

1MDB: Missing billions an internal matter for IPIC to resolve
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1MDB today said the US\$3.5 billion the Malaysian fund paid but Abu Dhabi's International Petroleum Investment Company (IPIC) claimed it did not receive is an "internal matter" for the latter to resolve.

1MDB president and group chief executive director Arul Kanda Kandasamy said this was because the Malaysian fund dealt directly with senior executives of IPIC and its subsidiary Aabar Investments PJS.

"1MDB maintains that it dealt with senior executives, hence these transactions bind IPIC and Aabar Investments PJS as corporates - bluntly put, it is an internal matter for them to resolve," he said in a statement.

It was reported that international investigators believe the money was diverted from 1MDB to a company in the British Virgin Islands bearing a [similar name](#) to Aabar Investments PJS but having nothing to do with IPIC.

The money were part of a deposit 1MDB was supposed to pay to Aabar Investments PJS for guaranteeing two bonds issued by 1MDB as well as the payment for the termination of option for Aabar to subscribe to a 49 percent stake in Malaysian fund's power assets.

However, Arul Kanda (*photo*) said 1MDB will assist in resolving the disagreement with IPIC.

"1MDB will not shy away, and looks forward to resolving this dispute with IPIC through discussion and if necessary, arbitration, in order to ensure an expeditious resolution, in the interests of all stakeholders.

"In the meantime, 1MDB will continue to extend full cooperation to the Royal Malaysian Police in its ongoing investigations into the company.

"MDB has always maintained, and continues to maintain, that if any evidence of wrongdoing is found, then action must be taken, according to the law," he said.

Amid controversy over the missing billions, IPIC had refused to fulfil its role as guarantor of 1MDB's bonds and interest payments.

This sent 1MDB into **default** yesterday as IPIC did not pay a US\$50 million interest due.

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