

'Dr M can't clear individuals in Pandora Papers before formal probe'

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Aidila Razak

A PKR leader has taken Dr Mahathir Mohamad to task for appearing to clear individuals named in the Pandora Papers of any wrongdoing before any formal investigation into possible tax evasion.

On Monday, Mahathir (above) said individuals implicated in the exposé have not broken any laws if they had paid taxes in the countries where they conducted their businesses.

The former prime minister also said while it may not be illegal, it is still morally inappropriate.

"Mahathir said it is fine because they may have paid taxes overseas. That is fine if they did but before that, we need to probe and reconcile if they did," Terengganu PKR chief Azan Ismail said.

"Should the probe find that Daim (Zainuddin) had already paid taxes in another

country, then okay, but is there a double taxation agreement with that country, and what happens if there is not?" he asked.

Azan added without a formal investigation to determine this, worries remain that the funds kept overseas, as exposed by the Pandora Papers, may also be linked to the RM1.8 trillion illicit outflow from Malaysia, estimated by the US think tank Global Financial Integrity several years ago.

The Pandora Papers are a trove of more than 11.9 million documents provided to the International Consortium of Investigative Journalism, who shared access to collaborators, including Malaysiakini.

The data is a leak from 14 service providers who assist individuals and businesses with setting up offshore entities in tax havens.

Among Malaysians named in the Pandora Papers are former finance minister and close Mahathir supporter Daim, who among others was found to be linked to various family trusts and businesses in jurisdictions like the British Virgin Islands.

Daim said the trusts and companies were part of his retirement plan, and that all taxes had been paid in relevant jurisdictions.

Others named were Finance Minister Tengku Zafrul Abdul Aziz, his deputy Yamani Hafez Musa, Deputy Minister in the Prime Minister's Department Hajar Taib, Umno president Ahmad Zahid Hamidi and former PKR treasurer William Leong.

Zafrul, a former banker, said he was director of the company named as part of his role in Kenanga Group but resigned when he became CIMB CEO.

Zahid said he had closed the offshore company because the business did not make a profit while Leong said the company was set up to manage his finances when he worked in the Philippines.

All maintained that they did not break any law or evade taxes, while Yamani and Hajar, who were named as part of family businesses offshore, did not respond.

Why govt taking a soft approach?

Azan also questioned why the government appears to be taking a soft approach to the Pandora Papers because members of the administration were named.

On Monday, Minister in the Prime Minister's Department (Parliament and Law) Wan Junaidi Tuanku Jaafar gave his assurance that the relevant government

agencies would be instructed to start investigating the revelations made in the Pandora Papers.

"Before we would hear things like 'no stones will be left unturned' but now we only have the PM saying he will not be involved in any investigations.

"Is this because many government leaders are involved? Are they embarrassed and do not want to appear un-nationalistic by keeping funds offshore?

"In my view, opening an account offshore is usually to avoid taxes," Azan said, claiming that agencies under the Finance Ministry are in limbo waiting for instructions to act when their boss was also named.

He added that it is puzzling that the government is allegedly dragging its feet on this, when a probe by the Internal Revenue Board and related agencies may result in more tax revenue.

"Like I said, we are not calling for an investigation to look for criminal elements but to look for unpaid taxes. This is good for the country. Why isn't this done?"

Instead, he said, the MACC had questioned opposition leader Anwar Ibrahim about the matter.

"They asked him for the data, but why? His job is to call out, caution and urge the government (to act), not to keep the data like it is part of some conspiracy," he said.

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