
BARCLAYS WEALTH INTERNATIONAL

European Union Savings Directive

Frequently asked questions

Introduction to the European Union Savings Directive (EUSD)

- **What is the European Union Savings Directive?**

The European Union Savings Directive (EUSD) is a mandatory directive implemented by the European Union in co-operation with some non-EU members, to ensure that cross border savings income is taxed effectively.

Does the European Union Savings Directive Affect You?

The Directive will generally apply if you are resident in an EUSD affected country and benefit from savings income paid in another country covered by EUSD.

If you have an account in Guernsey, Jersey or the Isle of Man, you will be affected if:

1. You are a Personal customer, Sole Trader, Personal trustee, trust beneficiary or personal executor; AND
2. You own an interest bearing product; AND
3. You permanently reside in an EU Country

If you have an account in the UK or Gibraltar, you will be affected if:

1. You are a Personal customer, Sole Trader, Personal trustee, trust beneficiary or personal executor; AND
2. You own an interest bearing product; AND
3. You permanently reside in one of the other 26 EU countries (that is NOT the UK or Gibraltar) or a dependent territory or you are resident in the UK with an account in Gibraltar.

These are general descriptions. Some types of customers and products are not covered by the Directive.

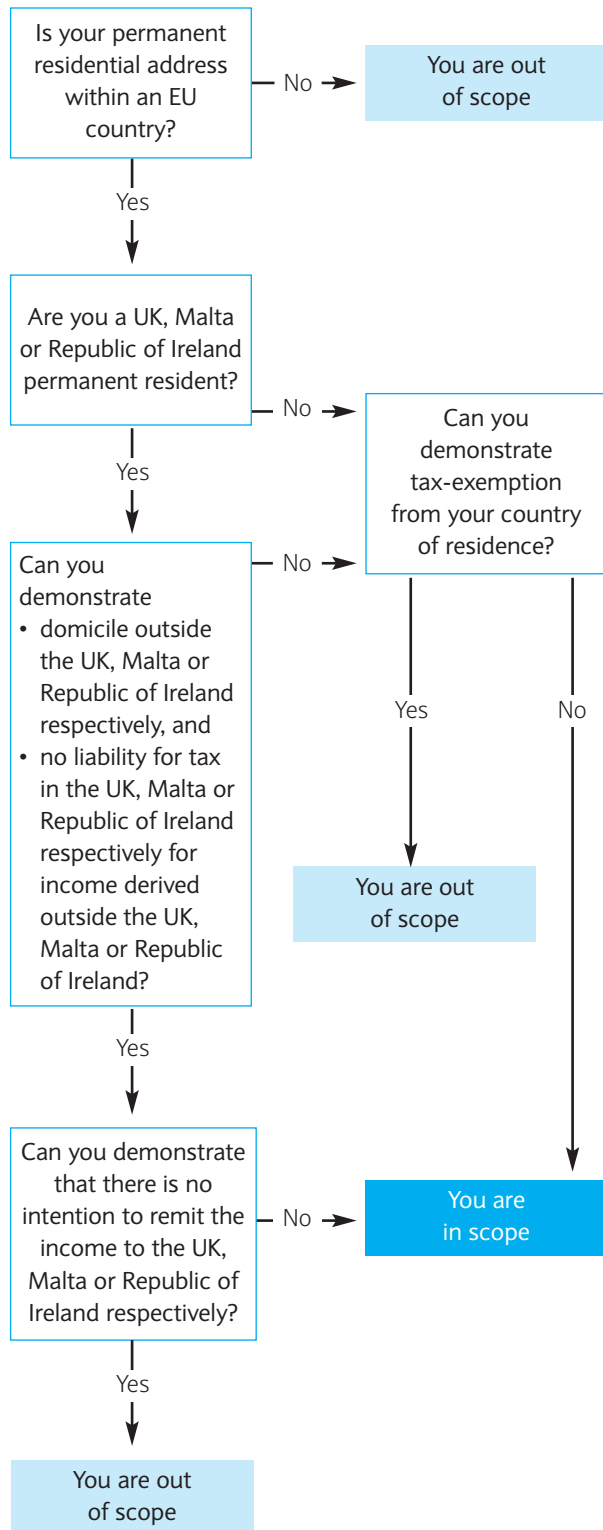
If you are unsure, please contact us.

