

Arul Kanda owns up to ministry slip-up on 1MDB funds
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1Malaysia Development Berhad (1MDB) president and group executive director Arul Kanda Kandasamy has assumed full responsibility over a "miscommunication" that led the Finance Ministry to amend a parliamentary reply on the firm's dealings recently.

Prime Minister Datuk Seri Najib Razak was previously blamed for having "lied" to Parliament regarding 1MDB's funds in the BSI bank in Singapore, which were brought from Cayman Islands, but Arul Kanda in a statement today said that the buck stops with him.

"As the president of the company, I take full responsibility for this misunderstanding, and will ensure better communication with all stakeholders," he said.

"As clarified by the Finance Ministry, appropriate steps have already been implemented to prevent this happening again in the future," he added, in reference to former Prime Minister Tun Dr Mahathir Mohamad's latest round of attacks against 1MDB.

The finance ministry said the funds 1MDB had controversially kept in an offshore account in Cayman Islands had been transferred to a bank in Singapore, and were used for interest payments.

But a recent answer said that 1MDB's funds in the bank were only in the form of units and trusts, and not cash as previously reported.

Arul also stressed that he would continue being professional about his role in 1MDB.

"As a professional, I am fully accountable for my actions and am answerable to the 1MDB board and our shareholder, the finance ministry," he said.

He also said that Dr Mahathir's "shifting of numbers and allegations" was perplexing.

Dr Mahathir initially said that the firm, a brainchild of Najib, lost RM42 billion which it had borrowed from various banks. But after 1MDB revealed the details of where their money went to, Dr Mahathir said that a big chunk of the money was missing.

"In this context, the prime minister has affirmed that 'if any wrongdoing is proven, the law should be enforced without exception'. This is a position I fully support, both in relation to my own conduct to date and that of 1MDB more generally," Arul said.

1MDB is currently being investigated by Bank Negara, the Public Accounts Committee and also the auditor-general after accumulating debts of RM42 billion in just six years since its inception. – June 10, 2015.

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