Making a **difference**

Barclays PLC
Country Snapshot 2020

BARCLAYS

Making a **difference**

Barclays is a British universal bank. We support consumers and small businesses through our retail banking services, and larger businesses and institutions through our corporate and investment banking services.

In the wake of an extraordinary year, we have refreshed our corporate Purpose and our Values to ensure they are relevant to today's world.

Our Purpose

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

Our Values

Respect
We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution.

Integrity
We operate with honesty, transparency and fairness in all we do.

Service
We act with empathy and humility, putting the people and businesses we serve at the centre of what we do.

Excellence
We champion innovation, and use our energy, expertise and resources to make a positive difference.

Stewardship
We prize sustainability, and are passionate about leaving things better than we found them.

You can read more about our new Purpose at home.barclays/purposeandvalues

Our Stakeholders

Having a strong Purpose and Values ensures we are able to deliver for all our stakeholders:

For our customers and clients
We help those who use our products, services and expertise realise their aspirations

For our colleagues
We support their health and wellbeing, enable them to build their career, and empower and motivate them to be able to provide excellent service

For society
Our success over the long term is tied inextricably to the progress of our communities, and the preservation of our environment

For our investors
We continue to build a strong, diversified business that can deliver attractive and sustainable returns

About this report

Welcome to the 2020 Barclays Country Snapshot. This report contains an overview of our global tax contribution as well as our approach to tax including our UK tax strategy, together with our country by country data.

Inside this report

Overview

Barclays continues to make substantial tax payments across the countries in which we operate. Over the last decade, we have consistently been ranked as one of the top five largest UK taxpayers, paying over £14bn of taxes in the UK.

2020 highlights

Barclays continues to make substantial tax payments across the countries in which we operate, both in terms of the taxes we pay, which represent a cost to us (hereafter referred to as 'taxes paid') and taxes collected, which are those we administer on behalf of governments and collect from others as we do business. In 2020, we made a total tax contribution of £4,752m globally.

Barclays was ranked as the fifth largest UK taxpayer, in terms of taxes paid, in the most recent PwC Total Tax Contribution survey of the One Hundred Group (100 Group). The 100 Group represents members of the FTSE 100 along with several large UK private companies. Over the last decade, we have consistently been ranked as one of the top five largest UK taxpayers, paying over £14bn of taxes in the UK.

Our efforts to increase our transparency

Transparency remains high on our agenda and tax continues to be an important issue for our stakeholders.

We believe that it is important for our investors, customers and clients, regulators, tax authorities and other stakeholders to understand our approach to tax and our tax contribution in the countries in which we operate.

Consistent with our commitment to tax transparency we have published details of the taxes we pay and our approach to tax since 2013, and we have enhanced our report each year. This year's Country Snapshot is no exception, and we have provided additional information on our approach to transfer pricing as well as examples of how some of our areas of investment benefit from tax incentives.

UK

Rank by UK tax paid

No.5

"Over the last decade, we have consistently been ranked as one of the top five largest UK taxpayers.

Global

Our key 2020 figures are shown below

Total taxes paid by Barclays

£2,113m

Profit before tax

£3,065m

Total taxes collected by Barclays

£2,639m

Number of countries that Barclays operates in

40

Total tax contribution

£4,752m

Average number of employees globally

81,808

Overview

We are proud of our history and deep roots in the UK, while our scale, geographic reach and diversification make us a universal bank, delivering financial expertise in many different markets around the world.

About Barclays

Barclays is a British universal bank. We are diversified by business, geography, and income type. Our businesses include consumer banking and payments operations around the world, as well as a top-tier, full service, global corporate and investment bank.

Our structure

Barclays operates as two divisions – Barclays UK and Barclays International, supported by our service company, Barclays Execution Services.

Barclays UK

Barclays UK consists of our UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by our UK ring-fenced bank (Barclays Bank UK PLC) and certain other entities within the Barclays Group.

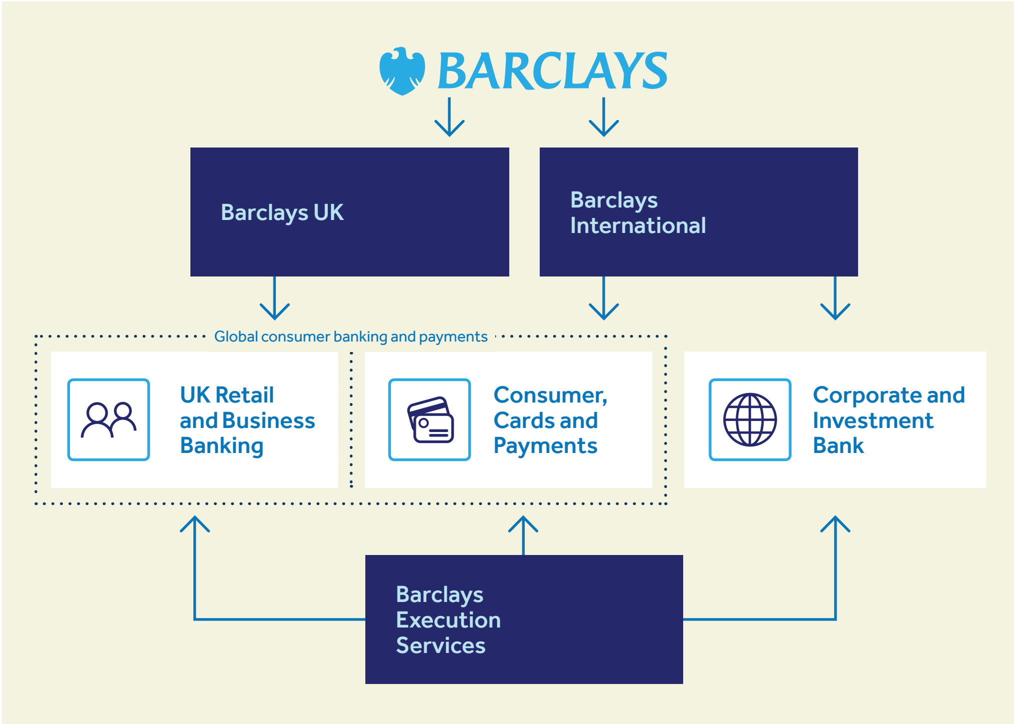
UK Personal Banking offers retail solutions to help customers with their day-to-day banking needs.

UK Business Banking serves business clients, from high growth start-ups to small and medium-sized enterprises, with specialist advice for their business banking needs.

Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions, while delivering a leading customer experience.

Barclays International

Barclays International consists of our Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses are carried on by our non ring-fenced bank (Barclays Bank PLC) and its subsidiaries, as well as by certain other entities within the Barclays Group.



Barclays has a CEO, Consumer Banking and Payments, whose role is to oversee the execution of plans for the Group's consumer banking and payments businesses in the UK and internationally.

Barclays Corporate and Investment Bank is comprised primarily of the Banking, Corporate Banking and Markets businesses, aiding money managers, financial institutions, governments, supranational organisations and corporate clients to manage their funding, financing, strategic and risk management needs.

Consumer, Cards and Payments is comprised of our US Consumer Bank, Barclays Payments, Barclaycard Germany and our Private Bank. Barclays Payments enables businesses of all sizes to make and receive payments and we continue to be a leader in payment processing and commercial payments[a].

In the US, we have a partnership focussed business model, offering credit cards to consumers through our partners, as well as online retail savings products. We also offer multiple consumer products in Germany, including credit cards, online loans, instalment purchase-financing, Electronic Point of Sale financing and deposits.

Our Private Bank offers banking, credit and investment capabilities to meet the needs of our clients across the UK, Europe, the Middle East and Africa, and Asia.

Barclays Execution Services

Barclays Execution Services is the Group-wide service company providing technology, operations and functional services to businesses across the Group.

Note
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Overview
We contribute in many ways to the countries in which we operate in addition to our tax contribution.

Our wider contribution

This report concentrates on our tax contribution which is just one element of our overall contribution. Here we look at some of the other ways in which we contribute including our efforts to support our customers and clients, and our communities through the COVID-19 pandemic.

Economy

We continue to be a major investor, employer and purchaser of goods and services. In addition, we generate economic activity by supporting individuals and businesses from small and medium-sized enterprises to larger corporates.

