



**BARCLAYS BESPOKE DISCLOSURE  
COMMODITY FUTURES TRADING COMMISSION RULE 1.55(K)**

COMMODITY FUTURES TRADING COMMISSION RULE 1.55(k):

FCM-SPECIFIC DISCLOSURE DOCUMENT

The Commodity Futures Trading Commission (Commission) requires each futures commission merchant (FCM), including Barclays Capital Inc. (BCI), to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. Except as otherwise noted below, the information set out is as of December 31, 2023. BCI will update this information annually and as necessary to take account of any material change to its business operations, financial condition or other factors that BCI believes may be material to a customer’s decision to do business with BCI. Nonetheless, BCI’s business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.

NOTE: BCI is a subsidiary of Barclays Group US Inc. (BGUS), which is a subsidiary of Barclays US LLC (IHC LLC). The IHC LLC is an indirect parent entity of BCI and is a wholly-owned subsidiary of Barclays Bank, PLC (BBPLC and together with its subsidiaries Barclays or the Group). BCI’s FCM business forms part of the Investment Banking division of Barclays Group (together with Barclays). Barclays is an international financial services provider engaged in personal banking, credit cards, corporate and investment banking and wealth management. Information that may be material with respect to BCI for purposes of the Commission’s disclosure requirements may not be material to BGUS, IHC LLC or BBPLC for purposes of applicable securities laws.

TABLE OF CONTENTS

I. BCI and its Principals ..... 3

II. BCI’s Business Activities and Services ..... 9

III. Bank Depositories, Custodians and Investment of Client Funds ..... 13

IV. Material Risks..... 13

V. Material Complaints and Enforcement Actions ..... 16

VI. Segregation of Client Funds ..... 25

VII. Filing a Complaint ..... 29

VIII. Financial Data as of December 31, 2023 ..... 29

IX. BCI’s Current Risk Practices, Controls and Procedures ..... 30

## **I. BCI and its Principals**

### *i. Contact Information*

Barclays Capital Inc.  
745 Seventh Ave.  
New York, NY 10019  
Telephone: 212-526-7000  
Email: [futuresCSUS@barclays.com](mailto:futuresCSUS@barclays.com)  
Website: [www.Barcap.com](http://www.Barcap.com)

### *ii. Designated Self-Regulatory Organization*

BCI's designated self-regulatory organization is the New York Mercantile Exchange (NYMEX), a Designated Contract Market under the Commodity Exchange Act and a subsidiary of CME Group Inc. The NYMEX website address is: <http://www.cmegroup.com/company/nymex.html>

### *iii. Principals*

The below is a brief description of those persons identified as principals of BCI pursuant to CFTC Rule 3.1(a). Please note that although defined as a "Principal" under CFTC rules, a person may have little or no day-to-day control or involvement with the FCM activities of BCI. For example, CFTC Rule 3.1(a) defines any director of BCI as a principal of BCI, even if such person is not involved in the FCM business of BCI.

#### **Sebastian Bennett**

Director, PDS Clearing Management  
745 Seventh Ave  
New York, NY 10019, USA

Sebastian Bennett is a Director and is responsible for the Clearing Management function within Prime Derivatives Services, covering Futures & Options, OTC Clearing, and FX Prime Brokerage.

Mr Bennett joined Barclays in 2009, based in London, and worked in the Collateral Management function within Operations. In 2010 he transferred into the Prime Services division, focusing on Cleared IRS & CDS product development and client technical solutions during the build out of the European OTC Clearing business. In 2014 he took on Clearing Management responsibilities for Futures & Options and OTC Clearing and then, in 2015, FX Prime Brokerage, encompassing product and business development, client solutions and integration, and business management. In 2016 he relocated to New York to take up his current position in the US Clearing Management team within the FCM.

Before joining Barclays, Mr Bennett worked for two years at Accenture in the Business Process Outsourcing group. Mr Bennett received a BA(Hons) in English Literature with Classics from

The University of Leeds.

**John Dlubac**

Managing Director, Prime Services  
745 Seventh Avenue  
New York, NY 10019, USA

John Dlubac is a Managing Director at Barclays, responsible for Americas Futures Clearing, Americas FCM Treasury and Fixed Income Prime Brokerage businesses within the Prime Services division. Prior to joining Barclays John spent 10 years at Credit Suisse within the derivatives clearing business between management and sales functions across the Americas and EMEA.

**Matthew H. Eisenberg**

Chief Compliance Officer, FCM  
745 Seventh Avenue  
New York, NY 10019, USA

Matthew Eisenberg is currently the Global Head of Financing Compliance for Barclays and was appointed the Chief Compliance Officer of the FCM on May 12, 2017.

Matt has been with Barclays for the past 7 years. He began his career with PaineWebber (now UBS) as a Compliance Analyst in Branch Review. He held various roles in his tenor there, including roles in Financial Crime / Anti-money Laundering and serving as the Compliance Officer for UBS of Puerto Rico. After UBS, he worked in the Regulatory Investigations Group at Bank of America, covering all areas of the bank, including capital markets, investment banking, retail banking, and card services, specifically focused on matters that presented significant reputational, financial and/or regulatory risk to the bank.

Just prior to Barclays, Matt was a Senior Manager at Deloitte Financial Advisory Services working on a variety of engagements related to regulatory investigations, complex litigation, and regulatory remediation for International Financial Services clients.

Most recently, Matt served as the Head of Americas Prime Derivatives Services ('PDS') for Barclays, which he transitioned to from Chief of Staff to the Americas Head of Compliance and Americas Head of Regulatory Compliance. Prior to that, he served as the Americas Head of Regulatory Relations.

Matt earned a bachelor's degree in History from Gettysburg College (Gettysburg, PA) and his master's in business administration from Rutgers University (Newark, NJ.) He currently co-chairs SIFMA's Compliance and Regulatory Policy Committee's Conduct and Culture sub-committee.

**Monty Forrest**

Managing Director, Head of Americas Operations Corporate and Investment Bank  
400 Jefferson Park  
Whippany, NJ 07981, USA

Mr. Forrest is a Managing Director at Barclays with over 23 years of experience in the financial industry. He is the head of Operations for the Americas with a remit spanning Corporate and Investment Banking. Mr. Forrest has been with Barclays since 2008 and has held a number of senior positions within Operations. Over the past seven years he has held roles as head of Operations within the Investment Bank for Equities, Prime Services, Settlements, Asset Servicing, Tax Operations and Risk and Control.

Prior to Barclays he spent 16 years at Lehman Brothers in a variety of Front Office and Operations management positions across Fixed Income, Equities and Prime Services. He is a member of the Global Operations Executive Committee, The Americas Governance Risk and Control Committee, The BCI Board and the FINRA Operations Advisory Committee.

**Craig L. Jones**

Managing Director  
Interim Americas Treasurer and Global Head of Funding and Liquidity Management for Barclays International  
745 Seventh Avenue  
New York, NY 10019

Craig Jones is a Managing Director and is serving as the Interim Americas Treasurer and the Global Head of Funding and Liquidity Management for Barclays International. Craig joined Barclays in 2008 as the Head of Treasury Operations – America with the acquisition of Lehman Brothers. At Lehman, Craig was the Head of Cash and Collateral Management and prior to that Head of Creditor Relations.

Craig holds a BS/BA from the University of Richmond.

