

1. 'WSJ repeating allegations, ignored confirmed facts'



KUALA LUMPUR: The Malaysian Government has criticised the *Wall Street Journal* (WSJ) for continuing to try and link the funds deposited into the Prime Minister's accounts with 1Malaysia Development Berhad (1MDB) even after "multiple lawful authorities" have confirmed the money came from Saudi Arabia.

In a statement Tuesday, a government spokesman said: "As stated by the Attorney-General of Malaysia, the funds received were a donation from Saudi Arabia. This has been verified by multiple lawful authorities who conducted exhaustive investigations.

"This included Malaysian authorities travelling to Saudi Arabia to examine documentation and interview members of the royal family and officials that administered the donation.

"The Foreign Minister of Saudi Arabia has also confirmed that the funds came from Saudi Arabia," he said.

The spokesman was responding to a WSJ article, which alleged that more than US\$1bil had been deposited into the accounts of Datuk Seri Najib Tun Razak, and that much of it came from 1MDB.

The government spokesman said it was telling that WSJ and its sister entities were continuing their attacks and trying to link 1MDB to the donation.

"They keep repeating the same old allegations without providing evidence; they keep relying solely on anonymous sources that might not even exist; and they keep choosing to omit key known facts. This is unethical and against accepted journalistic practice.

"The *Wall Street Journal* has become a willing vehicle for certain political actors who are seeking to damage the Prime Minister and Malaysia for personal gain. But this politically motivated anti-Najib campaign, which sought to use western media, has failed," he added.

The spokesman also said, "the Prime Minister is focused on the key issues that matter to Malaysia, especially combating the threat of terrorism, and strengthening the economy in the face of global headwinds."

"Malaysia's recent growth figures, which surpassed expectations, confirm that the Prime Minister's economic plan is working," according to the spokesman



Tuesday, 8 March 2016

2. MPs complain 1MDB, RM2.6bil questions unanswered

KUALA LUMPUR: Several opposition MPs on Tuesday complained after questions relating to 1Malaysia Development Bhd (1MDB) and the RM2.6bil donation were rejected in Parliament.

Bukit Katil MP Shamsul Iskandar (*pic*) had submitted a question on how the donation was returned and to whom.

Petaling Jaya Utara MP Tony Pua had two questions rejected - on help that the Swiss attorney-general requested and whether there was an investigation into an alleged US\$170mil deposited by Blackstone Asia Real Estate Partners Limited into the Finance Minister's account in 2011.

"Why can't these questions be answered? We can only make our own assumptions after our questions were not answered. There is truth behind the questions. If there is no truth behind the questions you will just say there is no truth," Pua told reporters at Parliament lobby.

Other MPs who found that their questions had also been rejected in regards to the two issues were Bagan MP and Penang Chief Minister Lim Guan Eng, Raub MP Mohd Ariff Sabri, Nibong Tebal MP Datuk Mansor Osman, Segambut MP Lim Lip Eng and Ipoh Timor MP Thomas Su.

3. MACC aims to up number of integrity officers

The Malaysian Anti-Corruption Commission (MACC) hopes to increase the number of integrity officers placed in government-linked companies (GLCs) and agencies.

Deputy Minister in the Prime Minister's Department Datuk Razali Ibrahim said he was all for adding officers but there were limitations to the plan.

"For now, we only place officers in about 30 GLCs because we have to stick to our budget, and also because of our manpower.

"We have a total of 43 officers in the GLCs to monitor and promote integrity in the workforce and prevent corrupt practices," he said in response to a question by Datuk Noraini Ahmad (Parit Sulong-BN) at the Dewan Rakyat yesterday.

Razali, who is in charge of the MACC, said there were nearly 1,000 GLCs in Malaysia and not nearly enough officers.

However, in the two years since we had an integrity unit, the impact was quite visible based on our inspections, he said.