Employment

We generate and support employment across all of the countries in which we operate. Globally, Barclays employed an average of 81,808 full-time employees during 2020.

In addition to our role as a leading employer in the UK, we have helped 12.4 million people improve their skills, knowledge and confidence to be ready for the world of work through our LifeSkills programme since 2013, and we are committed to helping a further 3.6 million people by 2022.

We have also helped place more than 49,000 people into work with over 1,100 businesses through our Connect with Work partnerships in 2020. We aspire to place 250,000 people into work through the programme by 2022.

Environment

We believe Barclays can make a real contribution to tackling climate change and help accelerate the transition to a low-carbon economy.

Our ambition is to become a net zero bank by 2050 and we have made a firm commitment to align our entire financing portfolio to the goals of the Paris Agreement.

We are helping to accelerate the transition to a low-carbon economy through our target of providing £100bn of green financing by 2030, and by investing £175m over five years in innovative green companies.

More information on these commitments can be found at home.barclays/society/our-position-on-climate-change

An overview and additional information on our ESG disclosures and statements on environmental and social matters can be found at home.barclays/ESG

Barclays' COVID-19 response

In an historically challenging year for our customers and clients, we have continued to provide huge support to help people through the social and economic impact of the COVID-19 pandemic.

Supporting customers

We took significant steps to relieve the financial pressure for our customers, for example in waiving over £100m of fees and interest charges since the crisis began.

We have also granted over 680,000 payment holidays globally across mortgages, credit cards, and personal loans.

Supporting businesses

We partnered with the UK Government to administer programmes providing direct financial support. From bounce back loans to small businesses, to underwriting commercial paper issued by major employers in the UK, we have helped extend over £27bn of financing since the pandemic began.

We have also been extremely active in helping businesses and institutions access global capital markets, including helping raise over £1tn of new issuances.

Supporting our communities

We created a £100m Barclays Community Aid Package to support communities hardest hit by COVID-19.

The support consists of two components: donations to charities around the world to support vulnerable people impacted by the crisis; and a commitment to match personal donations and active fundraising efforts of colleagues for their chosen charities supporting COVID-19 relief.

The donations have been deployed through partnerships with trusted charities who are able to have a direct and immediate impact on the communities in which we operate.

Tax contribution
Our global tax contribution includes both taxes paid and taxes collected.

Our global tax contribution

Our total tax contribution for 2020 was £4,752m.

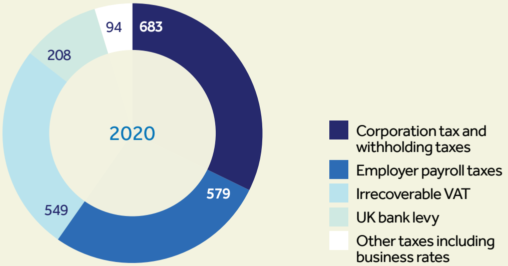
This includes taxes paid of £2,113m which represent a cost to us, and taxes collected on behalf of governments of £2,639m.

Total tax contribution

£4,752m

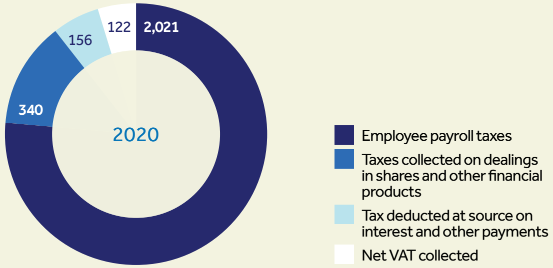
Taxes paid globally

£2,113m



Taxes collected globally

£2,639m



Taxes paid

Taxes paid are those that represent a cost to us. This amount includes:

- Corporation tax, including UK banking profits surcharge
- Withholding taxes
- Employer payroll taxes
- Irrecoverable VAT
- UK bank levy
- Other taxes including business rates and other property taxes

Taxes collected

Taxes collected are those that we administer on behalf of governments and collect from others as we do business. This amount includes:

- Taxes collected on employee salaries
- Taxes collected on customer and client dealings in shares and other financial products
- Tax deducted at source on interest and other payments
- Net VAT collected (VAT charged on sales less recoverable VAT on purchases)

Tax contribution

Here we find a summary of how the main types of taxes paid and taxes collected arise in the course of our business.

The taxes we pay and collect as we do business

Employer payroll taxes
As a major employer, our staff costs include employer national insurance contributions in the UK and other social security contributions globally that we pay to tax authorities in addition to the remuneration we pay our employees.

Irrecoverable VAT
We pay VAT when we buy goods and services from our suppliers. Unlike most other businesses, banks can only claim back a proportion of the VAT that they incur, making this a significant cost to our business.

Bank levy
Bank levy is paid to the UK Government based on our global consolidated balance sheet.

Other taxes
We pay business rates on our offices and our network of high street branches in the UK. We also pay property taxes in the US and Canada.

Corporation tax
When our business generates profits, we pay corporation tax.

Withholding taxes
Withholding taxes are paid on some income we receive. We incur withholding tax principally on dividends received on shares we hold as part of the equities business that Barclays International undertakes with its clients. Where we are unable to credit that tax against our corporation tax, this is a cost to our business.

Taxes paid

Employer payroll taxes
£579m

Irrecoverable VAT
£549m

Bank levy & other taxes
£302m

Corporation tax & withholding taxes
£683m

Total taxes paid
£2,113m

BARCLAYS

Our employees

Our suppliers

Our customers and markets

Our shareholders

Total tax contribution
£4,752m

Tax authorities

Taxes collected

Employee payroll taxes
£2,021m

Net VAT collected & other taxes collected
£618m

Total taxes collected
£2,639m

Employee payroll taxes
We collect income tax payments and social security contributions (for example, income tax deducted under PAYE and employee national insurance contributions in the UK) from the remuneration we pay to our employees.

Net VAT collected
We collect VAT and sales tax on some products and services that we offer to our customers and clients. The VAT and sales tax collected less the proportion of VAT that we can claim back is then remitted to the relevant taxation authority.

Other taxes collected
We collect a number of other taxes such as stamp duty and financial transaction tax on customer and client dealings in shares and other financial products.

We also collect withholding taxes on some interest and other payments made to our customers and clients.

The remainder of this report focuses on taxes paid only.