**Michael Lublinsky**

Managing Director, Global Head of Macro  
745 Seventh Avenue  
New York, NY 10019, USA

Michael Lublinsky is Global Head of Macro at Barclays, based in New York. He is a member of the Barclays International Executive Committee. Mr. Lublinsky was named CEO and Board member of BCI's Board of Director, effective February 2018. Michael has over 20 years of markets experience. He joins Barclays in November 2017 after two years at Brevan Howard where he was a Senior Portfolio Manager and Head of Fixed Income in the US. Prior to this, he spent 13 years at the Royal Bank of Scotland in a variety of senior leadership roles, most recently as Global Head of Trading, Head of Markets in the Americas and Co-Head of Global Banking and Markets in the Americas. Michael began his career as an interest rate trader at Credit Suisse

First Boston in 1995 and went on to become Head of Interest Rate Options Trading before leaving CSFB in 2004.

He has a MBA from the University of California and a BS in Applied Mathematics from the University of Moldova.

**Carol Mathis**

Managing Director, Chief Financial Officer (CFO), Americas and IHC  
745 Seventh Avenue  
New York, NY 10019 USA

Carol Mathis is Chief Financial Officer (CFO) of Barclays Americas and the IHC, overseeing Finance, Tax and Treasury in the region. In this capacity, Carol also serves as CFO for Barclays Capital Inc. (BCI).

Prior to joining Barclays on December 31, 2020, Carol spent two years at MUFG as the Regional CFO for their Wholesale Bank supporting the Americas Corporate & Investment Banking, Markets, and Transaction Banking businesses.

Carol began her career at PricewaterhouseCoopers (PwC) in New York where she became a partner in their Capital Markets Assurance division. She left PwC to join RBS as the Chief Financial Officer for their Fixed Income division and during her tenure took on responsibility for the entire Americas Corporate & Investment Bank, including the Commodities joint venture with Sempra Energy. During her final three years at RBS, Carol served as the Regional Chief Operating Officer where she oversaw the Americas Controls & Supervision, Technology and Operations teams in addition to Finance.

Carol is a seasoned CFO with significant experience leading teams across Finance, Treasury, Operations and Technology, and has a successful track record of managing large scale change.

**Claire O'Connor**

Managing Director, Head of Loan Capital Markets & Acquisition Finance  
745 Seventh Ave  
New York, NY 10019, USA

Claire O'Connor is a Managing Director and Head of Loan Capital Markets & Acquisition Finance in the Americas at Barclays. She is responsible for the origination and structuring of corporate and acquisition financings for major corporate clients, and has led a number of the largest global capital raises in the industry. She is a member of the Board of Directors of Barclays Capital Inc., Barclays's broker-dealer subsidiary, chairs the Investment Bank's Capital Commitment Committee and the Investment Banking Distribution Committee.

Claire joined Barclays in 2008. Prior to joining Barclays, Claire built and led the Acquisition Finance business for Lehman Brothers, which she joined in 2005 from JPMorgan. At JPMorgan, she held a variety of positions in Loan Syndications, Retail sector banking coverage, Asset-

Backed Securities and Sovereign Debt Restructuring. Claire spent 27 years at JPM and predecessor banks, including Chemical Bank and Chase.

**Craig Robertson**

Director, CEO of the FCM, Head of Quantitative Prime Services, PDS and Futures Electronic Trading, Americas  
745 Seventh Ave  
New York, NY 10019, USA

Craig Robertson is a Director and the CEO of the FCM, as well as the Americas Head of Quantitative Prime Services (“QPS”) and Americas Head of Prime Derivative Services (“PDS”) and Futures Electronic Execution at Barclays, based in New York.

Mr. Robertson joined Barclays in 2006, based in London, within the Derivative Counterparty Risk Management function of Global Rates, before moving to New York in 2010. From 2010 to 2013, Mr. Robertson worked in the Electronic Trading division of Nomura Securities before joining a systematic quantitative hedge fund from 2013 to 2015. From 2015 to 2018, Mr. Robertson served as the Head of Product Management and Head of Listed Derivatives for Societe Generale Prime Services in the Americas, before rejoining Barclays in September 2018 in his current position.

Mr. Robertson received a BSc in Computer Science from The University of Edinburgh in Scotland, and has completed The Executive Education Program at Columbia Business School, New York.

**Luan Shala**

Chief Risk Officer, Corporate and Investment Bank Americas; Deputy Chief Risk Officer Americas  
745 Seventh Avenue  
New York, NY 10019, USA

Luan Shala is the Deputy Chief Risk Officer Americas and the Chief Risk Officer for the Corporate and Investment Bank. Luan is a Managing Director and sits on the Board of Barclays Capital Inc., the US registered broker-dealer of Barclays, is a member of Barclays Valuation, CIB Risk, Transaction Review, and Distressed Debt Approval Committees.

Luan has over two decades of experience in risk management, most recently as Global Head of Market Risk, and has previously held other senior roles in Risk such as Head of Americas Market Risk and Head of Traded Credit Market Risk. Luan joined Barclays in 2008 from Lehman Brothers and has previously held Market Risk roles at Credit Suisse. He started his career at CDC Investments, a wholly owned alternative investment arm of Caisse des Depots et Consignations, and is a graduate of Columbia University with a B.A. in Mathematics.

**Daniel Simeonov**

Head of FCM Risk Management Unit

745 Seventh Avenue  
New York, NY 10019, USA

Daniel D. Simeonov is a Vice President, based in New York. He is part of the regional Credit Portfolio Risk Management team and is responsible for monitoring, reporting and presenting reviews of Mandate & Scale Credit Risk limits, exposures and credit quality MI reporting, credit risk appetite, and governance as related to counterparty credit risk frameworks, policies, and standards. Mr. Simeonov joined Barclays in 2014. Between 2014 and 2015 he was Team Lead of the Glasgow, UK based Global Portfolio Reporting team, where he was responsible for aggregating and presenting Barclays' counterparty and wholesale credit exposure globally, including risk related to interest rate, credit default swaps and foreign exchange intermediation.

Prior to joining Barclays, Mr. Simeonov was the Head of Market Risks Department at Societe Generale's Bulgarian subsidiary. Prior to joining Societe Generale he served tenures in the central bank of the Republic of Bulgaria, part of ESCB, as Risk Analyst and Portfolio Manager for the foreign exchange reserves of the country. He has over 10 years of experience in capital markets, including managing bond, futures, and gold portfolios and designing, evolving, and managing enterprise risk limit frameworks and MI reporting for subsidiaries of global financial institutions.

Mr. Simeonov received an MSc in Applied Mathematics from Sofia University "St. Kliment Ohridski" in 2011 and a BA in Economics and in Mathematics from the American University in Bulgaria in 2005.

### **Danny Smith**

Managing Director, Global Head of Middle Office, Collateral Management and Markets Americas Operations.  
400 Jefferson Park,  
Whippany, NJ 07981, USA.

Danny Smith is a Managing Director at Barclays and is the Head of Middle Office, Collateral Management and Markets Americas Operations. Danny is a member of the Americas COO Executive Council; the BCI Board; NY Branch Committee and the Barclays representative on the SIFMA Operations and Technology Committee. Danny joined Barclays in 2017, initially leading Macro and Credit Middle office.

Prior to Barclays, Danny spent 15 Years at Morgan Stanley in a variety of Operational roles in both London and New York; covering Fixed Income Derivatives and Cash; in both Middle Office and Core Operations.

