

BMF - COMMISSION 84

KUALALUMPUR, JAN. 11 (BERNAMA) - PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD SAID TODAY THAT THE SETTING UP OF A ROYAL COMMISSION OF ENQUIRY WOULD NOT BE USEFUL IN ENQUIRING INTO THE AFFAIRS OF THE BUMIPUTRA MALAYSIA FINANCE LTD. (BMFL).

DATUK SERI DR. MAHATHIR TOLD A PRESS CONFERENCE HERE THAT THE EFFECTIVENESS AND POWERS OF SUCH A COMMISSION WERE CIRCUMSCRIBED BY THE LIMITATIONS IMPOSED BY THE COMMISSIONS OF ENQUIRY ACT 1950 WHICH GOVERNED THE SETTING UP OF SUCH A COMMISSION.

THE PRIME MINISTER WHO HAD DISCLOSED THAT THE GOVERNMENT HAD DIRECTED BANK BUMIPUTRA TO APPOINT A THREE MAN COMMITTEE TO ENQUIRE AND REPORT INTO THE AFFAIRS AND OPERATIONS OF BMFL SAID BMFL WAS A COMPANY REGISTERED IN HONG KONG AND SUBJECT TO HONG KONG LAWS.

THE COMMISSION OF ENQUIRY ACT 1950 HAS NO JURISDICTION IN HONG KONG. MOREOVER, THERE WAS ALSO THE QUESTION OF BANKING SECRECY WHICH HAD TO BE MAINTAINED TO PROTECT THE CONFIDENTIALITY OF CUSTOMERS. -- MORE 1750/HM

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DATUK SERI DR. MAHATHIR SAID THAT THE ADVANTAGE THEREFORE LEANED IN FAVOUR OF AN ENQUIRY BY BANK BUMIPUTRA.

DATUK SERI DR. MAHATHIR SAID IT WAS TRUE THAT A COMMISSION APPOINTED UNDER THE ACT HAS POWERS TO PROCURE AND RECEIVE EVIDENCE ON OATH OR AFFIRMATION AND TO SUMMON AND COMPEL THE ATTENDANCE OF WITNESSES AND TO PUNISH FOR CONTEMPT OF ITSELF ON IT.

HOWEVER, THE POWERS VESTED IN THE COMMISSION WERE COMPLETELY INEFFECTIVE AND INAPPLICABLE IN HONG KONG, ADDED DATUK SERI DR. MAHATHIR.

DATUK SERI DR. MAHATHIR ALSO SAID THAT IN ANY OPEN ENQUIRY, IT WAS VITAL TO MAINTAIN THE INTEGRITY OF THE HEARING PROCESS BY PROTECTING THE CONFIDENTIALITY OF REPORTS AND OTHER INFORMATION, PARTICULARLY RELATING TO CUSTOMERS OF BANKS.

HE SAID CONFIDENTIALITY WAS AN IMPORTANT PRINCIPLE IN BANKING AND THAT THEY WERE REQUIRED BY LAW OR CONVENTION TO MAINTAIN SUCH CONFIDENTIALITY. -- MORE 1804/HM

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DATUK SERI DR. MAHATHIR ALSO SAID THAT PUBLIC CONFIDENCE IN A BANK AND IN THE BANKING SYSTEM IS BASED ON THE MAINTAINENCE OF CONFIDENTIALITY OF CUSTOMERS AFFAIRS AS MUCH AS ON THE SOUNDNESS AND INTEGRITY OF THE BANK AND THE BANKING SYSTEM ITSELF.

HE SAID EXPERIENCES ELSEWHERE INDICATED THAT THE QUESTION OF CONFIDENTIALITY HAS BEEN A VERY DIFFICULT ONE IN BALANCING UP THE NEED FOR THE PUBLIC TO FULLY UNDERSTAND THE PROBLEM AND THAT OF MAINTAINING CONFIDENTIALITY OF BANK CUSTOMERS.

THE PRIME MINISTER ALSO SAID THAT THE NEED FOR MAINTAINING CONFIDENTIALITY WAS WIDELY ACCEPTED, PARTICULARLY WHEN INNOCENT PARTIES WERE INVOLVED AND WHOSE INTERESTS SHOULD BE PROTECTED.

'I REGARD THE MAINTENANCE OF BANKING [SECRECY AND CONFIDENTIALITY AS VERY IMPORTANT IN OUR SYSTEM,' ADDED DATUK SERI DR. MAHATHIR.

'FOR THESE REASONS, I AM OF THE OPINION THAT NO USEFUL PURPOSE WOULD BE SERVED BY APPOINTING A COMMISSION OF ENQUIRY UNDER THE COMMISSIONS OF ENQUIRY ACT 1950, TO ENQUIRE INTO THE AFFAIRS OF BMF,' SAID DATUK SERI DR. MAHATHIR. -- MORE 1833/HM
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THE PRIME MINISTER SAID THE BMF WAS A WHOLLY OWNED SUBSIDIARY OF BANK BUMIPUTRA. ITS AFFAIRS WERE SUBJECT TO THE INSPECTION OF ITS PARENT BODY. ITS DIRECTORS AND OFFICERS WERE ALSO RESPONSIBLE TO THE PARENT BODY.

HE SAID AN ENQUIRY CONDUCTED BY OR ON BEHALF OF BANK BUMIPUTRA INTO THE AFFAIRS OF BMF AND ITS OPERATIONS IN HONG KONG WOULD BE CONSISTENT WITH THE USUAL COMMERCIAL OR BANKING PRACTICE.

DATUK SERI D-R. MAHATHIR MOHAMAD SAID, ARMED WITH THE AUTHORITY OF BANK BUMIPUTRA, IT HAD ACCESS TO EVERY SINGLE DOCUMENT, ACCOUNT OR BOOK OF BMF IN HONG KONG.

HE ALSO SAID THAT IT COULD SEEK CLARIFICATION AND TAKE STATEMENTS FROM OFFICERS OF BMF IN HONG KONG AND SUCH OTHER PERSONS WHO HAVE KNOWLEDGE OF BMF OPERATIONS.

DATUK SERI DR. MAHATHIR SAID THE FINDINGS AND RECOMMENDATIONS WOULD THEN FORM THE BASIS OF DETERMINATION OF ANY CIVIL OR CRIMINAL PROCEEDINGS TO BE TAKEN SUBSEQUENTLY AGAINST THOSE INVOLVED.

HE SAID THE APPOINTMENT BY BANK BUMIPUTRA OF THE THREE MAN COMMITTEE TO ENQUIRE INTO THE AFFAIRS OF BMF WOULD IN MY VIEW BE EFFECTIVE AND BENEFICIAL. --BERNAMA 1850/HM