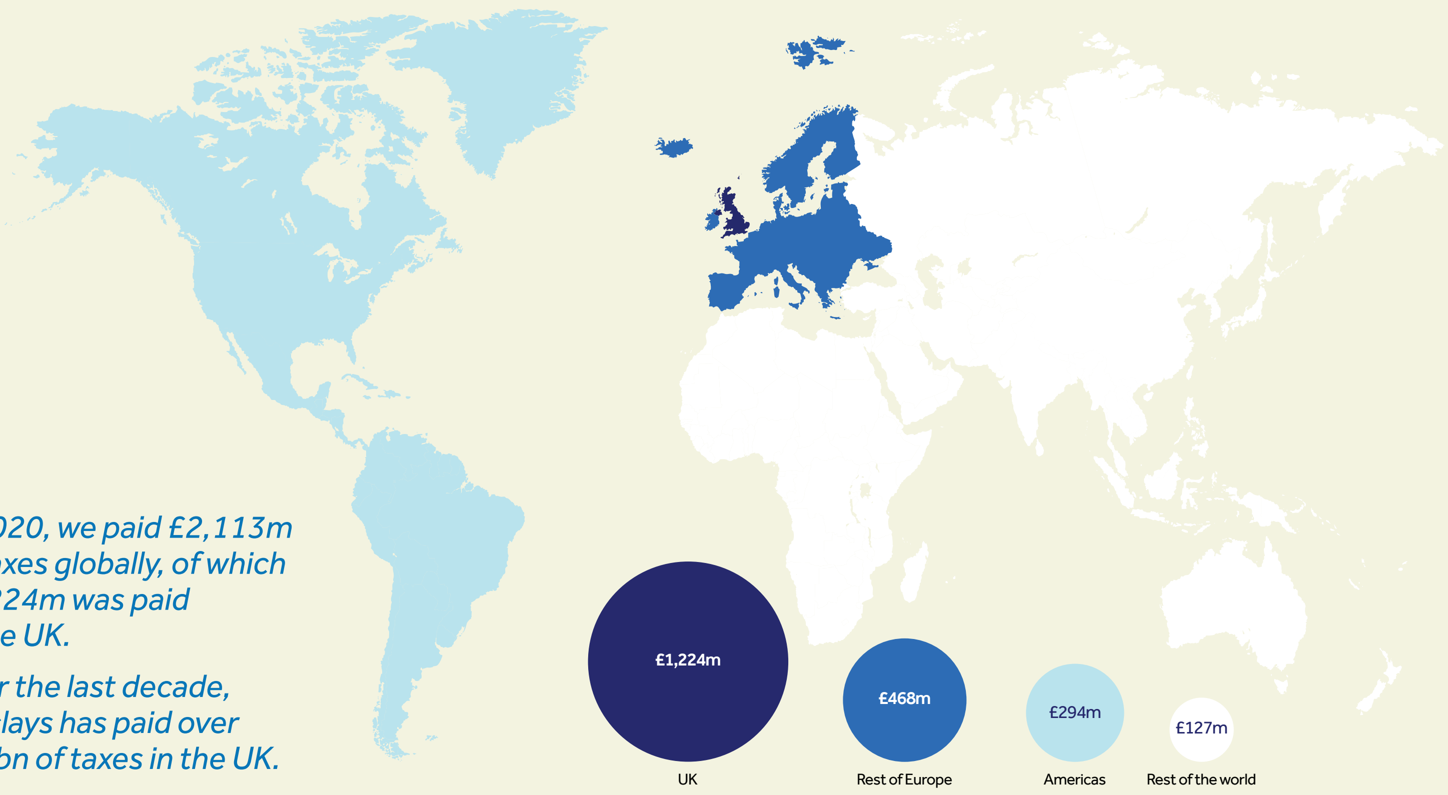
Tax contribution

In 2020, our taxes paid globally were £2,113m. Here we look at where those taxes were paid.

Taxes paid by region

- In 2020, we paid £2,113m of tax globally, of which £1,224m was paid in the UK. This significant contribution to the UK economy reflects the fact that we are a UK-headquartered bank and that the UK is the main base of our global operations.
- A large amount of the taxes we pay are specific to the UK banking sector. For example, we pay bank levy to the UK Government based on the value of the liabilities on our global consolidated balance sheet.
- An additional sector specific tax is the UK banking profits surcharge (an additional 8% tax on top of the standard UK corporation tax rate), which means that UK banks pay tax at 27% on banking profits compared to the standard UK corporation tax rate of 19%.
- Over the last decade, Barclays has paid over £14bn of taxes in the UK.

Total taxes paid by region in 2020



"In 2020, we paid £2,113m of taxes globally, of which £1,224m was paid in the UK.

Over the last decade, Barclays has paid over £14bn of taxes in the UK.

Approach to tax
Here we find the key elements of our approach to tax.

Our approach to tax

In the wake of an extraordinary year, we have refreshed our corporate Purpose and our Values to ensure they are relevant to today's world.

Our reinvigorated Purpose is to deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

Our key objectives

Our approach to tax is aligned with our Purpose and our Values and has three core objectives:

- responsible approach to tax.
- effective interaction with tax authorities.
- transparency in relation to our tax affairs.

Our approach to tax is built around ensuring we meet these objectives. We expand on the key elements of our approach on the following pages.

Barclays' approach to tax

The key elements of Barclays' approach:

Our tax principles

Our tax principles allow us to balance the needs of our stakeholders, including shareholders, customers, tax authorities and regulators, when making decisions.

To learn more, go to page 9.

Our tax code of conduct and 'no surprises' approach

We operate and interact with tax authorities in the right way and in a way that they would expect.

To learn more, go to page 9.

Our governance and risk management

Ultimate responsibility for tax risk resides with the Board and our governance ensures suitably qualified people are involved in decisions related to tax.

To learn more, go to page 12.

Our engagement

We seek to clearly explain our tax position within our reports, filings and publications.

To learn more, go to page 13.

Our view on tax evasion

Tax evasion is a criminal activity which involves deliberately concealing income or assets from tax authorities. Tax evasion is wrong and we actively invest in and support initiatives to combat tax evasion.

To learn more, go to page 15.

The objectives that Barclays seeks to achieve:

Responsible approach to tax

Ensuring we manage our tax affairs in accordance with our tax principles and tax code of conduct, our returns are filed on time and the correct amount of tax is paid.

Barclays is committed to only dealing with customer or client assets that have been appropriately declared to the relevant tax authority.

Effective interaction with tax authorities

Having a constructive and professional relationship with tax authorities is key to how we manage our tax affairs.

We actively support and work with tax authorities to combat tax evasion.

Transparency in relation to our tax affairs

Being a leader in tax transparency by choosing to expand external publications such as the Country Snapshot and making clear disclosures to tax authorities.

Approach to tax

Our tax principles and tax code of conduct are integral to our responsible approach to tax and our effective interaction with tax authorities.

Our tax principles and tax code of conduct

Our tax principles

We have set out and published clear tax principles that govern our approach to tax planning. Our tax planning must:

- support genuine commercial activity
- comply with generally accepted custom and practice, in addition to the law and the UK Code of Practice on Taxation for Banks
- be of a type that the tax authorities would expect
- only take place with customers and clients sophisticated enough to assess its risks
- be consistent with, and be seen to be consistent with, our purpose and values.

Our tax principles are central to our approach to tax planning for ourselves or on behalf of our clients.

Our tax code of conduct and 'no surprises' approach

Our tax department comprises in-house professionals from a combination of tax, legal and accounting backgrounds. The majority of our tax team is based in London and New York. We also have tax professionals based in other key jurisdictions. Our tax professionals are subject to clear standards to ensure that they uphold our tax principles and follow our tax code of conduct. The tax department works closely with the businesses and other functions such as Human Resources and Finance, ensuring that our approach to tax is consistently applied throughout the organisation.

Our tax code of conduct is an integral part of how we operate:

- all tax planning is subject to a robust review and approval process
- our approach to taxation is clearly explained and publicly available, and our tax reporting is transparent and helpful to stakeholders
- our dealings with tax authorities are handled proactively, constructively and transparently, recognising that early resolution of our tax affairs is in everyone's interest, and we respond to feedback from tax authorities
- any litigation necessary to resolve a difference of opinion will be handled in a way that is consistent with our values.

When we have a new product or transaction, we ensure that the tax treatment is well-understood and the tax obligations are properly managed. Where necessary, we consult with external advisers to help us manage our tax position and to ensure that we are making appropriate decisions. We also consult with external advisers to help us understand the implications of new or proposed tax law.

Our aim is to take a 'no surprises' approach to our interactions with tax authorities by demonstrating the following behaviours in our dealings with them:

- we aim to have professional and constructive relationships with tax authorities
- we make our tax returns as clear as possible and we try to raise important issues proactively and in real time so that tax authorities can focus their resources effectively
- we aim to be co-operative and helpful when dealing with enquiries raised by tax authorities
- from time to time, if it is unclear how tax law should be applied, we may engage with tax authorities to confirm the correct application of tax law.

Since their introduction in 2013, we believe our tax principles and our tax code of conduct have been very valuable additions to the way we manage tax, ensuring that we take into account all of our stakeholders when making decisions related to our tax affairs.

Approach to tax

Here we explore how our approach applies to our clients and our businesses.

Our clients

Our tax principles make it very clear that all tax planning for our clients must support genuine commercial activity. While our clients are ultimately responsible for any decisions in relation to their tax affairs, we, like other banks, do provide some tax related products to our clients. These products are well-understood by tax authorities and often deliver tax incentives specifically intended by governments.

Conversely, for example, we would not provide non-standard loan funding to a client, where the funding is integral to the client's tax planning, if the tax planning does not comply with the spirit, as well as the letter, of the law.

Our business

Tax influences decisions about how we run and organise our business and about where we base our operations. Making these decisions is an integral part of running a global commercial organisation. When tax is a factor in deciding where or how we do business, we ensure that decisions made are consistent with our tax principles and that profits are taxed in the locations in which the economic activity generating them takes place. Accordingly, transactions that artificially transfer profits into a low tax jurisdiction would not be consistent with this approach or our tax principles and we do not therefore enter into such transactions. A key part of ensuring we pay taxes in the countries where economic value is created is how we price transactions between our group companies, more commonly known as 'transfer pricing'.