### **Juli Smith**

Head of Bank Regulation, Treasury and M&A Legal, Americas  
745 Seventh Avenue  
New York, NY 10019, USA

Juli Smith was appointed as Chief Legal Officer for Barclays Capital Inc. in February 2021. Juli

is Barclays' Head of Bank Regulation, Treasury and M&A Legal and Global Co-Head of Recovery and Resolution Planning Legal. In these roles, Juli heads teams of senior corporate and regulatory lawyers responsible for legal advice and support on US bank regulation, treasury and funding transactions, principal mergers and acquisitions and investments, and distressed loan positions in Barclays' portfolio, as well as Recovery and Resolution Planning.

Juli joined Barclays in May 2009, after having worked at AIG for eight years as Assistant General Counsel.

Juli started her career in 1998 at the New York offices of the law firm Latham & Watkins, after a judicial clerkship in the Southern District of New York.

Juli has an undergraduate degree from Brown University, a law degree from Columbia University and a Masters in Public Administration from Columbia University School of International and Public Affairs. At Columbia Law School, Juli was a Harlan Fiske Stone Scholar.

In addition, Juli serves as a Commissioner of the White Plains Housing Authority. She was appointed by the Mayor of White Plains, NY in 2013.

## II. BCI's Business Activities and Services

The FCM is a division of BCI, which is a US Securities and Exchange Commission (SEC) registered broker dealer and is an indirect subsidiary of BBPLC, which provides large corporate, government and institutional clients with a full spectrum of solutions to meet their strategic advisory, financing and risk management needs. Although not all necessarily offered through the FCM, Barclays offers clients access to a variety of services and asset classes through its different business lines. Such business lines and services include offering equity and fixed income financing, including securities lending; equity research; and execution services for exchange traded and OTC equities, fixed income, currency, commodities and derivatives products.

The following is an approximate percentage of BCI's assets and capital applicable to the various business and product lines and services as of December 31, 2023:

Activity/Product Line	Percentage of Assets	Capital Employed
Financing (Resales, Borrows)	44.97%	6.82%
Inventory by Business Line		
FICC	24.15%	40.38%
Equities	2.34%	15.63%
Other Inventory	0	0
Goodwill and Tangible Assets	0	0
Receivable from Broker-	25.34%	17.72%

Dealers and Customers		
Investments in Subsidiaries and Receivable from Affiliates	0.15%	5.60%
Fixed and All Other Assets	3.06%	13.85%

*i. BCI's FCM Business*

BCI's FCM clients are made up of institutional, commercial and proprietary entities that are all eligible contract participants, as defined in the Commodity Exchange Act and CFTC rules. Through BCI and its affiliates, the FCM's clients are able to trade exchange traded and centrally cleared futures, options on futures and swaps across sectors and throughout global markets.

BCI is a member of the following Designated Contract Markets/Exchanges and provides clearing services for the following Swap Execution Facilities:

<b>Designated Contract Markets/Exchanges</b>	<b>Swap Execution Facilities &amp; Multilateral Trading Facilities</b>
CBOE Chicago Futures Exchange	BGC Brokers LP
Chicago Board of Trade	BGC Derivatives Markets
Chicago Mercantile Exchange, Inc.	Bloomberg
Commodity Exchange Inc.	Bloomberg Trading Facility Limited
ICE Futures US, Inc.	CBOE SEF, LLC
New York Mercantile Exchange, Inc.	GFI Securities Limited
ICE Endex Markets BV	ICAP WCLK
ICE Futures Europe	IGDL - ICAP Global Derivatives Limited
	NEX SEF Limited
	NEX/CME Amsterdam B.V.
	TpSEF
	Tradeweb EU B.V.
	Tradeweb Europe Limited
	TraditionSEF
	TWSEF LLC
	YieldBroker PTY Limited

BCI provides customers access to products cleared by the below Clearing Organizations in which BCI, an affiliate of BCI or a third-party is a clearing member.

<b>Clearing Organization</b>	<b>BCI a Member</b>	<b>BCI Affiliate a Member</b>	<b>Third Party a Member</b>
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Asigna Compensación y Liquidación - Mexico			X
ASX Clear Pty Limited			X
BME Clearing – MEFF Exchange		X	
Bursa Malaysia Derivatives Clearing Bhd			X
Canadian Derivatives Clearing Corporation (CDCC) – Montreal Exchange			X
Cassa di Compensazione e Garanzia S.p.A. - Italy		X	
CME Clearing	X		
Eurex Clearing AG - Germany	X	X	
HKFE Clearing Corporation Limited		X	
ICE Clear Credit	X	X	
ICE Clear Europe	X	X	
ICE Clear U.S.	X		
Internal Clearing Department – Taiwan Futures Exchange			X
Japanese Securities Clearing Corporation - Japan		X	
KDPW-National Depository For Securities - Poland			X
KRX - Korea			X
LCH Clearnet Ltd	X	X	
LCH Clearnet S.A		X	
Minneapolis Grain Exchange Clearing House			X
OM Stockholm Exchange AB - Sweden		X	
Options Clearing	X		

Corporation (OCC)			
SAFEX Clearing Company PTY Ltd – South Africa			X
Singapore Exchange Derivatives Clearing (SGX-DC)		X	
TAKASBANK – Turkish Derivatives Exchange			X
The Thailand Clearing House Company Limited (TCH)			X
Tokyo Financial Exchange (TFX)		X	

Where BCI is not a member of an exchange or clearinghouse, in order to provide its clients with access to the products offered at such exchanges and clearinghouses, BCI will sometimes use a carrying broker that either is a member of the exchange or clearinghouse or has a relationship with such a member. Below are the names of the direct carrying brokers that BCI uses for its client business:

<b>Carrying Brokers US/Non-US</b>	<b>Affiliated with BCI Y/N</b>
Barclays Bank PLC	<b>Y</b>
Marex North America LLC	<b>N</b>
RBC Capital Markets LLC	<b>N</b>

BCI permits certain customers to establish and maintain separate accounts with BCI. Such separate accounts may be: (i) managed by different asset management firms, introducing brokers or associated persons; (ii) managed as separate investment portfolios by the same asset management firm, introducing broker or associated person; (iii) subject to liens in connection with operating loans that contractually obligate an FCM to treat the accounts separately; or (iv) otherwise required for regulatory or appropriate business purposes. Subject to the terms and conditions of CFTC Letter No. 19-17 (<https://www.cftc.gov/csl/19-17/download>), BCI treats such separate accounts as accounts of separate entities. Among other things, BCI may calculate the margin requirements for each separate account independently from all other separate accounts of the same customer and may disburse excess funds from one separate account notwithstanding that another separate account is undermargined.

Among other terms and conditions set out in CFTC Letter No. 19-17, BCI is required to advise its customers that are permitted to maintain separate accounts that, in the unlikely event of BCI's bankruptcy, the customer will be treated no differently from other customers, as a result of having maintained separate accounts with BCI. In particular, all separate accounts maintained for or on behalf of any such customer will be combined in determining such customer's rights and obligations under the applicable provisions of the U.S. Bankruptcy Code and Part 190 of the Commodity Futures Trading Commission's Regulations.

