

## **PH youth sue to stop 1MDB paying IPIC RM1.2 billion**

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**By Ho Kit Yen**

### **Group says consent agreement between 1MDB and IPIC in London International Court of Arbitration, is wrong and fraudulent.**

KUALA LUMPUR: Ten opposition youth members today filed a class action suit against Prime Minister Najib Razak, the government and 1MDB to stop them from paying a sum of US\$1.2 billion to Abu Dhabi-based International Petroleum Investment Company (IPIC).

The decision by the Malaysian government to pay IPIC was made in a settlement between IPIC and 1MDB, after approaching the International Court of Arbitration in London to decide on the matter.

The group, Gerakan Anakmuda Tolak Najib (Ganti), which comprises Pakatan Harapan component youth members, filed the lawsuit at the High Court registry here, seeking a court order that the settlement agreement on May 11 between IPIC and 1MDB (which is wholly-owned by the government) at the London International Court of Arbitration is invalid.

The opposition youth members also want to compel Najib, the government and 1MDB to provide detailed accounts on all monies paid to IPIC and its subsidiary, Aabar Investment PJS.

The group claimed that the consent award agreed between IPIC and Aabar Investment PJS in London was wrong and fraudulent.

Speaking to reporters after filing the lawsuit, Amanah Youth deputy chief Faiz Fadzil Noor, said that they are forced to resort to suing Najib and two others as no action had been taken on those who made the "fraud payments" to the British Virgin Island-registered Aabar Investment PJS Limited or Aabar BVI, which IPIC had claimed was not its subsidiary.

"We have lodged police reports and also MACC reports but no action has been taken so far," he said, referring to the reports filed with the Malaysian Anti-Corruption Commission.

Previously on May 4, Faiz had submitted a memorandum to Najib in his capacity as finance minister, questioning the delay in action against those responsible for the 1MDB money trail.

He said seven years after 1MDB began operations, its debts had now mounted to RM50 billion and the money trail was being investigated globally in the United States, Singapore, Switzerland and Hong Kong.

Faiz and the group had on May 15, sent a letter of demand to Najib and the 1MDB board of directors to stop the payment of the US\$1.2 billion to IPIC to cover the default in interest payments on bonds, through their lawyer Haniff Khatri Abdulla.

Haniff told reporters that 1MDB only responded to their legal notice by saying they have appointed lawyers to take their case.

On April 24, 1MDB said in a statement that IPIC have agreed on a settlement following the arbitration proceedings at the London Court of International Arbitration.

“As per the settlement, 1MDB will, among others, make certain payments to IPIC and will assume responsibility for all future interest and principal payments for two bonds issued by the 1MDB Group of companies due in 2022,” the sovereign fund said.

1MDB previously claimed it had paid IPIC’s subsidiary, Aabar BVI, a total of RM3.51 billion between 2012 and 2014, something that IPIC disputed last year, claiming it never received the money.

The group questioned this, saying: “If 1MDB claimed it had made the payment before, why did the company agree to make another payment?”

According to filings with the London Stock Exchange, IPIC said it will receive US\$1.2 billion in two equal payments on July 31 and Dec 31.

The agreement is conditional on the Arbitration Tribunal in London making a “consent award” by May 31.

The filing indicates that the settlement involved only part of the total US\$6.5 billion sought by IPIC, the remainder of which is believed to be subject to further negotiations.

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