When we invest in our business, we may benefit from tax incentives as intended by national governments, some of which are discussed further on page 11.

In focus: transfer pricing

Here we explore our approach to transfer pricing in more detail:

The prices applied to our intra-group transactions are representative of the prices that would be paid in respect of transactions between independent parties (also known as 'arm's-length pricing').

The 'arm's-length prices' that we apply are derived from established and widely accepted international standards such as the OECD Transfer Pricing Guidelines, which are applied on a globally consistent basis across all countries in which we operate.

We comply with all global and local documentation requirements to support the arm's length prices applied to our intra-group transactions including, for instance, undertaking external economic benchmarking studies of comparable transactions between third parties.

Tax authorities may sometimes take a differing view of what an arm's-length price should be for a transaction. This can lead to the same income being taxed in two countries (often referred to as 'double taxation').

National governments often seek to reduce double taxation by entering into double taxation treaties between one another. These treaties include mechanisms for tax authorities to agree an arm's-length price for a transaction between one another and the taxpayer.

These mechanisms can include 'Mutual Agreement Procedures' (MAP) which allow tax authorities in two countries to agree on a mutually acceptable arm's-length price where the taxpayer has been unable to reach an agreement with the tax authorities directly.

Treaties may also include a mechanism for tax authorities to agree an arm's-length price on an upfront basis with a taxpayer through 'Advance Pricing Agreements' (APA).

Where we are or may be subject to double taxation, we do seek to reach agreement on an appropriate arm's-length price through one of the generally available mechanisms outlined above.

Low tax territories

We have business operations in a number of jurisdictions which have low tax rates, principally in the Isle of Man, Jersey and Guernsey, where for many years we have been a significant local employer.

However, we do not market the tax benefits of these locations to our clients. Where a client chooses to invest via these locations, Barclays will only provide the client with services that are compliant with our tax principles.

We have also historically incorporated companies under the laws of other low tax jurisdictions, particularly the Cayman Islands, because the local company law makes it simple and cost effective to set up and manage companies. All of the profits generated in these companies are subject to corporation tax at a rate at least equal to the UK corporation tax rate.

> *"We apply arm's-length pricing to our intra-group transactions in accordance with established and widely-accepted international standards.*

Approach to tax

We invest in a number of areas that attract tax incentives as intended by national governments.

In focus: Tax incentives

National governments often encourage businesses to invest and undertake certain activities that support wider policy objectives such as stimulating economic growth, driving technological innovation and accelerating the transition to a low-carbon economy.

One way governments do this is by offering tax incentives to encourage businesses to help achieve these policy objectives.

We invest in a number of areas that attract tax incentives and here we highlight some examples.

Research and development expenditure credit (RDEC)

Innovation is at the heart of what we do and how we think at Barclays. We are a bank of 'firsts' and have been pioneering new technologies in the market for many years, such as the launch of the UK's first credit card and the world's first ATM.

As digital banking, international transactions and transaction security become increasingly central to all our lives, we are investing more than ever in building the Barclays of the future. We spend significant amounts on research & development (R&D) each year to research, design and develop innovative technological solutions that protect our millions of customers and lead the world in digital banking.

Given the economic and scientific importance of R&D, the UK Government has been providing specific R&D tax incentives such as RDEC to encourage and support R&D activities undertaken in the UK since 2000.

Where the R&D activities undertaken by Barclays in the UK meet the specific requirements of the UK's R&D tax regime, we are able to benefit from the R&D incentives.

Capital allowances

As a UK headquartered bank, we invest significant sums in our UK real estate and infrastructure footprint, most notably our London head office, campuses in Radbroke and Northampton as well as our retail branch network.

In 2018, we started the construction of a new 'state of the art' campus in Glasgow. The Glasgow campus alongside other new campus developments in Whippany, New Jersey, and Pune, India, are part of our global strategy to create world-class facilities. Our £400m investment in the Glasgow campus is also expected to create up to 2,500 new jobs once completed.

Our investment to construct and fit out the new campus with energy-saving plant, machinery and equipment will attract capital allowances, which provide UK tax relief on some types of capital expenditure. Similarly, when we refurbish our existing high street branches throughout the UK, some of that investment may benefit from capital allowances.

The UK's capital allowances system was first introduced in 1946 and is a mainstay of the UK tax system, and has been developed over time by successive governments to encourage businesses to make capital investments in the UK.

Renewable energy tax credits

Many national governments are seeking to move towards a low-carbon economy by encouraging businesses to invest in the renewable energy infrastructure that is essential to driving the transition throughout the wider economy. Given the scale and urgency of the challenge, investment from private enterprise has a crucial role to play.

The US Government provides tax incentives in the form of 'Investment Tax Credits' for investing in qualifying renewable energy projects including solar, geothermal and fuel cell energy.

We are taking a leading role in tackling climate change and we are proud to have funded a number of qualifying solar energy projects throughout the US.

More information on how we are supporting the transition to a low-carbon economy can be found at home.barclays/esg

Approach to tax

We understand the importance of having strong governance and risk management in place in relation to our tax affairs.

Our governance and risk management

Barclays has been defined by the Financial Stability Board, in conjunction with other regulatory bodies, as a Globally Systemically Important Bank and this means that our firm-wide risk and governance procedures are subject to continuous review and scrutiny.

Our procedures are also regularly reviewed and revised in light of factors such as material changes to our business.

At Barclays, risks are identified and managed through our Enterprise Risk Management Framework (ERMF), which forms the basis of our approach to effective risk management and creating a strong risk culture.

Under the ERMF, we operate a 'Three Lines of Defence' model for managing risk as follows:

First line of defence
Revenue generating and client facing areas, along with associated support functions

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Second line of defence
Risk and Compliance functions

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Third line of defence
Internal Audit function

Tax risk is no exception and is managed in accordance with the 'Three Lines of Defence' model. We consider there to be three different categories of tax risk as set out below:

- Technical tax risk: Tax law is a continually evolving area. It is possible that the tax authorities may take a differing view or dispute our interpretation of tax law in a way that affects the tax treatment of a specific product or transaction filed in a tax return. It is also possible that the interpretation of tax law or generally accepted custom or practice may change over time.
- Operational tax risk: The risk of unexpected financial cost, for example, additional tax payments, interest or penalties, arising from inadequate or failed processes or systems or human errors resulting in the filing of incorrect tax returns, the late filing of tax returns or the late payment of taxes.
- Stakeholder perception risk: The risk that an action or decision we take will reduce the trust in our integrity and competence by tax authorities, our regulators, investors or the public, leading to potential financial loss and reputational damage.

In the management of tax risk at Barclays, the Barclays tax department is part of the 'First Line of Defence'. Our tax department identifies and manages tax risk by developing appropriate policies, standards and controls to apply across our organisation. The 'Second Line of Defence' is carried out by our Risk and Compliance functions whose role is to perform independent review and challenge of the risk management activities of the 'First Line of Defence', including the Barclays tax department. The 'Third Line of Defence' is the Barclays Internal Audit function which provides independent assurance to the Board and executive management over the effectiveness of governance, risk management and control including our management of tax risk.

We have formal procedures around the governance of tax matters and tax risk that must be adhered to by all employees.

Our Board oversees tax matters and tax risk and carries this out through our Board Audit Committee. The Board Audit Committee reviewed and approved our UK Tax Strategy which can be found on page 16.

Board
Oversees tax matters and tax risk

↑

Approval committees
Ensure that tax is fully taken into account when making business decisions

↑

Tax department
Manages Barclays' tax affairs and tax risk across the Barclays Group

Approach to tax
We are strong advocates of tax transparency and engage with our stakeholders in a number of ways.

Our engagement and commitment to tax transparency

Tax has become more high profile in recent years with a wider range of stakeholders interested in how much tax is paid and where that tax is paid.

Expectations of the level of tax information provided by multinational companies have increased and there is a greater degree of disclosure required by companies in order to maintain public trust and to encourage a better understanding of the total contributions made to society.

