



for the peoples of the rainforest

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for the OECD Guidelines on
Multinational Enterprises
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CANADA

Basel/Ottawa, 2 January 2016

Complaint against the Saktó Group, Ottawa

This complaint against the Canadian Saktó Group, an Ottawa-based real estate and finance holding with assets in various countries, is based on the OECD Guidelines for Multinational Enterprises

The OECD Guidelines provide voluntary principles and standards for responsible business conduct consistent with applicable laws and internationally recognised standards. The countries adhering to the Guidelines, including Canada, have made a binding commitment to implement them.

1. Background to this complaint

While this complaint refers solely to the OECD's disclosure recommendations (Section III), it has to be seen in a wider context of goals shared by the OECD, the UN and the G20, including the fight against bribery and corruption, the safeguard of human rights of indigenous peoples, the protection of the environment and the mitigation of climate change.

This complaint is filed by the Bruno Manser Fund, a NGO based in Basel, Switzerland. The Bruno Manser Fund has been working with indigenous rainforest communities from Sarawak in Malaysian Borneo for more than two decades. The Bruno Manser Fund (www.bmf.ch) is committed to safeguarding the rights of Sarawak's indigenous peoples and to protecting the tropical rainforests of Borneo. Its aims include creating transparency in the global timber trade, combatting corruption and the recovery of

stolen assets to their country of origin. The Bruno Manser Fund has been recognized as a charity and tax-exempt by the relevant Swiss authorities since 1992.

Research by the Bruno Manser Fund has shown that the Sakto Group is intimately connected to the family of Abdul Taib Mahmud („Taib“), the current Governor and former long-term Chief Minister (1981-2014) of the Malaysian state of Sarawak in Borneo. During Taib Mahmud’s tenure as Chief Minister, the relatively small state of Sarawak became the world’s largest exporter of tropical timber, a position it has held for three decades.

Logging in Sarawak has been controversial since the mid-1980s and often took place illegally on the lands of indigenous communities without their consent. It has led to rapid degradation of the Borneo rainforest, one of the most biodiverse habitats on Earth. As of today, less than 10 per cent of Sarawak’s primary rainforests remain intact.¹

The rapid conversion of secondary forests into oil palm and tree monoculture plantations enhance the adverse effects on the environment. The sheer scale of forest destruction by loggers in Malaysia once led former British Prime Minister Gordon Brown to call the deforestation of Sarawak „probably the biggest environmental crime of our times“.²

While the timber industry was brought into the interior of Sarawak under promises of wealth and development, the indigenous rainforest communities have remained appallingly poor. But also the state has benefited far less than expected. American economist David Walter Brown has estimated that, from 1981 to 1999 alone, over 15 billion US dollars in timber revenues were unofficially appropriated in Sarawak by timber concessionaires, the head of state [Taib Mahmud] and his proxies and clients.³

The ownership structure and the legitimate origin of Sakto’s finances has increasingly been challenged since Sakto co-founder Jamilah Taib has been named as one of Canada’s richest women and since Malaysia’s Anti Corruption Commission (MACC) opened an investigation against Taib Mahmud in June 2011.⁴

The connection between the Sakto Group and the Taib family has been known since the early 2000s⁵ but Canadian legislation has allowed its beneficial owners to remain anonymous and its finances protected from public scrutiny. Canada’s legislation, which allows the beneficial owners of a corporation to remain anonymous, is at odds not only with the OECD Guidelines but also with growing international efforts for higher

¹ See Lukas Straumann: *Money Logging. On the Trail of the Asian Timber Mafia*, Basel (Bergli Books) 2014.

² *Fight for the Borneo rainforest*, The Independent, 10 March 2011.

³ David Walter Brown: *Why Governments Fail to Capture Economic Rent: The Unofficial Appropriation of Rain Forest Rent by Rulers in Insular Southeast Asia between 1970 and 1999*, PhD thesis, University of Washington, 2001, p. 313-314.

⁴ The Frank, 9 August 2000; *Sarawak’s Image Unaffected by MACC’s Probe on Taib*, Bernama, 10 June 2011.

