



# Reaction

Brussels, 23 April 2016

## **KBC responds to *De Tijd* news article**

Belgian financial newspaper, *De Tijd*, has today reported details of a number of offshore companies that held accounts managed by KBL European Private Bankers.

As a general principal and upholding its duty of discretion as a bank, KBC does not wish to comment on individual cases and – even less so – those who are no longer clients of KBC and beyond its control. KBC does, however, wish to make the following statement.

### **KBL European Private Bankers ('KBL *epb*')**

Up until 31 July 2012, KBL European Private Bankers (KBL *epb*) was a KBC Group subsidiary, active in private banking in several European countries. As part of its European recovery plan, KBC Group decided in 2009 to divest all of its international private banking activities outside its core markets. This was because such activities (like also diamond financing) clearly no longer fitted KBC Group's renewed strategy and vision for the future.

On 10 October 2011, KBC Group NV announced the sale of KBL *epb* to Precision Capital S.A., which was completed on 31 July 2012. KBL *epb* was then one of the largest European private banking groups, with a network of affiliated local banks in nine European countries: Belgium, France, Germany, Luxembourg, Monaco, the Netherlands, Spain, Switzerland and the UK.

It has always been and continues to be a core KBC Group principle that every entity of the group respects applicable local law. KBL *epb* operated within and respected local legal and tax requirements, and was supervised by local banking and regulatory authorities in Luxembourg and the other countries in which it was active.

### **KBC Group**

Today, KBC Group has a very clear policy and is not involved in setting up shell companies. It meets all the legal and tax obligations in all of the countries where it operates and communicates transparently about this through a number of channels, including in the '[policies](#)' section of the corporate website [www.kbc.com](http://www.kbc.com), the Annual Report and the Report to Society.

When advising wealthy clients and businesses, KBC ensures that its advice complies with all tax rules and that it is provided in accordance with the group's ethical and policy guidelines. KBC also makes sure that it is not involved in setting up fiscal constructions (in line with regulatory rules regarding creation of special mechanisms for tax evasion) and that customer activities requiring banking services have a legitimate economic purpose.

If offshore companies were to open an account with KBC Bank (or a subsidiary bank), KBC would respect legal requirements for identifying underlying beneficial owners (by means of a beneficial ownership declaration). KBC has developed clear internal procedures for its staff in this regard, and meticulously sees to it that these procedures are strictly followed.

As required by anti-money laundering legislation, KBC actively monitors all incoming and outgoing transactions involving tax havens and other high-risk countries. There may be well-founded economic reasons for transactions with counterparties in these countries, and not all transactions of this type are necessarily suspicious. KBC uses several parameters to assess this. If these indicate that a transaction is suspicious, KBC will immediately report the transaction to the relevant authorities.

KBC obviously cannot comment on the manner in which individual clients fulfil their personal fiscal obligations towards the tax authorities.

It endorses the Belgian authorities' efforts to effectively combat fiscal fraud and financial crime, respecting current reporting rules. In this regard, KBC has made a considerable effort over the past few years to implement the new and continually updated regulations (including anti-money laundering directives, the European Savings Directive, FATCA and the Common Reporting Standards).