### **III. Bank Depositories, Custodians and Investment of Client Funds**

Barclays has in place policies and procedures for selecting the bank depositories and custodians to hold FCM client funds as well as for selecting how it will invest client funds, including counterparties to such investments. Prior to opening an account to deposit client funds, and annually thereafter, the FCM undertakes a review and evaluation of the depository to satisfy itself that the depository is sound and does not present unreasonable risk. Among other things, Barclays reviews the entity's experience and market expertise, creditworthiness, accounting practices, internal and external auditing practices, settlement practices, disaster recovery and business continuity procedures, reporting and regulatory oversight. As part of this review, Barclays obtains written responses from the entity that are reviewed by representatives of Barclays' treasury, operations, legal, compliance, credit/risk and business departments prior to opening an account to deposit client funds or as part of the annual review. Barclays only invests FCM client funds in accordance with CFTC Rule 1.25<sup>1</sup>. Barclays bears sole responsibility for any losses resulting from the investment of client funds and no investment losses are borne or otherwise allocated to Barclays' clients. All investment options must be approved by the FCM's Treasury and Investment Committee, which is made up of senior management of the FCM's business, treasury and compliance functions and meets at least quarterly. The FCM's treasury department monitors all investments of customer funds and on a daily basis reviews, among other things, the asset, issuer, and counterparty concentration percentages; the dollar weighted time to maturity of the portfolio, as applicable; the comparison of the market value (plus accrued interest) to the contract value (plus accrued interest) for any repurchase or reverse repurchase agreement; the value of investments to ensure the value given to investments of customer funds are never greater than market value; and the change in market value from the business day before. Additionally, the holdings within each money market mutual fund and across all funds are reviewed periodically to determine exposure to, among other things, countries and investment types. Barclays' credit risk department establishes overall limits for each depository, custodian and counterparty that the FCM may face.

### **IV. Material Risks**

Although BCI takes measures to minimize the risks that its activities have on its clients, by

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<sup>1</sup> With respect to cleared OTC derivatives, please note that BCI has waived its unilateral right to use and invest the portion of a customer's cash initial margin that is passed through to a central counterparty.

entrusting funds with any FCM a client is subjecting itself to risks associated with that FCM. Perhaps one of the most serious risks posed to a client of an FCM is that the FCM becomes insolvent. Accordingly, when selecting an FCM, it is important for clients to understand, among other things, those risks posed by the FCM's creditworthiness, investment of client funds and the FCM's own funds, leverage, capital, liquidity and other lines of business.

Currently BCI holds FCM client funds solely in cash or cash equivalents, including money market mutual funds. Further, BCI has procedures in place, including daily calculations, so that at no time is more than 50% of investable client assets invested in non-cash equivalent instruments. In this way, BCI maintains sufficient cash or cash equivalents so it is able to return at least 50% of client cash that is not being used to margin positions within a day without having to liquidate non-cash instruments.

In order to ensure that it is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing obligations, BCI holds a significant portion of its own assets in cash and cash equivalents, such as on demand deposits and also holds assets in US government securities, including treasury securities and certain agency securities. BCI also invests in other short-term highly liquid instruments such as money market instruments, commercial paper, and certificates of deposit and invests a limited amount of its funds in state and municipal securities and certain highly-rated corporate debt securities. Some investments in which BCI places its assets, including certain asset-backed securities and mortgage-backed securities, may be less liquid instruments with limited price transparency. In such instances, there is a risk that if BCI needs to liquidate such investments in times of stress it may not be able to do so quickly or at the current valuation.

As a client of BCI, you are also subject to certain risks based upon the creditworthiness of BCI, its capital, leverage ratios and access to liquid assets as well as risks posed to BCI by non-FCM business lines. BCI, as both an SEC registered broker dealer and CFTC registered FCM is required to maintain minimum adjusted net capital. The purpose of this capital is to ensure that BCI maintains sufficient liquid assets so as to meet its financial obligations that arise in its day-to-day activities. For example, timing differences between when the FCM must post margin at a clearinghouse for its client positions and when clients provide the FCM with the required margin require the FCM to post margin at the clearinghouse before it receives the applicable margin from the client. If an FCM does not have sufficient capital and access to liquid assets it may be unable to meet its obligations, which could result in the client positions and assets being put at risk, including possibly being subject to a bankruptcy proceeding.

BCI maintains a liquidity pool which consists primarily of unencumbered securities, including US treasuries, US agency debt, and US agency MBS, as well as cash and cash equivalents. Liquidity stress scenarios are used to assess the appropriate level for these liquidity pools. BCI's FCM maintains sufficient cash or cash equivalents so as to be able to return at least 50% of client cash that is not being used to margin positions within a day without having to liquidate non-cash instruments. Additionally, BCI has access to credit, such as letters of credit.

The leverage ratio of an FCM provides information on how much of an FCM's assets is made up

of borrowed funds or debt. Leverage ratio is calculated as the total balance sheet assets, less any instruments guaranteed by the U.S. government and held as an asset or to collateralize an asset (e.g., a reverse repo) divided by total capital (the sum of stockholder's equity and subordinated debt). The lower the leverage ratio, the less debt a firm has. If an FCM is excessively leveraged it may not be able to access liquid assets, particularly in a time of stress. As of December 31, 2023, BCI's leverage ratio as reported to CFTC and National Futures Association (NFA) is 5.75%.

Creditworthiness of an entity is an important part of its ability to access liquidity. The creditworthiness of an entity is assessed based upon the entity's range of business and financial attributes including risk management processes and procedures, capital strength, earnings, funding, liquidity, accounting and governance. BCI subscribes to an independent credit rating agency review by Standard and Poor's. The most recent review rated BCI as "A-" for long-term counterparty credit and "A-2" for short-term counterparty credit.

In addition to being an FCM, BCI is a registered broker dealer that engages in various securities trading and brokerage activities. Securities transactions, both as principal and as agent, are executed with individuals and institutions including other brokers and dealers, central clearers and exchanges, commercial banks, insurance companies, pension plans, mutual funds, hedge funds and other financial institutions. In the event that counterparties to the transactions do not fulfill their obligations, BCI may be exposed to credit risk. The exposure to credit risk associated with the nonperformance of counterparties in fulfilling their contractual obligations can be directly affected by volatile trading markets and/or the extent to which such obligations are unsecured. BCI monitors its counterparty risk through the use of a variety of credit and market exposure reporting and control procedures, including marking to market securities and collateral and requiring adjustments of collateral levels as considered appropriate. In connection with its derivatives trading activities, BCI may enter into master netting agreements and collateral arrangements with counterparties, that provide BCI with the ability to offset counterparty's rights and obligations, request additional collateral when necessary, or liquidate the collateral in the event of counterparty default. In addition, BCI reviews the credit standing of each counterparty and customer with whom it conducts business as considered necessary.

As noted above, BCI's FCM is only a part of the much larger Barclays Group. More specifically, the FCM business is part of Barclays' Investment Bank which is operated across a number of Barclays' affiliates, with BCI and BBPLC being the two main entities. At a high level, since BCI is a subsidiary and/or affiliate of other Barclays' entities it is subject to the risk that if such an entity, particularly BBPLC, were to become insolvent, there would likely be a knock-on effect for BCI. Additionally, through the normal course of its business, BCI enters into certain transactions and activities with its affiliates. BCI enters into certain financing arrangements with its parent, including a line of credit. BCI receives cash, securities, and a third-party letter of credit pledged by BBPLC for the purposes of meeting BBPLC's margin requirements. BCI also executes and clears products for its affiliates as well as its affiliates' clients on US exchanges and BCI also places customer funds with BBPLC to provide its clients with access to certain non-US exchanges. To the extent that client funds are placed with an affiliate of BCI, the interconnected nature of BCI and its affiliates may pose additional risk to the client. For example, there is a greater likelihood that if one entity were to become insolvent so would the other than if such

funds were placed with an unaffiliated third-party.

