

1MDB unable to repatriate US\$1.83b ordered by Bank Negara
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1MDB has indicated that it would be unable to repatriate US\$1.83 billion in funds as demanded by Bank Negara.

This is because the funds have either been spent or earmarked for a debt transfer.

"The overseas investments of US\$1.83 billion relates to historic equity and murabaha loan investments in a joint venture with PetroSaudi in 2009 – 2011, that was eventually converted in September 2012 into fund units valued at US\$2.318 billion.

"As previously explained by 1MDB to Bank Negara, this sum of US\$2.318 billion has been redeemed in 2014 and 2015, with proceeds being substantially utilised.

"The remaining US\$940 million of fund units, are guaranteed by Aabar and have been ear-marked for a 'debt for asset swap' with its 'AA' rated parent, IPIC, as part of the 1MDB rationalisation plan," it said in a statement tonight.

1MDB was ordered to repatriate the funds after Bank Negara 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 repatriation was issued under the Financial Services Act 2013.

It came a day after the Attorney-General's (AG's) Chambers said it had ordered no further action against 1MDB twice, despite its investigation being based on the central bank's probe and despite a second request from Bank Negara on Oct 1.

1MDB said it had fully cooperated with Bank Negara's probe and emphasised that the central bank had wanted to charge it for "...inaccurate or without complete disclosure of material information".

"(Bank Negara did not want 1MDB charged) for money laundering or other alleged criminal actions as highlighted by certain media and opposition politician.

"However, the AGC (Attorney-General's Chambers), as the legitimate authority for such matters, decided that there was 'no offence committed by 1MDB officials' and directed that 'no further action should be taken'," 1MDB said.

Regardless, the sovereign wealth fund said it will continue to cooperate with the central bank.

"1MDB fully acknowledges and respects the authority of Bank Negara to revoke its earlier permissions and to issue any direction it deems fit under the Financial Services Act 2013,

despite the AGC confirming that no offence was committed by 1MDB officials," it said.

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