FOREX LOSSES

BNM OFFERS FULL COOPERATION

NST 15/2

Central bank's statement in response to announcement on cabinet's special task force

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BANK Negara Malaysia (BNM) will extend its full cooperation to the special task force set up by the cabinet to probe into the foreign exchange (forex) losses incurred in the 1990s.

In a statement yesterday, the central bank said it continuously upheld the highest standard of disclosure and transparency in its activities.

"The bank has significantly strengthened its balance sheet, governance and accountability, especially with respect to reserves management.

"Under the current challenging and uncertain environment, it is important that we remain focused and not be distracted from our efforts to ensure that the economy and financial system remain stable and resilient to support the country's economic activities."

BNM's statement was in response to the announcement on Wednesday that the cabinet had agreed to set up a special task force to probe into the losses suffered by BNM due to forex trading in the 1990s.

The Prime Minister's Office, in a statement, had said the special task force would comprise representatives from government agencies, including highly respected individuals who were experts in certain fields.

"This task force will make recommendations and suggestions for consideration by the cabinet in the near future for follow-up action, including the setting up of a Royal Commission of Inquiry, if needed, based on the outcome of the probe."

It said the government's action showed its commitment to and transparency in ensuring that BNM's dealings at the time had followed guidelines on good governance.