

PAC: 1MDB board didn't approve US\$700m transfer to Good Star

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PAC REPORT 1MDB's board of directors did not approve the transfer of US\$700 million to Good Star Limited in 2009, said the Public Accounts Committee (PAC).

In its 1MDB report, the PAC said on Sept 30, 2009, Bank Negara had approved for the transfer of US\$1 billion into the 1MDB-PetroSaudi (PSI) joint venture account.

On the same day, US\$300 million was transferred into the JV accounts in JP Morgan (Suisse) SA.

"However, the remaining US\$700 million was transferred to an account in RBS Coutts Bank Ltd belonging to a different company not related to the joint venture.

"Based on documents furnished by (former 1MDB CEO) Shahrol Azral Ibrahim Halmi on June 5, 2015, and his statement during the PAC hearing on Nov 25, the account belongs to Good Star Limited, which is a subsidiary of the PetroSaudi group since Sept 1, 2009.

"Checks by the PAC found that there was no approval by the 1MDB board of directors for the transfer of funds into two separate accounts," the report said.

In transcripts of the PAC hearings, Shahrol is recorded as saying that it was PSI that confirmed it owned Good Star.

"We have a letter confirming from PSI that this is their company," he said on Nov 25.

Shahrol also told the PAC on Nov 30 that instructions to split the US\$1 billion payment came from PSI's solicitor White & Case.

The Wall Street Journal had previously claimed that Good Star Limited is a company controlled by controversial business tycoon Jho Low.

The company was accused of siphoning off US\$1.030 billion from 1MDB's joint-venture with PSI but 1MDB insisted all its funds in the deal were accounted for.

Low has denied such allegations.

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