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CORRUPTION CURRENTS

Barclays Probed by SFO Over Qatar Fees

By **SAMUEL RUBENFELD**

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Barclays the global financial services firm, said the U.K. Serious Fraud Office has launched an investigation into payments under certain commercial agreements between it and Qatar Holding LLC.

In a short statement, the bank confirmed an earlier report by Bloomberg News that said the SFO, which investigates and prosecutes white-collar crime and corruption, was about to look into payments made in 2008 to Qatar's sovereign wealth fund as the firm sought to raise money.



CHRIS RATCLIFFE/BLOOMBERG NEWS A pedestrian passes a Barclays PLC bank branch opposite the company's headquarters in the Canary Wharf business district of London on July 3, 2012.

Qatar Holding is the direct investment arm of the Qatar Investment Authority, the nation's sovereign wealth fund.

Prosecutors were working with the U.K. Financial Services Authority, which is conducting a civil probe into whether Barclays accurately disclosed fees it agreed to pay the fund, according to the Bloomberg report. The report said Barclays disclosed the FSA probe last month, saying four current and former senior employees, including Finance Director Chris Lucas, were being investigated by the regulator.

A spokesman for the SFO didn't immediately respond to a request for comment.

Bloomberg's report said Barclays raised 7 billion pounds of capital from investors, including the Abu Dhabi and Qatar sovereign wealth funds, after the financial crisis began in 2007, allowing it to avoid the government bailout taken by rivals Royal Bank of Scotland Group PLC and Lloyds Banking Group PLC.

"The FSA is investigating the sufficiency of disclosure in relation to fees payable under certain commercial agreements and whether these may have related to Barclays capital raisings in June and November 2008," it said July 27 in an earnings announcement (pdf) cited in the Bloomberg report.

The SFO probe is just the latest scandal Barclays is facing. In June, it agreed to pay \$453 million in fines to U.S. and U.K. regulators after admitting that its traders and executives tried to manipulate Libor, an interest rate tied to loans and financial contracts around the world. In 2010, it agreed to pay \$298 million to the U.S. for helping clients avoid sanctions.

Earlier this month, it named David Walker, a well-established London executive known for his efforts to revamp corporate governance, as its new chairman effective Nov. 1.

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BARCLAYS PLC FEES QATAR REGULATION
SOVEREIGN WEALTH FUND

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