⁵ Andrew Aeria: *Politics, business, the state and development in Sarawak, 1970-2000*, PhD thesis, London School of Economics and Political Science, 2002, p. 163-166.

corporate transparency, such as the G20 High-Level Principles on Beneficial Ownership Transparency decided in Brisbane in 2014.⁶

2. The Sakto Group, a real estate and investment group linked to politically exposed persons (PEPs) from Malaysia

The Sakto Group is a “multi-million dollar real estate development and ownership corporation with assets globally”, founded in 1983. Apart from real estate holdings, it has “business investments in hotels, restaurants, golf courses, and timber.”⁷ Its net assets are estimated at over CAD\$ 300 million, with the main place of business being 333 Preston St, Suite 910, Ottawa, Ontario, K1S 5N4.

The Sakto Group’s flagship asset in Canada is the Preston Square in Ottawa’s Little Italy, a mixed-use development estimated at over CAD\$ 200 million. The Preston Square development, which is wholly-owned by the Sakto Group, comprises a residential building („TheAdelaide“) and three office towers rented to corporations like Adobe and Sun Life Financial but also to the Ontario government.

The Sakto Group comprises at least eleven Canadian companies and eighteen subsidiaries / related parties in seven jurisdictions outside Canada. Its main currently active entities in Canada are:

- Sakto Development Corporation, Ottawa, Canada Corporation Number 1552074
- Sakto Corporation, Ottawa, Canada Corporation Number 3404391
- Urban Sky Investments Ltd, Ottawa, Canada Corporation Number 8321647
- Urban Sky Europe Ltd, Ottawa, Canada Corporation Number 8471703
- Waterford Property Group Ltd, Ontario Corporation Number 2352843

The Sakto Group’s key executives are Malaysian-Canadian businesswoman Jamilah Taib Murray and her Canadian husband Sean Patrick Murray.⁸ Other known executives of the group are Canadian nationals Tanya Caleta (Director), Laird J. Rasmussen (Director), Michel Pilon (Chief Financial Officer), Lee Gartley (Vice President Operations), Barry Wilkinson (Vice President Real Estate Management), Brian Murray (Director), Chris Murray (Director UK subsidiary) and Malaysian national Sulaiman Rahman Taib (Chairman and Director US subsidiary).⁹

The Sakto Group is intimately connected to the Malaysian Taib family and believed to be owned by them. Sakto executives Jamilah Taib Murray and her brother Sulaiman Rahman Taib are the daughter and son of Abdul Taib Mahmud, the long-term Chief Minister and current Governor of Sarawak, a Malaysian state in Borneo. The close

⁶ See http://www.g20australia.org/sites/default/files/g20_resources/library/g20_high-level_principles_beneficial_ownership_transparency.pdf

⁷ EXHIBIT 1: *LinkedIn profile of Sakto Group’s Chief Financial Officer, Michel Pilon*, accessed 3 December 2012 (NB: This profile has since been deleted).

⁸ EXHIBIT 2: Bruno Manser Fund: *The Taib Timber Mafia, Facts and Figures on Politically Exposed Persons (PEPs) from Sarawak, Malaysia*, September 2012, p. 26-27 and 45; EXHIBIT 3: *LinkedIn profile of Sakto Group Chairman / President, Sean P. Murray*, 30 July 2013.

⁹ EXHIBIT 4: *Washington Secretary of State, Filing on Wallysons Inc.* 13 August 2013.

association of these Politically Exposed Persons (PEPs) with the Sakto Group raises questions on their exact role and the origin of the funds that enabled the rapid growth of the group.

Jamilah Taib describes Sakto Corporation and her involvement as follows: *“With the help of family and friends, we founded Sakto Corporation when I was in my early twenties. Teamwork, smart business choices, and savvy negotiation skills enabled us to grow Sakto Corporation into the successful company it is today rooted in an unwavering commitment to excellence and integrity – a company in which I take great pride. I am so grateful that I had an amazing staff and team of talented people that tirelessly worked to start the company and who continue to work beside me today – over thirty years since we opened our doors.”*¹⁰

A company publication describes the Sakto Group and its CEO, Sean Murray, as follows:

“As President and CEO of Sakto Corporation, a real estate development and management firm based in Ottawa, Canada, Sean Murray has transformed a small single asset entity into an international corporation with holdings not only in Canada, but in the United States, United Kingdom, and Australia. Sakto Corporation primarily offers development, leasing, and management services of Triple 'A,' commercial, and residential real estate options.

