

KL TOPS GLOBAL ILLICIT FUNDS LIST

Misappropriation of funds, money laundering cases among highest in the world, says Anwar

HANA NAZ HARUN
AND QISTINA SALLEHUDDIN
KUALA LUMPUR
news@nst.com.my

Malaysia has among the highest cases of misappropriation of funds and money laundering by political leaders and big corporations in the world.

Prime Minister Datuk Seri Anwar Ibrahim said this was based on the Global Financial Integrity Report 2010, the Panama Papers in 2016 and the Pandora Papers in 2017.

He said a large amount of money kept in offshore accounts was believed to be from illegal activities, some involving political leaders in the country.

"This affects national interest. Based on these reports, Malaysia has among the highest cases due to our economic status and small population.

"Yes, countries like China and Saudi Arabia also have cases, but Malaysia is among the top.

"This means a lot of money has been spent and taken out from Malaysia, mostly illegal," he said during Minister's Question Time at the Dewan Rakyat yesterday.

Anwar was responding to a sup-



Prime Minister Datuk Seri Anwar Ibrahim says almost 3,000 Malaysians are listed in the Pandora Papers. BERNAMA PIC

plementary question by Datuk Seri Tuan Ibrahim Tuan Man (Perikatan Nasional-Kubang Kerian) on the government's plan to examine offshore accounts to ensure funds transparency, including foreign political funds donated to Malaysian political parties.

Anwar said the authorities, including the National Anti-Financial Crime Centre, police, Malaysian Anti-Corruption Commission, Bank Negara Malaysia and Inland Revenue Board, were coordinating and conducting investigations into the almost 3,000 Malaysian figures mentioned in the Pandora Papers.

"This does not exclude funds from within or outside Malaysia. Those who stash money in tax havens to escape paying taxes or break the law are being investigated and action has been taken.

"Some have been summoned by the authorities to explain the sources of hundreds of millions being stored in offshore accounts.

"I cannot elaborate as cases are still being investigated. But I assure you that my instruction to these bodies is clear and I am satisfied with the steps taken."

In response to a question by Datuk Seri Dr Noraini Ahmad (Barisan Nasional-Parit Sulong) on the government's stance on the Pandora Papers issue that recently resurfaced, Anwar said stern and strong political action was needed to curb such illegal practices due to the complexity of the matter.

He said the matter involved trust funds and shares and transactions involving several countries, including Singapore and Bahamas, for tax evasion.

"The banks cannot detect the

sources of some funds, whether tax was paid or whether they are from illegal activities. So a full and thorough investigation is needed.

"I ask all of you take a firm stand on such practices. Do not argue and question the intention of evidence-based investigations.

"Question the abuse of power or political motives if action is taken without evidence."

Lauding MACC's probe into the secret accounts of Malaysians in tax havens, Consumers Association of Penang (CAP) president Mohideen Abdul Kader said the investigation should include individuals and companies named in the Panama Papers and Paradise Papers.

He said more than a year ago, CAP called on the government to set up a royal commission of inquiry (RCI) to investigate the outflow of financial assets from Malaysia to secret accounts in tax havens, which had adversely impacted the country's economy.

"We reiterate our call to set up an RCI. The agencies' investigation is not enough to address the issue. The RCI must identify weaknesses in our laws and institutions which enable illicit money outflows and make recommendations to strengthen our legal-institutional framework to tackle the problem."

The Panama Papers revealed that 2,300 Malaysian individuals and entities were hiding money in offshore tax havens.

The Paradise Papers exposed how multinationals and super-rich individuals moved money to and from 19 tax havens to evade or avoid taxes.