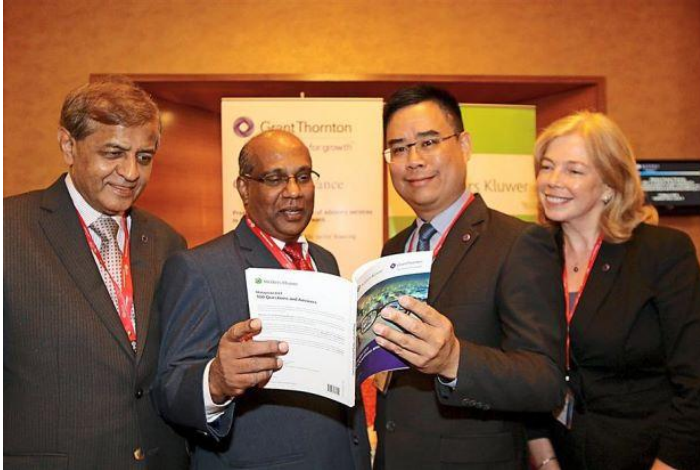
"More civil servants are taking the initiative to report acts of corruption and compliance with circulars has also increased in 2015 compared to the year before," he added.

Meanwhile, the Finance Ministry has chosen not to answer two Opposition lawmakers' questions about funds from SRC International Sdn Bhd allegedly channelled to the Prime Minister's private bank account.

In his written replies to Wong Chen (Kelana Jaya-PKR) and Tony Pua (Petaling Jaya Utara-DAP), Datuk Seri Najib Tun Razak said the questions were based on news reports where the authenticity of information could not be determined.

"As per Standing Order 23(1)(i), this matter does not need to be answered because it is a question that seeks clarification based on a matter raised by the media," said Najib, who is also Finance Minister.

4. RM39bil collection target from GST this year



Target exceeded: (from left) Subromaniam, Thornton executive director of GST Alan Chung and Lorraine Parkin checking out the report in Kuala Lumpur yesterday

KUALA LUMPUR: The Customs Department is tasked with raising RM39bil this year from the goods and services tax (GST), a sum that deputy director general Datuk Subromaniam Tholasy is confident of achieving.

The GST was implement from April 1 last year, replacing the the sales tax of 10% and services tax of 6%.

"Having exceeded last year's target of RM27bil within just nine months, if we annualised that figure, theoretically it would be RM36bil in a 12-month period.

"That gives us confidence of achieving RM39bil in the 2016 collections," he said, adding that tens of thousands of businesses had yet to register for the value-added tax. Amongst them were businesses of the hidden economy, who would find it hard to remain beneath the surface, Subromaniam said.

Speaking to reporters in a GST Implementation Report Card press conference organised by tax and advisory provider Grant Thornton and global information services company Wolters Kluwer, Subromaniam said the government will soon announce the precise amount collected since the GST was implemented on April 1, 2015 as there were still refunds to settle.

"The bulk of the refunds have been dealt with and we have now paid out up to 70% of the total claims.

"It has been very challenging to achieve that but we have managed it. Most other countries using the GST system take longer, sometimes months."

For 2016, the department has been tasked to raise RM39bil from the GST, a sum the GST task force is confident of achieving given the number achieved last year.

"Last year, some 30,000 companies without tax files had registered for the GST," he said.

"There remains tens of thousands of companies that have yet to register but that number is constantly changing as new businesses come into the market," he said.

Currently, 406,000 companies had registered for the GST.

Subromaniam added that the GST, which replaced the sales and service taxes of 10% and 6%, respectively, was not the major cause of increase in the cost of living nor did it have a direct impact on the consumer price index.

"To be fair, a lot of prices had already increased prior to the implementation of the GST."

As for GST offences, he said quite a number of companies were being investigated.

"The greatest advantage of the GST is its transparency so that any savings will be able to flow through in the supply chain unlike the sales and services tax..

"The GST has made Malaysian industries more competitive compared with the previous tax era, and it is expected to curb profiteering in the long term," he added.

To achieve the target set for this year, Subromaniam said the department was rolling out several initiatives to better aid businesses in the ongoing GST filing process.

Asked if the GST would be lowered due to low oil prices, Subromaniam said:

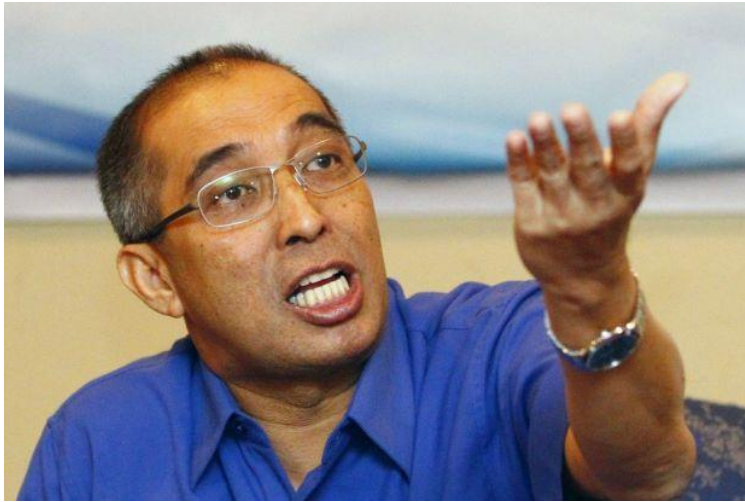
"The numbers are still quite good. That's really something for the government to consider and decide if there is a need for that in the future."