We believe that it is important to be transparent in the disclosure of our tax affairs. This report contributes to that transparency, as do our Annual Report and other publications, and we believe this is an important step in ensuring that the way we manage our tax affairs is explained clearly and is easy to understand.

In addition to complying with mandatory country by country reporting requirements, we are fully committed to maintaining enhanced tax disclosures as demonstrated by the voluntary disclosures within this report.

Furthermore, we monitor global tax transparency initiatives on an ongoing basis to ensure that our disclosures remain aligned with emerging best practice and we have enhanced the disclosures in this report each year.

When governments look to develop new tax policy or change an existing policy, they normally invite a wide range of stakeholders to provide their views through public consultation processes. We engage with governments, tax authorities, non-governmental organisations and industry groups, through public consultations and other discussions, as part of our commitment to assisting with the development of tax policy and the improvement of tax systems, and our commitment to maintain transparency with these stakeholders.

We also contribute to the tax committees of industry groups and professional associations by sharing knowledge and best practice.

> *"We believe it is important that the way we manage our tax affairs is explained clearly and is easy to understand.*

Approach to tax

We fully support global initiatives to promote fairness and to protect the integrity of tax systems through information sharing.

Our commitment to information sharing and support for a fair tax system

Our commitment to information sharing

We cooperate with tax authorities globally to reduce the scope for individuals and companies to evade tax. We do this by fulfilling all of our information sharing obligations under the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA).

CRS requires information relating to customers to be collated and provided to tax authorities who share this information with one another. FATCA is an international standard for the automatic exchange of information relating to US persons.

We support the aims of CRS and FATCA and have met all of our 2020 information reporting obligations.

Making Tax Digital (MTD) is a key part of the UK government's plans to become one of the most digitally advanced tax administrations in the world, making it easier for individuals and businesses to comply with their tax obligations and pay the right amount of tax. We are contributing to making MTD a success as we provide a large amount of information to HMRC such as interest earned by our customers on savings accounts as well as details of remuneration paid as an employer.

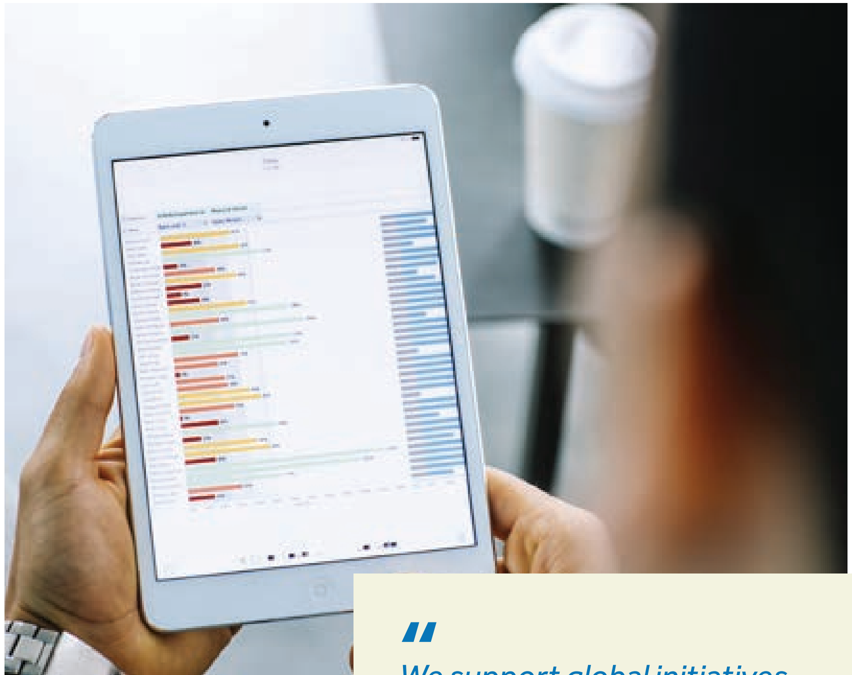
Furthermore, we have put strong governance procedures in place across our business to ensure we fulfill our disclosure obligations under the EU Directive on Administrative Cooperation (commonly known as DAC 6) and the OECD's Mandatory Disclosure Rules. These rules help to combat harmful tax practices by requiring the disclosure to tax authorities of cross-border arrangements which feature certain 'hallmarks'.

Our support for a fair tax system

Protecting the integrity of tax regimes and improving tax systems has become a priority of governments globally and this has led to initiatives such as the OECD's Base Erosion and Profit Shifting (BEPS) project.

One of the aims of the BEPS project is to ensure that the international tax system operates to tax profits where the associated economic activity takes place. We support the aims of BEPS which encourages tax regimes to develop in ways that make the global tax system fairer and more transparent.

We also recognise the challenges of the 'Digital Economy' and support the OECD's objective of creating a transparent and sustainable international tax system that is better suited to highly-digitalised business models.



"We support global initiatives to develop fair, effective and balanced tax systems.

Approach to tax
Tax evasion is wrong and we actively invest in and support initiatives to combat tax evasion as part of our approach.

Our view on tax evasion

Tax evasion is the deliberate and illegal non-payment, or underpayment, of any tax and often involves concealing income or assets from tax authorities. Tax evasion is a crime in the UK and in other countries where we operate. Barclays is committed to only dealing with customer or client assets that have been appropriately declared to the relevant tax authority.

Barclays plays a full role in global efforts to combat tax evasion and has worked alongside governments and international organisations, such as the Organisation for Economic Co-operation and Development (OECD), to support their efforts to combat tax evasion.

In the UK, Barclays is an active member of the Joint Money Laundering Intelligence Taskforce (JMLIT), a public-private partnership between law enforcement agencies and the financial sector to share and analyse real time intelligence about money laundering (including tax evasion) risks.

Barclays is subject to the provisions of the UK Criminal Finances Act 2017 which introduced a corporate criminal offence of failing to prevent the criminal facilitation of tax evasion in relation to UK and foreign taxes. We do not engage in tax evasion and do not provide products or services with the aim of facilitating tax evasion by others. We also take a zero tolerance approach to any person acting for us or on our behalf who helps customers evade tax in any country.

The measures we have in place to prevent this include:

- training designed for all staff on tax evasion and tax evasion facilitation
- enhanced due diligence procedures for higher risk customers and third parties
- specific tax evasion 'red flags' to help staff identify potential tax evasion and tax evasion facilitation cases
- assessment and oversight of tax evasion and tax evasion facilitation risk managed through our financial crime risk management framework and related governance.

"We actively support and work alongside governments and international organisations in global efforts to combat tax evasion.

Approach to tax

Our UK tax strategy for 2020, as required under paragraph 16(2) of Schedule 19 of Finance Act 2016, is set out below.

Our UK tax strategy

Our approach to the management of UK taxes is fully in line with our overall approach to tax set out in this document.

This strategy has been approved by Barclays PLC's Board Audit Committee.

We have summarised the way we manage our UK tax affairs below

As outlined earlier in this report, we operate in accordance with our tax code of conduct in relation to all of our tax affairs, including our UK tax affairs.

Transparent and professional dealings with HMRC

- In the UK, this involves maintaining a professional and constructive relationship with HMRC. We have regular meetings with HMRC to discuss their enquiries and material issues in relation to our tax affairs. This helps focus both our and HMRC's resources on the most important issues.
- As a large group, we make hundreds of filings to HMRC every year, and aim to make all of these on time. We also aim to make these tax filings as clear as possible and include explanations as required to ensure that our returns are easy to understand.
- Where we face significant uncertainty in relation to the application of tax law, we may seek to agree with HMRC how the tax law should apply. Any agreements have not provided any advantage to us as they have not resulted in any tax treatment that would not be available to other taxpayers.
- In the rare instances that we ultimately need to have recourse to the Courts to resolve tax issues, we continue to interact with HMRC in a constructive and helpful manner.

Governance and controls over UK taxes

- Our global governance procedures are discussed more fully on page 12. The same procedures apply to our UK tax affairs.
- We are fully committed to the UK Code of Practice on Taxation for Banks and are fully transparent with HMRC about our governance procedures and how they comply with the Code's requirements.
- Under the Senior Accounting Officer regime in the UK, we provide attestations annually to HMRC confirming that we have appropriate accounting arrangements to allow our tax liabilities to be calculated correctly.
- We seek to ensure that our tax filings in the UK reflect full compliance with transfer pricing requirements and the arm's-length principle.

