

Najib knew about 'obscured' 1MDB transactions through S'pore bank:

Witness

Malaysiakini

01 March 2023

Hidir Reduan Abdul Rashid

1MDB TRIAL | Former prime minister Najib Abdul Razak had knowledge about the flow of 1MDB funds through an “obscured” route in the Singapore branch of BSI Bank, the bank's former employee testified.

The bank’s former head of wealth management services, Kevin Michael Swampillai, told the Kuala Lumpur High Court today that the Malaysian sovereign wealth fund and a few related entities had utilised the bank’s fiduciary funds.

The 44th prosecution witness testified that for fiduciary funds incorporated in offshore jurisdictions, “the primary objective of clients when using (such) funds is to facilitate the flow of money to a particular destination of their choosing, whilst also obscuring the identity of the investor”.

During the RM2.28 billion 1MDB corruption trial against Najib, Swampillai said

that in the case of a fiduciary fund within the context of its use by Aabar, SRC & 1MDB, monies transferred to this fund were not placed on deposit, but were “conduits to channel monies to various beneficiaries known only to the clients themselves whilst at the same time obscuring the intentions of the client from scrutiny by various stakeholders in Malaysia”.

Kevin, who was with BSI Bank between January 2010 and July 2016, said that the general dealings he had regarding the matter involved Yak Yee Chew, who was the bank’s then relationship manager of fugitive businessperson and key figure Low Taek Jho (Jho Low).

The witness said that at the beginning of the client relationship with Low as well as 1MDB and SRC in 2011, he was not aware of the businessperson’s motives for selecting the fiduciary fund solution over other solutions like insurance structures and trusts.

Kevin claimed, however, that with hindsight based on information that has come out in the public domain since 2015, it was evident that Low intended that the fiduciary fund would be better at “giving the optical illusion to various stakeholders in Malaysia and elsewhere that the funds belonging to SRC, 1MDB and Aabar were invested in bona fide investment instruments such as investment funds”.

"Though instructions to implement these transactions were communicated by various employees of the client companies to Yak, I was always under the impression that these transactions were undertaken with the knowledge of the then-prime minister Najib Abdul Razak," Kevin said.

Highly confidential

The 58-year-old testified that he formed this impression based on the following alleged facts:

- SRC was a company owned by the Finance Ministry at the time when Najib was the finance minister.
- Najib was chairperson of 1MDB's board of advisers and the fund was wholly owned by the ministry.
- Jho Low's various intimations to BSI that he was an adviser to Najib, which was communicated to him by his superiors and Yak.
- That in the face of persistent questions by BSI on the final destination and use of funds channelled through the fiduciary funds, Low's consistent response (was) that these transactions were highly confidential

government-to-government investments and therefore no further information could be made available.

- The size of these transactions was of such a high magnitude and frequency that they had to have some kind of apex approval such as that "issued by a highly-placed government official such as a prime minister".

According to the prosecution, the third phase (out of a total four phases of the 1MDB graft and money laundering case) concerns a purported joint venture between 1MDB and Aabar in the form of company ADMIC, which has an alleged purpose to develop Tun Razak Exchange (TRX) in Kuala Lumpur. A loan of US\$3 billion was raised for this alleged purpose, with the convoluted money trail passing through BSI Singapore.

Lifetime ban

The prosecutors contended that the third phase ended between March 21, 2013, and April 10, 2013, and the transfer of US\$681 million into Najib's account between March 21 and April 10, 2013. In terms of local currency, this amounted to RM2,081,476,926 at the material time.

The trial before judge Collin Lawrence Sequerah continues.

On Oct 23 2020, the Monetary Authority of Singapore (MAS) imposed a lifetime ban on Kevin over the 1MDB affair.

According to MAS' official web portal, Kevin and his then subordinate, Yeo Jiawei, had channelled a portion of the fund management fees or "secret profits" - namely US\$5 million - to an entity beneficially owned by Kevin, without BSI's knowledge and authorisation.

The Singaporean authority contended that the secret profit was in relation to the duo having assisted 1MDB to restructure several of its joint venture interests.

MAS also claimed that Kevin "deliberately made misrepresentations to 1MDB's auditors, KPMG Malaysia, in an attempt to improperly influence the outcome of an audit carried out by them on 1MDB's fiduciary fund investments", among other contentions.

Najib, who was also former finance minister, is facing four counts of abuse of power and 21 counts of money laundering involving RM2.28 billion from 1MDB.

For the four abuse of power charges, the former Pekan MP is alleged to have committed the offences at AmIslamic Bank Bhd's Jalan Raja Chulan branch in Bukit Ceylon, Kuala Lumpur, between Feb 24, 2011, and Dec 19, 2014.

On the 21 money laundering counts, the accused is purported to have committed the offences at the same bank between March 22, 2013, and Aug 30, 2013.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <https://www.malysiakini.com/news/656914>