

Bank Negara did not seek clarification on 1MDB remittances, says A-G Malaysian Insider

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By Jennifer Gomez

The Attorney-General's Chambers (AGC) today explained its decision to clear 1Malaysia Development Bhd (1MDB) of making inaccurate declarations related to overseas investments, saying that Bank Negara Malaysia had not sought enough information from the firm to show that it had broken the law.

Neither did Bank Negara direct Deutsche Bank Malaysia Bhd to advise 1MDB to revert to the central bank for a review of the remittance permission granted, Attorney-General Tan Sri Mohamed Apandi Ali said today.

Speaking at a press conference, the A-G said this clearly showed that there was no further information requested by Bank Negara at the material time.

"1MDB rightfully furnished the information required for the purpose of the remittance," he said.

Apandi was referring to three permissions obtained by 1MDB from Bank Negara to make remittances on September 29, 2009, September 6, 2010 and May 20, 2011.

Bank Negara did not take more than three days to grant the said permissions on all three occasions, he said, reading from a press statement.

He added that the relevant forms for the remittances in this case had not required the applicant to state the bank account number and beneficiary.

As far as 1MDB was concerned, it needed to fill up the relevant forms and respond to the queries by the central bank.

"If Bank Negara does not request for certain or specific information, how could 1MDB be faulted as it has filled up the form as required and responded to the queries made," Apandi said.

He added that the 1MDB officials at the material time during the process of obtaining the permissions had complied with the directions given, and so the central bank's approvals were granted.

Apandi said that until and unless it could be shown that the officials had deliberately or recklessly provided false information in material particulars, they had committed no offence under the Exchange Control Act.

"Since there is no requirement, the omission on 1MDB's officials' part to disclose is not an offence under the Exchange Control Act.

"It is further noted that the relevant ECM forms, namely 09A and 06B do not require

the applicant to supply the names of the beneficiary owners, or the bank accounts numbers of the recipients, or the manner as to how the funds were to be channelled."

He said that when 1MDB requested Deutsche Bank to make the remittances to a different account, the bank had sought clarification from Bank Negara.

The central bank then told Deutsche Bank that the remittances were a business decision and there was no deviation from the purpose intended, Apandi said.

The central bank did not make any further query at that particular time, he added.

"In this respect and the fact that there is no new evidence made available, we do not see the necessity to review (our decision)," said Apandi, who did not take any questions from the press.

Last Thursday, Apandi announced the AGC's decision not to take further action against 1MDB with regards to making inaccurate disclosures to obtain permissions.

He said the decision was made despite the central bank's appeal for a review, because there had been no additional evidence.

Bank Negara the following day revealed that it had revoked three permissions granted to 1MDB between 2009 and 2011 because of inaccurate disclosures.

Apandi's announcement last week drew criticism, with chief 1MDB critic Tun Dr Mahathir Mohamad even accusing the A-G of now behaving like a judge.- October 13, 2015.

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