

**Bank Negara can act against 1MDB without A-G, says G25
Malaysian Insider
Oct 30, 2015**

Bank Negara Malaysia can take action against 1Malaysia Development Bhd (1MDB) for failure to comply with the central bank's direction to repatriate US\$1.83 billion (RM7.87 billion) to the country, the grouping of eminent Malays or G25 said today.

The group said in a statement that this could be done independent of the Attorney-General under Section 239 of the Financial Services Act.

It added that when Bank Negara acted under this section, it did not prosecute, therefore the question of the central bank exercising the powers of the A-G did not arise.

"When Bank Negara takes action under Section 239, it is taking a civil action, as opposed to taking criminal action against 1MDB.

"A decision on criminal action can only be made by the A-G.

"When Bank Negara takes a civil action against 1MDB under Section 239 for non-compliance with Bank Negara's direction, Bank Negara can ask the court for any of the orders under the act.

"For example, Bank Negara can ask the court to compel 1MDB to pay it US\$1.83 billion or, in the alternative, ask the court to compel 1MDB to pay the central bank any civil penalty," G25 said.

The group said once the court made an order against 1MDB under the act and if 1MDB failed to comply, the central bank could institute contempt proceedings against 1MDB.

"Legal experts have verified that this need for civil action is appropriate and has only arisen because the Attorney-General has decided there are no grounds to prosecute and denied Bank Negara's request that the case be reviewed and re-examined," G25 added.

On October 8, newly appointed A-G Tan Sri Mohamed Apandi Ali said the AGC's decision not to take further action against 1MDB with regard 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 revealed the next day that it had revoked three permissions granted to 1MDB between 2009 and 2011 because of inaccurate disclosures.

Following that, on October 13, Apandi reiterated in a special press conference that

since no new evidence was available, there was no need to review the decision not to prosecute the state investor.

But G25 said today the central bank had withdrawn approval to 1MDB under the Exchange Control Act relating to permission for investments abroad and had requested repatriation of the amount kept abroad.

The group added that the money having been spent was no reason that plans for repatriation could not be submitted to the central bank, adding that under the Financial Services Act, Bank Negara had options on further actions to force 1MDB to comply.

"In the interests of the country and exercising its powers fairly, Bank Negara Malaysia must indeed follow up with the necessary actions under the law.

"Since the central bank's action to date is within its powers to take up the civil suit, Bank Negara can, therefore, proceed to act independently without consultation or any manner of involvement of the Attorney-General." – October 30, 2015.

Copyright © 2015 Edge Insider Sdn Bhd

Source:

<http://www.themalaysianinsider.com/malaysia/article/bank-negara-can-act-against-1mdb-without-a-g-says-g25>