*Only three years into his career, Mr. Murray cultivated numerous, global projects including building the office tower in the center of Ottawa's little Italy. He is also both the co-founder of the boutique property development company, Ridgford Development Limited, located in London, and serves as the President of Waterford Property Group, a property management, asset management, and general real estate services company.”*¹¹

A former version of Mr. Murray's website, published in 2011, also stated: *“Over the last 22 years Sean has developed and managed property in Canada, the USA, the UK, Poland, Australia and Malaysia.”*¹² Since Sean Murray joined the Sakto Group back in 1987 as a full time staff, it is presumed that all these activities were part of the Group's operations.

3. The Sakto Group as a multinational enterprise

Despite a lack of knowledge on the exact relationship between the different companies within the Sakto Group, the Group easily qualifies as a multinational enterprise under Section I (Concepts and Principles) of the OECD Guidelines for Multinational Enterprises („the OECD Guidelines“):

“4. A precise definition of multinational enterprises is not required for the purposes of the Guidelines. These enterprises operate in all sectors of the economy. They usually comprise

¹⁰ EXHIBIT 5: <http://jamilahaibtamurray.com/about/>, accessed 10 December 2015.

¹¹ EXHIBIT 6: <http://www.yelp.ca/biz/sakto-development-corporation-ottawa>, accessed 10 December 2015.

¹² EXHIBIT 7: www.sean-murray.org, accessed December 2011 (NB: Contents of this page have since been modified); <https://web.archive.org/web/20111209095844/http://www.sean-murray.org/>

companies or other entities established in more than one country and so linked that they may co-ordinate their operations in various ways. While one or more of these entities may be able to exercise a significant influence over the activities of others, their degree of autonomy within the enterprise may vary widely from one multinational enterprise to another. Ownership may be private, State or mixed. The Guidelines are addressed to all the entities within the multinational enterprise (parent companies and/or local entities). According to the actual distribution of responsibilities among them, the different entities are expected to co-operate and to assist one another to facilitate observance of the Guidelines.

5. The Guidelines are not aimed at introducing differences of treatment between multinational and domestic enterprises; they reflect good practice for all. Accordingly, multinational and domestic enterprises are subject to the same expectations in respect of their conduct wherever the Guidelines are relevant to both.”¹³

The Sakto Group is headquartered in Canada and comprises subsidiaries in at least two countries and related parties in at least five countries as follows:¹⁴

3.1 Known Sakto Group companies in Canada, all based in Ottawa and directed by Jamilah Taib Murray and/or Sean Murray:

- Sakto Development Corporation, Corporation Number 1552074 (active)
- Sakto Corporation, Corporation Number 340439-1 (active)
- Sakto Investment Corporation / City Gate International Corporation, Corporation Number 3413772 / 4460260 (dissolved in 2015)
- Urban Sky Investments Ltd, Corporation Number 8321647 (active)
- Urban Sky Europe Ltd, Corporation Number 8471703 (active)
- 1041229 Ontario Inc., Ontario Corporation Number 1041229 (active)
- 1575 Carling Limited, Ontario Corporation Number 1252339 (active)
- Hawkhurst Island Holding Ltd, Corporation Number 873443-7 (dissolved in 2015)
- Adelaide Ottawa Corporation, Ontario Corporation Number 2028546 (active)
- Preston Building Holding Corporation, Ontario Corporation Number 2108122 (active)
- Tower One Holding Corporation, Ontario Corporation Number 2028542 (active)
- Tower Two Holding Corporation, Ontario Corporation Number 2028543 (active)
- Waterford Property Group Ltd, Ontario Corporation Number 2352843 (active)

3.2 Known Sakto Group subsidiaries in the US

- Wallysons Inc., Tumwater (Washington), UBI Number 601338627 (active)
- Sakti International Holdings Inc., California, Entity Number C1867577 (dissolved)
- Sakti International Corporation, California, Entity Number C1195976 (dissolved)¹⁵
- W.A. Boylston, Inc., California, Entity Number C1800699 (dissolved)
- W.A. Everett, Inc., California, Entity Number C1800700 (dissolved)

3.3 Known Sakto Group subsidiaries in the United Kingdom

¹³ OECD Guidelines for Multinational Enterprises 2011 Edition, p.17-18.

