

Zeti: Bank Negara will never be drawn into politics

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Bank Negara will not be drawn into politics in its investigations into the beleaguered state-owned fund 1MDB, its governor Zeti Akhtar Aziz vowed today.

"The central bank has never been drawn into politics... we will do anything we can to protect the institution from being drawn into any political agenda.

"I think we owe it to the public at large and the people to remain so," Zeti told a press conference in Kuala Lumpur today.

The effectiveness of the central bank is based on the trust and respect of the people, the industry and the market, she added.

"As such, we will not be drawn into any political development or any political agenda," she said.

"We focus on doing our job – ensuring macroeconomic stability and financial stability so that the people can function in a stable economic environment."

At the centre of 1MDB storm

Zeti said this when asked whether the governor of the central bank to succeed her after her term expires in April would be able to deal with the political pressure she is facing.

BNM found itself at the centre of the 1MDB storm, particularly when the scandal ran deep and its officials were alleged to have leaked information related to the investigations.

The end of July saw a cabinet reshuffle in which then Public Accounts Committee (PAC) chairperson Nur Jazlan Mohamed (*photo*) and three members were taken into the government of Prime Minister Najib Abdul Razak, one as a minister and three others as deputy ministers.

This caused PAC to postpone its investigation into 1MDB.

Further, the early termination of Abdul Gani Patail from his post of attorney-general came amidst speculation that he was drafting a charge sheet to prosecute Najib, who is also finance minister.

Zeti, who had 'disappeared' for weeks during that period and showed up on Aug 13, had jokingly said she would be arrested if she talked about the accounts of the individuals.

She also said she hoped the bank's governing board would decide, three months before her terms ends, on whether to appoint a new governor or to extend her term.

She said the board is steered by individuals from the private sector, rather than Bank Negara officials, and it would assess the potential candidate for the post of governor.

The board also can extend the tenure of the governor, for up to five years, after scrutinising the governor's performance.

"I do believe we have a candidate to succeed me as the governor," said the 68-year-old central bank head, who is likely to retire next year.

There are credentials and criteria for a person appointed governor of Bank Negara, which are stipulated in the Central Banking Act 2009, Zeti added.