

Najib's bankruptcy case adjourned to Sept 8 pg. 10

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KUALA LUMPUR: Datuk Seri Najib Razak's bid to stay bankruptcy proceedings was postponed after the High Court raised concerns over disorganised and incomplete submissions by his legal team.

Judicial commissioner Suhendran Sockanathan @ Saheran Abdullah also instructed Najib's lawyer, Muhammad Farhan Shafee, to refile a consolidated set of submissions, noting that key issues were either missing or scattered across various documents.

Farhan had earlier argued that the Inland Revenue Board's (IRB) RM1.69 billion tax claim against Najib was tied to funds allegedly received from 1Malaysia Development Bhd (1MDB), which were the subject of ongoing criminal and civil proceedings.

He submitted that there were unresolved legal issues surrounding whether the alleged proceeds of criminal activity could be taxed under Section 4 of the Income Tax Act 1967.

"The IRB has treated the sums received through the appellant's personal accounts, alleged to have originated from 1MDB, as income," he said during proceedings yesterday.

"These amounts do not fall within the scope of Section 4 of the Income Tax Act. Furthermore, provisions under the anti-money laundering act are also involved."

Farhan said these matters were pending before the Special Commissioners of Income Tax and a final ruling had yet to be made.

He also raised the issue of potential double recovery by the government, saying there were attempts to penalise his client under both criminal and tax laws using the same facts.

However, the court pressed Farhan repeatedly for clarity, pointing out that these central arguments were either not included in the written submissions or only briefly referenced in affidavits.

"None of these (arguments) are in your submissions, you know? At the moment, you are all over the place," said Saheran.

"I do not want to have bits here and bits there... it is too cumbersome."

Farhan then asked for a short adjournment to update and streamline his submissions.

He acknowledged that the arguments had not been presented in a structured manner and expressed willingness to return to court with a more comprehensive and organised set of submissions.

Saheran: I think yes... Farhan, I think you need to focus a bit more.

Farhan: Sure.

Saheran: Update the submissions and get it to us. I do not want this to be sitting on my docket for a long period of time. How long will it take?

Farhan: We can file it within the week.

Saheran: Take two weeks, but do it properly.

Senior federal counsel Norhisham Ahmad, who appeared for the IRB, supported the call for clearer submissions, adding that many of the appellant's arguments had not been raised in their original filings.

The court fixed Sept 8 to hear the case.

Najib is appealing against two bankruptcy notices stemming from additional tax assessments amounting to RM1.46 billion, which have now ballooned with penalties and interest to RM1.69 billion.

The former prime minister maintains that the tax assessments are flawed and should not proceed while related matters are being litigated in other courts.

On June 25, 2019, the government, through the IRB, filed the suit against Najib asking him to settle the unpaid tax with interest at five per cent a year from the date of judgment, as well as costs and other relief deemed fit by the court.

The government claimed that Najib had failed to pay his income tax from 2011 to 2017 within the stipulated 30-day period after assessment notices were issued by the IRB.