¹⁴ EXHIBIT 22: Companies files of all known Sakto Group subsidiaries and related parties in Canada, the US, the UK, Australia, the BVI, Hong Kong, Jersey and Malaysia.

¹⁵ EXHIBIT 8: Takeover of Sakti International Corporation by Sakto, 14 September 2005.

- Ridgeford Developments Ltd, Company Number 08251023 (active)¹⁶
- Ridgeford Properties Ltd, Company Number 03268801 (active)
- Ridgeford Consulting Ltd, Company Number 5572163 (active)
- Ridgeford Properties Management Ltd, Company Number 03837275 (active)
- Ridgeford Properties (Bolsover Street) Ltd, Company Number 06421430 (active)

3.4 Known Sakto Group related parties in Australia

- Sitehost Pty Ltd, Australian Company Number 062312743 (active)¹⁷
- Golborne Pty Ltd, Australian Company Number 061844148 (active)
- Fordland Pty Ltd, Australian Company Number 161541037 (active)

3.5 Known Sakto Group related parties in the British Virgin Islands

- Bexlane Limited (formerly Tess Investments Limited), Company Number 203511
- Courtil Investments Limited (formerly Tagus Investments Limited), Company Number 704170
- Norstar Overseas SA (formerly Astar Properties Ltd), Company Number 201522
- Pioneer City Enterprises Ltd, Company number 575533 (active)
- Tattonpark Holdings Ltd, Company Number 1046132 (active)

3.6 Known Sakto Group related parties in Hong Kong

- Natalite Investment Ltd, Company number 0129502 (active)
- Richfold Investment Ltd, Company number 130308 (dissolved)

3.7 Known Sakto Group related parties in Jersey

- Sogo Holdings Ltd, Company number 43148 (active)

3.8 Known Sakto Group related parties in Malaysia

- Bormill Wood (Trengganu) Sdn Bhd, Company number 32269-T
- Majaharta Sdn Bhd, Company number 244011-X
- Premier Cottage Sdn Bhd, Company number 677270-V
- Tell Media Sdn Bhd, Company number 728021-W

3.9 Unknown Sakto Group related party in Poland

Sean Murray disclosed on a former website that, as a director for the Sakto Group, he developed a hotel in Poznan, Poland., in the 1990s.¹⁸ No further details of this Sakto Group involvement in Poland are known.

¹⁶ EXHIBIT 9: Parent company: Urban Sky Investments Ltd (Canada).

¹⁷ EXHIBIT 10: On Sitehost Pty Ltd see: Bruno Manser Fund: *The Adelaide Hilton Case – How a Malaysian politician’s family laundered AUD\$ 30 million in South Australia*, September 2015.

¹⁸ EXHIBIT 7: www.sean-murray.org, accessed December 2011 (NB: Contents of this page have since been modified).

4. Relevant disclosure requirements under the OECD Guidelines for Multinational Enterprises

This complaint is based on the following disclosure requirements for multinational enterprises as stipulated in Section III (Disclosure) of the OECD Guidelines:

“1. Enterprises should ensure that timely and accurate information is disclosed on all material matters regarding their activities, structure, financial situation, performance, ownership and governance. This information should be disclosed for the enterprise as a whole, and, where appropriate, along business lines or geographic areas. [...]”

“2. Disclosure policies of enterprises should include, but not be limited to, material information on:

a) the financial and operating results of the enterprise;

b) enterprise objectives;

c) major share ownership and voting rights, including the structure of a group of enterprises and intra-group relations, as well as control enhancing mechanisms;

d) remuneration policy for members of the board and key executives, and information about board members, including qualifications, the selection process, other enterprise directorships and whether each board member is regarded as independent by the board

e) related party transactions

f) foreseeable risk factors

g) issues regarding workers and other stakeholders

h) governance structures and policies, in particular, the content of any corporate governance code or policy and its implementation process.”¹⁹ [...]

“4. Enterprises should apply high quality standards for accounting, and financial as well as non-financial disclosure, including environmental and social reporting where they exist. The standards or policies under which information is compiled and published should be reported. [...]”²⁰

5. Sakto Group breaches of OECD disclosure requirements

¹⁹ OECD Guidelines for Multinational Enterprises, 2011 Edition, p.27.

