

S'pore freezes bank accounts over 1MDB probe

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By Reuters

The Singapore Police Force has frozen two bank accounts to help with an investigation into Malaysia's troubled state-owned investment fund 1MDB, which is being probed by authorities in Malaysia for financial mismanagement and graft.

"On July 15, 2015, we issued orders under the Criminal Procedure Code to prohibit any dealings in respect of money in two bank accounts that are relevant to the investigation," the Singapore police said in a statement today.

It did not identify the banks or the accounts in question because the investigation is continuing.

A 1MDB spokesperson declined to comment.

The freezing of the Singapore bank accounts follows a similar move in Malaysia where a task force investigating 1MDB said earlier this month that it had frozen half a dozen bank accounts following a media report that nearly US\$700 million had been transferred to an account of Malaysia's Prime Minister Najib Abdul Razak.

The Wall Street Journal reported on July 3 that investigators looking into 1MDB had traced close to US\$700 million of deposits moving through Falcon Bank in Singapore into personal bank accounts in Malaysia belonging to Najib.

Reuters has not verified the WSJ report.

Najib has denied taking any money for personal gain and said the corruption allegations are part of a malicious campaign to force him out of office. A spokesperson for Najib could not immediately be reached for comment on the Singapore bank accounts.

Singapore's central bank has also said it is in contact with financial institutions in relation to the 1MDB probe and Falcon Bank has said it is co-operating with them on their enquiries.

Yesterday, the Monetary Authority of Singapore said it is looking into whether banks followed rules on properly identifying customers and their sources of funds and on reporting suspicious transactions.

"We're actually looking back to see if they have done all these things," MAS managing director Ravi Menon told a news conference following the release of the bank's annual report.

He said banks are cooperating with the MAS, but warned that if any bank is found wanting

it will face action.

"If the breach is a serious one, the action taken will be a serious one."

- Reuters

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