

[Embargo information on KBC website](#)

International organizations and authorities such as the United Nations, The European Union, and local or other national authorities can all impose restrictive measures against countries, organizations, legal entities and / or individuals for committing or being suspected of infringement of human rights and international law, acts of crime, terrorism, money-laundering etc.. These measures are most commonly referred to as sanctions or embargoes.

KBC has a responsibility towards customers and authorities to conduct business in a lawful and ethical way. Therefore we will observe laws and binding requirements of applicable laws and regulations, and for reasons of social responsibility, we may also choose to be more strict than legally imposed.

Embargoes

An embargo is a restrictive measure or sanction on national and/or international level. Although provisions differ by country, person or agency, we distinguish two common types of embargoes:

- Financial embargoes: restrictions related to financial operations and financial resources
- Trade embargoes: restrictions on the import or export of certain goods or trade with certain countries or parties

KBC Bank must comply with financial and trade embargoes issued by the United Nations (made enforceable in Belgium), the European Union and by the Belgian legislator, but also embargoes issued by the USA (OFAC). In some cases OFAC sanctions have extraterritorial effect, therefore OFAC sanctions need to be taken into account when executing transactions in USD, on US territory, with US nationals or when related to goods that have US content (full or partial US origin).

For more information on UN, EU and OFAC sanctions, please click on the respective links below.

Observing embargo regulations means that KBC will not provide funds or economic resources to persons, entities or government agencies that appear on embargo sanction lists or support any kind of transaction with these parties. This not only helps us to avoid penalties for breaching international sanctions, it also helps you, as our customer, manage some of the risks associated with international trade.

KBC has implemented certain screening measures in its different processes to ensure compliance with the applicable restrictions and regulations, and with its own policy where this is more strict. As a result, a customer may be requested to provide KBC with more information or documentation on transactions or counterparties before KBC can process a transaction or payment.

Please note that Correspondent Banks also have the right to suspend any transaction in case their monitoring system detects a potential breach of embargoes. In case of suspended transactions KBC Bank acts only as intermediary between the customer and the correspondent bank, without having any influence on the result of their investigation.

In order to avoid complications customers are advised to contact the bank when considering doing business with countries against which restrictive measures have been imposed. For more information on applicable embargoes or on specific KBC policies, please get in touch with your KBC contact person.

KBC specific country policies

With respect to embargoes against some particular countries, KBC has – for reasons of internal policy and based upon a risk based assessment - decided to go further than the legally applicable sanction programs and to apply a more strict embargo policy. Therefore, please always contact your contact person at KBC when you have questions regarding our policy on a specific country.

Through a thorough screening of the transaction details KBC wants to make sure that the transaction is legally allowed and within the limits of our own policy.

The details for each country policy may change at any given time, due to changing regulations or political circumstances.

Iran

Regarding outgoing and incoming transfers where (non-sanctioned) Iranian counterparties or Iranian financial institutions (incl. all their branches and subsidiaries) are involved or that are related to Iran, KBC will only process non-USD, non-CAD and non-GBP transactions, provided that the following conditions are met:

- a) Transfers to and from Iranian counterparties will only be processed for longstanding customers of KBC Bank.
- b) For transfers from and towards Iranian financial institutions, KBC Bank will act as correspondent bank exclusively for KBC Group entities.
- c) These transaction are linked to export of humanitarian goods (for shipment after 16/01/2016 even related costs such as transport and insurances are included) So it are documentary transactions (trade finance) or open account payments (provided that they are documented with an invoice or transport documents).

Payments or transactions for goods remaining on sanction lists, such as military equipment, non-licensed dual use goods and nuclear-related material are of course excluded, as well as goods that do not fit to our internal policy. Services are always excluded except transport and insurance costs.

Syria

KBC will not process any payments in USD, CAD or GBP that involve Syrian parties.

KBC will only process non-USD, non-CAD or non-GBP payments for its own customers, after thorough screening of the transaction details to make sure the transaction is legally allowed and within the limits of our own policy. (please refer to your KBC contact person for more details)

North-Korea

KBC will not process any payment or transaction that is related to North-Korea.

Cuba

KBC will not process any payments in USD that involve Cuban parties.

KBC will only process non-USD payments for its own customers, after thorough screening of the transaction details to make sure the transaction is legally allowed and within the limits of our own policy. (please refer to your KBC contact person for more details)

Sudan and South-Sudan

KBC will not process any open account payments in USD, CAD or GBP.

KBC will only process non-USD, non-CAD or non-GBP open account payments for its own customers, after thorough screening of the transaction details to make sure the transaction is legally allowed and within the limits of our own policy. (please refer to your KBC contact person for more details)

KBC will allow documentary transactions (trade transaction under documentary collection or documentary credit) in all currencies, after thorough screening of the transaction details to make sure the transaction is legally allowed and within the limits of our own policy. (please refer to your KBC contact person for more details)

Russia

Sanctions on Russia are very diverse and comprehensive, EU and OFAC sanctions are different.

Therefore every transaction that has any link to Russia will be thoroughly screened to make sure the transaction is legally allowed and within the limits of our own policy. (please refer to your KBC contact person for more details)

Crimea

KBC will not process any payments in USD that involve Crimean parties.

KBC has restrictions on non-USD payments with Crimean counterparties. For more details please refer to your contact person within KBC.

UN: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

EU: http://ec.europa.eu/dgs/fpi/what-we-do/sanctions_en.htm

US (OFAC): <http://www.ustreas.gov/offices/enforcement/ofac/sdn/>

This amended embargo policy was published via the KBC website on August 13, 2018.