associated with bribery and corruption. In addition to the general prohibition against engaging in bribery and corruption (giving and receiving), the Standards contain the minimum risk-based control requirements (including ABC review and oversight) that all Barclays businesses, legal entities and employees must follow. The Standards address five key risk areas:

- Employment and work opportunity – e.g. employees/prospective employees with connections to external stakeholders and/or Politically Exposed Persons
- Expenditure – e.g. how to deal with facilitation payment requests; gifts & entertainment recording/review processes; charitable donations; commercial sponsorships and political donations;
- Third parties – e.g. risk assessment, due diligence, contract clauses and review for suppliers of services who are paid to act for and on behalf of Barclays
- Introducers – e.g. enhanced risk assessment, due diligence, approval, contract clauses, monitoring and review for suppliers who are paid to introduce new customers/business to Barclays
- Strategic and principal investments – e.g. risk assessment, due diligence and contract clause requirements for Barclays' proprietary investments.

These Standards also provide information about how to obtain guidance/advice and report incidents and form part of a robust ABC control framework, which has been developed to manage our legal, regulatory and reputational risks. This includes activities relating to: assignment of roles and responsibilities; risk assessment; employee training; employee screening; escalation processes; controls testing; assurance and audit.

We benchmark our ABC control framework by taking part in expert working groups and external surveys. For example, Transparency International's (TI) Corporate Anti-Corruption Benchmark, which measures and compares the performance of corporate ABC programmes in the UK using TI's extensive anti-corruption expertise and the input of experienced specialist practitioners. The Barclays ABC control framework currently holds an 'A' rating.

Appendix B

Anti-Money Laundering (AML)

Money laundering (including terrorist financing and the proliferation of nuclear, chemical or biological weapons) have been identified as major threats to the international financial services community and therefore to Barclays.

The UK, in common with many other countries, has passed legislation designed to prevent money laundering and to combat terrorism. This legislation, together with regulations, rules and industry guidance, form the cornerstone of AML obligations for UK firms and outline the offences and penalties for failing to comply.

The requirements of EU/UK legislation apply to Barclays globally. Group companies may have additional local policies and procedures designed to comply with their local legislation, regulations and any government-approved guidance in the jurisdiction(s) in which they operate. The principal requirements, obligations and penalties currently in force, on which the Barclays AML prevention approach is based, are contained in:

- The Proceeds of Crime Act 2002 (POCA), as amended
- The Terrorism Act 2000, as amended
- The Terrorism Act 2006
- The UK Money Laundering Regulations 2017, as amended, transposing the requirements of the EU's Fifth Money Laundering Directive
- The FCA Handbook of Rules and Guidance (in particular, the "Senior Management Arrangements, Systems and Controls" (SYSC) Sourcebook, which relates to the management and control of money laundering risk)
- The Joint Money Laundering Steering group (JMLSG) guidance for the UK financial sector on the prevention of money laundering/combating terrorist financing.

The Barclays Financial Crime Policy and the four associated AML Standards are designed to ensure that all Barclays businesses and legal entities comply with the requirements and obligations set out in UK and EU legislation, regulations, rules and industry guidance for the financial services sector. This includes the requirement to have adequate systems and controls in place to mitigate the risk of the firm being used to facilitate financial crime. The Standards, which take account of guidance issued by the Wolfsberg Group and the European Banking Authority, focus on four key risk areas: the customer lifecycle; correspondent relationships; politically exposed persons; and wire transfers.

The Standards set out the minimum control requirements, which must be complied with by all Barclays businesses and legal entities, including:

- The appointment of an officer responsible for compliance with the UK Money Laundering Regulations 2017 (as amended), and the appointment of money laundering reporting officers of sufficient seniority, who have responsibility for oversight of business and legal entity compliance with relevant legislation, regulations, rules and industry guidance
- Establishing and maintaining a risk-based approach towards assessing and managing the money laundering and terrorist financing risks to the group
- Establishing and maintaining risk-based customer due diligence, identification, verification and know your customer (KYC) procedures, including enhanced due diligence for those customers presenting higher risk, such as:
 - Politically Exposed Persons (PEPs),

- Business relationships and transactions with persons established in countries identified by the EU/UK as having strategic anti-money laundering and counter-terrorist financing deficiencies ('high-risk third countries'),
- Correspondent banking relationships, and
- When providing tax advice or tax planning services to customers.

Appendix C

Anti-Tax Evasion Facilitation

Barclays takes a zero-tolerance approach to deliberate facilitation of tax evasion in any country and has procedures in place to prevent it. We also expect the same from our employees and third parties providing services for or on our behalf.

We comply with the UK Criminal Finances Act 2017 and all applicable tax evasion/tax evasion facilitation laws wherever we do business.

Tax evasion is a financial crime and a predicate offence to money laundering in the UK and in many other countries in which we operate. Barclays is committed to:

- Dealing only with customers who have appropriately declared their assets to the relevant tax authorities
- Preventing tax evasion facilitation by our employees or third parties acting for or on our behalf.

