

# Protecting you: our Know Your Customer approach explained

## What part does KYC play in preventing Financial Crime?

When you initially approach us to open an account we will ask you to provide specific documentation to enable us to identify, verify and maintain records regarding your business' structure, as well as the key personnel who control and own it – this is known as KYC or 'Know Your Customer'. As part of this process we will also want to understand specific details about the type of business your company transacts in and with whom i.e. your trading partners and the countries you trade in. It's how we develop a good understanding of your business which helps us to build our relationship in the right way.

## Why KYC forms part of our ongoing relationship

As your business grows and structures and trading patterns change, we will reassess the information you have provided to us and ask for your help in updating it where necessary – this will usually happen annually. Where possible we will aim to source as much information as we can from data sources in the public domain but there will be certain information which we will need to ask you to provide. This information is required to ensure we are able to provide you with the right products and services to suit your business needs.

## How Financial Crime happens and how it could affect you

Financial Crime either has money as its objective (e.g. money laundering) or needs money to achieve its objective (e.g. terrorist financing). To succeed, these monies need to flow through a banking institution, such as Barclays, meaning that our clients can be a target.

The threat of Financial Crime is a very real and present danger to our communities, for example, it is estimated that globally:

- The amount of money laundered each year by criminals is over £1 trillion which equates to 5% of world GDP<sup>1</sup>
- Over £650 billion is paid in bribes each year<sup>2</sup>
- Corruption adds up to 10% to the cost of doing business<sup>2</sup>

Governments around the globe have charged all banking institutions with the responsibility for driving down Financial Crime, and through our KYC processes we can help prevent criminals from accessing and utilising your accounts in the pursuit of unlawful gain.

## Barclays takes its KYC responsibilities seriously

The implications of Financial Crime, or the failure to prevent it, can be severe for both Barclays and our clients.

At Barclays we take Financial Crime prevention very seriously. Mitigating the associated risks is a key priority for us – it is our regulatory responsibility which is why we have policies in place to mitigate the risk of Financial Crime, namely: Anti Money Laundering, Sanctions, Anti Bribery & Corruption as well as Introducer Policies.

If you would like further information on financial regulation please refer to the following websites:

[http://ec.europa.eu/justice/civil/financial-crime/applying-legislation/index\\_en.htm](http://ec.europa.eu/justice/civil/financial-crime/applying-legislation/index_en.htm)

<https://www.home.barclays/content/dam/barclayspublic/docs/Utilities/aml-policy-statement.pdf>

<sup>1</sup> United Nations Office on Drugs and Crime website – February 2016.

<sup>2</sup> World Bank website – February 2016