

Oil royalty: Payment based on AG's advice
Malaysiakini.com
September 1, 2010

The compassionate payment to Kelantan via the Federal Development Department (JPP) was not done in haste but based on advice from the attorney-general.

International Trade and Industry Minister Mustapa Mohamad told reporters that the federal government had a credible and transparent judiciary system.

"The attorney-general's advice is based on the law," he said after breaking fast and presenting aid to 75 orphans at Masjid An-Nur near Pasir Puteh yesterday.

Mustapa was commenting a statement by Menteri Besar Nik Aziz Nik Mat after filing a civil suit against Petronas over the oil royalty dispute.

Nik Aziz said that the suit was to defend the feelings and property of Kelantan people seized by the federal government.

The federal government rejected Kelantan's demand for oil royalty as the rig was located 200 nautical miles and thus outside its territory (100 miles).

It then approved compassionate payment to Kelantan to be disbursed via JPP.

Mustapa believed that the federal government decision was correct based on existing laws.

"I believe it to the court to decide who is correct," said the Kelantan Umno liaison chairman.

The federal government had approved RM25mil as first phase compassionate payment to be disbursed to over 70,000 poor students.

- Bernama

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Source : <http://www.malaysiakini.com/news/141628>