

**Who will prevail in standoff between IPIC and 1MDB?**  
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[YOURSAY](#) | 'This time 1MDB CEO Arul Kanda does have a point.'

**[1MDB: Missing billions an internal matter for IPIC to resolve](#)**

**Simplelogic:** Let's assume that my company agrees with a senior executive of ABC Ltd to transfer US\$3.5 billion to ABC Ltd. The said senior executive then advises my company to bank the money into an account in the name of ABC JV in the Cayman Islands.

As it involves such a large sum of money, my company's army of highly-paid lawyers and accountants will surely independently check and re-check whether ABC JV is really linked to ABC Ltd before banking in the money unless of course someone very powerful in my company conspires with the senior executive of ABC Ltd and orders the transfer to be done without proper due diligence.

Can my company now claim that it is the responsibility of ABC Ltd to sort out the mess as my company has already made the transfer, albeit to a 'different' company?

In fact, my company is contemplating asking for the return of the money from ABC Ltd even though my company has stupidly transferred it to a wrong company. Does my company have a case?

**Prudent:** This time 1MDB CEO Arul Kanda Kandasamy does have a point.

1MDB was directed in writing by Abu Dhabi sovereign wealth fund International Petroleum Investment Company (IPIC) then managing director and Aabar Investment PJS chairperson - **[Khadem al Qubaisi and Mohamed Al Hussein](#)** respectively - to transfer the money into Aabar Investment Ltd BVI.

The two men had the power to legally bind Aabar Investment PJS and the parent company, IPIC, to the transaction. 1MDB can claim to have made the payment in good faith based on the written instructions from the two most senior officers.

So if Aabar Investment Ltd BVI turns out to be dud, Aabar Investment PJS and IPIC should take legal responsibility.

After all, IPIC did not raise any objection at the time of the payment in 2012. If so, IPIC and Aabar Investment PJS may now be stopped from disowning Aabar Investment Ltd BVI and the payment to the same.

So Malaysians, keep praying. We may just escape the full cost of the 1MDB fiasco. But if IPIC is legally left holding the can for the US\$3.5 billion, there will be vengeful incentives for IPIC to find out what happened to the money that was paid to Aabar Investment Ltd BVI.

The financial head-hunters will then be out big time. Of course, this can be stone-walled, especially in Malaysia. But there are other investigations - in the US on Granite Pictures, money laundering in Switzerland and Singapore and the open-and-shut case involving the RM42 million from SRC found in PM Najib Razak's personal accounts.

**Oxymoronictendencies:** It's a dangerous game Arul seeks to play. Yes, indeed the misdirected funds can be claimed to be an IPIC internal affair, which we can be certain the UAE authorities will investigate at great length.

The risk is that, when coupled with the other international investigations that are afoot, the ultimate beneficial recipients of these seemingly fraudulently misdirected monies will more likely be exposed.

After 12 months of endless denials, it is certainly disingenuous of Arul to now admit the possibility of fraud. Why is it only now that 1MDB is considering that its money could have been fraudulently stolen?

Surely any normal company, when confronted with even a whiff of being defrauded, would have immediately taken steps to acknowledge this and ensure its money ended up in correct hands.

But no, 1MDB took 12 months just to acknowledge the possibility of fraud. What has changed - from what was known then to what is known now?

**Rupert16:** Arul's reasoning is ridiculously lame and does not hold water. If you owe a bank, and you made payment to the wrong bank - it is still your responsibility to make it right. The bank that you owe will not give a damn and will hold you responsible for the loan.

**RM2.6 Billion Turkey Haram:** It looks like it is a standoff between 1MDB and IPIC.

My bet is 1MDB will give in, not because it is not right but because IPIC might be holding the secrets behind the diversion of billions of dollars to the faked company, Aabar BVI.

Najib's silence on this issue is very weird given that he is the titular head of 1MDB and the Finance Ministry.

An issue of this nature, which might spell financial disaster to the nation, would have sent any finance minister scurrying for solution. No, not for Najib.

**Aries46:** Arul, why do you keep saying "1MDB maintains that it dealt with senior executives"? What does it matter even if you had dealt with the two top men at IPIC/Aabar who are now allegedly on the way to the slammer?

The question is for such massive sums as US\$3.5 billion, 1MDB should have supporting agreements, invoices and such that spell out the specifics of payment? So what do they say? To whom were the payments made? Aabar Investments PJS or Aabar Investment PJS Ltd BVI?

The way you put it is as if some joker at IPIC/Aabar asked for the monies to be sent to the fake Aabar BVI and 1MDB duly obliged.

**Cmfoo:** Arul thinks he is clever. But be warned and be very afraid. All IPIC has to do is seek confession from its sacked officials by offering some form of waiver from prosecution; the two will sing full heartedly and the full story will come out.

**Ethnicmalaysian:** My theory is that those two Abu Dhabi men have been thoroughly interrogated by IPIC and they have already sung like canaries. That's why IPIC is so confident with what it is doing by going into default.

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