

Private bank with 1MDB links braces for sanctions

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Private bank Coutts & Co Ltd (Coutts), which has client accounts linked to the 1MDB controversy, has warned investors that it may be penalised by Swiss authorities.

In a filing to the London stock exchange, London-based Coutts said the client accounts are the subject of Swiss Financial Market Supervisory Authority (Finma).

"The proceedings are at an advanced stage. Coutts is also cooperating with investigations, one of which is at an advanced stage and may conclude in the near term, and enquiries from authorities in other jurisdictions in relation to the same subject matter...

"Investigations and enquiries are uncertain but may include financial penalties and/or regulatory sanctions," said Coutts in the filing dated Oct 28.

Coutts is [subsidiary](#) of the Royal Bank of Scotland Group (RBS) incorporated in Switzerland. It has since been sold to Union Bancaire Privée.

The bank was first come under the spotlight as linked to the 1MDB scandal in a report by UK-based *Sarawak Report* and *Sunday Times* last February.

According to the reports, Coutts handled the monies that were meant for the 1MDB-PetroSaudi International joint venture in 2009.

A large portion of that sum allegedly went to Good Star Ltd's account in Coutts Zurich.

Details on Finma's investigations remains vague, although some reports such as that from the *Financial Times* in April suggest that it is related to the "Good Star account".

What is known, however, is that Finma has claimed that at least US\$4 billion had been misappropriated from Malaysian state companies and that a portion of that money was transferred to Swiss accounts by former Malaysian public officials, and former and current officials from the United Arab Emirates.

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