

Bank Negara pursuing action against 1MDB
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1MDB had ignored the instruction of Bank Negara to submit its evidence that the state fund was unable to repatriate US\$1.83 billion in funds parked overseas.

Bank Negara governor Zeti Akhtar Aziz said 1MDB did not give any reason.

As a result, Bank Negara is pursuing an "appropriate administrative enforcement action" against 1MDB for its failure to submit the evidence.

"They (1MDB) had not complied with the bank's directive; (as such) the bank is pursuing an appropriate administrative enforcement action as allowed by the laws under which the bank operates," she told a press conference today.

However, this (course of action) needs the approval of the Attorney-General's Chambers before any action can be taken against 1MDB, she said.

"Bank Negara plans to submit its (proposal for action)," she said.

This will be done in her remaining 38-day tenure as a governor, Zeti added.

According to her, this will be the final action of BNM in dealing with the 1MDB fiasco and she plans to hand over a clean slate to her successor.

In August, 2015, Bank Negara had revoked three permissions granted to 1MDB for investments abroad, totalling US\$1.83 billion (about RM7.5 billion at the current exchange rate).

1MDB was then ordered to repatriate the funds.

In October, 2015, 1MDB had replied that the money had been utilised.

Zeti then said in November 2015 that the central bank would validate 1MDB's statement of its inability to repatriate the fund.

However, according to Zeti, the action taken by Bank Negara could possibility result in penalty or compound, but may not end up in court.

"This is an administrative action. We would like to see Bank Negara rules and regulations complied with not only by 1MDB, but also everybody else doing business in this country," she added.

In an immediate reaction 1MDB said that it will not comment pending official notification from the central bank, though it reiterated its undertaking to fully cooperate with Bank Negara and provide all information that it has available or is allowed to disclose under the law.

"1MDB has not yet received any official correspondence or confirmation from BNM on the specific matters attributed to the Governor today. We are, therefore, unable to comment further," said the sovereign fund in a statement.

However, 1MDB said that it has in the past year, fully cooperated with Bank Negara investigations in every which way it can, including providing documentary evidence where available.

"1MDB is committed to continued cooperation with Bank Negara and will provide any further information that may be required by BNM, to the extent that 1MDB has in its possession or is possible under the law," assured the fund.

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