Meanwhile, Grant Thornton APAC head of indirect taxes Lorraine Parkin urged businesses to review indirect tax risks procedures to ensure enterprise resource planning systems were updated and could cope with complex transactions.

"GST functions should be in the hands of personnel adequately trained in GST, supported by advisers and technology such as determination engines.

"Additionally, the GST should be on the board agenda as both a financial and reputational risk to manage," she said.

5. Salleh Said: Govt spent RM618,000 on 1MDB and Red shirt rally books



KUALA LUMPUR: The Government spent RM618,000 of taxpayer money to print books on 1Malaysia Development Berhad (1MDB) and the Red Shirt Rally.

Communications and Multimedia Minister Datuk Salleh Said Keruak (*pic*), in a written reply to Teo Kok Seong (DAP - Rasah) said that the books were published to present "facts regarding the two issues" in light of the heavily-charged political circumstances.

"The book titled '1MDB:Siapa Kata Tidak Dijawab' had 125,000 copies printed in three languages. The cost of one book was RM4.85, totaling RM606,250," he said in a statement Monday.

The Department of Special Affairs (JASA) printed 100,000 books in Malay, 15,000 in Tamil and 10,000 in English.

Salleh Said added that the Department printed 2,000 "Red Shirt Rally" books, costing RM12,000 or RM6 per book.

"The two issues had been politicised until it caused a significant effect on the country's safety and peace," said the Minister, explaining the reasons for publishing the books.

6. Petronas' RM700mil Pamer project to be completed soon



Datuk Ismail Karim (left) and Syed Mohd Kamal at Petronas' Raw Water Supply Project to RAPID near Sungai Lebam.

KOTA TINGGI: Petroliaam Nasional Bhd's (Petronas) Raw Water Supply Project to RAPID (Pamer), which will supply raw water to Pengerang Integrated Complex (PIC) and Sungai Lebam reservoir, is on track to be completed by the second quarter of this year.

Project director Syed Mohd Kamal Syed Abd Rahman said as of March, Pamer was 87.46% completed.

"For a start, Pamer will supply 40 million to 60 million litres per day (mld) of raw water from Sungai Seluyut to Sungai Lebam reservoir, enabling it to provide the necessary potable water for the community.

"This will benefit some 100,000 residents in Pengerang and Bandar Penawar," he told reporters after the officiating of the early operational functioning of Pamer to supply raw water to Sungai Lebam reservoir.

Johor State Secretary, Datuk Ismail Karim, officiated the ceremony.

With the completion of the Pamer project on May 31, 2016, it would supply 230 mld of raw water to PIC and 30 mld to Sungai Lebam reservoir to supplement existing water supply for public consumption in the Pengerang area.

Syed Mohd Kamal said the RM700mil Pamer project also involved, among others, the construction of an intake pump station at Sungai Sedili Besar, a dam with 72 million cubic meter storage capacity at Sungai Seluyut as well 90 km of large size water pipelines.

The Pamer project involves about 2,630ha, of which 1,011ha are for the Seluyut Impounding Reservoir, 1,294ha for Seluyut catchment area and the remaining for Pamer's facilities.



Tuesday, 15 March 2016

7. Civil servant Datuk held by MACC over fraud

KUALA LUMPUR: A senior civil servant with a Datuk title was arrested by the Malaysian Anti-Corruption Commission (MACC) for her alleged involvement in Government procurement fraud.

A source said the 60-year-old was picked up from her house in the Klang Valley during an operation codenamed Ops Tiris early yesterday morning.

A 59-year-old man from the private sector, who is a former Government officer, was also picked up from his home in the Klang Valley.

The duo was believed to be involved in choosing certain companies without going through the proper tender procedure to operate more than 40 retail outlets at Government hospitals nationwide.

They have been remanded for two days.

The source said the case involved some RM20mil worth of bribes.