Responsible approach to tax planning

- All our tax planning is undertaken in accordance with our tax principles, tax code of conduct and the UK Code of Practice on Taxation for Banks. Both our tax principles and tax code of conduct are set out in full on page 9.
- Any tax planning we undertake is subject to rigorous review through internal governance processes before being undertaken.
- Where necessary, we consult with external advisers to help us manage our tax position and to ensure that we are making appropriate decisions.

Effective risk management

- Given the scale of our business, the broad range of our tax obligations and the complexity of the tax laws that we are required to comply with, uncertainty arises in relation to our tax liabilities from time to time. We refer to this uncertainty as tax risk and it is discussed in detail on page 12.
- Where there is significant uncertainty or complexity in relation to a tax risk, we may seek advice from external experts. This gives us confidence that our tax returns are appropriate.
- We proactively seek to identify, evaluate, manage and monitor UK tax risks to ensure our financial exposure is well understood and is within a level that we consider acceptable.
- Our reputation is very important to us and we take our external stakeholders' expectations into account when we make decisions in relation to our tax affairs.

Country by country data
Statement of Directors' responsibilities in relation to the Country by country data

Statement of Directors' responsibilities

The Country by country data ('CBCR Information') comprises the information disclosed on pages 20 to 25.

The Directors of Barclays PLC ('the Company') are responsible for preparing the CBCR Information for the year ended 31 December 2020 in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 on the basis of preparation set out in Note 1 to the CBCR Information.

In preparing the CBCR Information, the Directors are responsible for:

- interpreting the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013;
- determining the acceptability of the basis of preparation set out in Note 1 to the CBCR Information;
- making judgements and estimates that are reasonable and prudent;
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so; and
- establishing such internal control as they determine is necessary to enable the preparation of CBCR Information that is free from material misstatement, whether due to fraud or error.

The CBCR Information does not constitute the Company's statutory accounts for the financial year ended 31 December 2020. Statutory accounts for 2019 have been delivered to the registrar of companies, and those for 2020 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under s498(2) or (3) of the Companies Act 2006.

The CBCR Information was approved by order of the Board of Directors of Barclays PLC.

Tushar Morzaria
Group Finance Director

17 February 2021

Country by country data
Independent Auditor's report in relation to the Country by country data

Independent Auditor's report to Barclays PLC ('the Company')

Opinion

We have audited the information labelled "Audited" in the Country by country data ('CBCR Information') as at and for the year ended 31 December 2020 set out on pages 20 to 25, which has been prepared based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the directors of the Company as set out in the basis of preparation in Note 1.

In our opinion, the CBCR Information as at and for the year ended 31 December 2020 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the directors as set out in the basis of preparation in Note 1.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and the terms of our engagement letter dated 8 February 2021. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - special purpose basis of preparation

We draw attention to Note 1 to the CBCR Information, which describes the basis of preparation. As explained in the note, the CBCR Information has been prepared for the purposes of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. As a result, the CBCR Information may not be suitable for other purposes. Our opinion is not modified in respect of this matter.

Going concern

The directors have prepared the CBCR Information on the going concern basis as they do not intend to liquidate the Group (Barclays PLC and its subsidiaries) or to cease its operations, and as they have concluded that the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the CBCR Information ("the going concern period").

We used our knowledge of the Group, the financial services industry, and the general economic environment to identify the inherent risks to the business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.

The risks that we considered most likely to adversely affect the Group's available financial resources over this period were:

- the availability of funding and liquidity in the event of a market wide stress scenario including the impact of the manner in which the global COVID-19 pandemic continues to unfold and the manner in which the UK continues its withdrawal from the European Union; and
- the impact on regulatory capital requirements in the event of an economic slowdown or recession.

We considered whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Our procedures also included:

- We critically assessed the assumptions in the directors' downside scenarios relevant to liquidity and capital metrics. In particular, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of the impact of severe but plausible scenarios on these and assessing whether these downside scenarios applied take into account all reasonably possible outcomes.

Accordingly, we found the use of the going concern basis of preparation without any material uncertainty for the Group to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group will continue in operation.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the CBCR Information is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. In this risk assessment we considered the following:

- Our meetings throughout the year with the Group Head of Risk, Group Head of Compliance and Group Head of Legal and reviews of Barclays' internal ethics and compliance reporting summaries, including those concerning investigations.
- Enquiries of management, internal audit, and the Board Audit Committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud, including the appropriateness and impact of changes made to these controls in response to COVID-19.
- The Group's remuneration policies, key drivers for remuneration and bonus levels.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of

Country by country data

Independent Auditor's report in relation to the Country by country data

fraud. The engagement team includes audit partners and staff who have extensive experience of working with banks, and this experience was relevant to the discussion about where fraud risks may arise. The discussions also involved our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group, including consideration of fraudulent schemes that had arisen in similar sectors and industries. The forensic specialists participated in the initial fraud risk assessment discussions and were consulted throughout the audit where further guidance was deemed necessary.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to component audit teams of relevant fraud risks identified at the Group level.

We have identified six fraud risks which were allocated to specific components of our Group audit. The nature of these fraud risks is substantially unchanged from the prior year but the allocation of certain fraud risks to components has been updated. The fraud risks we identified are set out below:

- Judgmental qualitative adjustments made to the expected credit losses ("ECL") provision;
- The recognition and measurement of ECL impairment of individually assessed loans;
- The valuation of unobservable pricing inputs used in used to price level 3 fair value instruments;
- Cut-off of the recognition of revenue from investment banking advisory fees;
- Existence and accuracy of unconfirmed over-the-counter bilateral trades; and
- The risk of management override of controls, common with all audits under ISAs (UK).

Our audit procedures included evaluating the design and implementation and operating effectiveness of relevant internal controls, as well as substantive procedures to address the fraud risks.

Other information

The directors are responsible for the other information, which comprises both the (i) total tax paid, social security paid, VAT paid, bank levy paid and other taxes paid, which are labelled as "Unaudited" and set out on pages 20 to 25 of the CBCR Information and (ii) all of the information on pages 1 to 16 of this report. Our opinion on the CBCR Information does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our CBCR Information audit work, the information therein is materially misstated or inconsistent with the CBCR Information or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Directors' responsibilities

As explained more fully in their statement set out on page 17, the directors of the Company are responsible for the preparation of the CBCR Information for the year ended 31 December 2020 in accordance with, and for interpreting the requirements of, the Capital Requirements (Country-by-Country Reporting) Regulations 2013, as set out in the special purpose basis of preparation in Note 1 to the CBCR Information; determining that the basis of preparation is acceptable in the circumstances; such internal control as they determine is necessary to enable the preparation of the CBCR Information that is free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the CBCR Information as a whole is free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report.

Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the CBCR Information.

A fuller description of our responsibilities is provided on the FRC's responsibilities website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company, in accordance with the agreed terms of our engagement. Our audit work has been undertaken so that we might state to the Company those matters we have agreed to state to it in this report, and to facilitate the Company's compliance with the requirement for audit of the Company's CBCR Information set out in Regulation 2(7) of the Capital Requirements (Country-by-Country-Reporting) Regulations 2013, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our audit work, for this report, or for the opinions we have formed.

