

Mahathir slams authorities for going after Lee Kim Yew
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He says businessman Lee's willingness to pay the company's tax had been rejected, and that the 'harassment' is to prevent opposition parties from getting funding for the general election.

KUALA LUMPUR: Describing the tax probe against businessman Lee Kim Yew as a sad story, Dr Mahathir Mohamad said it showed the "depths to which the government of Malaysia, its prime minister and civil servants have sunk".

"It is about daylight robbery in which tax is levied on money without legitimate reason," the former prime minister said in his latest blog post.

He said Lee's willingness to pay the tax had been rejected after many negotiations where the Inland Revenue Board (IRB) had agreed on the terms "but subsequently reneged on its agreements".

The PPBM chairman was commenting on a letter written by Lee where he claimed that he was being investigated under criminal laws instead of civil laws, causing him to liquidate his assets to settle the income tax bill.

Lee, the executive chairman of Country Heights Holdings Bhd (CHHB), said in the letter: "I would like all my friends to know that I don't have any personal tax liability. In fact, I have a surplus tax credit with IRB."

Lee was quoted by The Star as saying: "My view on IRB is simple, I believe that paying taxes is a civic duty and I don't mind to pay tax, even if it's not my own. I believe I have demonstrated this through helping the public company settle RM20 million in taxes since I took over as executive chairman of Country Heights Holdings Bhd."

Recently, CHHB announced that the IRB had seized Lee's fixed deposits placed with a foreign-owned bank amounting to RM126 million. Lee understood that it was in relation to a tax liability of CHHB's wholly owned subsidiary, Country Heights Sdn Bhd (CHSB).

CHHB said that the total tax liabilities of CHSB for the years of assessment 1997 and 1998 amounted to RM22.5 million.

The Star quoted Lee as saying the use of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLA) to investigate his tax was a humiliation for him.

Mahathir said today it was a case of money earned through legitimate business in the savings of the “victim” being labelled as money obtained through criminal acts and that the “victim” was to be charged under AMLA.

Under AMLA, he said, the person could be arrested, detained and charged in a court of law.

In the meantime, Mahathir said, the RM126 million “will no doubt become a part of government revenue and will be spent by the government”.

If later it was found that the “victim” had not done any money laundering and the money should be returned, the government would have used all this money for free while the “victim” would have lost earnings on fixed deposit.

The government would not pay any interest on the money and recovery would take years, he added.

Mahathir said: “There are very many instances where wrongful taxes are levied and threats of black listing or seizure of passports are made.”

He said companies and individuals had been harassed into paying, adding that it seemed to be a way for the government “to raise funds and to prevent the opposition parties from getting funding for the election”.

He asked how it was that no investigations were being made under AMLA with regards to the RM2.6 billion found in Prime Minister Najib Razak’s accounts.

Mahathir had, in the past, claimed that his friends and those thought to be connected to him were being harassed by the government, including through using the IRB.

He ended his blog post by asking: “Quo Vadis Malaysia?” (Where are you going, Malaysia?).

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