

All 1MDB decisions made by board and management, says Putrajaya
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By Elizabeth Zachariah

All business and management decisions relating to state investment firm 1Malaysia Development Berhad (1MDB) were made by its board, Putrajaya said, days after documents showed that the prime minister was the ultimate approving authority.

The Finance Ministry in a parliamentary reply said that the state investment vehicle's board and management were the key decision-makers in all of its dealings.

"All decisions and businesses of 1MDB are made by its management and 1MDB board of advisors," it said in reply to DAP lawmaker Tony Pua.

This came after reports that the firm's memorandum and articles of a Association showed that the prime minister had the final say on the debt-ridden company's decisions.

Prime Minister Datuk Seri Najib Razak is also finance minister and chairman of 1MDB's advisory board.

Earlier news reports said that Article 117 of the memorandum and articles of association stated that the prime minister must give his written approval for any of Terengganu Investment Authority (TIA)'s deals, including the firm's investments or any bid for restructuring.

TIA is 1MDB's predecessor, set up to invest and manage wealth from Terengganu's oil and gas resources.

Provision 75 of the same agreement also states that the management of the company and determination of its overall policies lies with the board of directors.

TIA was set up on February 27, 2009, the same date on which the memorandum was signed, and according to a Companies Commission of Malaysia statement, its name was changed to 1MDB on September 25 the same year.

PKR lawmaker Rafizi Ramli, who is a critic of the debt-ridden state investment vehicle, has said he is convinced that TIA's memorandum and articles were carried forward to 1MDB. – June 8, 2015.

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