

Bank Negara to give 1MDB 'reasonable time' to repatriate funds

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Bank Negara governor Muhammad Ibrahim today said that "reasonable time" will be given for state-linked fund 1MDB to repatriate US\$1.83 billion (RM7.76 billion) of its funds which it sent abroad without complying with the central bank's regulations.

He explained this was because 1MDB had previously said the money would be used to restructure its debt obligations.

"We were told that the money that was supposed to be repatriated will be used to restructure the entity and we leave it at that.

"We will give them time so that they can restructure. 1MDB has said they have the money and they will use it to restructure all their debt obligations," he told a press conference at the Bank Negara office in Kuala Lumpur.

Muhammad, however, stressed that the May 30 deadline would remain for 1MDB to pay the compound issued by Bank Negara, including for the failure to repatriate its funds abroad.

Asked whether a deadline was given for 1MDB to repatriate the funds, Muhammad reiterated that it would be a "reasonable time".

"When it comes to debt restructuring and rescheduling, it involves a lot of parties and negotiations.

"Settlements will take some time depending on complexity of the situation," he said.

1MDB is currently in a dispute with International Petroleum Investment Company (IPIC) over claims of breaches of their earlier agreement where the Abu Dhabi-based state investment arm was supposed to take over the Malaysian sovereign fund's debts and obligations.

Muhammad had earlier presented Malaysia's economic performance for the first quarter of this year, noting slower growth compared to the same quarter last year.

He also denied that controversies surrounding 1MDB were among factors that contributed to the slower growth.

The growth figures, he said, were expected to improve in the second quarter of this year - with the private sector set to continue being its key driver.

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