- **How can I confirm if I am out of scope of the Directive?**

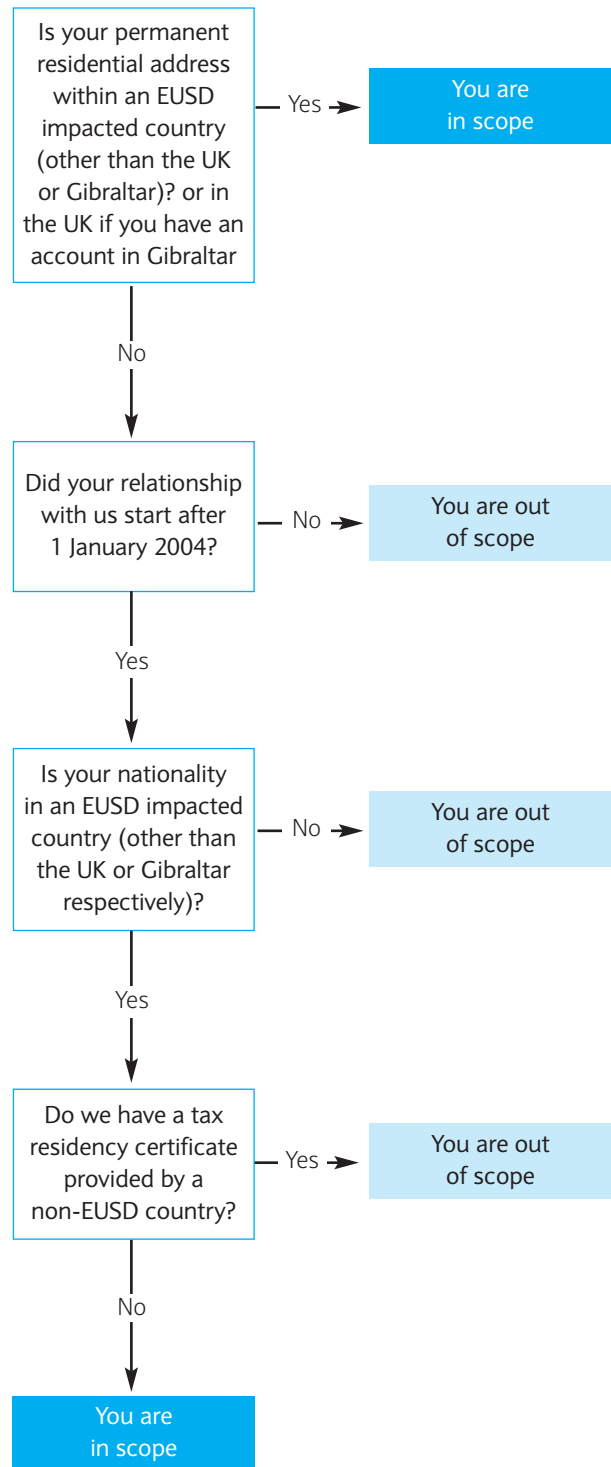
The flow charts opposite show the conditions that must be met in order to be exempt from the Directive.

Note: The European Union Savings Directive is changing and the information provided here is only effective after 1 July 2011. From that date, countries such as Jersey, continuing to apply the Withholding Tax option (also known as 'Retention Tax') will apply a 35% tax to any savings payments made after that date (increased from 20%); the Isle of Man and Guernsey will no longer allow the withholding tax option and all EUSD affected accounts held in those islands will be subject to information exchange.

