

Luxembourg launches money-laundering probe into 1MDB

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Reuters

Luxembourg's state prosecutor launched a judicial inquiry into allegations of money-laundering, covering payments totalling hundreds of millions of dollars, against Malaysia's sovereign wealth fund 1Malaysia Development Bhd (1MDB).

The prosecutor said the inquiry followed evidence that funds held by the Malaysian government in offshore accounts in Singapore, Switzerland and Luxembourg had been misused.

"The investigation aims to trace the origin of four transfers in 2012 and one in at the start of 2013 for a total of several hundreds of millions of dollars," the statement said.

The allegations concerned in particular the sums paid upon the issuance of two bonds in May and October 2012.

1MDB, whose advisory board is chaired by Malaysian Prime Minister Najib Abdul Razak, has been the subject of multiple investigations over the last year by authorities in Malaysia, Switzerland, Singapore and the United States following accusations of financial mismanagement and graft.

The fund has previously denied all allegations while saying it would cooperate with investigations. It did not immediately respond to an e-mail seeking comment on the Luxembourg inquiry.

Switzerland's chief prosecutor said in January that a criminal investigation into 1MDB had showed about US\$4 billion (about RM15.5 billion) appeared to have been misappropriated from Malaysian state companies.

Singapore said it had sequestered a large number of bank accounts as part of an investigation into possible money-laundering linked to the fund.

Meanwhile, 1MDB in a statement later today said it had yet to be contacted over the probe.

"1MDB has not been contacted by any foreign legal authorities on any matters related to the company.

"However, we remain committed to fully cooperating with any lawful authority and investigation, subject to advice from the relevant domestic lawful authorities, and in accordance with international protocols governing such matters," it said.

- *Reuters*

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