²⁰ OECD Guidelines for Multinational Enterprises, 2011 Edition, p.28.

The Sakto Group systematically breaches the disclosure requirements of the OECD. Essential information is being treated as trade secret and withheld from public scrutiny. The only information the Sakto Group publicly gives on its website is the following:

“Sakto Corporation is privately owned and operated. Today, the company owns and manages multiple property holdings. Sakto Corporation is renowned as one of the nation’s capitals foremost property facilitators. Company President Sean Murray has enhanced Sakto Corporation’s portfolio and reputation, including the construction of phase one of Preston Square in 1989. Located in the heart of Ottawa’s Little Italy, this project was awarded 2010’s BOMA’s Building of the Year for Preston Square.”²¹ The company’s portfolio is being described as 333 Preston St, 343 Preston St, 347 Preston St, 17 Aberdeen St and 1575 Carling St in Ottawa.

From a website run by Sakto President Sean Murray, it can be learned that he is also the Chairman of Ridgeford Properties Ltd in the UK, “a real estate company specializing in high-quality commercial and residential developments” in central London. Mr. Murray is also mentioned as “Chairman” on Ridgeford Properties’ website but does not appear in official company documents filed with Companies House in the UK.²² While previous versions of Ridgeford’s website described Sakto Corporation as its “sister company”²³, all mentions of Sakto have since been removed from the company website.

The Sakto Groups disclosure breaches can be described as follows:

5.1. The Sakto Group does not publish financial information

Given that the Sakto Group is closely connected to Politically Exposed Persons (PEPs) and that its finances appear to depend to a significant extent on loans from its shareholders and other non-bank lenders, Sakto should not only disclose its financial results but also the source of its funding to rule out suspicions that Sakto might be involved in laundering the proceeds of corruption from Malaysia.

Until 1993, one of the Group members, Sakto Development Corporation (SDC), published audited annual financial reports. In 1993, SDC assets amounted to CAD \$ 39.5 million. The company held CAD\$25.6 million in shareholder loans and \$22.9million in other loans. No financial figures have been published or made available after 1993.²⁴

In 2014, the Financial Action Task Force (FATF) stated that “the FATF has long understood the risks that corrupt PEPs pose to the financial system” and quoted an earlier report, according to which “the sources for the funds that a PEP may try to launder are not only bribes, illegal kickbacks and other directly corruption-related proceeds but also may be embezzlement or outright theft of State assets or funds from political parties and unions, as well as tax fraud. [...] PEPs that come from countries or regions where corruption endemic, organised and systemic seem to present the greatest risk [...].

²¹EXHIBIT 11: Screen shot of www.sakto.com/about, accessed 1 December 2015.

²² EXHIBIT 12: See www.sean-murray.org and www.ridgeford.com; files on Ridgeford Properties Ltd with Companies House UK.

²³ EXHIBIT 13: Screenshot of www.ridgeford.com, accessed 25 March 2010.

²⁴ EXHIBIT 14: Sakto Development Corporation, Balance Sheet as at August 31, 1993.

In this context, it is noteworthy that Malaysia is a corruption high-risk country. In September 2015, Transparency International Chair, José Ugaz, stated that “the country is facing a major corruption crisis”.²⁵

Sarawak Governor and former Chief Minister Abdul Taib Mahmud, is on record saying that he provided his daughter Jamilah Taib Murray the necessary funds to start Sakto Group.²⁶ The amount, date of donation and origin of this acknowledged start capital for Sakto remain unknown.

In this context, it is also noteworthy that Sakto Group director Jamilah Taib provided the Sakto Group two loans of CAD\$20 million in 1996. One of these loans was granted “in trust” and was connected to an agreement between Jamilah Taib with several Taib family members and related offshore companies in Hong Kong (Richfold Investments) and Jersey (Sogo Holdings Ltd).²⁷

5.2. The Sakto Group does not publish information on its beneficial owners

Beneficial ownership transparency has become a major international concern which has been addressed by the Financial Action Task Force (FATF) in its 2014 Recommendations 24 & 25 (Guidance on Transparency and Beneficial Ownership), the G20 in its 2014 High-Level Principles on Beneficial Ownership Transparency and by the OECD.