For Jersey & Guernsey Accounts

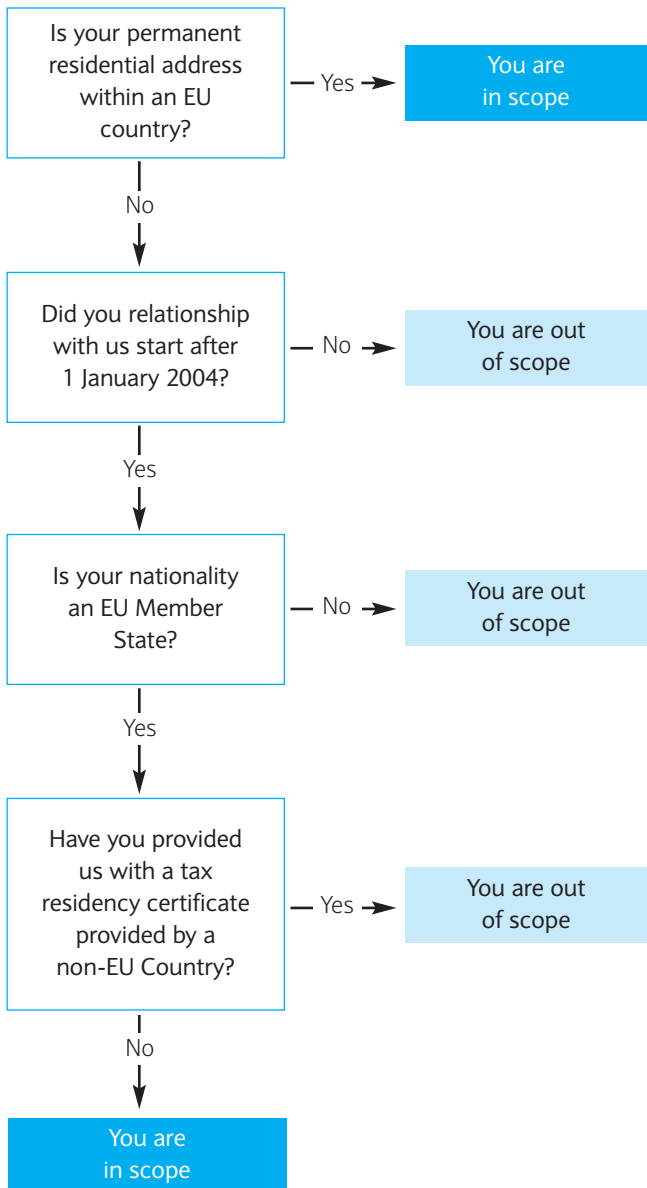


For UK and Gibraltar Accounts



Please note: Barclays assumes that it is only the UK, Malta and Republic of Ireland that have rules to cater for resident non-domiciled customers in so far as they are not taxable on income that they do not remit to the UK or Republic of Ireland respectively.

For Isle of Man Accounts



- **Which countries are covered by the Directive?**

The complete list is shown below.

Countries in (CAPS) are EU countries. Countries in light (lower case) are dependent territories. All other affected countries are listed in **bold**.

Andorra	GERMANY	Montserrat
Anguilla	GREECE	NETHERLANDS
Aruba	Guernsey	Netherlands Antilles**
AUSTRIA	HUNGARY	POLAND
BELGIUM	IRELAND	PORTUGAL*
British Virgin Islands	Isle of Man	ROMANIA
BULGARIA	ITALY*	San Marino
Cayman Islands	Jersey	Switzerland
CYPRUS	LATVIA	SLOVAKIA
CZECH REPUBLIC	Liechtenstein	SLOVENIA
DENMARK	LITHUANIA	SPAIN*
ESTONIA	LUXEMBOURG	SWEDEN
FINLAND*	MALTA	Turks and Caicos Islands
FRANCE*	Monaco	UNITED KINGDOM*

* Finland includes: Aland Islands

France includes: Corsica, French Guiana, Guadeloupe, Martinique, Reunion, French St Martin

Italy includes: Sardinia, Sicily

Portugal includes: Azores, Madeira

Spain includes: Balearic Islands (Formentera, Ibiza, Mallorca (Majorca), Menorca (Minorca)), Canary Islands (Fuerteventura, Gomero, Hierro, Gran Canaria, Lanzarote, La Palma, Tenerife), Spanish North Africa (Ceuta, Melilla)

UK includes: Gibraltar

**Following dissolution on 10 October 2010, the former Netherlands Antilles now refers to Bonaire, Curacao, Saba, St Eustatius and St Maarten

- **What is a tax residency certificate and when can I use it?**

The use of a tax residence certificate to be removed from within the scope of the Directive only applies to customers:

- banking in the UK or Gibraltar who started a relationship with us on or after 1 January 2004
- who live outside the EUSD affected countries
- but are nationals from an EUSD affected country (hold a passport or official identity card from an affected country).