We have an Anti-Tax Evasion Facilitation Standard, which addresses the risks associated with employees and third parties who act for or on behalf of Barclays. This includes:

- Prohibiting employees from facilitating tax evasion
- Ensuring that we take account of tax evasion/tax evasion facilitation as red flags for suspicious activity
- Subjecting third party and introducer/intermediary relationships to specific anti-tax evasion facilitation controls, including risk assessment, due diligence, contract clauses, monitoring and review
- Information about how to obtain guidance/advice on tax-related matters and report incidents.

See also the [Barclays Tax Principles](#).

Appendix D

Sanctions

Sanctions are restrictions on activity with targeted countries, governments, entities, individuals and industries that are imposed by bodies such as the United Nations (UN), the European Union (EU), individual countries or groups of countries.

As a global financial institution, Barclays must comply with the legal and regulatory obligations in all the jurisdictions in which we operate. In addition, in order to protect our reputation and other legitimate business interests, in certain circumstances, Barclays sanctions risk appetite may be stricter than our legal obligations.

Together, the Barclays Sanctions programme, along with the Financial Crime Policy and associated Sanctions Standard is designed to ensure that Barclays and its employees know how to identify and manage the legal,

regulatory, and reputational risks associated with sanctions, including the risk of Barclays products and services being used to contravene sanctions.

To achieve this, the programme sets out a robust framework of systems and controls to ensure adherence to all applicable sanctions regulations in all Barclays' businesses and legal entities. This includes controls relating to: roles and responsibilities; defining applicable laws and regulations; risk assessments; employee training; payment, customer and employee screening; escalation processes; controls testing; and independent testing.

Appendix E

Frequently Asked Questions

1. How is Barclays authorised and regulated?

Barclays Bank PLC is authorised and regulated by the UK Financial Conduct Authority (FCA). Its registered number is 122702. Barclays Bank PLC is listed on the London Stock Exchange and New York Stock Exchange. In addition, some branches and subsidiaries are listed and/or regulated in their own right.

2. Does Barclays have a Code of Conduct for employees?

Yes, our code of conduct is "The Barclays Way" and you can find further information [here](#). The behavioural standard set by the Barclays Way applies to every Barclays employee and to colleagues in the subsidiaries in which we have a controlling interest. Other subsidiaries in which Barclays has a minority interest, and joint ventures in which we participate, are encouraged proactively to adopt an equivalent approach, as are any other entities or individuals contracted by Barclays to do work on the bank's behalf.

3. How does Barclays manage Financial Crime risk?

In addition to the four key risk areas, the Financial Crime Policy has further control requirements relating to:

- Establishing and maintaining an effective compliance culture
- Training and awareness
- Risk assessment (at least once a year)
- Establishing and maintaining risk-based systems & controls to monitor ongoing customer activity
- Adherence to our internal requirements regarding: escalation of issues and concerns, including whistleblowing channels; timely internal reporting of suspicious activity, or suspected/actual breaches of the Financial Crime Policy and/or Standards; and external reporting to the relevant law enforcement authorities as appropriate
- Maintenance of appropriate records for the minimum prescribed record-keeping periods
- Provision of appropriate management information and reporting to senior management on compliance with the requirements
- Regular business/legal entity reviews of the effectiveness of systems & controls (in addition to Financial Crime assurance reviews and audits periodically undertaken by the Barclays Internal Audit function).

4. What Financial Crime training do Barclays employees receive?

- All employees must receive training on the Financial Crime Policy at least once a year (level 1 training)
- Employees whose roles involve heightened risks receive supplementary training which is more detailed and advanced (level 2 and 3 training)

- Training and awareness on lessons learned, specific or emerging risks may also be delivered on an ad hoc basis (globally, regionally or team-based).

5. Where can I find information about Financial Crime investigations or fines against Barclays or its employees?

Given the global and diverse nature of the operations of Barclays may for time to time be informed of, or be subject to legal proceedings. Barclays takes its responsibilities in respect of these matters seriously and is committed to the highest levels of integrity and regulatory compliance across all of its operations.

Barclays reports any material legal and regulatory risks, including any investigations and fines which we are legally permitted to disclose, in the Barclays Annual Report. The information that we can disclose about allegations or investigations (internal or external) may be restricted by legal/regulatory requirements (including whistleblowing and data privacy).

