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New twist in Malaysia scandal as Saudis are said to have made \$680m payment

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Transfers of \$680m to the Malaysian prime minister's bank account were made by the Saudi royal family, Malaysia's attorney-general said yesterday, in a dramatic twist to a financial scandal that has rocked the south-east Asian nation.

Mohamed Apandi Ali said that Najib Razak had committed no crime in taking the money nor in his conduct in other affairs probed by Malaysia's anti-corruption agency.

Saudi officials did not immediately respond to requests for comment.

The attorney-general's announcement raises fresh questions about an affair that has triggered a campaign to oust Mr Najib. The prime minister denies claims of misappropriation of more than \$1bn swirling around 1MDB,

a debt-laden state investment fund whose advisory board he chairs. The allegations have spawned multiple investigations domestically and internationally, including in Switzerland, the US and Hong Kong.

Mr Najib welcomed the attorney-general's statement, which "comprehensively put to rest" an "unnecessary distraction for the country".

Ahmad Zahid Hamidi, Malaysia's deputy prime minister, said he had met the Saudi donor and been informed the donation to Mr Najib had been made "out of belief in him and his leadership on key issues". Mr Najib had used the donations "for the benefit of our party and at-need communities around Malaysia".

Wong Chen, a Malaysian opposition MP, dismissed the attorney-general's decision as an attempt to shut down the

Malaysian Anti-Corruption Commission's investigations, and described it as a "get out of jail card" for Mr Najib.

The attorney-general said three investigations by the MACC, completed last month, had uncovered no evidence of crimes committed by Mr Najib. He said the prime minister had returned \$620m in August 2013.

No independent evidence has been produced to show the funds came from Saudi Arabia. Observers in the kingdom said a donation of that size would be surprising.

Mr Najib's critics say the government has stymied probes into the payment and the 1MDB affair by removing investigators from their posts, harassing the media and detaining dissenters — claims his supporters deny.

Additional reporting by Simeon Kerr in Dubai and Jeevan Vasagar in Singapore