KPN notes Dutch Government's intention to propose a new framework for national security

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KPN takes notice of the intention of the Dutch Government to propose a new legislative framework to protect national public interests, in particular national security, related to telecommunications infrastructure deemed to be vital to The Netherlands. KPN understands that this intended framework will set out a transparent and predictable approval process for a party wishing to acquire a controlling interest in an entity owning vital telecommunications infrastructure. KPN notes that the Dutch Government emphasizes that a new framework should not interfere with the objective to promote (foreign) investments in the Dutch telecommunications industry.

In a letter (dated 10 June 2014) to the Dutch Parliament, Mr Kamp, the Minister of Economic Affairs, discusses the intended framework. He defines vital telecommunications infrastructure as services and networks whose continuity is essential to the functioning of Dutch society and the security of The Netherlands. The Minister states that the current legislative framework is not adequate to fully safeguard national security in the event that a party with harmful intentions were to attempt to acquire an entity owning vital telecommunications infrastructure in The Netherlands.

KPN understands that the intended framework would authorize the Minister of Economic Affairs to:

Designate entities as owning vital telecommunications infrastructure. KPN is named by the Minister as an owner of vital telecommunications infrastructure

Issue a declaration of no-objection to the party attempting to acquire a controlling interest in the designated entity

Issue a declaration of no-objection in case of a potential sale of vital infrastructure of the designated entity

Issue a declaration of no-objection regarding proposed appointments of members of the Board of Management and Supervisory Board in the designated entity

KPN understands that the declarations will under normal circumstances be issued unless the Minister has firm grounds to believe there is a risk to national security.

The Minister emphasizes that a comparable framework is already applicable to the financial services sector in The Netherlands. In addition, both Germany and the United Kingdom have a similar framework in place to assess the national security risks in the event of a takeover of a telecommunications provider.

KPN understands the Dutch government will undertake a consultation process before making a formal proposal to the Dutch Parliament during spring 2015.

For further information:

Corporate Communications

Media Relations

Tel: +31 70 4466300

Fax: +31 70 4466310

E-mail: press@kpn.com

Investor Relations

Tel: +31 70 4460986

E-mail: ir@kpn.com