It is learnt that the case was being investigated under Section 17(a) of the Malaysian Anti-Corruption Commission Act 2009 and the Anti-Money Laundering Act.

The source said two others, aged between 30 and 40, including a woman, were also picked up to assist in investigation.

A local daily reported that MACC discovered five cases of fraud that cost the Government RM20mil.

8. MITI: Malaysia forms committee to oversee implementation of TPPA



PETALING JAYA: The International Trade and Industry Ministry will form a national committee tasked to monitor, facilitate and oversee the overall implementation of the Trans-Pacific Partnership Agreement (TPPA).

Minister Datuk Seri Mustapa Mohamed said the committee would comprise representatives of ministries and government agencies involved in the trade agreement.

"The National Committee and subsidiary bodies will mirror the set-up of the TPP Joint Commission and subcommittees under the trade agreement.

"I will continue to engage with members of Parliament in facilitating and monitoring the implementation of the TPPA," Mustapa said in a statement Tuesday.

Following the signing of the TPPA on Feb 4, Malaysia as well as the other 11 member countries are currently completing domestic procedures to ratify the agreement.

In Malaysia, several laws will be amended concerning three main areas, the rules of origin, intellectual property rights and labour. The amendments will ensure the country is in a position to meet the obligations stipulated under the TPPA.

Mustapa also said engagement with the local stakeholders will continue throughout the entire period before ratification.

"As part of our efforts to ensure engagement will continue during the implementation period, a separate Consultative Committee will also be formed.

"This committee will be made up of representatives from industry players, business chambers, small and medium enterprises, non-governmental organisations and various other local stakeholders," he said.

"The role of this consultative committee will be crucial in gathering feedback and assessing the impact of the TPPA implementation from time to time," he added.

He said the government remains committed in ensuring that Malaysia will be able to take full advantage of the opportunities and mitigate the challenges that the TPPA will bring.

"It is our hope that the formation of the committees will assist us in achieving such objectives," he said.



Friday, 18 March 2016

9. Long-term prospects remain favourable



KUALA LUMPUR: Malaysia's long-term economic prospects remain favourable given its structural strengths and diversified economy despite the revision of its *A3* rating outlook to "stable" from "positive", said Moody's Investors Service.

In a note yesterday, Moody's said the favourable prospects were because of Malaysia's well developed infrastructure, substantial natural resources, globally competitive services sector and a manufacturing base that would likely benefit from the country's improving trade linkages.

"The change in outlook reflects the deterioration in Malaysia's growth and external credit metrics due to external pressures over the past year, such as lower commodity prices," it said.

Moody's said the lower commodity prices had reduced government revenue, while undermining the country's external position, with large capital outflows, a falling current account surplus, sharp exchange rate depreciation and falling reserves.

"Like Oman and Peru, Malaysia benefitted from the global commodities boom over the last decade, with palm oil, liquefied natural gas, petroleum and associated products of particular importance.

"However, because of its relative diversification, Malaysia's economy appears to be much more resistant to the commodities' downcycle when compared with its peers," it said.

Moody's said in the two-year period between 2015 and 2016, it expected Malaysia's real gross development product (GDP) growth to average 4.7%.

This estimate is roughly in line with the average 4.8% rate recorded between 2001 and 2013.

On the oil and gas industry, Malaysia has sought to diversify its sources of growth away from upstream sector towards downstream activities, including refining and petrochemical processing, both of which somewhat benefitted from lower oil prices.

"While Malaysia continues to work towards improving its external linkages, its economy has rebalanced towards domestic demand to drive economic growth.

"This is mirrored in the decline in trade openness, as measured by the sum of both the exports and imports of goods and services as a share of GDP.

"This ratio has fallen gradually, registering 134.4% in 2015 from a recent high of 188.9% in 2005," it added. — Bernama



Wednesday, 23 March 2016

10. More bids for 1MDB Penang land

GEORGE TOWN: Two more companies have joined the race to bid for 1Malaysia Development Bhd's (1MDB) land in Air Itam, Penang. Sources said that Suiwah Corp Bhd, a supermarket chain operator, and Titijaya Land Bhd, a Klang Valley-based property developer, have put in their bids for the 94.7ha in Air Itam.

Earlier, two other parties had submitted their bids after 1MDB opened the sale of the land through a request-for-proposal exercise.

They were a joint-venture between the Ideal Property and BSG groups, and a company related to Goh Choon Lye, a well-known developer in the state.