The Sakto Group repeatedly replied with evasive answers to attempts by journalists to ascertain its beneficial owners. For instance, when approached by Global Television’s 16x9 program in 2011, Ottawa lawyer J Bruce Carr-Harris, partner at Borden Ladner Gervais, replied “on behalf of my clients Sean and Jamilah Murray and their businesses” as follows:

“1. The issue of beneficial ownership of Sakto. [...] Sakto was incorporated as a Canadian company in 1983 by Jamilah Taib and her Uncle Onn. Her father is on record as saying that he contributed money to her. At no stage did her father have economic benefits from, or any direction of, the business – directly or indirectly. Sean Murray joined Sakto as a director in 1987, and remains an active director of the company. No member of Jamilah’s family plays an active role in the company.”²⁸

5.3 The Sakto Group does not publish information on its group structure and its intra-group relations

The Sakto Group consists of at least eleven Canadian companies directed by Jamilah Taib Murray and her husband Sean Murray and seventeen known subsidiaries and related parties in six jurisdictions. Despite the global activities of the Sakto Group, their lawyer, J Bruce Carr-Harris, claimed in 2011 that the public had no right to know more about the group structure:

²⁵ EXHIBIT 15: Malayiakini, 1 September 2015.

²⁶ Youtube- Video <https://www.youtube.com/watch?v=0YK8KGX7E4A>

²⁷ EXHIBITS 16 and 17: Province of Ontario: Charge/Mortgage of Land, 19.08.1996.

²⁸ EXHIBIT 18: J Bruce Carr-Harris to Global Television, Toronto, 2 December 2011. See also: <http://globalnews.ca/news/185008/family-trees-2/> 2 December 2011

“2. The issue of the Murray’s private companies and assets. The books of these businesses are open to the scrutiny of auditors and authorities, but as with all private companies and individuals, they are protected by privacy laws.

3. The issue of their assets and investments worldwide. For the reasons given above, these are matters for the Murrays, Sakto and the relevant regulatory and financial authorities – not for publication. With regard to your question concerning investments in Malaysia, Jamilah Murray has some passive investments in Malaysia, but Sakto and Sakti, and Sean Murray do not. On the question of whether any of that money has been used to fund Sakto projects in Canada or Sakti in the U.S., the answer is no.”²⁹

5.4 The Sakto Group does not publish sufficient information on its activities

Only two of seven Canadian companies of the Sakto Group have a website, Sakto Corporation (www.sakto.com) and The Waterford Property Group (www.waterfordpg.com).

The information on Sakto’s ongoing activities is limited: *“Throughout its three decades of operation, Sakto Corporation has remained true to its core standards of excellence and integrity. (...) Today the company owns and manages multiple property holdings.”* In a „portfolio“ menu, information on five Ottawa properties can be found.

The information on the Waterford Property Group is not much more ample. The corporation, which is neither registered in Ontario nor with Industry Canada, appears to be involved in Planning and Construction, Facility Management and Leasing. The properties shown are the same as on the Sakto website.

The following currently active Sakto Group members in Canada do not publish any information at all:

- Sakto Development Corporation
- Urban Sky Europe Ltd
- 1041229 Ontario Inc.
- Hawkhurst Island Holding Ltd
- Urban Sky Investments Ltd

According to British corporate records, Ottawa-based Urban Sky Investments Ltd is the parent company of Ridgeford Properties Ltd, a London real estate developer, on whose website (www.ridgeford.com) Sean Murray is listed as “Chairman” (though he is not officially registered in such a role with Companies House) Ridgeford’s website says that it is *“a UK property company focused on producing exceptional quality single and mixed use in developments in central London.”*

The following entities seem to be single asset corporations linked to Ottawa real estate:

- Adelaide Ottawa Corporation

²⁹EXHIBIT 18: J Bruce Carr-Harris to Global Television, Toronto, 2 December 2011. See also: <http://globalnews.ca/news/185008/family-trees-2/> 2 December 2011

- Preston Building Holding Corporation
- Tower One Holding Corporation
- Tower Two Holding Corporation
- 1575 Carling Limited

5.5 The Sakto Group does not publish sufficient information on its governance

All Sakto Group companies are directed by Jamilah Taib Murray and/or her husband Sean Murray. It is noteworthy that a number of Sakto Group executives are members of the same family which is highly unusual for a multinational enterprise. These executives include Sean Murray's brother, Thady Murray, as well as his cousins Brian Murray and Christopher Murray (director of Sakto Group's British subsidiaries). It is unclear why so many members of the same families are active within the same international real estate group.

