

Bank Negara fines 1MDB, payment will mark end of probe
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Bank Negara Malaysia has issued a letter of administrative compound to 1MDB for failing to fully comply with directions issued under the Financial Services Act 2013.

The compound was issued after receiving the consent from attorney-general Mohd Apandi Ali.

"This includes requirement for 1MDB to repatriate monies remitted abroad following the revocations of the three permissions granted by Bank Negara to 1MDB in 2009, 2010 and 2011.

"1MDB has also failed to submit evidence and documentation specified by Bank Negara to justify its inability to fully comply with the repatriation order.

"1MDB has been given until 30 May 2016 to pay the compound," reads the statement released by the central bank today.

According to the statement, once the payment of the compound is settled by 1MDB, it would mark the conclusion of the investigations by Bank Negara into various instances where the sovereign fund contravened the central bank's rules and regulations.

However, the statement did not state the quantum of the compound.

Closure of probe 'confirmed'

In an immediate reaction, 1MDB said it respects the authority and decision by Bank Negara and will comply with the compound notification.

"1MDB refers to the statement from Bank Negara Malaysia (BNM), confirming the closure of investigations on 1MDB and the imposition of an administrative compound for non-compliance with certain directions of BNM.

"1MDB fully respects the authority and decision of BNM in this matter. Payment of the compound will be made on or before the due date," the state-owned investment arm said.

This marks the end of investigations by the central bank into financial improprieties by 1MDB, with the compound being the action of last resort, after Apandi had refused to prosecute the sovereign fund based on the investigation papers Bank Negara initially sent to the Attorney-General's Chambers.

A subsequent appeal and re-submission of the papers by the central bank also saw the AG refusing to take action, though Apandi finally relented to the administrative compound that Bank Negara opted for after the initial papers were rejected.

The Bank Negara investigations focused on various monies that 1MDB transferred overseas for investments, which are seen to be questionable, prompting the central bank to issue an order to the sovereign fund to [repatriate](#) the funds, and another order later to 1MDB submit evidence on why it failed to comply with the order.

Deputy Finance Minister Johari Abdul Ghani had said on March 28 that the fine against 1MDB is administrative and [not criminal](#) in nature.