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OECD complaint filed by two South African NGOs against KBC not to be taken any further.

On 24 April 2018, two South African NGOs named *Open Secrets* and the *Centre for Applied Legal Studies* filed a complaint against KBC Group with the OECD. In it, the two NGOs founded on alleged breaches of the OECD Guidelines for Multinational Enterprises, citing allegations of support to the apartheid regime and involvement in setting up controversial financing structures to fund illegal arms trading with the apartheid regime between 1977 and 1994. Their contention was that the support and involvement had come from the Luxembourg-headquartered bank KBL and its then sister bank, the Kredietbank.

KBC had investigated the complaint and the NGOs' supporting documentation as far as it was able given they referred to facts that dated from long ago and, moreover, were hard to verify. Furthermore, KBL, against which the complaint was principally directed, ceased to be a KBC group member in 2011. KBC is not therefore able to comment in respect of KBL due to its lack of access to that bank's files or records (*see also [KBC's reaction of 25 April 2018](#)*).

KBC has now received confirmation that, on 26 March 2019, the National Contact Point¹ unanimously deemed the South African NGOs' complaint inadmissible for three of the four demands, as these demands fall outside the scope of the OECD guidelines and go beyond the mandate and powers of the National Contact Point. The NGOs demanded

- (1) a public apology to the South African government and people;
- (2) punitive measures to be taken against both banks, and
- (3) a monitoring mechanism to be introduced at European level

As regards the fourth demand to recognise that OECD guidelines were breached, the National Contact Point decided not to examine this any further, owing to the extremely long time involved (going back 40 years) and the difficulty in retrieving and verifying the evidence.

The National Contact Point also questioned the willingness of the complainants to engage in a mediation/reconciliation process, which is the reason for this OECD procedure.

KBC would draw attention to the fact that it today operates within a stringent social responsibility framework and that collaboration with the most controversial of regimes is ruled out.

¹ The OECD's Belgian National Contact Point in the form of the FPS Economy, SMEs, Self-employed and Energy

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