

'Normal to have offset in business'

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PM: As long as the money is not pocketed for personal use

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PUTRAJAYA: It is normal to ask for an "offset" in business dealings provided the money is not taken for personal use, says the Prime Minister.

Tun Dr Mahathir Mohamad said even the government, when making purchases for equipment, would ask for an offset.

"For instance, when we buy planes we will ask for an offset.

"Whether you consider an offset as bribery, it is up to you," he told reporters after a session with Education Ministry staff yesterday.

He questioned why an offset should not be accepted when making a purchase on a high-priced item.

"But if the money received is pocketed, then that is corruption," he said.

In business, an offset is when losses in one business is made up for by increases in another or when payments due and owed are used to cancel each other out in accounting.

The Prime Minister was commenting on media reports on allegations of corruption involving AirAsia and Airbus.

It was reported that Airbus will pay a series of record-breaking set-

tlements, including nearly €1bil (RM4.5bil) to the United Kingdom's Serious Fraud Office, after admitting to "endemic" levels of bribery across its international business.

Legal documents attached to the settlement revealed that Airbus paid hundreds of millions of ringgit to sponsor a sports team linked to two unnamed executives described as "key decision makers" at AirAsia and AirAsiaX, but unrelated to the airline business.

The Malaysian Anti-Corruption Commission (MACC) and the Securities Commission have opened investigations into these corruption allegations, with the MACC saying it

was in touch with authorities in Britain.

The MACC Act empowers the commission to investigate any act of corruption committed by any Malaysian citizen or permanent resident in any place outside Malaysia.

The Securities Commission said it would look into the allegations and review all available evidence to determine if AirAsia and AirAsia X had breached any securities laws.

AirAsia Group Bhd has rejected allegations of wrongdoing after reports cited legal documents showing Airbus paid US\$50mil (RM204mil) and offered US\$55mil

(RM225mil) more to sponsor a sports team linked to the two AirAsia and AirAsia X executives.

On Feb 4, AirAsia Group said its founders Datuk Kamarudin Meranun and Tan Sri Tony Fernandes had relinquished their executive posts as the budget carrier forms a committee to review the allegations against them.

Kamarudin is the airline's executive chairman and Fernandes its chief executive officer.

Watch the video
thestartv.com

