

**Explain US\$1.4b transfers to BVI firm, 1MDB told
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1MDB's one-paragraph denial of involvement in providing funds for the Hollywood hit 'The Wolf of Wall Street' is insufficient.

Instead, said Petaling Jaya Utara MP Tony Pua, the state investment company must explain the alleged transfer of US\$1.4 billion to a British Virgin Islands (BVI) company.

“If 1MDB fails to provide clarity on the nature and ownership of Aabar Investment PJS Limited (BVI) with the necessary and appropriate documents, then any denials it makes about Aabar (BVI) not being an 'intermediary' would have zero credibility,” he said in a statement today.

This followed [1MDB's denial](#) yesterday that it had transferred funds to Red Granite Pictures, the company that produced the film 'The Wolf of Wall Street', whether directly or through intermediaries.

The sovereign fund was responding to [The Wall Street Journal's \(WSJ\) report](#) alleging that 1MDB had remitted US\$1.4 billion in 2012 as collateral for the International Petroleum Investment Corporation's (IPIC) guarantee of 1MDB bonds.

Instead of going to IPIC's subsidiary Aabar Investments PJS in Abu Dhabi however, the funds were supposedly remitted to an almost identically named company Aabar Investment PJS Limited in the BVI.

“Red Granite Capital then received US\$105 million directly and another US\$50 million indirectly via intermediaries from Aabar (BVI).

“Red Granite Capital then funded Red Granite Pictures,” Pua cited *WSJ* reporting.

According to the US financial daily, Red Granite Capital is a firm Prime Minister Najib Razak's stepson Riza Aziz had formed to fund the film company.

Pua noted that IPIC never acknowledged the receipt of 1MDB's US\$1.4 billion in its financial statements to the London Stock Exchange, nor did it report Aabar (BVI) as its subsidiary.

"Hence it appears that on paper, the transfer of US\$1.4 billion is legitimately made for the purpose of providing a collateral.

"But upon closer scrutiny, it may amount to a fraudulent attempt to mask the embezzlement of funds via the mystery Aabar (BVI) vehicle," he said.

The DAP publicity chief said 1MDB had failed to explain why the funds were transferred to a company unrelated to IPIC, and should clarify who is the ultimate beneficiary or owner of Aabar BVI.

"In fact, the best thing for 1MDB to do now is to request IPIC to issue an official statement confirming its alleged relationship with Aabar (BVI).

"It would put to rest all of the global allegations against 1MDB today. Given 1MDB's intimate relationship with IPIC and Abu Dhabi, why haven't IPIC come to 1MDB's rescue?" he said.