

Pua: 1MDB has assets abroad, so why the excuses?

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Despite 1Malaysia Development Bhd (1MDB) indicating that it is unable to repatriate US\$1.83 billion in funds, DAP parliamentarian Tony Pua believes the company has the assets to do so.

“1MDB has the assets to repatriate US\$1.83 billion and must do so immediately to comply with the Bank Negara Malaysia directive,” he said in a statement today.

1MDB was **ordered to repatriate** the funds after Bank Negara revoked three permissions granted to 1MDB under the Exchange Control Act 1953 (ECA) for investments abroad, totalling US\$1.83 billion (about RM7.5 billion at the current exchange rate).

Pua however said 1MDB does not seem to understand that Bank Negara has issued a direct order to execute the repatriation of funds, and is no longer merely seeking an explanation.

“It means that 1MDB has to, by all means necessary, including the disposal of 1MDB’s overseas assets or even terminating existing agreements, to comply with the directive.

“When the police issues a warrant of arrest for you, you don’t give the excuse that you have already explained the alleged crime to the police and therefore you don’t have to turn yourself in.

“Similarly, when Bank Negara issues a directive for the repatriation, you don’t respond by telling the Bank, ‘sorry, I’ve used up the money’,” said Pua.

1MDB in a statement yesterday responded to Bank Negara saying it **could not repatriate** the funds because the funds have either been spent or earmarked for a debt transfer.

'Whither annual report's listed assets?'

Pua, citing 1MDB's March 2014 financial statement, said it was clear that the company has RM13.34 billion of “available for sale” investments held overseas.

“That represents US\$3.6 billion of 'available for sale' assets held overseas.

“That means that even if it is true that 1MDB has actually used up all of the US\$2.318 billion as claimed, there is still a balance of US\$1.282 billion which can be repatriated.

“Why isn’t 1MDB repatriating this money? Is it because it is missing too?” he asked.

As for 1MDB's claim that the US\$2.318 billion was "substantially utilised", Pua said this must be challenged as the sum was never redeemed, contrary to 1MDB's disclosure in the 2014 financial statements and its press statement in January this year.

"As I have highlighted previously, and never disputed by 1MDB, the company has been involved in a round-tripping exercise to hide the fact that the US\$2.318 billion of investment in Cayman Islands was merely a cover for missing funds.

"1MDB had even doctored its 2014 financial statements to its lending banks to claim that 1MDB has 'substantially set aside' the above redemptions 'for the purposes of debt interest payments, working capital and payments to Aabar', when the Deloitte audited report stated that the funds have been 'substantially utilised'."

'Treating Bank Negara with contempt'

Urging 1MDB to "stop treating Bank Negara with contempt" by giving "unacceptable and irrelevant excuses", Pua said the company must take all necessary steps to comply with the directive from the top financial services sector enforcement authority in the country.

"1MDB must hence seek the first available opportunity to meet Bank Negara to present its plans on how part, if not all, of the US\$1.83 billion can be repatriated back to the country.

"The refusal to comply means the board of directors and top executives of 1MDB are in breach of both the Exchange Controls Act 1953 and the Financial Services Act 2013."

Pua added that Bank Negara will thus have no option but to seek the prosecution of these officials based on this latest attempt to break the law.