
PRESS RELEASE

On behalf of:

NEXBIS Ltd. (the “Company”),

**party to the Maldives Immigration Border Control System (MIBCS)
Concession Agreement of 17 October 2010 signed with the Government of Maldives (“Nexbis Agreement”)**

The company is concerned over the reported news in local online news dated 6 August 2013 (the “News”) where it was reported that the Government has decided to terminate the Nexbis Agreement giving it 14 days’ notice for reason that the project was causing major losses to the Government.

The Company asserts that the Nexbis Agreement is a legally valid agreement, the terms of which are binding on both the parties to the agreement, namely the Government of the Republic of Maldives and Nexbis Limited.

The Company also wishes to highlight that the content of the notice is reported incorrectly with regards to what the Defense Minister, Mohamed Nazim has written to the Company on 5 August 2013 (the “Notice”). The Company wishes to bring to the attention of the media of the discrepancies in the statement made by him and the Attorney General (AG) Aishath Azima Shakoor.

The basis on which the statement made by Nazim and Azima was that the Nexbis Agreement is ‘terminated’ due to the major losses caused to the Government. This, in the legal perspective would mean that they **admit that the Nexbis Agreement is indeed a legally valid and binding agreement** between the parties thereto and the Government now invokes the termination thereof for reasons as aforementioned. On the contrary however, Nazim has in the Notice mentioned that the Nexbis Agreement is *void ab initio* which the Company completely challenges. The Government’s admission and acknowledgment that the Nexbis Agreement is till date, a legally valid and binding agreement is further supported by the statement made by Azima where ‘discussions are ongoing with Nexbis to reach a settlement outside of court’ which suggests nothing less than an assertion that the Nexbis Agreement is legally valid and the pre-mature termination thereof would be a breach on the part of the Government that would entitle Nexbis to claim for legal remedies.

The Notice in itself contained contradictory assertions by the Minister in that whilst alleging that the Nexbis Agreement is invalid and void *ab initio*, it is also mentioned that the Ministry would work in accordance with Singapore law, which is the governing law under the terms of the Nexbis Agreement, hence honouring the terms of the purportedly void contract.

The reason for the termination of the Nexbis Agreement, as mentioned in the News is stated to be because it was causing major losses to the Government. The Company wishes to rebut this as the Nexbis Agreement provides, as agreed by the Government, that the levy of US\$2 is to be charged for each entry and exit of **foreigners** to the country and a fee of US\$15 for every work permit issued under the MIBCS, in consideration of the whole comprehensive border control system (MIBCS) that was installed and in operation at **absolutely no cost to the Government**. Such fee were supposed to



have been included in the airline ticket charged to the passengers, however such fee were not charged to the passengers due to the oversight of certain officials in notifying the relevant international authorities. The termination of the Nexbis Agreement for reason that the project was causing major losses to the Government is further challenged by the contradictory reasons by the cabinet in 2012 to terminate it for reasons of alleged foul play in the signing of the agreement. Such allegation of foul play and corruption by the ACC has not been concretely established and after almost 3 years the ACC have not furnished any evidence of corruption or foul play. In fact, in the proceedings at the Supreme Court in matter No.: 26/SC-A/2012 (Nexbis Ltd. v. ACC), it was explicitly asserted by the counsels for the ACC, that there is **no corruption on the part of Nexbis.**

Azima has been quoted to state that *"the burden on the state will be far less with the termination of the agreement rather than continuing with it"*. The Company wishes to state to the contrary that the continuation of the Nexbis Agreement would not cost the Government anything if the payment mechanism can be arranged by the Government for the rest of the concession period. In fact, should the Government terminate the agreement, the Government would be legally liable to pay compensation to Nexbis as it would under any valid agreement. The Company would also like to correct the statement that the letter of demand to claim for US\$2.8 Million is for the amount due for the fee for the arrival and departure of foreigners into and out of the country, and it is not for the 'installation and operation of the technology' as quoted in the News.

The Company wishes to question the authorities on which the cabinet, the AG, the Defense Ministry and the ACC has arbitrarily and seemingly above the law, decided to terminate a legally valid and binding agreement whilst the matter pertaining thereto is still pending judgment by the highest judiciary body of the country, the Supreme Court in matter No.: 26/SC-A/2012. Further, the Supreme Court in its Order No. 05/SC-SJ/2012 dated 28 November 2012, ordered that no person or the state, may act in any manner that is prejudicial to an ongoing case, before a final and conclusive decision may be reached in respective matter being adjudicated by the Courts, and deem all such acts by their very nature to be null and void. Hence the Company believes that the AG, the Defence Ministry and the ACC have been misinformed and advised incorrectly with respect to the validity of the Concession Agreement and have led them into actions which are in contravention to the Order of the Supreme Court and is therefore null and void.

The Company views that such termination may possibly be orchestrated by human traffickers to prevent a comprehensive border control system such as the MIBCS that is of an advance technology. The US PISCES system that is meant to replace the MIBCS is not a border control system nor is it an immigration solution, rather it is a terrorist tracking system that simply captures information of travelers and Maldivians who transit in and out of the country. It does not have solutions that would assist the DoIE in preventing human traffickers in Maldives. This system cannot be integrated with work visa, deportation module and other information. The data captured under this system will be transmitted out of the country as their server is not in the Maldives. PISCES has only been installed in few Muslim countries to monitor the transits Muslims and not for the purpose of controlling human trafficking.

The Company has posted its official response to the Notice, seeking clarification from the Defense Ministry with respect to their misconception on the legality of the Nexbis Agreement. The Company has also amongst others, questioned the authority by which the Defence Ministry is allowed to terminate the Nexbis Agreement. The Company also questioned the ACC of its authority to instruct the DoIE to cease operation of the MIBCS and the grounds on which the ACC is allowed to decide on



whether payment of the Company's invoices should be made, when the ACC has admitted in the court that there was no corruption. The Company remains confident that the Maldivian Government would honor its obligations under the 2010 Concession Agreement.

14 August 2013



END