

Barclays Statement on Anti-Money Laundering

Introduction

Money laundering is the process by which illegally obtained money (from drug trafficking, terrorist activity or other serious crimes) is given the appearance of having originated from a legitimate source.

Financial institutions such as Barclays are at the forefront of the battle against this criminal activity, which uses the international financial system to move money around and disguise its true origin. The UK Government, alongside many other countries, has passed legislation designed to prevent money laundering and to combat terrorism. This legislation forms the cornerstone of Barclays anti-money laundering (AML) obligations, policies and practices, which apply across our organisation worldwide.

Laws and regulations

Barclays Anti-Money Laundering Policy is designed to ensure that our organisation complies with the requirements and obligations set out in UK legislation, regulations, rules and industry guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of the bank being used to facilitate financial crime. The policy also covers counter terrorist financing issues in addition to AML. Barclays operations in different jurisdictions also comply with their local obligations, with the most rigorous standards taking priority.

Barclays policy and practices

Barclays is a founder member of the Wolfsberg group of 11 global banks, formed in 2000, which aims to develop financial services industry standards relating to “know your customer”, AML and counter terrorist financing policies (<http://www.wolfsberg-principles.com>).

Our AML Policy sets out the minimum standards applicable to our organisation worldwide, including:

- The appointment of a Group Money Laundering Reporting Officer (GMLRO) and local Money Laundering Reporting Officers (MLROs), of sufficient seniority who have responsibility for oversight of central and local business compliance with relevant legislation, regulations, rules and industry guidance
- Establishing and maintaining a risk based approach towards assessing and managing money laundering and terrorist financing risks
- Establishing and maintaining risk based customer due diligence, identification, verification and “know your customer” procedures, including enhanced due diligence for those customers presenting higher risk
- Screening of existing and prospective customers
- Establishing and maintaining risk based systems and procedures to monitor customer accounts and activity



- Procedures for reporting unusual activity internally and suspicious activity externally to the relevant law enforcement authorities
- The maintenance of appropriate records
- Regular training for all relevant employees to enable them to understand and fulfil their legal obligations and recognise the risk of the bank's products and services being used to assist money laundering or terrorist financing
- Establishing and maintaining appropriate communications, and monitoring conformance arrangements to ensure that Barclays policy requirements are understood and complied with in practice
- The provision of appropriate management information and reporting to senior management around compliance with AML and Counter Terrorist Financing policy.