In particular, there is a need of an explanation to the double role played by Sean Murray as "President and CEO of Sakto Corporation" and "Chairman" of Ridgeford Properties Ltd in the UK, as acknowledged by Mr. Murray on his personal website.³⁰ In this context, it is noteworthy that, according to official Companies House records, Sean Murray has no role within Ridgeford Properties whatsoever.

Another double role in need of an explanation is the one being played by Michel Pilon, the Chief Financial Officer of the Sakto Group. According to Mr. Pilon's 2012 LinkedIn Profile, which has since been deleted, he acted simultaneously as Chief Financial Officer of Sakto Corporation and Secretary Treasurer of City Gate International Corporation since 1995.³¹

The double roles played by leading company staff and the unclear role played by Jamilah Taib Murray and her brother Sulaiman Abdul Rahman Taib within the group show the need for the Sakto Group to publish clear and unambiguous information on its governance.

5.6 The Sakto Group does not publish information on related party transactions

Research by the Bruno Manser Fund has shown that, since their incorporation in the 1980s, there have been numerous related party transactions within the Sakto Group. These include shareholder loans to the Sakto Group, loans provided by the Canadian parent company to subsidiaries, such as Ridgeford Properties in the UK, or sales of real estate assets within the group.

While some related party transactions can be reconstructed from land registry records, none have been officially disclosed within the last ten years.

By way of example, on 16 September 2008, a mortgage between Sakto Corporation and Sakto Development Corporation over \$29,958,820 was registered with the Ottawa-Carleton Land registry, secured by multiple properties.³² In 2004, Sakto Corporation provided £2 million in loans to the Sakto Group's British subsidiary, Ridgeford Properties Ltd, which was later repaid.³³

³⁰ EXHIBIT 12: Screenshot of <http://www.sean-murray.org> (accessed 10 Dec 2015).

³¹ EXHIBIT 1: *LinkedIn profile of Sakto Group's Chief Financial Officer, Michel Pilon*, 3 December 2012 (NB: This profile has since been deleted)

³² EXHIBIT 19: Ottawa-Carleton Land Registry, Instrument OC903343.

³³ EXHIBIT 20: Companies House records on Ridgeford Properties Ltd (Annual Report 2004).

5.7 The Sakto Group does not publish information on its accounting standards and its auditors

It is needless to say that, given that the Sakto Group does not publish financial reports, it also fails to provide information on its accounting standards and auditors.

5.8 The Sakto Group is actively attempting to conceal its ownership, group structure, governance and finances

In 2010, the Bruno Manser Fund and Sarawak Report started to disclose the Malaysian Taib family's unexplained wealth in various countries and published a "Black List of Taib assets" comprising over 400 corporate entities in 25 jurisdictions.³⁴ Some Sakto Group companies, such as Ridgeford Properties, City Gate International and Sakto Corporation, were on that list.

Subsequently, a significant number of companies linked to the Taib family have been dissolved and some of their assets sold. Furthermore, some property holdings were restructured.

By way of example, the Sakto Group's main British subsidiary, Ridgeford Properties Ltd, was, from 2001 to 2011, a wholly-owned subsidiary of City Gate International Corporation, a Sakto Group entity directed by Jamilah Taib Murray and Sean Murray. Following a number of disclosures on the Taib family's international businesses, Ridgeford Properties' ownership was reorganised. The company's 2013 annual return, filed on 12 October 2013 with Companies House in the UK, showed Urban Sky Investments Ltd to be the new parent company of Ridgeford Properties Ltd. Urban Sky Investments' sole director is Sean Murray. As a consequence of this re-organisation, Sean Murray's wife – and thus the Taib name – no longer appears in any public record associated with Ridgeford.

6. Public interest in the Sakto Group

The Sakto Group is intimately linked to the family of Malaysian politician Abdul Taib Mahmud („Taib“), the current Governor (since 2014) and former Chief Minister (1981-2014) of the Malaysian state of Sarawak. Due to his role as head of a state government, Taib is a public person.

