

Veteran newsman questions rationale of parking 1MDB funds in Singapore
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Veteran journalist Datuk A. Kadir Jasin has questioned Putrajaya's decision to park US\$1.103 billion of 1Malaysia Development Bhd's (1MDB) funds in Singapore, asking if Bank Negara was "stupid" enough to make it difficult to bring the money back directly from the Cayman Islands.

He was commenting on the revelation by Prime Minister Datuk Seri Najib Razak that the funds from the Cayman Islands had been redeemed and were currently kept in BSI Bank Limited Singapore in US dollars.

"The decision to use BSI Singapore (is) to facilitate easier withdrawals since regulations set by Bank Negara Malaysia needed its approval for transactions over RM50 million," Najib said in a parliamentary reply to DAP's Tony Pua.

In a blog posting today, Kadir (pic, left), one of the many critics of the state investment vehicle, questioned the rationale behind the decision to keep the money in Singapore instead of bringing it back directly to Malaysia.

"My question is, do we have to bring back our own money from abroad through a bank in Singapore and not directly to our own banks?" he asked.

"Is Bank Negara that stupid to make capital flow into the country difficult or somebody is using Bank Negara as a punching bag?"

Pua also made similar comments at the Parliament lobby today, saying there was "something very fishy" about the money kept in BSI Singapore, and asked why it could not be used to pay the interest on 1MDB's loans.

Instead, 1MDB reportedly turned to the government for a fund injection of RM970 million, according to Singapore Business Times.

Pua, the Petaling Jaya Utara MP, said Najib's written reply raised more questions on the reasons for keeping the fund in Singapore, adding that Bank Negara would have surely approved the money if it was going to be used to service 1MDB's debts.

"There is something very fishy about the money in BSI Singapore. Is it encumbered, tied down, got cash but cannot take, (because it's tied) to a particular issue that we don't know about," said Pua.

He said the written reply by the finance minister clearly showed that 1MDB intentionally wanted to avoid regulations set by Bank Negara, which explained why the money was kept offshore.

Criticism has been mounting against the wholly-owned Finance Ministry investment

fund established in 2009, and which has chalked up debts of up to RM42 billion.

Scrutiny became more intense recently following whistleblower site Sarawak Report's expose last week, piling more pressure on Najib and prompting opposition politicians, former Umno leaders and anti-graft bodies to demand a thorough investigation into the fund.

Last Wednesday, Najib ordered the country's auditor-general to "independently verify 1MDB's accounts", with the findings to be passed to a bipartisan parliamentary committee on public accounts. – March 11, 2015.

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