

## Barclays at risk of fresh fraud charges over Qatar cash call

UK's Serious Fraud Office will make a decision on further action within weeks



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Barclays will hear within a fortnight whether it faces a second set of criminal fraud charges over its emergency 2008 cash call, when it turned to Qatari investors to stay out of UK government control.

The UK's Serious Fraud Office is preparing to make a charging decision in respect of Barclays' subsidiary, Barclays Bank. People familiar with the situation told the Financial Times that they expect the decision to happen within two weeks.

The parent company has already been charged by the SFO with two counts of fraud by false representation and one count of unlawful financial assistance over agreements it struck with Qatar at the same time as the tiny Gulf state participated in two fundraisings in June and October of 2008, at the height of the financial crisis.

The bank has not yet indicated how it will plead to those charges and has said it is considering its position.

In addition, the SFO charged its former chief executive, John Varley, with the same counts. He is the first chief executive of a major global bank to be criminally charged as a result of alleged wrongdoing during the crisis. Roger Jenkins, the then head of the bank's Middle Eastern business, also faces the same counts. Two other senior bankers at the time, Tom

alleged wrongdoing during the crisis. Roger Jenkins, the then head of the bank's Middle Eastern business, also faces the same counts. Two other senior bankers at the time, Tom Kalaris and Richard Boath, face a single count of fraud by false representation over the June fundraising.

All the individual defendants are expected to plead not guilty. Their next hearing has been scheduled for July 17 at Southwark Crown Court, which tends to hear complex fraud cases.

The charges turn on a so-called advisory services agreement with Qatar worth £322m that was first struck at the time of the £4.5bn fundraising in June and then extended at the time of the £7.3bn October deal. The bank also loaned Qatar's ministry of economy and finance \$3bn just as the October deal was closing.

These side-deals are separate and in addition to the £66m in fees and £300m in commission paid between Qatar and Abu Dhabi, another investor in the October deal, which were all disclosed at the time.

In total, Qatari investors pledged £2.3bn in principle during the October fundraising.

Barclays disclosed last month that it was still awaiting a decision from the SFO over whether it would charge Barclays Bank "in respect of the loan".

A charge against Barclays' subsidiary would be more problematic for the bank because it is at this operating level that banking licences and regulatory authorisations are issued. Those are dependent on the financial regulator deeming the entity "fit and proper".

The SFO has instructed barristers specialising in banking law to help advise it on the decision.

Barclays and the SFO declined to comment.