While the Sakto Group was founded by Taib's brother, Onn Mahmud, the management has later been taken over by Taib's daughter, Jamilah Taib Murray and her Canadian husband. According to FATF and FINTRAC definitions, all of these people qualify as politically exposed persons (PEPs) / politically exposed foreign persons.

The Sakto Group has been the object of a Global Television 16x9 report in December 2011 and of subsequent investigations by The Toronto Star and the CBC. In addition, Malaysian media have repeatedly reported on the group, particularly in the context of an

³⁴ EXHIBIT 21: Company List of Taib assets: [www.stop-timber-corruption.org/resources, 19.01.2012](http://www.stop-timber-corruption.org/resources,19.01.2012)

investigation against Abdul Taib Mahmud by Malaysia's Anti Corruption Commission (MACC).

It is therefore evident that there is a high public interest in the Sakto Group and a disclosure of its beneficial ownership, group structure, governance and finances.

7. Requests by the complainants

Based on the OECD Guidelines disclosure recommendations, the complainants request the following from the Sakto Group:

7.1 Disclosure of financial information

Disclosure of financial information should include but not be limited to the audited financial reports of Sakto Development Corporation, Sakto Corporation, Urban Sky Investments Ltd, Urban Sky Europe Ltd, The Waterford Property Group, City Gate International Corporation and subsidiaries for the last ten years (2006 to 2015).

The disclosed financial information should include but not be limited to details on the Sakto Group's loans, in particular shareholder loans and other secured and unsecured loans from banks and non-bank lenders.

Furthermore, the Sakto Groups' global assets should be disclosed, in particular its investments in hotels, restaurants, golf courses, timber, commercial and residential real estate as well as bank deposits.

7.2 Disclosure of beneficial ownership

Disclosure of beneficial ownership should include details on the Sakto Group's and its subsidiaries' beneficial ownership since its incorporation in 1983. In particular, the disclosure should include the amount of shares held by Taib family and Murray family members and the time of their purchase and sale.

This should include but not be limited to shares held by the company's former and current directors Onn Mahmud, Jamilah Taib Murray, Sean Murray, Mahmud Abu Bekir Taib, Sulaiman Abdul Rahman Taib and other members of the Taib family, such as Laila Taib and Abdul Taib Mahmud.

Disclosure should also include a declaration if group shares were held by shareholders in trust for third parties.

7.3 Disclosure of the Sakto Group's group structure and its intra-group relations

Disclosure of the Sakto Group's internal structure should include but not be limited to an explanation of the holding structure, the ownership structure of the Group's various subsidiaries, the relationship of the Group to offshore investment trusts, and a comprehensive list of related parties. This should include information on the Group's current and past operations in Canada, the USA, the UK, Poland, Australia and Malaysia a

well as information on the Group's relationship with offshore trusts in the British Virgin Islands, Jersey and Hong Kong.

7.4 Disclosure of the Sakto Group' activities

Disclosure of the Sakto Group's activities should include comprehensive information on its present and past operations in the hotel business, restaurants, golf courses, timber production and trade as well as in the purchase, development or sale of commercial and residential real estate.

7.5 Disclosure of the Sakto Group's governance

Disclosure of the Sakto Group's governance should include but not be limited to an explanation on the strategic and operative functioning of the Group and the role of its main executives, namely Jamilah Taib Murray, Sean Murray, Laird J. Rasmussen, Tanya Caleta, Michel Pilon, Lee Gartley, Brian Murray, Christopher Timothy Murray and Sulaiman Abdul Rahman Taib within the group. It should also include a declaration if other members of the Tai band the Murray family are involved in the group's operations and describe their roles.

7.6 Disclosure of related party transactions

Disclosure of related party transactions should include but not be limited to loans granted within the group, financial or other services granted within the Group, purchases and sales of real estate within the Group, and the exchange of other assets or staff within the Group.

7.7. Disclosure of accounting standards and auditors

Disclosure of the Sakto Group's financial information should include the disclosure of the accounting standards used and the Group's auditors.

BRUNO MANSER FUND

Dr. Lukas Straumann
Executive Director

Johanna Michel
Campaigner