

1MDB duo will testify before PAC, Najib says
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Prime Minister Datuk Seri Najib Razak has promised that 1Malaysia Development Bhd (1MDB) top executives will appear to testify before a parliamentary committee probing the government-owned firm, according to national news agency Bernama.

"1MDB officials will appear before PAC, will not run away – PM Najib," the newswire said.

Najib's statement comes as criticism pours in over the absence of 1MDB president and group executive director Arul Kanda Kandasamy, as well as former chief executive officer (CEO) Datuk Shahrol Azral Ibrahim Halmi from a scheduled hearing today before Parliament's Public Accounts Committee (PAC).

Shahrol, who was the troubled firm's first CEO and founding managing director, is still a member of its board of directors. Arul Kanda was appointed in January this year.

Both are key witnesses in the bipartisan PAC's inquiry into the firm which sits on RM42 billion in debts, incurred over just six years of operations.

Their absence, conveyed to the PAC in a letter from the Finance Ministry last Friday, has sparked criticism from opposition party DAP, a Barisan Nasional lawmaker, as well as Najib's brother, top banker Datuk Seri Nazir Razak, the CIMB chairman who has in the past called for more accountability from 1MDB.

Najib is finance minister and chairman of 1MDB's advisory board.

In a separate statement, 1MDB said it would cooperate fully with PAC and reiterated that Arul Kanda and Shahrol were looking forward to testifying before the committee to clarify the company's position.

"As confirmed by YB (Datuk) Nur Jazlan, chairman of the PAC, the date for this appearance is currently being finalised, due to the date proposed earlier being in conflict with previously scheduled overseas commitments," it said in a brief statement.

1MDB also refuted reports that it had only informed PAC of its bosses' no-show at the eleventh hour despite being given the notice to attend the hearing two weeks ago.

"Contrary to recent press reports and statements by certain individuals, we wish to clarify that it was only on May 21, 2015 that 1MDB received a letter from the Ministry of Finance, appending an invitation sent by the PAC.

"This invitation, which was addressed to the Ministry of Finance, requested an appearance by the company before the committee on May 26, 2015.

"Upon receiving this letter, 1MDB responded to the Ministry of Finance on May 21, 2015, the same day the company received the invitation."

Today, DAP parliamentary leader Lim Kit Siang asked if Najib had agreed to Arul Kanda and Shahrol missing the scheduled hearing, and whether the two had valid reasons for their absence.

BN's Kinabatangan MP Datuk Bung Moktar Radin also said that their no-show "does not make sense", given that 1MDB's affairs were of public interest.

Nazir, meanwhile, called their absence "unacceptable" in an Instagram post.

"Your company has triggered a national crisis and you can be too busy to face Parliament?" he said.

1MDB's inability to pay its debts from several local as well as foreign banks has sparked talk of a possible systemic risk to Malaysia's economy, although Bank Negara governor Tan Sri Zeti Akhtar Aziz has denied that a single entity would be able to do that.

Funds such as Retirement Fund Incorporated (KWAP), Employees Provident Fund (EPF) and pilgrims' fund Lembaga Tabung Haji also have investments in 1MDB, in bonds issued and in some of its subsidiaries. – May 26, 2015.

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