Payment Cards in Malaysia: Redefining the Way to Pay

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Redefining the Way to Pay

• Malaysia – The Evolution

• Vision 2020 – The Revolution

• Roles and Opportunities

• Evolution or Revolution?
Payment Cards Evolution

- Magnetic Stripe Credit Cards (1970s)
- Chip Based Credit Cards
- Debit Cards
- Contactless Cards
- Mobile Apps / Wallet
- Chip & Pin Cards (2017)

Towards 2020

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Towards 2020

Manufacturer Acceptance Evolution

- Contactless / NFC / POS
- ECR Application
- WiFi / MPOS
- eCommerce
- Landline / Wireless / GPRS
- Bulky EDCs
- EDC + Printer
- Manual Imprinters

Source: Visa 'just wave and go' commercial - via Mumbrella
Redefining the Way to Pay

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- Evolution or Revolution?
The Revolution Starts …
Towards a Cashless Society by 2020

800,000 EFTPOS

1 Billion Debit Transactions

26 Banks, Issuers and Acquirers

Merchants, Retailers, Services, Insurance, Wholesalers, etc

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Consumer Awareness Campaigns

- 800K EFTPOS and 1 Billion Debit Transactions by 2020
- Chip & Pin deployment *(starting July 2015 to December 2016)*
- MCCS and MyDebit

Shop online with your MasterCard or Visa Card and win prizes worth up to RM100,000! You could also be one of 80 lucky winners of a Asus Padfone Infinity A86 from 1 November to 31 December 2014.
Chip & Pin Migration requires massive industry coordination

**Interoperability**
- Online / Offline PIN
- Market switch from PIN bypass to enforced PIN

**Communication**
- Retailers for Card acceptance
- Consumers to remember their PIN

**Deployment**
- Re-carding of cards timing
- Terminal deployment coordination

**Liability Shift**
- Abandoned transactions (for non Pin Bypass supported EDC)
- Signature transactions (if after PIN enforced date)
- Lost and stolen scenarios

PIN not pen from Jan 2017

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The Revolution Starts ... Towards a Cashless Society by 2020

800,000 EFTPOS Transactions
1 Billion Debit Transactions

26 Banks, Issuers and Acquirers

NATIONAL CARDS GROUP

Merchants, Retailers, Services, Insurance, Wholesalers, etc

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Malaysia Debit Cards
How are we getting there?
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Ecosystem – Everyone has a role

- **Issuers**
  - Issue more Cards
  - Promote Card Usage
  - Contactless

- **Acquirers**
  - EFTPOS in market
  - Value Add
  - Remove price barrier
  - Contactless

- **Consumers**
  - Cards
  - Cash
  - Secure & convenience
  - Speed via contactless

- **Merchants**
  - Card
  - Cash
  - Card privileges
  - Speed in acceptance (contactless)
How do Merchants Gain?

- Increased Sales
- Reduce cash ➔ Reduce theft ➔ Reduce Cost
- Increase Average Ticket Size
- Improved Productivity
- Better Customer Service
- Enhance Your Business Image
Untapped Opportunities in the Market

- Increasing Efficiency in payment & collections of your business
- Enabling electronic payment for traditional cash / cheque collection
- Supporting end to end payment in the vertical business (from wholesale to retail to consumer)

Source: goSwiff – The Smart Way to Pay
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Redefining the Way to Pay....

SUPPLY
EFTPOS
Online
Mobile

DEMAND
Real time, faster, anytime & everywhere

2020 Revolution
800K EFTPOS
1 Billion Debit transactions

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Are you Ready for a Payment Revolution?