It is learnt that Suiwah and Titijaya recently submitted their bids to 1MDB.

"What they submitted is more or less the same deal as proposed by the earlier two bidders, which values the development at over RM180 per sq ft (psf), which is higher than the price 1MDB had paid for it in 2013.

"The price of RM180 psf is based on the development potential of the land over a period of time. When the land is fully developed, the price of the land will exceed slightly over RM1.8bil," said a source familiar with the deal.

In 2013, it was reported that 1MDB had paid RM1.06bil for the property that came with encumbrances such as removing squatters, a process which was estimated to cost more than RM250mil.

At RM1.06bil, 1MDB had paid around RM104 psf for the Air Itam land.

The current valuation by CH Williams for the property without vacant possession is RM130 psf or RM1.325bil.

It is understood that the companies tendering for the land deal have also included a profit-sharing package with 1MDB from their proposed mixed-development projects.

The companies would also need to fork out at least another RM300mil to relocate the 3,000 squatters, which may not be sufficient.

Both Suiwah and Titijaya are strong contenders for the land deal, as both parties are involved in the property development business.

With their track record, both Suiwah and Titijaya will give Goh, who is another strong contender for the land deal due to his familiarity with the 94.7ha land, a good fight over the tender.

Suiwah is involved in the development of Sunshine Tower in Bandar Baru Air Itam (Farlim).

Sunshine Tower, with about two million sq ft of floor area, is a mixed-development project, scheduled for completion in 2019.

Titijaya, which has an impressive track record of development projects in Kuala Lumpur, will be undertaking that Areca@Penang project soon in Batu Maung, comprising four condominium blocks and four office towers.

It is learnt that the results of the tender will be released after mid-May this year.

It is learnt that the contenders were selected from a list that also included developers from Kuala Lumpur.

In 2013, the land was sold to 1MDB by Gerak Indah Sdn Bhd, AI Real Estate (formerly known as Farlim Properties Sdn Bhd), and Choong Lye Hock Estates Sdn Bhd, which controlled 85.7% of the undivided interest in the total land area.



Thursday, 24 March 2016

11. Two more nabbed in RM100mil misappropriation case



Datuk Azam Baki

PUTRAJAYA: An agriculture and agro-based industry ministry officer and a company director are the latest suspects to be detained over the misappropriation of funds of more than RM100mil.

Malaysian Anti-Corruption Commission (MACC) director (investigations) Datuk Azam Baki said the suspects, aged 41 and 31, were nabbed at the MACC headquarters after being summoned to have their statements recorded on Wednesday.

He told Bernama that prior to this, the 41-year-old officer had worked at the youth and sports ministry before he was transferred to the agriculture and agro-based ministry, a month ago.

He said the suspects were remanded for seven days to shed light on the case.

In a related development, Azam said the remand of the main suspected mastermind and seven other people would be extended after their detention period ended Thursday.

Meanwhile, he said a woman, one of the suspects in the case, would be released on bail.

On Friday, the MACC detained nine people, including a youth and sports ministry division secretary who allegedly received about RM20mil in bribes.

The 56-year-old senior officer, together with eight other individuals, including a woman, were detained by MACC on suspicion of masterminding a syndicate to misappropriate government funds worth RM107 million.



Thursday, 24 March 2016

12. 'I will resolve 1MDB issue'

KUALA LUMPUR: Bank Negara's outgoing governor Tan Sri Dr Zeti Akhtar Aziz has promised to use her remaining 38 days in office to resolve the 1Malaysia Development Bhd (1MDB) issue before handing over the reins to her successor.

"I want closure on the 1MDB case, as I want the new governor to start with a clean slate ... and not have to deal with the matter that happened during my time," Zeti said.

The central bank has commenced administrative enforcement actions against 1MDB for failure to submit documentary evidence pertaining to the state fund's inability to repatriate the US\$1.83bil (RM7.16bil) it had used abroad.

In relation to the central bank's action against 1MDB, Dr Zeti said the Federal Government-owned fund had not fully complied with the central bank's directive on repatriating the funds.

"So we are pursuing appropriate administrative enforcement action as allowed to us by the laws under which Bank Negara operates," Dr Zeti told reporters after her last presentation of Bank Negara's annual report here yesterday.

1MDB, in an immediate response, reiterated that it had fully cooperated with the central bank in the past 12 months.

"We highlight that 1MDB has fully cooperated to the extent possible with Bank Negara's investigations, including providing documentary evidence where available."