## V. Material Complaints and Enforcement Actions

As noted above, BCI is a registered US broker-dealer and FCM, and is a subsidiary of BBPLC (together with its subsidiaries “Barclays” or the “Group”). BCI is or has been involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses. In addition, BCI and certain of its affiliates are subject to a number of investigations and reviews by, and in some cases have received subpoenas and requests for documents and information from, various governmental and regulatory bodies and self-regulatory organizations relating to matters concerning their businesses. Pursuant to 17 CFR 1.55(k)(7), the following disclosure is intended to provide information that may be material to an FCM customer regarding administrative, civil, enforcement or criminal actions filed against BCI, that have not concluded, and enforcement complaints or actions filed against BCI, during the last three years. This is not a comprehensive list of all proceedings to which BCI is or has been a party. Additional information on regulatory, civil and arbitration proceedings involving Barclays, including the proceedings described below, proceedings involving BCI that are not required to be disclosed under 17 CFR 1.55(k)(7) and proceedings involving other Barclays entities, is available through the National Futures Association’s Background Affiliation Status Information Center (which can be accessed electronically at [www.nfa.futures.org/basicnet](http://www.nfa.futures.org/basicnet)), the Financial Industry Regulatory Authority’s (FINRA) BrokerCheck (which can be accessed electronically at <http://brokercheck.finra.org/Search/Search.aspx>) and under the caption “Legal, competition and regulatory matters” in the notes to the financial statements in the Group’s Annual Report on Form 20-F filed with the US Securities and Exchange Commission (the “SEC”) (which can be accessed electronically at <http://www.sec.gov>).

\* \* \*

### *Legal, competition and regulatory matters*

Barclays PLC, Barclays Bank PLC and the Group face legal, competition and regulatory challenges, many of which are beyond our control. The extent of the impact on Barclays PLC, Barclays Bank PLC and the Group of these matters cannot always be predicted but may materially impact our operations, financial results, condition and prospects. Matters arising from a set of similar circumstances can give rise to either a contingent liability or a provision, or both, depending on the relevant facts and circumstances. The Group has not disclosed an estimate of the potential financial effect on the Group of contingent liabilities where it is not currently practicable to do so.

### **Investigations into certain advisory services agreements**

#### ***FCA proceedings***

In 2008, Barclays Bank PLC and Qatar Holdings LLC entered into two advisory service agreements (the Agreements). The Financial Conduct Authority (FCA) conducted an

investigation into whether the Agreements may have related to Barclays PLC's capital raisings in June and November 2008 (the Capital Raisings) and therefore should have been disclosed in the announcements or public documents relating to the Capital Raisings. In 2013, the FCA issued warning notices (the Warning Notices) finding that Barclays PLC and Barclays Bank PLC acted recklessly and in breach of certain disclosure-related listing rules, and that Barclays PLC was also in breach of Listing Principle 3. The financial penalty provided in the Warning Notices was £50m. Barclays PLC and Barclays Bank PLC contested the findings. In September 2022, the FCA's Regulatory Decisions Committee (RDC) issued Decision Notices finding that Barclays PLC and Barclays Bank PLC breached certain disclosure-related listing rules. The RDC also found that in relation to the disclosures made in the Capital Raising of November 2008, Barclays PLC and Barclays Bank PLC acted recklessly, and that Barclays PLC breached Listing Principle 3. The RDC upheld the combined penalty of £50m on Barclays PLC and Barclays Bank PLC, the same penalty as in the Warning Notices. Barclays PLC and Barclays Bank PLC have referred the RDC's findings to the Upper Tribunal for reconsideration.

### **Investigations into LIBOR and other benchmarks and related civil actions**

Regulators and law enforcement agencies, including certain competition authorities, from a number of governments have conducted investigations relating to Barclays Bank PLC's involvement in allegedly manipulating certain financial benchmarks, such as LIBOR. Various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Barclays Bank Group and other banks in relation to the alleged manipulation of LIBOR and/or other benchmarks.

#### ***USD LIBOR civil actions***

The majority of the USD LIBOR cases, which have been filed in various US jurisdictions, have been consolidated for pre-trial purposes in the US District Court in the Southern District of New York (SDNY). The complaints are substantially similar and allege, among other things, that Barclays PLC, Barclays Bank PLC, Barclays Capital Inc. (BCI) and other financial institutions individually and collectively violated provisions of the US Sherman Antitrust Act (Antitrust Act), the US Commodity Exchange Act (CEA), the US Racketeer Influenced and Corrupt Organizations Act (RICO), the US Securities Exchange Act of 1934 and various state laws by manipulating USD LIBOR rates.

Putative class actions and individual actions seek unspecified damages with the exception of one lawsuit, in which the plaintiffs are seeking no less than \$100m in actual damages and additional punitive damages against all defendants, including Barclays Bank PLC. Some of the lawsuits also seek trebling of damages under the Antitrust Act and RICO. Barclays Bank PLC has previously settled certain claims. The financial impact of these settlements is not material to the Barclays Bank Group's operating results, cash flows or financial position.

#### ***Sterling LIBOR civil actions***

In 2016, two putative class actions filed in the SDNY against Barclays Bank PLC, BCI and other Sterling LIBOR panel banks alleging, among other things, that the defendants manipulated the Sterling LIBOR rate in violation of the Antitrust Act, CEA and RICO, were consolidated. The

defendants' motion to dismiss the claims was granted in 2018. The plaintiffs have appealed the dismissal.

### ***Japanese Yen LIBOR civil actions***

In 2012, a putative class action was filed in the SDNY against Barclays Bank PLC and other Japanese Yen LIBOR panel banks by a lead plaintiff involved in exchange-traded derivatives and members of the Japanese Bankers Association's Euroyen Tokyo Interbank Offered Rate (Euroyen TIBOR) panel. The complaint alleges, among other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of the CEA and the Antitrust Act. In 2014, the court dismissed the plaintiff's antitrust claims, and, in 2020, the court dismissed the plaintiff's remaining CEA claims.

In 2015, a second putative class action, making similar allegations to the above class action, was filed in the SDNY against Barclays PLC, Barclays Bank PLC and BCI. Barclays and the plaintiffs reached a settlement of \$17.75m for both actions, which received final court approval in March 2023. This matter is now concluded.

### ***ICE LIBOR civil actions***

In August 2020, an action related to the LIBOR benchmark administered by the Intercontinental Exchange Inc. and certain of its affiliates (ICE) was filed by a group of individual plaintiffs in the US District Court for the Northern District of California on behalf of individual borrowers and consumers of loans and credit cards with variable interest rates linked to USD ICE LIBOR. The plaintiffs' motion seeking, among other things, preliminary and permanent injunctions to enjoin the defendants from continuing to set LIBOR or enforce any financial instrument that relies in whole or in part on USD LIBOR was denied. The defendants' motion to dismiss the case was granted in September 2022. The plaintiffs have filed an amended complaint, which the defendants have moved to dismiss.

### ***Non-US benchmarks civil actions***

There remains one claim, issued in 2017 against Barclays Bank PLC and other banks in the UK in connection with alleged manipulation of LIBOR. Proceedings have also been brought in a number of other jurisdictions in Europe, Argentina and Israel relating to alleged manipulation of LIBOR and EURIBOR. Additional proceedings in other jurisdictions may be brought in the future.

### ***Credit Default Swap civil action***

A putative antitrust class action is pending in New Mexico federal court against Barclays Bank PLC, BCI and various other financial institutions. The plaintiffs, the New Mexico State Investment Council and certain New Mexico pension funds, allege that the defendants conspired to manipulate the benchmark price used to value Credit Default Swap (CDS) contracts at settlement (i.e. the CDS final auction price). The plaintiffs allege violations of US antitrust laws and the CEA, and unjust enrichment under state law. The defendants' motion to dismiss was denied in June 2023.

