



06 March 2017

Maria Ramos
The Chief Executive Officer
Barclays Africa Group Limited
PO Box 7735
Johannesburg
2000

Dear Ms Ramos

**REQUEST FOR AN EXPLANATION CONCERNING THE DELAY IN THE
TERMINATION OF BANKER-CLIENT RELATIONSHIPS WITH THE OAKBAY
COMPANIES BY ABSA BANK LIMITED**

We hold the view that in the controversy surrounding the closure of the Guptas' bank accounts, the real question is not why the Guptas' bank accounts were closed, but why it took so long for the Guptas' bank accounts to be closed, by *inter alia* Absa Bank Limited ("Absa").

We note that, in the matter of the *Minister of Finance versus Oakbay Investments (Pty) Ltd*, before the High Court of South Africa, Gauteng Division [Case No. 80978/16], the affidavit, submitted by Yasmin Masithela on behalf of Absa, contains a number of "inconvenient facts".

We note that according to the affidavit:

- "...on 18 November 2014 an internal committee of Absa's Corporate and Investment Banking Division ("CIB") met to conduct an annual review of its customers who had been identified as PEPs and their related entities. The review included, amongst others, a review of the Oakbay companies";
- "...on 18 November 2014, the committee decided to terminate its banker-client relationship with the Oakbay companies and related parties";
- "...Absa decided to provide at least 60 days notice to the Oakbay companies";
- "...on 18 December 2015, at a meeting with the authorized representatives of the Oakbay companies, Absa gave formal notices of its decision to terminate the banker-client relationships"; and

- “...the accounts were formally closed by 16 February 2016.”

What this suggests is that it took Absa: 13 months, that is a full 272 working days, from the time the decision was taken to terminate the banker-client relationship with the Guptas (18 November 2014) to the notice of termination of the banker-client relationship with the Guptas (18 December 2015); and 15 months, that is a full 312 working days, from the time the decision was taken to terminate the banker-client relationship with the Guptas (18 November 2014) to the termination of the banker-client relationship with the Guptas (16 February 2016).

The fact is that, had Absa closed the Guptas’ bank accounts within 60 working days of its decision to do so, the Guptas’ accounts would have been closed on or about 16 February 2015.

I find it inexplicable that it took Absa so long to close the Guptas’ bank accounts, given the fact that the decision to close the Guptas’ bank accounts was, in part, based on the fact that “*there was evidence of large unexplained transfers of funds between Oakbay companies and related parties*”.

We note that the affidavit provides a detailed explanation of why the Guptas’ bank accounts were closed, as well as a detailed explanation of the process followed in closing the Guptas’ bank accounts, but does not provide any explanation as to why it took so long to close the Guptas’ bank accounts.

What this does is create a strong impression that, although Absa took the decision to close the Guptas’ bank accounts, the bank failed, for some unexplained reason, to implement that decision until after a “triggering event”, most probably the firing of former Minister of Finance, Nkomo Nene on 09 December 2015.

The apparent failure by Absa to close the Guptas’ bank accounts, within a reasonable period following the decision to do so, suggests to me that the bank failed to comply with processes, procedures and controls to manage money laundering and terrorist financing risks, including its obligations in respect of “Politically Exposed Persons”, in terms of the Banks Act (No. 94 of 1990) and the Financial Intelligence Centre Act (No. 38 of 2001).

Without in any way questioning Absa’s decision, or its right to make the decision, to close the Guptas’ bank accounts, I am therefore writing to request you to provide me with a reasonable explanation for why it took Absa 15 months, or a full 312 working days, to close the Guptas’ bank accounts, pending a final decision by myself on whether to lodge a complaint in this regard with the Bank of England and/or the South African Reserve Bank.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Maynier', with a stylized, cursive script.

DAVID MAYNIER MP