New Strait Times - It's A Winning Deal For 1MDB

Wednesday, Apr 26 2017

DISPUTE SETTLEMENT

'IT'S A WINNING DEAL FOR 1MDB'

It helps settle US$2.5b debt and interest without govt funds, says Puad

KUALA LUMPUR

THE settlement deal reached with Abu Dhabi's International Petroleum Investment Company (IPIC) over a debt dispute is a success as it helps 1Malaysia Development Bhd (1MDB) reduce its debts as outlined under its rationalisation plan.

The settlement indicated that the fund units owned by 1MDB did have value and can be used to trim the government-owned strategic develop-

frustrated and tried to spin the settlement deal, which was announced by both parties on Monday.

"The opposition doesn't want to accept that 1MDB and IPIC have found a solution to their arbitration in relation to 1MDB-linked funds."

He said IPIC's guarantee over 1MDB's bonds was clear as IPIC had to pay interest of the bonds when 1MDB refused to do so last year.

"The settlement will help settle 1MDB's US$2.5 billion debt plus interest without using any additional funds from the government," he said.

This could be done by monetising the US$2.5 billion fund units under Brazen Sky and 1MDB Global Investment Ltd, which were guaranteed by IPIC.

ment company's debts, Special Affairs Department (Jasa) director-general Datuk Dr Mohd Puad Zarkashi said.

Datuk Dr Mohd Puad Zarkashi

Puad said it also showed that IPIC had acknowledged that there was a transaction made to the Abu Dhabi sovereign wealth fund by 1MDB as well as the former's guarantee over the latter's debts and assets.

"The settlement of this arbitration case also has weakened the United States Department of Justice's civil forfeiture complaints and allegations of stolen 1MDB funds," he said in a Facebook post yesterday.

Puad said the opposition was

The fund units can also be used to return the US$1.2 billion that was paid by IPIC to 1MDB in 2015 to balance out the asset and liability statement, and pay the US$1.3 billion interest on 1MDB's bonds from this year until 2022.

Puad also said under the settlement, IPIC will waive its claim of US$481 million in share options termination fee, which should be paid by 1MDB to IPIC as a result of the dispute.

The commitment to pay interest and principal value of a US$3.5 billion bonds will be borne by 1MDB as it is owner of the bonds while IPIC is only a guarantor to the loan.

NST 26/4

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