Bank Negara had, in August 2015, revoked three permissions granted to 1MDB under the Exchange Control Act 1953 (ECA) for investments abroad totalling US\$1.83bil (RM7.3bil) and issued a directive under the Financial Services Act 2013 to 1MDB to repatriate the sum to Malaysia.

The central bank also recommended criminal action against 1MDB.

But in September last year, the Attorney-General (A-G) cleared 1MDB of any wrongdoing, and said no further action should be taken against the debt-ridden fund.

Zeti conceded that the proposed administrative enforcement actions, which could result in either a penalty or compound against 1MDB, would still require the A-G's endorsement.

Zeti, who officially retires at the end of April after 35 years with the central bank, also outlined the qualities of her successor.

She said the next central bank chief would need to command the respect of the people and the markets besides having to manage monetary and financial stability at a volatile time for the global economy.

"Not anybody can be appointed to the position," she said, adding that candidates must have extensive knowledge, especially in the current volatile economic environment.

Several names have emerged as possible successors, with Bank Negara's most senior deputy governor Datuk Muhammad Ibrahim, a career central banker, reckoned as the internal candidate of choice.

Besides him, the names of three others have been speculated as possible successors - the Minister in charge of economic planning in the Prime Minister's Department Datuk Seri Abdul Wahid Omar, Malaysian ambassador to the United States Datuk Awang Adek Hussin, and the secretary-general of the Treasury at the Finance Ministry Tan Sri Mohd Irwan Serigar Abdullah.

13. Khairy: Panel to look into RM100mil graft issue



KUALA LUMPUR: An independent task force will carry out an internal audit on the Youth and Sports Ministry over the alleged embezzlement of RM100mil by a senior ministry official.

Its minister Khairy Jamaluddin said the task force would be headed by the Auditor-General.

"The task force is apart from criminal investigations carried out by the Malaysian Anti Corruption Commission (MACC).

"It will conduct an internal audit on the internal mechanism aimed at rectifying weakness," he said when replying to points raised on his ministry during debates on the royal address in the Dewan Rakyat yesterday.

He said the task force would not include any official from the ministry to guarantee its independence.

"From what I was informed, the task force is expected to complete its probe within two to three months," he added.

Khairy also said the accounts of the senior ministry official had been frozen with efforts to recover the money once the suspect was charged.

Earlier, several Opposition lawmakers touched on the issue when debating the motion of thanks.

Sim Tze Tzin (PKR-Bayan Baru) and Ngeh Koo Ham (DAP-Beruas) asked Khairy if he would resign after saying he took full responsibility for the loss.

Khairy said he accepted responsibility, but that did not mean that he would resign as demanded by the Opposition.

"When I said that I would take responsibility, I meant that it was my responsibility to correct the situation," he said.

He added that he would leave it to MACC to determine if he was involved or liable in the case.

Last Thursday, MACC arrested the senior official who was believed to have misappropriated government funds since 2010. It seized assets worth some RM20mil and froze 69 bank accounts amounting to RM8.3mil.



Saturday, 26 March 2016

14. Lessons to be learned from 1MDB story, says Arul Kanda

KUALA LUMPUR: There are lessons that can be learned from the 1Malaysia Development Bhd's (1MDB) experience, says Arul Kanda Kandasamy (*pic*).

The company's president and executive director concluded that all entities must be more transparent in their reporting, and should reduce excessive debt as well as high risk in the management of a company.

"Among the lessons to be learned from the 1MDB experience is in managing the capital structure and use of excessive debt should be reduced.

"Taking in a number of projects that are large and complex under one company may also need to be reviewed," he said in an interview on Business Plus programme on Astro Awani on Saturday.

He said government-owned companies like 1MDB must communicate on an ongoing basis, be transparent and open.

"This is what we can learn from what has happened in 1MDB, and InshaAllah, with these lessons we can all move forward," he said.

The sale of Edra Global Energy Bhd had substantially reduced 1MDB's debt, and it now has a cash surplus of RM2.3bil to carry on with the activities related to the infrastructure development for the Tun Razak Exchange and pay interest on the other debts, he said.

Arul Kanda said half of 1MDB's debt was in US dollars, and the debt amount would vary depending on the exchange rate of the ringgit against the currency.

He also cited a report by Moody's Investors Service on Tuesday that 1MDB was never a systemic risk issue to Malaysia's economy.

"After selling Edra Global Energy, the issue has decreased.

