

BNM revokes approvals for 1MDB's RM7.5b fund transfers

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Bank Negara Malaysia revoked three permissions granted to 1MDB under the Exchange Control Act 1953 (ECA) for investments abroad totalling US\$1.83 billion (about RM7.5 billion at the current exchange rate).

The central bank said in a statement that it also issued a directive under the Financial Services Act 2013 to 1MDB to repatriate the amount of US\$1.83 billion to Malaysia and to submit a plan to it for this purpose.

The statement was made in response to a statement by the attorney-general that 1MDB had done no wrong with respect to the investigation by Bank Negara into 1MDB.

The Attorney-General's (AG's) Chambers said in its statement yesterday that Bank Negara had investigated 1MDB under the ECA for knowingly or recklessly making a false statement.

The investigation papers were submitted on Aug 21.

However, deputy solicitor-general (I) Abd Majid Hamzah decided there was no offence committed by 1MDB and no further action should be taken, the statement said.

The investigation papers were returned to Bank Negara on Sept 11 and the decision was communicated to Bank Negara the same day.

However, on Oct 1 Bank Negara made a request to have the decision reviewed but after considering the request, the AG's Chambers decided to maintain its decision as no new evidence was given.

In its statement today, Bank Negara said the attorney-general's decision with respect to the investigations into 1MDB relates to Bank Negara's recommendation to initiate criminal prosecution against 1MDB for breaches under the ECA.

Bank Negara said: "It is to be noted that under the Federal Constitution, the decision to initiate criminal prosecution lies solely with the attorney-general.

"As an investigative authority, the bank is duty bound to conduct its investigations with the highest professional care and diligence.

"The bank at all times expects full and accurate disclosure of information by applicants in considering any application under the ECA.

"On its part, the bank concluded that permissions required under the ECA for 1MDB's investments abroad were obtained based on inaccurate or without complete disclosure of

material information relevant to the bank's assessment of 1MDB's applications.

"The bank will continue to extend its full cooperation to ongoing investigations by the Royal Malaysia Police and the Malaysian Anti-Corruption Commission."

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