

Tengku Zafrul: 1MDB debt stands at RM41.36b as of July 2020

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The balance of 1MDB's debt as of July 15 this year is RM41.36 billion, says Finance Minister Tengku Zafrul Tengku Abdul Aziz.

The annual commitment to pay the interest until 2022 is about RM1.7 billion, he said in a parliamentary written reply to Liew Vui Keong (Harapan - Batu Sapi).

Liew asked the finance minister on the outstanding amount of 1MDB's debt that the government has to pay and the amount of 1MDB funds which the United States Department of Justice (DoJ) had returned to the Malaysian government.

"As of July 15, 2020, assuming the currency exchange of US\$1 is equivalent to RM4.20, the balance of 1MDB debt commitment involving three bonds and a sukuk (bond) is RM41.36 billion.

"Because some large amounts of the bonds will mature in 2022 and 2023, the

annual commitment in the interest repayment until 2022 is about RM1.7 billion," said Tengku Zafrul.

On 1MDB funds returned to the country, Tengku Zafrul said as of July 15, 2020, the government had recovered RM2.84 billion in numerous currencies, including in US dollars, Singapore dollars and Australian dollars.

They were kept in a trust account under the purview of the Finance Ministry, he said.

"From the amount, a total of US\$620 million or about RM2.6 billion was obtained from the DOJ," he said.

The government, the minister added, was in the midst of discussions with several governments to recover the 1MDB assets.

"The process to recover the assets will take a long time as most of them are in other countries such as Singapore, Switzerland and the United States.

"Any decision or suggestion to bring (the assets) to Malaysia is still under government-to-government discussion."

Tengku Zafrul said that the Assets Recovery Account Fund has been and will be used to service the 1MDB debt.

"This is important to prevent the event of default on the 1MDB debt, which would give a negative implication to the economy as the debts were guaranteed by the Malaysian government through government guarantee, support letter and settlement agreement.

"Besides, the usage of the Assets Recovery Account Fund to pay the debt will reduce the government's financial burden," he said.

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