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# U.K. Serious Fraud Office, Barclays Discuss Qatar Probe

If a deferred prosecution agreement is accepted, Barclays would agree to effective probation



It is unclear at this stage whether Barclays will accept the SFO's offer of a deferred prosecution agreement, the person said. PHOTO: ZUMA PRESS

By **MAX COLCHESTER**

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The U.K.'s Serious Fraud Office has approached Barclays PLC with a deferred prosecution agreement as it looks to resolve a long-running probe into how the bank secured emergency funding from Middle Eastern investors during the financial crisis, according to a person familiar with the matter.

The SFO launched an investigation in 2012 into whether the bank breached disclosure obligations when raising billions of pounds from investors including Qatar Holdings LLC in 2008. The SFO interviewed a series of former top Barclays executives as part of a years-long probe into the allegations, according to people familiar with the matter.

Separately, the U.K.'s Financial Conduct Authority alleges Barclays didn't properly disclose £322 million (\$501 million) of advisory fees it paid Qatar Holdings following the capital raisings. The FCA has already imposed a £50 million fine on the bank. Barclays is contesting the regulator's findings.

Barclays later issued a statement saying the SFO had made "no offer" of a DPA.

It is unclear at this stage whether Barclays will accept the SFO's offer of a deferred prosecution agreement, the person said.

DPAs are a new phenomenon in the U.K., with the SFO only acquiring the power to negotiate such agreements in February last year. A DPA would effectively

mean that Barclays accepts to be put on probation for a defined amount of time. It would be cleared of the alleged infraction as long as it doesn't break other rules during the period. Barclays and the SFO would need to negotiate the length and terms of the DPA, which would then need to be approved by a judge. The agreement could include a fine.

The discussions around a DPA come as both the SFO and Barclays look to close the chapter on the long-running saga. Separately, the U.S. Department of Justice and Securities and Exchange Commission are also investigating whether the payments by Barclays are compliant with the U.S. Foreign Corrupt Practices Act.

Qatar Holdings couldn't immediately be reached for comment.

Sky News first reported the discussion of the DPA.

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