"1MDB is only a company facing business problems, which has been politicised, but it has undertaken rationalisation measures to reduce the debt burden and is now ready to move forward," he added.



15. 1MDB to announce more debt reductions soon

PETALING JAYA: 1Malaysia Development Bhd (1MDB) will make further announcements on its debt reductions in the coming weeks.

It had also fully settled a RM700mil loan based on the proceeds from the sale of Edra Global Energy Bhd.

On Saturday, 1MDB president and chief executive officer Arul Kanda Kandasamy said the sale of Edra had substantially reduced 1MDB's debt and that it now had a cash surplus of RM2.3bil to carry on with activities related to the infrastructure development for the Tun Razak Exchange and pay interest on the other debts.

On Wednesday, 1MDB completed the sale of its power assets under Edra to China General Nuclear Power Corp and its subsidiaries for RM9.83bil cash.

Arul Kanda concluded that all entities must be more transparent in their reporting and should reduce excessive debt as well as high risk in the management of the company.

"Among the lessons to be learned from the 1MDB experience is in managing the capital structure and that use of excessive debt should be reduced.

"Taking in a number of projects that are large and complex under one company may also need to be reviewed," he said in an interview on the Business Plus programme on Astro Awani on Saturday.

CIMB group chairman Datuk Seri Nazir Razak said 1MDB has significantly mitigated risk to Malaysia's financial system and economy by selling off its power plants.

Nazir said this divesting of assets, among other things, by 1MDB had "significantly mitigated, if not totally nullified" the risk.

"1MDB, I would like to break into three components - the past, present and the future. The present is about 1MDB as a risk to the financial system and the economy in Malaysia.

"That risk I think is significantly mitigated if not totally nullified, by virtue of them selling off their power plants, Bandar Malaysia etc.," he said in response to a question from the audience at the StarLIVE Power Talks-Business Series at Menara Star on Saturday.

Nazir added that because of this, even if 1MDB did not meet the complete debt demand, a lot of it was already paid off.

"So even if there is a shortfall, it won't be so huge. There is no longer that risk, so they have done that," he said.

"We have to look at the past and understand what happened so that we learn the lesson, so that people responsible for it are held accountable, so that nobody dares to do it again and that is a process that is still at work," Nazir said.



Monday, 28 March 2016

16. 1MDB: Company did not cause payment delays to members of armed forces

KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) has strongly denied that it is the cause of any payment delays to members of the armed forces.

The company reiterated its confirmation on March 21 that all payments to Perbadanan Perwira Harta Malaysia (PPHM), a subsidiary of the Armed Forces Fund Board (LTAT) under the contract were current, with no outstanding amounts.

"1MDB refers to (PKR vice-president) Rafizi Ramli's revelation today of what he asserts to be an excerpt from the Auditor-General's Report on 1MDB to the Public Accounts Committee, which we understand has been classified under the Official Secrets Act.

"Whilst 1MDB has previously confirmed that it suffered from a cash-flow mismatch in 2015, the company reiterates its previous confirmation on March 21 that all payments to PPHM under the contract are current and there are no amounts outstanding.

"Accordingly, 1MDB strongly denies that it is the cause of any payment delays to members of the armed forces," the company said in a statement on Monday.

The statement said 1MDB understood that LTAT would, in due course, provide clarifications that would conclusively debunk the so-called link between 1MDB's contract with PPHM and LTAT payments to members of the armed forces.

"This so-called link is a lie deliberately concocted by Rafizi.

"More importantly, if what Rafizi claims he has done is true, then he shows not only a blatant disregard for the law, but also unveiled contempt for the ongoing investigations by the PAC, which is a bi-partisan, select committee of Parliament," it said.

The statement said Rafizi could not claim he was a whistleblower or acting in the public interest, given that the PAC, a lawful authority with five Opposition members, already has access to and is now reviewing the Auditor-General's Report on 1MDB.

"1MDB trusts that the relevant lawful authorities and Parliament will further investigate the Pandan Member of Parliament's claim that he has publicly shared a document classified under the OSA, which in turn, is part of an ongoing parliamentary investigation.

"If any wrongdoing is found to have taken place, we trust that action will be taken under the law," added the statement.



Monday, 28 March 2016

17. Johari: BNM found administrative issues in 1MDB

KUALA LUMPUR: Bank Negara Malaysia's administrative action against 1Malaysia Development Bhd does not mean that the state investment fund has committed a criminal offence, said Deputy Finance Minister Datuk Johari Abdul Ghani.