Michelle Hinchliffe
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London E14 5GL

17 February 2021

Country by country data

Country Snapshot 2020

		Audited		*Unaudited*	*Audited*	*Unaudited*				*Audited*	
Country[a]	**Commentary**	**Turnover £m**	**Profit/(loss) before tax £m**	**Total tax paid/ (refunded) £m**	**Corporation tax paid/ (refunded) £m**	**Social Security paid £m**	**VAT paid £m**	**Bank levy paid £m**	**Other taxes paid £m**	**Public subsidies received £m**	**Average number of employees**
United Kingdom	We are one of the largest banks in the UK. Over the last decade, we have been consistently ranked as one of the top five largest taxpayers in the UK, in terms of taxes paid. Our principal UK activities include consumer banking and payments operations, as well as a top-tier, full service, global corporate and investment bank. Various factors mean that the profit we report as being earned in the UK differs from the profits on which we are subject to UK corporation tax. In particular, being a UK-headquartered bank, the profit figure includes dividends received from overseas subsidiaries, which are not taxed in the UK as they have already been taxed in the jurisdiction in which those profits were earned. The vast majority of our accounting profits of £1,352m reported as earned in the UK in 2020, were made up of dividends received from our overseas subsidiaries, which are not taxable under UK law. For 2020, we were in a loss-making position in the UK for corporation tax purposes and, therefore, we did not incur a UK corporation tax liability. This was mainly as a result of increased impairments of loans and other receivables reflecting challenging economic conditions, as well as additional contributions made to our main UK pension fund.	13,670	1,352	1,224	51	401	497	208	67	–	47,198
United States	The US is our main market outside the UK. Our principal US activities include a significant and wide ranging corporate and investment banking business and international consumer cards operations. These activities are taxed locally at a rate above the UK corporation tax rate. In 2020, our US taxable profits were reduced as a result of the offset of tax losses brought forward from prior years. The amount of federal and state corporate income tax paid in the year was reduced by the receipt of tax refunds following the conclusion of routine tax audits into prior years.	7,948	1,557	259	148	79	5	–	27	–	9,870
Luxembourg	Our operations in Luxembourg include treasury activities such as raising financing, collateral management and funding our Barclays International operations, as well as investment banking activities including equities business. We have also continued to develop our corporate banking business in Luxembourg, which offers our European clients a range of banking products and services, including cash management, debt, foreign exchange and trade finance facilities. While these activities are taxed locally at a rate above the UK corporation tax rate, we paid no corporation tax in Luxembourg in 2020 as our taxable profits were offset by substantial tax losses brought forward from prior years, and also due to dividend income not being taxable under Luxembourg law. We have unused tax losses which are automatically carried forward, and available to offset against future profits.	1,199	1,174	2	–	1	1	–	–	–	53
India	Our global service centre, which provides world class technology and operations solutions and services to our businesses globally, is located in India. We also carry on corporate and investment banking activities and provide private banking services in India. These activities are taxed locally at rates above the UK corporation tax rate.	756	133	77	56	16	5	–	–	–	19,009

Country by country data

Country Snapshot 2020

		Audited		*Unaudited*	*Audited*	*Unaudited*				*Audited*	
Country[a]	Commentary	Turnover £m	Profit/(loss) before tax £m	Total tax paid/ (refunded) £m	Corporation tax paid/ (refunded) £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
Japan	Our operations in Japan consist of investment banking activities. These activities are taxed locally at rates above the UK corporation tax rate. Corporation tax payments made in 2020 consist of the final tax payment for 2019 and the interim tax payment for 2020.	409	180	26	17	6	3	–	–	–	446
Germany	Our operations in Germany consist of corporate and investment banking activities and consumer cards and loans. These activities are taxed locally at a rate above the UK corporation tax rate. Corporation tax payments made in 2020 were calculated based on taxable profits which were higher than accounting profits, and include additional payments in respect of prior years.	399	39	94	70	8	16	–	–	–	824
Singapore	Our operations in Singapore consist of corporate and investment banking activities. Our regional technology and operations service centre is also located in Singapore. These activities are taxed locally at a rate below the UK corporation tax rate. In 2020, our taxable profits in Singapore were reduced as a result of the offset of tax losses brought forward from prior years.	389	98	5	–	5	–	–	–	–	842
Hong Kong	Hong Kong is a regional centre for our investment banking business and also provides corporate banking facilities. These activities are taxed locally at a rate below the UK corporation tax rate. Corporation tax payments made in 2020 relate to current and prior years.	300	53	10	10	–	–	–	–	–	442
Isle of Man	Our operations in the Isle of Man consist of banking, credit and investment services as well as funding our Barclays International operations. These activities are taxed locally at a rate below the UK corporation tax rate.	182	105	12	10	2	–	–	–	–	452
France	Our operations in France consist of corporate and investment banking activities. These activities are taxed locally at rates above the UK corporation tax rate. In 2020, taxable profits were reduced as a result of the offset of tax losses brought forward from prior years. Corporation tax payments made in 2020 relate to current and prior years.	175	68	31	3	23	5	–	–	–	210
Jersey	Our operations in Jersey consist of banking, credit and investment services as well as funding our Barclays International operations. These activities are taxed locally at a rate below the UK corporation tax rate.	169	99	10	9	1	–	–	–	–	234
Monaco	Our operations in Monaco consist of private banking services. These activities are taxed locally at rates above the UK corporation tax rate. The corporation tax paid in 2020 was based on taxable profits in 2019.	130	42	37	25	7	5	–	–	–	195

Country by country data

Country Snapshot 2020

		Audited		*Unaudited*	*Audited*	*Unaudited*				*Audited*	
Country[a]	Commentary	Turnover £m	Profit/(loss) before tax £m	Total tax paid/ (refunded) £m	Corporation tax paid/ (refunded) £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
Switzerland	Our operations in Switzerland consist of investment banking activities and private banking services. These activities are taxed locally at a rate below the UK corporation tax rate. We paid no corporation tax in 2020 mainly due to the offset of tax losses brought forward from prior years and the reallocation of overpayments made in prior years.	127	11	7	–	5	2	–	–	–	266
Ireland	Our operations in Ireland consist of corporate and investment banking activities, private banking services as well as merchant acquiring services. Ireland also acts as a holding location for some of our European subsidiaries. These activities in Ireland are taxed locally at a rate below the UK corporation tax rate. Our principal Irish operating subsidiary operates across Europe through established branches in Belgium, France, Germany, Italy, Portugal, Luxembourg, the Netherlands, Spain and Sweden. The profits earned in these branches are reported in the respective countries and are subject to tax locally.	103	(88)	9	1	4	4	–	–	–	285
Mexico	Our operations in Mexico focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	69	32	18	13	1	4	–	–	–	74
Czech Republic	Our operations in the Czech Republic consist of IT support and development functions. These activities are taxed locally at a rate similar to the UK corporation tax rate.	69	7	12	1	11	–	–	–	–	754
Spain	Our operations in Spain consist of corporate and investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate. In 2020, taxable profits were reduced as a result of the offset of tax losses brought forward from prior years.	55	11	3	2	1	–	–	–	–	82
United Arab Emirates (UAE)	Our operations in the UAE consist of corporate and investment banking activities and private banking services. These activities are taxed locally at a rate above the UK corporation tax rate. The corporation tax paid in 2020 was based on taxable profits in 2019.	55	(144)	6	6	–	–	–	–	–	150
Canada	Our operations in Canada focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate. The corporation tax paid in 2020 was based on taxable profits in 2019.	38	(2)	8	6	1	1	–	–	–	64
Guernsey	Our operations in Guernsey consist of banking, credit and investment services. These activities are taxed locally at a rate below the UK corporation tax rate.	33	19	3	3	–	–	–	–	–	61

Country by country data

Country Snapshot 2020

		Audited		*Unaudited*	*Audited*	*Unaudited*				*Audited*	
Country[a]	Commentary	Turnover £m	Profit/(loss) before tax £m	Total tax paid/ (refunded) £m	Corporation tax paid/ (refunded) £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
Italy	Our operations in Italy consist of corporate and investment banking activities as well as a legacy residential mortgage portfolio. These activities are taxed locally at rates above the UK corporation tax rate. In 2020, we received a corporation tax refund due to overpayments in prior years.	27	(159)	(3)	(8)	4	1	–	–	–	186
Israel	Our operations in Israel consist mainly of investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate. In 2020, taxable profits were reduced as a result of the offset of tax losses brought forward from prior years.	21	7	1	–	1	–	–	–	–	38
China	Our operations in China consist of investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	7	2	2	2	–	–	–	–	–	24
Netherlands	Our operations in the Netherlands consist of corporate and investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	6	2	1	1	–	–	–	–	–	14
Australia	Our operations in Australia focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	5	1	1	1	–	–	–	–	–	–
Sweden	Our operations in Sweden focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	5	–	1	–	1	–	–	–	–	9
Portugal	Our operations in Portugal consist of corporate and investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	4	(3)	–	–	–	–	–	–	–	12
Brazil	Our operations in Brazil focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	3	(1)	1	–	1	–	–	–	–	7
South Africa	Our operations in South Africa focus on investment banking activities. These activities are taxed locally at a rate above the UK corporation tax rate.	2	–	–	–	–	–	–	–	–	3