### ***Foreign Exchange investigations and related civil actions***

The Barclays Bank Group has been the subject of investigations in various jurisdictions in relation to certain sales and trading practices in the Foreign Exchange market. Settlements were reached in various jurisdictions in connection with these investigations, including the EU and US. The financial impact of any remaining ongoing investigations is not expected to be material to the Barclays Bank Group's operating results, cash flows or financial position. Various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Barclays Bank Group and other banks in relation to alleged manipulation of Foreign Exchange markets.

#### ***US FX opt out civil action***

In 2018, Barclays Bank PLC and BCI settled a consolidated action filed in the SDNY, alleging manipulation of Foreign Exchange markets (Consolidated FX Action), for a total amount of \$384m. Also in 2018, a group of plaintiffs who opted out of the Consolidated FX Action filed a complaint in the SDNY against Barclays PLC, Barclays Bank PLC, BCI and other defendants. Some of the plaintiffs' claims were dismissed in 2020. Barclays PLC, Barclays Bank PLC, and BCI have reached a settlement of all claims against them in the matter. A settlement payment was made in April 2023 and the matter is now concluded. The financial impact of this settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position.

#### ***US retail basis civil action***

In 2015, a putative class action was filed against several international banks, including Barclays PLC and BCI, on behalf of a proposed class of individuals who exchanged currencies on a retail basis at bank branches (Retail Basis Claims). The SDNY has ruled that the Retail Basis Claims are not covered by the settlement agreement in the Consolidated FX Action. The Court subsequently dismissed all Retail Basis Claims against the Barclays Bank Group and all other defendants. The plaintiffs filed an amended complaint. The defendants' motion for summary judgment was granted in March 2023, dismissing the plaintiffs' remaining claims. The plaintiffs are appealing the decision.

#### ***Non-US FX civil actions***

Legal proceedings have been brought or are threatened against Barclays PLC, Barclays Bank PLC, BCI and Barclays Execution Services Limited (BX) in connection with alleged manipulation of Foreign Exchange in the UK, a number of other jurisdictions in Europe, Israel, Brazil and Australia. Additional proceedings may be brought in the future.

The above-mentioned proceedings include two purported class actions filed against Barclays PLC, Barclays Bank PLC, BX, BCI and other financial institutions in the UK Competition Appeal Tribunal (CAT) in 2019. The CAT refused to certify these claims in the first quarter of 2022. In July 2023, the Court of Appeal overturned the CAT's decision and found that the claims should be certified on an opt out basis. The Court of Appeal upheld the CAT's determination as to which of the two purported class representatives should be chosen to bring the claim. Subject to further appeal, only the claim brought by the chosen class representative will now proceed in the CAT. Also in 2019, a separate claim was filed in the UK in the High Court of Justice (High Court), and subsequently transferred to the CAT, by various banks and asset management firms against Barclays Bank PLC and other financial institutions alleging breaches of European and

UK competition laws related to FX trading. This claim has been settled as part of the settlement payment referred to under the US FX opt out civil action above and the matter is now concluded.

### **Metals-related civil actions**

A US civil complaint alleging manipulation of the price of silver in violation of the CEA, the Antitrust Act and state antitrust and consumer protection laws was brought by a proposed class of plaintiffs against a number of banks, including Barclays Bank PLC, BCI and BX, and transferred to the SDNY. The complaint was dismissed against these Barclays entities and certain other defendants in 2018, and against the remaining defendants in May 2023. The plaintiffs have appealed the dismissal of the complaint against all defendants.

Civil actions have also been filed in Canadian courts against Barclays PLC, Barclays Bank PLC, Barclays Capital Canada Inc. and BCI on behalf of proposed classes of plaintiffs alleging manipulation of gold and silver prices.

### **US residential mortgage related civil actions**

There are two US Residential Mortgage-Backed Securities (RMBS) related civil actions arising from unresolved repurchase requests submitted by Trustees for certain RMBS, alleging breaches of various loan-level representations and warranties (R&Ws) made by Barclays Bank PLC and/or a subsidiary acquired in 2007. In one action, the parties have agreed to settle the litigation. The financial impact of the settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position. The other repurchase action is pending.

### **Government and agency securities civil actions**

#### ***Treasury auction securities civil actions***

Consolidated putative class action complaints filed in US federal court against Barclays Bank PLC, BCI and other financial institutions under the Antitrust Act and state common law allege that the defendants (i) conspired to manipulate the US Treasury securities market and/or (ii) conspired to prevent the creation of certain platforms by boycotting or threatening to boycott such trading platforms. The court dismissed the consolidated action in March 2021. The plaintiffs filed an amended complaint. The defendants' motion to dismiss the amended complaint was granted in March 2022. The plaintiffs are appealing this decision.

In addition, certain plaintiffs have filed a related, direct action against BCI and certain other financial institutions, alleging that defendants conspired to fix and manipulate the US Treasury securities market in violation of the Antitrust Act, the CEA and state common law. This action remains stayed.

### **Odd-lot corporate bonds antitrust class action**

In 2020, BCI, together with other financial institutions, were named as defendants in a putative class action. The complaint alleges a conspiracy to boycott developing electronic trading platforms for odd-lots and price fixing. The plaintiffs demand unspecified money damages. The defendants' motion to dismiss was granted in 2021 and the plaintiffs have appealed the dismissal.

### ***Supranational, Sovereign and Agency bonds civil actions***

Civil antitrust actions have been filed in the SDNY and Federal Court of Canada in Toronto against Barclays Bank PLC, BCI, BX, Barclays Capital Securities Limited and, with respect to the civil action filed in Canada only, Barclays Capital Canada, Inc. and other financial institutions alleging that the defendants conspired to fix prices and restrain competition in the market for US dollar-denominated Supranational, Sovereign and Agency bonds. The SDNY actions were dismissed and these matters are now concluded.

In the Federal Court of Canada action, the parties have reached a settlement in principle, which will require court approval. The financial impact of the settlement is not expected to be material to the Barclays Bank Group's operating results, cash flows or financial position.

#### ***Variable Rate Demand Obligations civil actions***

Civil actions have been filed against Barclays Bank PLC and BCI and other financial institutions alleging the defendants conspired or colluded to artificially inflate interest rates set for Variable Rate Demand Obligations (VRDOs). VRDOs are municipal bonds with interest rates that reset on a periodic basis, most commonly weekly. Two actions in state court have been filed by private plaintiffs on behalf of the states of Illinois and California. Three putative class action complaints have been consolidated in the SDNY. In the consolidated SDNY class action, certain of the plaintiffs' claims were dismissed in November 2020 and June 2022 and the plaintiffs' motion for class certification is pending. In the California action, the California appeals court reversed the dismissal of the plaintiffs' claims in April 2023. In the Illinois action, the defendants have reached a settlement in principle with the Attorney General for the State of Illinois to resolve the litigation, which is subject to approval by the court. The financial impact of the settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position.

#### **Odd-lot corporate bonds antitrust class action**

In 2020, BCI, together with other financial institutions, were named as defendants in a putative class action. The complaint alleges a conspiracy to boycott developing electronic trading platforms for odd-lots and price fixing. The plaintiffs demand unspecified money damages. The defendants' motion to dismiss was granted in 2021 and the plaintiffs have appealed the dismissal.

