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Zondo commission hears how ANC ministers threatened Standard Bank over Oakbay account closures

Two cabinet ministers tried to intervene in the process of Gupta bank account closures by Standard Bank in 2016. This was the testimony of Ian Sinton, general counsel for the bank, who gave evidence on Monday at the commission of inquiry into state capture. Former mineral resources minister Mosebenzi Zwane and former labour minister Mildred Oliphant met with Sinton and Standard Bank CEO Sim Tshabalala in what appeared to be an attempt to influence the bank to reverse its decision.

Prior to this meeting, another attempt by then ANC secretary-general Gwede Mantashe and his deputy Jessie Duarte had failed to convince the bank.

Nazeem Howa, the former CEO of Gupta-linked Oakbay Investments, called in the favour from the ANC, asking them to intervene when Standard Bank first sent out notice on 6 April 2016 to Oakbay of its intent to close down the company's accounts. Mantashe, Duarte, and another national executive committee member Enoch Godongwana met with Sinton and Tshabalala, in order to try to persuade them to reverse the decision. Also present was Hannah Sadiki, a senior executive in the bank's retail banking division. Oakbay had only two months from the date of the notice to arrange for an alternative banking partner.

Called to Luthuli House

In the meeting, held at Luthuli House – the ANC headquarters – Sinton said his delegation made it clear to the party leaders that they were not in a position to discuss the private matter of the closure of bank accounts of a client. "We did tell them, however, that we were willing to explain our policies and procedures around closing generally."

Sinton went on to give the meeting some background of the bank's cautious stance, which he said was due to a recent indictment by UK lawmakers after Standard Bank Tanzania employed a local partner that turned out to have been irregularly associated with the government there. Standard Bank settled, at a cost of \$38-million, with the understanding that the group's entities were placed on probation for three years. If the company were to enter into a corrupt dealing within the three years it would be considered a violation of the probation terms.

Mantashe mentioned that Oakbay stood to inconvenience about 7 500 staff members who received their salaries through the accounts. In response to this, said Sinton, Tshabalala pointed out that the banking group itself employs 40 000 people who are equally important to the company and whose interests it has to protect.

First sweet talk, then threats

Commission chairperson deputy chief justice Raymond Zondo asked Sinton if he did not view the meeting with senior members of a political party over the private business relationship of a client as irregular. To this, Sinton said the invitation did seem inappropriate, but in the interest of engaging the ruling party of the time, the meeting request was granted. Standard Bank did not agree to the ANC's request to reverse their decision on Oakbay, and the delegation was accused of pursuing the interests of white monopoly capital, which aimed to oppress black businesses.

The interference into the bank's dealings with the company, whose interests included mining, did not end there. A subsequent meeting was called at which members of an inter-ministerial committee representing Cabinet would pick up where Mantashe and Duarte had left off. Zwane and Oliphant met with Sinton and Tshabalala later in the same month, in Pretoria. Also present was Mzwanele 'Jimmy' Manyi, who introduced himself as an advisor to the two ministers. Zwane was chair of the committee.

According to Sinton, Zwane told the two men that the closure of Oakbay accounts inadvertently impact as many as 60 000 South Africans, if those who depend on these staff members' income were to be considered. When this again did not move Sinton and Tshabalala, Zwane resorted to threats. "He said as a member of the ruling party he had the ability to get the law changed, and he was inclined to propose a change in the law whereby it would become illegal for banks to close accounts."

The inquiry continues on Tuesday, with the expectation of more evidence from representatives of other banks.

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