He told the Dewan Rakyat that the central bank had completed its own investigation and found that there were administrative issues in 1MDB.

He said 1MDB did not comply with Bank Negara administrative procedures and the report would be forwarded to the Attorney-General's Chambers.

"There is nothing criminal. BNM has no power to determine the amount of fine, so it has to forward

its report to the A-G to decide," he said when wrapping up his ministry's response on the Supplementary Supply (2015) Bill 2016 on Monday.



Tuesday, 29 March 2016

18. No criminal offence by 1MDB, says Johari

1MALAYSIA Development Berhad (1MDB) did not comply with Bank Negara Malaysia's administrative procedures but this did not constitute a criminal offence, said Deputy Finance Minister Datuk Johari Abdul Ghani.

He said the central bank's investigations showed 1MDB did not comply with its administrative procedures and that this would be forwarded to the Attorney-General's Chambers.

"It is nothing criminal, and because Bank Negara has no power to determine the fine to be imposed, they have to forward it to the A-G to decide," he said while wrapping up his ministry's response on the Supplementary Supply (2015) Bill 2016 yesterday.

Asked who would be responsible for paying the fine, Johari said based on current practice, the company would have to pay the fine.

On who the new Bank Negara governor would be, Johari said the Government would make the announcement in the near future.

"The candidate must have experience in monetary and fiscal policy matters, as well as the global economy. That individual must have experience in administering the economy," he added.



Thursday, 31 March 2016

19. 1MDB to pay RM6bil of debt

NEW YORK: The Malaysian state investment company at the centre of multiple financial probes said it would repay RM6bil in coming weeks as asset sales gave it room to pare down debt.

1Malaysia Development Bhd won't have any more short-term debt and bank loans after the repayments, president Arul Kanda Kandasamy said in an interview at the fund's headquarters in Kuala Lumpur. It would have a cash surplus of at least RM2.3bil after settling the debt, he said.

"All the short-term debt, all the bank debt will be repaid within the next three weeks," said Kanda, a trained lawyer who has led the fund since January 2015. 1MDB announced last week it had settled a RM700mil syndicated term loan.

1MDB had been the subject of overlapping investigations in Malaysia and countries including Singapore and Switzerland amid allegations of financial irregularities. Having almost defaulted on a loan, it announced last year it would transfer much of its business to standalone entities. 1MDB has consistently denied wrongdoing.

Set up by the Government in 2009 to build infrastructure with borrowed money, 1MDB started facing cash flow problems in 2014 after a planned initial public offering of energy unit Edra Global Energy faced delays amid an unfavourable market. 1MDB owed RM42bil as of March 2014.

The fund said it won't make any new investments or undertake projects once it wraps up some existing deals. 1MDB had sold Edra to China General Nuclear Power Corp for RM9.83bil.

The sale of 1MDB's assets and other agreements would see its debt reduced by about RM40.4bil, or the "overwhelming majority" of its obligations.



Thursday, 31 March 2016

20. 1MDB says no funds went into Najib's accounts

PETALING JAYA: 1Malaysia Development Bhd (1MDB) has reiterated it has not paid any funds to the personal accounts of Prime Minister Datuk Seri Najib Tun Razak.

"Following extensive investigations, this has been corroborated by multiple lawful authorities, who have confirmed that these funds came from Saudi Arabia.

"Despite this, the Wall Street Journal continues to repeat the same allegations, without providing any concrete evidence to justify these claims," 1MDB said in a statement on Thursday.

1MDB also questioned the timing of the Wall Street Journal's "new round of attacks" as its report

came just days after 1MDB announced it had successfully completed the share sale and purchase agreement for Edra Global Energy Bhd.

It added that the state fund will repay RM6bil of its debts in the coming weeks, which will remove all short-term debt from the company's balance sheet.

"These actions reflect the significant success 1MDB has made with its rationalisation plan, and we remain committed to ensuring the conclusion of this process, despite the repeated attacks against the company," it said.

The Wall Street Journal reported that Najib's brother, CIMB Group chairman Datuk Seri Nazir Razak, confirmed he had received about US\$7mil (RM29.45mil) from Najib for distribution to Barisan Nasional politicians.

The Wall Street Journal also claimed to have sighted Malaysian investigation documents which allegedly indicate that the majority of the funds in the accounts originated from 1MDB.