#### **Interest rate swap and credit default swap**

US civil actions Barclays PLC, Barclays Bank PLC and BCI, together with other financial institutions that act as market makers for interest rate swaps (IRS), are named as defendants in several antitrust class actions which were consolidated in the SDNY in 2016. The complaints allege the defendants conspired to prevent the development of exchanges for IRS and demand unspecified money damages.

In 2018, trueEX LLC filed an antitrust class action in the SDNY against a number of financial institutions including Barclays PLC, Barclays Bank PLC and BCI based on similar allegations with respect to trueEX LLC's development of an IRS platform. In 2017, Tera Group Inc. filed a separate civil antitrust action in the SDNY claiming that certain conduct alleged in the IRS cases also caused the plaintiff to suffer harm with respect to the Credit Default Swaps market. In 2018 and 2019, respectively, the court dismissed certain claims in both cases for unjust enrichment

and tortious interference but denied motions to dismiss the federal and state antitrust claims, which remain pending.

### **BDC Finance L.L.C.**

In 2008, BDC Finance L.L.C. (BDC) filed a complaint in the Supreme Court of the State of New York (NY Supreme Court), demanding damages of \$298m, alleging that Barclays Bank PLC had breached a contract in connection with a portfolio of total return swaps governed by an ISDA Master Agreement (the Master Agreement). Following a trial, the court ruled in 2018 that Barclays Bank PLC was not a defaulting party, which was affirmed on appeal. In April 2021, the trial court entered judgement in favour of Barclays Bank PLC for \$3.3m and as yet to be determined legal fees and costs. BDC appealed. In January 2022, the appellate court reversed the trial court's summary judgment decision in favour of Barclays Bank PLC and remanded the case to the lower court for further proceedings. The parties have filed cross-motions on the scope of trial. The trial has been adjourned pending a decision on the motions and any subsequent appeal.

In 2011, BDC's investment advisor, BDCM Fund Adviser, LLC and its parent company, Black Diamond Capital Holdings, LLC also sued Barclays Bank PLC and BCI in Connecticut State Court for unspecified damages allegedly resulting from Barclays Bank PLC's conduct relating to the Master Agreement, asserting claims for violation of the Connecticut Unfair Trade Practices Act and tortious interference with business and prospective business relations. This case is currently stayed.

### **Civil actions in respect of the US Anti-Terrorism Act**

There are a number of civil actions, on behalf of more than 4,000 plaintiffs, filed in US federal courts in the US District Court in the Eastern District of New York (EDNY) and SDNY against Barclays Bank PLC and a number of other banks. The complaints generally allege that Barclays Bank PLC and those banks engaged in a conspiracy to facilitate US dollar-denominated transactions for the Iranian Government and various Iranian banks, which in turn funded acts of terrorism that injured or killed the plaintiffs or the plaintiffs' family members. The plaintiffs seek to recover damages for pain, suffering and mental anguish under the provisions of the US Anti-Terrorism Act, which allow for the trebling of any proven damages.

The court granted the defendants' motions to dismiss three out of the six actions in the EDNY. The plaintiffs appealed in one action and the dismissal was affirmed, and judgment was entered, in January 2023. The court later gave the plaintiffs until December 2023 to make a motion to vacate the judgment. The plaintiffs have also petitioned for US Supreme Court review. In the other two dismissed actions in the EDNY, the court gave plaintiffs until September 2023 to serve amended complaints. This was also the case for the fourth action in the EDNY. Those actions, as well as the two other actions in the EDNY, are currently stayed. Out of the two actions in the SDNY, the court granted the defendants' motion to dismiss the first action. That action is stayed and the second SDNY action is stayed pending any appeal on the dismissal of the first.

### **Shareholder derivative action**

In November 2020, a purported Barclays shareholder filed a putative derivative action in New York state court against BCI and a number of current and former members of the Board of

Directors of Barclays PLC and senior executives or employees of the Barclays Bank Group. The shareholder filed the claim on behalf of nominal defendant Barclays PLC, alleging that the individual defendants harmed the company through breaches of their duties, including under the Companies Act 2006. The plaintiff seeks damages on behalf of Barclays PLC for the losses that Barclays PLC allegedly suffered as a result of these alleged breaches. An amended complaint was filed in April 2021, which BCI and certain other defendants moved to dismiss. The motion to dismiss was granted in April 2022. The plaintiff appealed the decision, and the dismissal was unanimously affirmed in June 2023 by the First Judicial Department in New York. The plaintiff has sought leave to appeal the First Judicial Department's decision to the New York Court of Appeals.

### **Derivative transactions civil action**

In 2021, Vestia a Dutch housing association brought a claim against Barclays Bank PLC in the UK in the High Court in relation to a series of derivative transactions entered into with Barclays Bank PLC between 2008 and 2011, seeking damages of £329m. Barclays Bank PLC is defending the claim and has made a counterclaim.

### **Skilled person review in relation to historic timeshare loans and associated matters**

Clydesdale Financial Services Limited (CFS), which trades as Barclays Partner Finance and houses Barclays' point-of-sale finance business, was required by the FCA to undertake a skilled person review in 2020 following concerns about historic affordability assessments for certain loans to customers in connection with timeshare purchases. The skilled person review was concluded in 2021. CFS complied fully with the skilled person review requirements, including carrying out certain remediation measures. CFS was not required to conduct a full back book review. Instead, CFS reviewed limited historic lending to ascertain whether its practices caused customer harm and is remediating any examples of harm. This work is expected to be substantially completed during 2023, utilising provisions booked to account for any remediations.

### **Over-issuance of securities in the US**

In March 2022, executive management became aware that Barclays Bank PLC had issued securities materially in excess of the set amount under its US shelf registration statements. As a result, Barclays Bank PLC commenced a rescission offer on 1 August 2022, by which Barclays Bank PLC offered to repurchase relevant affected securities from certain holders, which expired on 12 September 2022. Further, in September 2022, the SEC announced the resolution of its investigation of Barclays PLC and Barclays Bank PLC relating to such over-issuance of securities. The Barclays Bank Group has engaged with, and responded to inquiries and requests for information from, various other regulators who may seek to impose fines, penalties and/or other sanctions as a result of this matter.

Furthermore, Barclays Bank PLC and/or its affiliates may incur costs and liabilities in relation to private civil claims which have been filed and may face other potential private civil claims, class actions or other enforcement actions in relation to the over-issuance of securities. By way of example, in September 2022, a purported class action claim was filed in the US District Court in Manhattan seeking to hold Barclays PLC, Barclays Bank PLC and former and current executives

responsible for declines in the prices of Barclays PLC's American depository receipts, which the plaintiffs claim occurred as a result of alleged misstatements and omissions in its public disclosures. The defendants have moved to dismiss the case. In addition, holders of a series of ETNs have brought claims against Barclays PLC, Barclays Bank PLC, and former and current executives and board members in the US alleging, among other things, that Barclays' failure to disclose that these ETNs were unregistered securities misled investors and that, as a result, Barclays is liable for the holders' alleged losses following the suspension of further sales and issuances of such series of ETNs. Two such actions are purported class actions that the plaintiffs have moved to consolidate into a single action in federal court in New York.

A contingent liability exists in relation to civil claims or any further enforcement actions taken against Barclays Bank PLC and/or its affiliates, but Barclays Bank PLC is unable to assess the likelihood of liabilities that may arise out of such claims or actions.

Any liabilities, claims or actions in connection with the over-issuance of securities under Barclays Bank PLC's US shelf registration statements could have an adverse effect on Barclays Bank PLC's and the Barclays Bank Group's business, financial condition, results of operations and reputation as a frequent issuer in the securities markets.

