

BNM action on 1MDB is administrative, not criminal, deputy finance minister says

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BNM Governor Tan Sri Zeti Akhtar Aziz has said the central bank will take action against 1MDB for its failure to support its reasons for not moving US\$1.83 billion (RM7.76 billion) abroad back to Malaysia. — File pic

KUALA LUMPUR, March 28 — Bank Negara Malaysia's (BNM) administrative action on 1Malaysia Development Berhad (1MDB) is not for any criminal wrongdoing, deputy finance minister Datuk Johari Abdul Ghani told the Dewan Rakyat today.

In his winding up speech to the House, Johari cited BNM Governor Tan Sri Zeti Akhtar Aziz's statement last week that the central bank will take action against the firm for its failure to support its reasons for not moving US\$1.83 billion (RM7.76 billion) abroad back to Malaysia.

"I was made to understand by the Bank Negara authorities that they would inform the AG, and the AG will look into the matter and can decide to fine 1MDB," he said, referring to Attorney-General (AG) Tan Sri Mohamed Apandi Ali.

"Administrative is usually fines... it's not criminal... it's not criminal but it's a fine, (and) because Bank Negara does not have the right to dictate the penalties, they have to forward it to the AG to decide.

"As far as Bank Negara is concerned, administrative is not criminal," he said in his winding up speech on the Supplementary Supply Bill.

In reply to Bagan MP Lim Guan Eng on whether it would be 1MDB or individuals within the firm who would pay the fine, Johari said, "Procedures dictate that when investigations are made against 1MDB, the fine would also be paid by 1MDB... not the individual."

Last week, Zeti said 1MDB had missed a deadline to produce documents to back up its purported need to keep the funds overseas to repay the state-owned firm's foreign debts.

Zeti also said 1MDB has not provided any reason on why it was not able to provide the documentary evidence.

She added that the central bank's action on 1MDB is purely administrative and could possibly result in penalties or compounds, stressing that it is different from the criminal enforcement action that the AG had decided not to pursue.

Zeti also confirmed that this is the final action that BNM will be pursuing on 1MDB, reiterating that she wants closure on this matter to allow the next central bank governor to start with a "clean slate".

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