

## **BNM BEING ASKED TO BANKRUPT 1MDB**

**Malaysia Today  
October 10, 2015  
By Super Admin**

**Quoting the Financial Services Act, he said 1MDB or those responsible for its affairs could be punished by an amount of up to three times the amount involved in a complaint by Bank Negara. This could be as much as US\$5.5 billion, based on the figure of US\$1.83 billion that Bank Negara has ordered 1MDB to repatriate to Malaysia.**

### **THE CORRIDORS OF POWER**

**Raja Petra Kamarudin**

Something new has emerged since I published my latest article today ([\*Did Zeti fire a killer shot against Najib?\*](#)). Bank Negara Malaysia (BNM) is being asked to sue 1MDB for an amount of US\$5.5 billion or roughly RM23-24 billion (**SEE THE NEWS ITEM BELOW**).

It seems there are already lawyers on stand-by who are prepared to help BNM in handling this civil action.

Meanwhile, while the case is being heard in court, they can apply for a mandatory injunction and freeze 1MDB's assets. This will effectively kill 1MDB once and for all and it's rationalising and debt reduction exercise will grind to a halt.

With the amount of fines and loans that 1MDB will have to pay and its debts un-serviced, we will see 1MDB buckle under probably RM50-60 billion in liabilities.

This is actually a brilliant move to ensure that 1MDB will not be able to prove it is a viable proposition and help make the vote of no confidence against the Prime Minister this month closer to reality.

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**Art: Bank can now sue 1MDB for US\$5.5bn**

**Lawyer-blogger says central bank can take civil action without relying on Attorney-General.**

(Free Malaysia Today) – Bank Negara Malaysia can take a civil suit against 1Malaysia Development Bhd or its officers to get around the Attorney-General's reluctance to prosecute the company, according to lawyer-blogger Art Harun.

Quoting the Financial Services Act, he said 1MDB or those responsible for its affairs could be punished by an amount of up to three times the amount involved in a complaint by Bank Negara. This could be as much as US\$5.5 billion, based on the

figure of US\$1.83 billion that Bank Negara has ordered 1MDB to repatriate to Malaysia.

He also suggested that those responsible could also go to jail for contempt of court if they failed to comply with any court orders that the Bank obtained through a civil suit. The need for civil action arises because the Attorney-General has decided there are no grounds to prosecute and had denied the Bank's request for the case to be re-examined.

On Thursday the central bank said it had revoked three permissions granted to 1MDB under the Exchange Control Act for investments abroad amounting to US\$1.83 billion. The Bank said permissions had been obtained using "inaccurate or without complete disclosure of material information". It ordered 1MDB to submit plans for repatriating the money.

However, 1MDB said on Friday that while it respected the Bank's authority, it was unable to repatriate the money as it had already been spent.

In his blog today, Art said lawyer Rosli Dahlan had reminded him about Section 239 of the Financial Services Act, which empowers the Bank to take civil action. He said the Bank could sue "the persons who fail to comply with its direction to repatriate the money to Malaysia" and could ask that they:

- \* pay an amount which is three times of any monetary gains made by those persons; or
- \* pay an amount which is three times the amount involved in the matter;
- \* pay a fine set by the court.

The Bank could also ask the court for orders to force the persons responsible to comply with its direction or to mitigate the non-compliance.

"This kind of orders will, in my opinion, take the form of a mandatory injunction. The failure to comply with a mandatory injunction will of course expose those persons to contempt proceedings which may be punishable by imprisonment or fines or both," Art said. "Let's wait and see whether the BNM will exercise these powers. Being a civil suit, the BNM can bring the action on its own without the involvement of the Attorney-General."

He also suggested that the legal firm Lee Hishammuddin Allen and Gledhill, of which Rosli Dahlan is a Senior Partner, would be glad to help the Bank. "That firm after all, is on the panel of the BNM," he said.

Source: <http://www.malaysia-today.net/bnm-being-asked-to-bankrupt-1mbd/>