#### **HM Revenue & Customs (HMRC) assessments concerning UK Value Added Tax**

In 2018, HMRC issued notices that have the effect of removing certain overseas subsidiaries that have operations in the UK from Barclays' UK VAT group, in which group supplies between members are generally free from VAT. The notices have retrospective effect and correspond to assessments of £181m (inclusive of interest), of which Barclays would expect to attribute an amount of approximately £128m to Barclays Bank UK PLC and £53m to Barclays Bank PLC. HMRC's decision has been appealed to the First Tier Tribunal (Tax Chamber).

#### **FCA investigation into transaction monitoring**

The FCA has been investigating Barclays' compliance with UK money laundering regulations and the FCA's rules and Principles for Businesses in an investigation which is focused on aspects of Barclays' transaction monitoring in relation to certain business lines now in Barclays Bank UK PLC. Barclays has been co-operating with the investigation and responding to information requests.

#### **General**

The Barclays Group is engaged in various other legal, competition and regulatory matters both in the UK and a number of overseas jurisdictions. It is subject to legal proceedings by and against the Group which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data protection, money laundering, financial crime, employment, environmental and other statutory and common law issues. Additional information regarding legal proceedings against the Barclays Group can be found in Barclays PLC's results announcements at <http://www.home.barclays/barclays-investor-relations/results-and-reports/results.html>

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## VI. Segregation of Client Funds

### Customer Accounts

FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

- (i) a Customer Segregated Account for customers that trade futures and options on futures listed on US futures exchanges;
- (ii) a 30.7 Account for customers that trade futures and options on futures listed on foreign boards of trade; and
- (iii) a Cleared Swaps Customer Account for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, Customer Funds) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the Commission may permit by order. For example, the Commission has issued orders authorizing ICE Clear Europe Limited, which is registered with the Commission as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures US and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

### *Customer Segregated Account*

Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, *i.e.*, designated contract markets, are held in a Customer Segregated Account in accordance with section 4d(a)(2) of the Commodity Exchange Act and Commission Rule 1.20. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) an FCM; or

(iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;<sup>2</sup> or (iii) in the country of origin of the currency.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies<sup>3</sup> may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

### *30.7 Account*

Funds that 30.7 Customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, 30.7 Customer Funds, and sometimes referred to as the foreign futures and foreign options secured amount, are held in a 30.7 Account in accordance with Commission Rule 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of \$1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. Return of 30.7 Customer Funds to the US may be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to ensure that appropriate authorization has been obtained before returning the 30.7

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<sup>2</sup> Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

<sup>3</sup> Money center currencies mean the currency of any money center country and the Euro.

Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, Commission Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

#### *i. Cleared Swaps Customer Account*

Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, i.e., Cleared Swaps Customer Collateral, are held in a Cleared Swaps Customer Account in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

#### *ii. Investment of Customer Funds*

Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Rule 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

- (i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);
- (ii) General obligations of any State or of any political subdivision thereof (municipal securities);
- (iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);<sup>4</sup>
- (iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;
- (v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);
- (vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and
- (vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, *i.e.*, Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of Commission Rule 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.<sup>5</sup>

### *iii. No SIPC Protection.*

Although BCI is a registered broker-dealer, it is important to understand that the funds you

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<sup>4</sup> Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association are permitted only while these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.

<sup>5</sup> As discussed below, NFA publishes twice-monthly a report, which shows for each FCM, *inter alia*, the percentage of Customer Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM.

deposit with BCI as an FCM for trading futures and options on futures contracts on either US or foreign markets or cleared swaps are not protected by the Securities Investor Protection Corporation.

Further, Commission rules require BCI to hold funds deposited to margin futures and options on futures contracts traded on US designated contract markets in Customer Segregated Accounts. Similarly, BCI must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, BCI may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (e.g., securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned undermargined account.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at [www.futuresindustry.org](http://www.futuresindustry.org).

## **VII. Filing a Complaint**

A client that wishes to file a complaint about BCI with the CFTC can contact the Division of Enforcement either electronically at <https://forms.cftc.gov/fp/complaintform.aspx> or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A client that wishes to file a complaint about BCI with NYMEX, BCI's DSRO, may do so electronically at: <http://www.cmegroup.com/market-regulation/file-complaint.html> or by calling the CME at 312-341-3286.

## **VIII. Financial Data as of December 31, 2023**

BCI's annual audited financial statements, as well as current financial information required to be made publicly available by CFTC Rule 1.55(o), may be found on BCI's website at [www.barcap.com](http://www.barcap.com).<sup>6</sup>

NFA publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual

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<sup>6</sup> The FCM does not enter into non-hedged, principal over-the-counter transactions; neither does it provide financing for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices.

Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM. The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found in NFA's BASIC system (<http://www.nfa.futures.org/basicnet/>) by viewing the "FCM Financial Data Reporting" section on BCI's BASIC Details page.

Additionally, financial information regarding all FCMs is available from the CFTC on its website at <http://www.cftc.gov/MarketReports/financialfcmdata/index.htm>.

Below is financial data regarding BCI as of December 31, 2023:

- Total Equity/Net Worth: \$6,427,711,681
- Regulatory Capital: \$11,977,711,680
- BCI's proprietary (house accounts) margin requirements as a percentage of the aggregate margin requirement for each regulatory client account origin are:
  - Segregated: 18.28%
  - Cleared Swaps customers: 0.37%
  - 30.7 Secured: 0.09%.

As defined in CFTC Rules, proprietary margin includes margin held for positions of BCI affiliates.

- The smallest number of futures customers that comprise 50 percent of the BCI's total funds held in segregated accounts is:3
- The smallest number of cleared swaps customers that comprise 50 percent of the BCI's total funds held for cleared swaps customers is: 15
- The smallest number of 30.7 customers that comprise 50 percent of the BCI's total funds held for 30.7 customers are: 19
- BCI has not obtained any committed unsecured lines of credit or similar short-term funding.
- Over the past 12 months, BCI has written-off 0% of futures customer, cleared swaps customer or 30.7 customer receivable balances.

## **IX. BCI's Current Risk Practices, Controls and Procedures**

Barclays has in place a comprehensive approach to risk management that identifies, assesses and measures risks related to credit, market, operational, liquidity and capital and has in place

controls and plans for taking on appropriate risk in each area in line with internal and external stakeholder expectations. As part of the Barclays wide risk management program, policies and procedures have been established to ensure that the FCM operates within the overall risk appetite set out by the firm and Barclays's senior management and to ensure that the FCM's exposure to risk is managed within an approved governance structure. Having a risk management framework is considered a key control in the day-to-day operation of the FCM. The Barclays risk management framework has been designed to ensure the identification, monitoring, limitation and escalation of key risk exposures and potential losses to senior management and, in some cases, regulatory bodies. BCI's risk is managed on a business line, entity and global enterprise level. Further, Barclays has in place an internal independent function that facilitates, identifies, measures and mitigates operational risk across all areas of Barclays within a risk and control framework. BCI's risk management controls and procedures include, among other things the setting and monitoring of credit, trading and clearing limits based upon counterparty and portfolio exposures and concentration. Additionally, BCI monitors customer and affiliate margin requirements as well as its liquidity pool and conducts regular stress tests to assure that it has the ability to cover expected margin requirements.

A complete description of the Barclays global risk management strategy may be found in Barclays' Annual Report at: <http://www.barclays.com/barclays-investor-relations/results-and-reports/annual-reports.html>

This Disclosure Document was first used on February 21, 2024. The financial data was prepared and reviewed by the firm in February 2024.