6. What are the Barclays prohibitions against bribery and corruption?

Under the Financial Crime Policy and ABC Standards, Barclays employees are, amongst other things:

- Prohibited from offering, promising, providing, requesting, accepting or agreeing to receive anything of value (directly or indirectly) to or from any person or entity for the purpose of:
 - Improperly obtaining or retaining business or securing an advantage; and/or
 - Inducing the recipient to perform their role in breach of an expectation of good faith, impartiality or trust
- Prohibited from improperly offering, promising or transferring anything of value to a public official (directly or indirectly) in order to: influence the public official in the exercise of their public functions; obtain or retain business for Barclays; or secure an advantage for Barclays, its employees or any other entity or person
- Prohibited from making facilitation or “grease” payments, even if this represents local practice or custom
- Prohibited from providing employment or other work opportunities (e.g. internships or work experience) to ‘connected’ individuals (e.g. individuals with a close family connection to an important client or public official) in order to improperly obtain or retain business or secure an advantage
- Prohibited from offering/giving/accepting gifts or entertainment to or from third parties unless this is permitted by the Barclays ABC Expenditure Standard and all applicable local legal/regulatory requirements
- Prohibited from making any political contributions on Barclays’ behalf. Barclays is an apolitical organisation and donations (financial or in kind) in Barclays’ name to political parties, individuals or campaigns are not permitted.

7. How does Barclays manage procurement and supplier risk?

Under the Financial Crime Policy and Standards, we require:

- Appropriate risk assessment and due diligence on third parties before they are engaged to perform services for or on our behalf and to include appropriate anti-bribery & corruption and anti-tax evasion facilitation clauses in contractual arrangements with such third parties
- In addition to the above, there are specific enhanced governance and approval procedures for introducer relationships.

The Barclays Procurement function recognises that it must effectively manage, monitor and mitigate risks in our supply chain. With that in mind, key risks in delivering goods and services to Barclays have been identified along with a set of control obligations to which we expect our suppliers to adhere. You can find further information [here](#).

8. Does Barclays have employees and board members who are “Politically Exposed Persons”?

Barclays is a regulated global financial institution with operations in many countries and with c.80,000 employees. It is, therefore, inevitable that we will have some employees who have political exposure. However, we have robust policies and procedures in place to identify and manage the bribery and corruption risks that may arise in relation to such employees.

You can find more information about the Barclays leadership team [here](#).

9. Does Barclays have investors who are politically exposed persons?

Barclays is a major public limited company listed on both the London and New York stock exchanges. Accordingly, we have a very extensive and diverse investor base, including some natural and legal persons with political exposure. Please see Barclays’ Annual Report for details of its major shareholders.

10. What Sanctions lists does Barclays screen against?

In addition to screening of payment transactions, Barclays screen its customers during onboarding and regularly thereafter against Sanctions Lists. The Lists used by Barclays in its sanctions screening processes include:

- Consolidated United Nations Security Council Sanctions List (UN);
- United States Department of the Treasury's Office of Foreign Assets Control (OFAC);
- Office of Financial Sanctions Implementation HMT (OFSI);
- European Union Consolidated List (EU); and
- Lists from Governments of other countries where such lists are legally applicable to the Business operations in those countries.

11. Are there economic crime risk areas, which are not managed by the Financial Crime function?

In addition to the Financial Crime function, Barclays has other functions (with separate teams, policies, standards and procedures), which may overlap with and supplement wider economic crime risk management, e.g. Fraud, Legal, Conduct, Reputation, Finance and Procurement.

12. How does Barclays share its knowledge and support Financial Crime prevention?

Barclays is committed to sharing its Financial Crime knowledge and expertise with the public, government and peer banks. For example, we are an active member of various economic crime and financial services partnership and industry working groups that develop frameworks and guidance for the effective management of financial crime risks, including:

- The [Wolfsberg Group](#) an association of 13 global banks that aims to develop financial services industry standards; and
- [UK Finance](#) , an industry body which aims to drive forward positive change to enhance standards, support customers and promote innovation
- [“Stop the Traffik”](#), collaborating with the UK charity to find ways of using intelligence that identifies human trafficking trends/hotspots and develop ways to prevent traffickers from operating.

13. What is Barclays' position on modern slavery and human trafficking?

Barclays has a Group Statement on Modern Slavery, which you can find [here](#).

14. What is Barclays' position on environmental crime, such as illegal wildlife trafficking and illegal logging?

Barclays recognises the clear link between environmental crime and financial crime and the responsibility that financial institutions maintain in preventing the facilitation of such crimes. In 2018, Barclays signed up to a Financial Taskforce to combat Illegal Wildlife Trafficking (IWT) and the criminal networks involved. In 2019, Barclays published a Group Statement on Forestry and Palm Oil that reinforces our position that we have no appetite for providing financial services to forestry, pulp and paper or palm oil companies that are involved in illegal logging or trading activities. You can find further information about our position on Forestry and Palm Oil [here](#).

Both illegal wildlife trafficking and illegal logging are recognised as facilitating organised crime and have a significant social impact by intensifying the decline in endangered species of vegetation and wildlife. In parallel, we continue to work with international partners in identifying and deterring other forms of environmental crime.

15. What is Barclays' position on corporate social responsibility?

Barclays recognises that the focus on the societal impact of businesses and performance on wider Environmental, Social and Governance (ESG) factors has increased in recent years, with growing interest from a range of stakeholders including investors, clients, policy-makers and regulators. You can find further information about our position on ESG [here](#).