Country by country data

Country Snapshot 2020

		Audited		Unaudited	Audited		Unaudited			Audited	
Country[a]	Commentary	Turnover £m	Profit/(loss) before tax £m	Total tax paid/ (refunded) £m	Corporation tax paid/ (refunded) £m	Social Security paid £m	VAT paid £m	Bank levy paid £m	Other taxes paid £m	Public subsidies received £m	Average number of employees
Other[b]	Represents countries each with a turnover of less than £1m in 2020.	1	(5)	–	–	–	–	–	–	–	4
Withholding taxes				256	256						
Subtotal		26,356	4,590	2,113	683	579	549	208	94	–	81,808
Share of post-tax results of other related undertakings[c]		–	24	–	–	–	–	–	–	–	–
Intra-group eliminations: Dividends		(1,535)	(1,535)								
Recharges		(3,041)									
Hedging		(14)	(14)								
Total		21,766	3,065	2,113	683	579	549	208	94	–	81,808

Notes
a A list of the main entities that Barclays operates through around the world and which together contribute over 90% of the Group's turnover can be found on our website at: home.barclays/society/esg-resource-hub/reporting-and-disclosures/country-snapshot
b The countries with turnover of less than £1m in 2020 are Argentina, Belgium, Cyprus, Gibraltar, Malta, Mauritius, Philippines, Qatar, Saudi Arabia, South Korea and Zimbabwe.
c This represents the profit after tax of EnterCard Group AB, a joint venture between Barclays (40%) and Swedbank (60%) in Sweden. The profits of EnterCard Group AB are included in Barclays' consolidated accounts on a post-tax basis and corporation tax on the joint venture's profits is paid locally by the joint venture entity.

Country by country data

Note 1 – Basis of preparation

The Country by country data ('CBCR Information') as at and for the year ended 31 December 2020 has been prepared based on the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as interpreted by the directors of the Company. The CBCR Information does not constitute the Company's statutory accounts for the financial year ended 31 December 2020. Statutory accounts for 2019 have been delivered to the registrar of companies, and those for 2020 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under s498(2) or (3) of the Companies Act 2006.

The table provides the following information for Barclays in 2020:

Country: In most cases, we have determined which country to report activity under by looking at the country of tax residence. Where activities are conducted by entities that are not themselves subject to tax (for example certain partnerships), then we have considered other factors such as the location of management and employees, the jurisdiction in which the majority of revenues are generated, and the country of establishment of the entity's parent company. In these cases, it is possible that tax is paid in a different country to the one where profits, upon which the tax is paid, are reported.

Commentary: We have explained the nature of our activities in each country. That disclosure is included within the commentary column in the table above together with our explanation of any matters of interest.

Turnover: Turnover gives an indication of the size of our business in each country, and we have ordered the table in descending order. Turnover includes net interest income, net fee and commission income, net trading income, net investment income, net premiums from insurance contracts and net claims and benefits incurred on insurance contracts. Some of the turnover numbers need to be treated with care as technical accounting requirements applicable to the way these figures are prepared mean there is an element of double counting. Profits generated in the US and then paid to the UK as a dividend for example, will be included within both the US and UK figures. Adjustments to address this double counting, called intra-group eliminations, are broken down by type (dividends, recharges, hedging and other) at the end of the table and total £4,590m for 2020 in relation to turnover.

Profit/(loss) before tax: These numbers are accounting profits. As with the turnover figures, these numbers include some double counting which is reconciled at the bottom of the table. Total intra-group eliminations for the profit/(loss) before tax column are £1,549m.

Total tax paid: This column shows the total tax Barclays actually paid in each country in 2020. The following columns break this total down into its constituent parts. Most of the taxes paid in any given year will not relate directly to the profits earned in that year. For example, bank levy is a tax on how we fund ourselves and is paid regardless of whether or not we make any profit.

Corporation tax paid: This column records corporation tax actually paid in each country in 2020. Corporation tax payable in any given year is not directly comparable to profits for the same 12-month period. This is because tax on profits is paid across multiple years. In addition, taxable profits are calculated as prescribed by tax law which usually results in differences between accounting and taxable profits. This means it is possible that relatively high corporation tax can be paid when accounting profits are low and vice-versa. The amount of tax paid shown in the financial statements also includes withholding taxes. Withholding taxes comprise the tax charged on dividends or other income received, which is typically paid at the point of distribution from one country to another. We have kept these amounts separate from corporation tax paid by country in the table above.

Employer payroll taxes paid: These are taxes borne by us, based on government social security policies in each country and, for example, in the UK represent employer's national insurance contributions. They do not represent income tax on payments to our employees or employees' national insurance contributions which are taxes collected but not borne by us.

VAT paid: This includes VAT and other consumption taxes (including goods and services tax, consumption tax and US sales and use taxes). The amounts relate to irrecoverable VAT paid. Unlike many other businesses, financial services businesses are only able to reclaim a small proportion of the VAT they incur, making VAT a significant part of our tax contribution. Not all countries have a VAT system which is why there are no entries against some countries within the table. These numbers do not include any VAT charged to customers on Barclays' products and services which we collect on behalf of tax authorities.

Bank levy paid: Bank levy is a tax paid to the UK Government on our global consolidated balance sheet as we are a UK-headquartered bank. It is a tax charged on the funding we raise to support our businesses globally. As with corporation tax, bank levy is paid across multiple years and therefore the tax paid of £208m in 2020 should not be expected to equate to the accounting accrual in 2020.

Other: Other taxes are the material property taxes that Barclays paid in 2020 and include, for example, taxes on the property we use in our business such as our network of high street branches.

Public subsidies received: Includes only direct support from governments such as government grants.

Average number of employees: The number of employees has been calculated as the average number of employees, on a monthly full-time equivalent basis, who were permanently employed by Barclays PLC or one of its subsidiaries during the relevant period. An average of the number of full-time equivalent employees at the end of each calendar month has been calculated. Contractors, agency staff, and staff on extended leave, such as maternity leave, are excluded.

Intra-group eliminations: These include adjustments that relate principally to transactions between Barclays businesses in different countries which are included within the individual country turnover, but are then eliminated in determining the overall Barclays Group results to avoid double counting. Intra-group eliminations include dividend payments, income from intra-group transfers of assets, and income arising from hedging transactions that occur at a consolidated Barclays Group level rather than an individual entity level.

The comparable information for 2019 can be found on our website at home.barclays/society/esg-resource-hub/reporting-and-disclosures/country-snapshot

Barclays is a British universal bank. We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

Our Purpose and Values ensure we are able to deliver for all our stakeholders: for our customers and clients, for our colleagues, for society and for our investors.

For further information and a fuller understanding of the results and the state of affairs of the Group, please refer to the Barclays PLC suite of annual reports available at **home.barclays/annualreport**

Registered office: 1 Churchill Place, London E14 5HP

Registered in England. Registered No: 48839

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Ensemble Studio
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Barclays PLC Annual Report 2020
A detailed review of Barclays' 2020 performance with disclosures that provide useful insight and go beyond reporting requirements.

Barclays PLC Environmental Social Governance Report 2020
An overview of our ESG strategic priorities and performance, reported against a range of quantitative and qualitative indicators.

Barclays PLC Climate-related Financial Disclosures 2020
An enhanced report aligning to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in this, the fourth year of disclosure.

Barclays PLC Fair Pay Report 2020
An overview of our approach to pay-fairness and how we implement this in our principles and policies through the themes of our Fair Pay agenda.

Barclays PLC Diversity and Inclusion Report 2020
An overview of the Group's approach to building a more inclusive company, including a progress report on each of our five pillars of diversity and inclusion.

Barclays PLC Country Snapshot 2020
An overview of our global tax contribution as well as our approach to tax, including our UK tax strategy, together with our country-by-country data.

Barclays PLC Pillar 3 Report 2020
A summary of our risk profile, its interaction with the Group's risk appetite, and risk management.