

Govt still have to pay RM38.8b 1MDB's debt

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THE government has repaid RM13.3 billion of 1Malaysia Development Bhd's (1MDB) debt so far.

As at Dec 31, 2021, 1MDB's outstanding debt comprising principal and coupons or profit for bonds and sukuk amounted to RM38.81 billion, Finance Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz said.

He said the government has received RM340.92 million from KPMG for settlement on the 1MDB's case.

This follows the announcement on Sept 16 last year where KPMG has agreed to resolve all claims related to its fiduciary duties on auditing of 1MDB accounts from 2010 to 2012.

In July 2021, the government, 1MDB, finance ministry and various subsidiaries filed a US\$5.64 billion (RM23.52 billion) suit against 44 KPMG Malaysia partners over alleged audit misconducts, according to media reports.

The lawsuit alleged that KPMG had committed breaches of contract and negligence in the audit and certification of 1MDB's financial statements for the financial years 2010 to 2012.

Meanwhile, the Trust Account — under the custody of the Accountant General's Department of Malaysia — has received a total of RM19.14 billion in connection to 1MDB's financial scandal to-date.

“However, the current balance of the Trust Account is sufficient to pay off only the principal amount of the bonds for 2022.

“Once all the Trust Account funds are utilised, the government will continue to bear the obligation to pay the balance of 1MDB's debts, whose issuance was backed by Government Guarantee and Letter of Support,” Tengku Zafrul said.

Separately, the minister said the government has disbursed RM20.11 billion to 357,402 employers through the Wage Subsidy Programme.

“The government has also allocated RM4.8 billion under the JaminKerja initiative to generate employment opportunities,” Tengku Zafrul said.

For 2022, the government targets to provide 600,000 employments to ensure the wellbeing of the people.

Tengku Zafrul added that the government will continue to provide targeted direct cash aid via Bantuan Keluarga Malaysia (BKM).

This year, BKM is expected to benefit 9.6 million recipients with an allocation of RM8.2 billion.

As of Jan 7, the Inland Revenue Board has received at least 1.4 million new applications and of this figure, a total of 355,071 were new applications while more than 1.1 million were BKM updated applications.

The BKM registration and update process will end on Jan 31.

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