A tax residence certificate is documentary proof of where you pay tax. This may be different to where you permanently reside. Tax residence certificates are only supplied by your tax authority. If you meet this criteria, we will require a copy of the certificate for your country of permanent residence. If we do not receive a tax residence certificate for your country of permanent residence, information about you and your savings income earned will be reported to your country of nationality.

- **How can I demonstrate tax exemption?**

This only applies to customers banking in Jersey, Guernsey or the Isle of Man. We require evidence from your tax authority. Speak to your tax authority about supplying the appropriate evidence if you believe you are exempt from tax in your EU country of residence.

- **How can I demonstrate that I am not liable for tax in the UK, Malta or Republic of Ireland?**

This only applies to customers banking in Jersey or Guernsey whose permanent country of residence is the UK, Malta or Republic of Ireland. Please contact us for the appropriate form to claim this exemption. In some circumstances we may be able to accept a self-certification, or we can accept evidence from your tax authority, or a professional accountant or lawyer. Speak to your tax authority or professional tax advisor, accountant or lawyer. Ask them to write to us confirming your status.

- **What sort of accounts are affected by the Directive?**

Interest bearing bank accounts and savings accounts, bonds, some unit trusts and collective investments.
If you are not sure, please contact us.

What Happens Next?

If you are affected by the European Savings Directive, we are required to either:

- For UK, Isle of Man, Guernsey and Gibraltar account holders: pass information about you and your savings income earned to the tax authority in your country of residence – this is also known as “Information Exchange”
- For Jersey account holders: deduct tax from the interest earned on your savings at the current rate of 35% – this is known as “Withholding Tax” or “Retention Tax”.

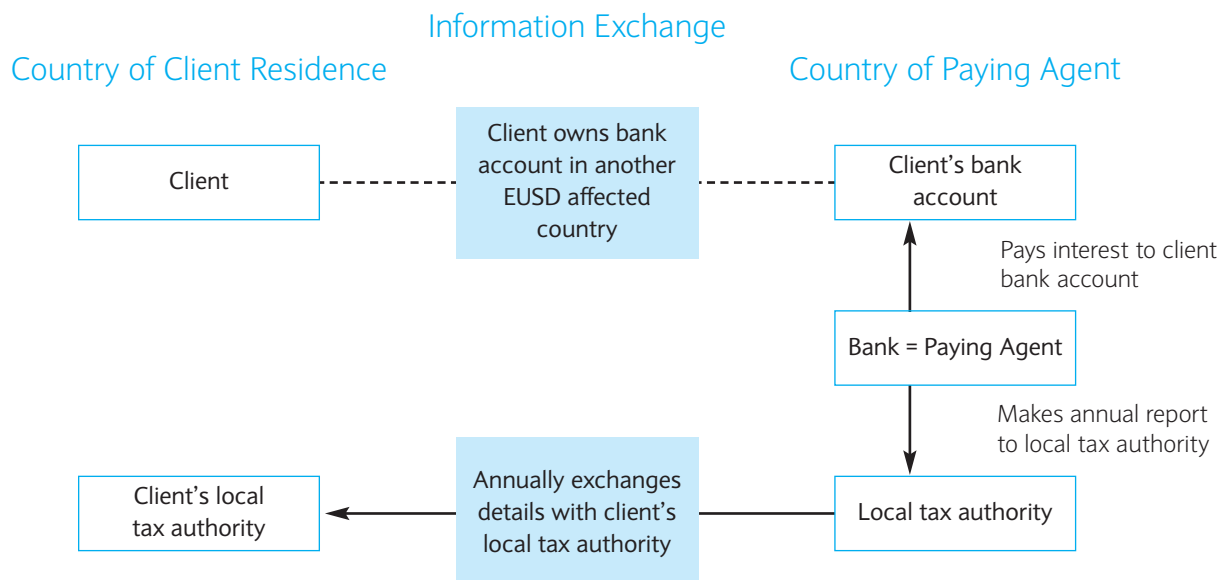
Please Note:

- If you are initially affected by Withholding Tax, you can opt for Information Exchange if you prefer.
Note: the Withholding Tax option will not be available beyond 1 July 2011 for accounts booked in Guernsey and the Isle of Man and all accounts will switch to Information Exchange only.
- If you are initially affected by Information Exchange, Withholding Tax is NOT available.

Information Exchange

- **What is information exchange?**

Information identifying you and your savings income will be reported to the Bank’s tax authority. This tax authority will then pass this information to the tax authority in your country of residence. This is shown in the diagram below.



- **What information about me and my savings income will you exchange?**

This will be:

- Details about you as the account holder
- Details about the savings income payment made to you in each tax year

Specifically, this includes the following detail (regardless of when you opened your account):

- Your name
- Your address
- Your country of residence
- Your Tax Identification Number (if we hold this on record)
- Your date and place of birth (if we hold this on record)

The information about your savings income payment which will be exchanged will be:

- The category of savings income payment
- The account number or other information identifying the account
- The amount of the savings income payment
- The currency in which the payment was made

- **What is my Tax Identification Number?**

If you started a relationship with us on or after 1 January 2004, we are required by law to request this unique reference number from you identifying your tax records. Not all countries issue a Tax Identification Number. If you do not have a Tax Identification Number, we will use your birth data. This only affects you if you hold account(s) with us in the UK, Guernsey, Isle of Man or Gibraltar. If you bank in Jersey, we will only ask for your TIN if you decide to opt for Information Exchange.

- **What accounts are affected by Information Exchange?**

All accounts held in Guernsey, the Isle of Man, Gibraltar or the UK (except UK residents with accounts in Gibraltar unless they have elected for information exchange).

For accounts held in Jersey, Information Exchange is optional.

- **Can I change from Information Exchange to Withholding Tax?**

No. If your account is held in Guernsey, the Isle of Man, Gibraltar or the UK, then by law we are required to apply Information Exchange to your account(s).

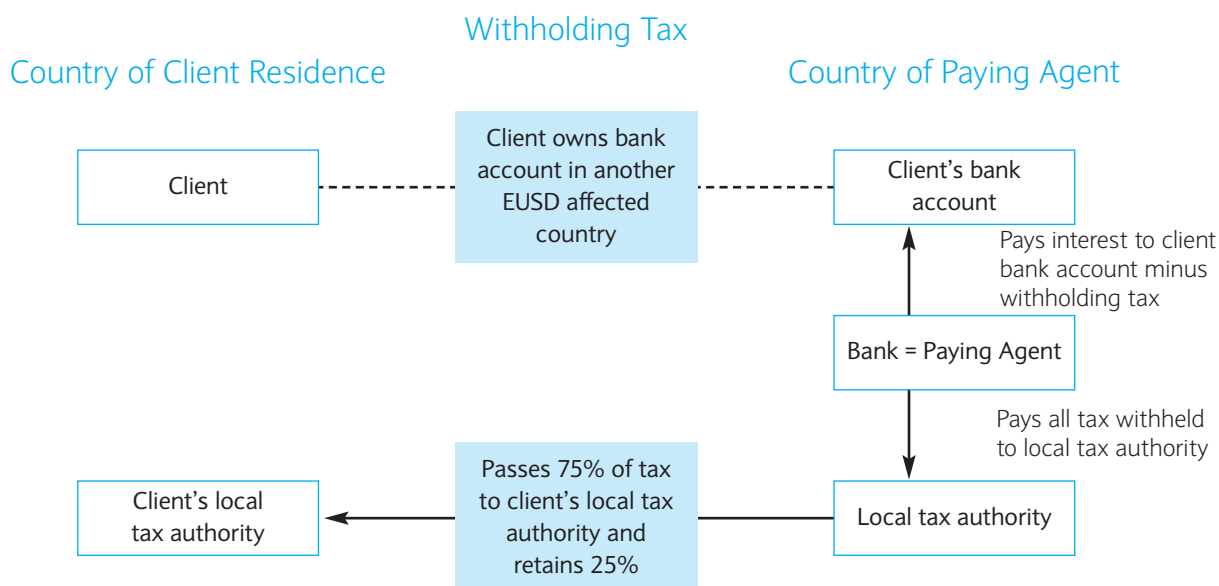
Withholding Tax

- **What is withholding tax?**

Withholding tax (sometimes called Retention Tax) is an option for customers holding accounts in Jersey or UK residents with accounts in Gibraltar. The withholding tax rate is 35%.

The tax is paid to the Bank's tax authority who transmit 75% of the tax deducted to your tax authority.

This is shown in the diagram opposite.



- **Can I change from Withholding Tax to Information Exchange?**

Yes, if your account(s) are held in Jersey or, if you are a UK resident, in Gibraltar. You can opt for Information Exchange by completing and signing an Information Exchange Authorisation Form and sending it to us. If you do not have an Information Exchange Authorisation Form, please contact us and we will send one to you. Once we have received a signed form, we will continue to Exchange Information about you until you inform us otherwise.

- **Can I reverse my decision to opt for Information Exchange?**

This may be possible, but not until the following tax year. Please contact us to discuss the circumstances.

- **What information on Withholding Tax do you report to my local tax authority?**

We only give a local tax authority details of the total amount of withholding tax deducted for customers permanently resident in that tax authority's country. Your confidentiality is completely maintained.

Further Information

- **Tax Legislation Websites**

- The UK legislation for this Directive can be found on the UK HMRC website at: <http://www.hmrc.gov.uk/esd-guidance/>
- The Jersey legislation for this Directive can be found on the Jersey Government website at: <http://www.jerseyfinance.je/>
- The Isle of Man legislation for this directive is available on the Isle of Man Government website www.gov.im
- The Guernsey legislation for this directive is available on the States of Guernsey Government website <http://www.gov.gg>
- The Gibraltar legislation for this directive can be found on the Gibraltar Government website www.gibraltarlaws.gov.gi

- **Tax Advisors**

As with any form of Tax Legislation, you should seek independent professional tax or legal advice. Contact us if you require assistance.

- **Braille, large print or audio copies**

Any information that we have on the Directive can be produced in different formats. Please contact us and we will be happy to assist.

- **Contact us**

If you have any questions, please contact us on your usual contact telephone number or postal address.

This item can be provided in Braille, large print or audio by calling 0800 400 100* (via TextDirect if appropriate). If outside the UK please call: +44(0)1624 684 444**.

*Lines are open 8am to 8pm UK time Monday to Friday and 9am to 5pm UK time Saturday and UK bank holidays. Calls to 0800 numbers are free if made from a UK landline.

**Lines are open 8am to 6pm UK time Monday to Friday excluding UK bank holidays.

Call costs may vary – please check with your telecoms provider. Calls may be recorded so that we can monitor the quality of our service and for security purposes.

Barclays Wealth is the wealth management division of Barclays and operates through Barclays Bank PLC and its subsidiaries.

Barclays Bank PLC is registered in England and is authorised and regulated by the Financial Services Authority. Registered No: 1026167. Registered Office: 1 Churchill Place, London E14 5HP.

Barclays Bank PLC is licensed by the Isle of Man Financial Supervision Commission.

Barclays Bank PLC is licensed under the Banking Supervision (Bailiwick of Guernsey) Law 1994, as amended, and the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, has its principal address in Guernsey at Le Marchant House, St. Peter Port, Guernsey, GY1 3BE.

Barclays Bank PLC is authorised by the Gibraltar Financial Services Commission to conduct banking and investment business in Gibraltar.

Item Ref IBIM0233. June 2011