Summary Report

BNM MyFintech Week 2022

Advancing digitalisation for recovery, sustainability and inclusion

24 – 28 January 2022

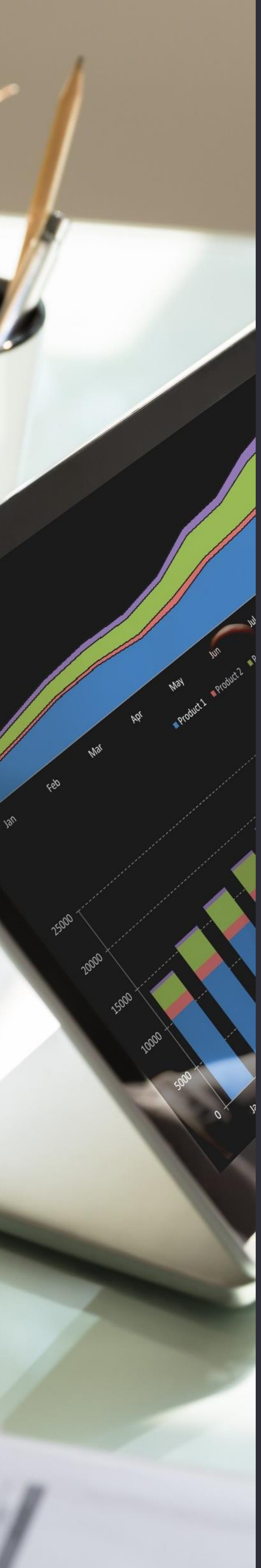
Building a better working world

In collaboration with:

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

MY FINTECH WEEK 2022
Advancing Digitalisation

Contents



Introduction

Bank Negara Malaysia (BNM) hosted the second iteration of Malaysia's flagship fintech event, MyFintech Week (MyFW) from 24 to 28 January 2022, which centered around the theme 'Advancing digitalisation for recovery, sustainability, and inclusion'. The event aims to:

1. Promote awareness on critical issues concerning the financial sector
2. Advance policy initiatives and spur digitalisation of the economy
3. Act as a platform for stakeholders within the Malaysian fintech ecosystem to connect and collaborate with one another

Hosted virtually across five days, the flagship fintech event started with the highly anticipated launch of the Financial Sector Blueprint 2022 – 2026 by the Minister of Finance, Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz and the Governor of Bank Negara Malaysia, Tan Sri Nor Shamsiah Mohd Yunus. The blueprint outlines the vision and strategies for the development of the Malaysian financial sector, which is broadly underpinned by three desired outcomes – finance for all, finance for transformation and finance for sustainability. It will guide the development of Malaysia's financial sector to act as a key pillar in supporting economic recovery and drive Malaysia's aspiration to be a dynamic, inclusive and sustainable nation.

Leading industry participants also discussed a variety of issues, including the significance of raising awareness about the relevance of sustainability and digital technologies in reorienting finance's role in assisting countries to rebuild more inclusive, resilient, and sustainable futures.

This report is guided by seven themes - Sustainability, New Realities, Economy, Inclusion & Financial Health, Resiliency, Start-ups and Regulations; together with two additional sections – the Sustainable Development Goals (SDG) Accelerator Programme and the MDEC Growth Series from the event. Each of the seven theme sections contains:

- Problem statements in the Fintech ecosystem
- Challenges, success stories and lessons learned globally
- Challenges and key developments in Malaysia
- Calls to action

AT A GLANCE

BNM MyFintech Week 2022

3,624 Participants

32+ Countries

73 Exhibitors

74 Total sessions

187 Speakers

Exhibitors by industry

37%	Others
24%	Payments/ Remittance
16%	Lending
10%	Authentication
8%	Crowdfunding
5%	Insurtech

Note: Others include regulations, digital banking, core banking, buy now pay later (BNPL), etc.

Top 10 participants by industry

- 38% — Banks/ Financial Institutions
- 19% — Others
- 14% — Fintech and solution providers
- 10% — Regulators
- 5% — Insurance and pensions
- 4% — Government
- 4% — Advisory and professional services
- 2% — Academia and research
- 1% — Telcom and mobile
- 1% — Payments

Participants by seniority level

- 4% C-Suite executives
- 8% Presidents & VPs
- 9% Directors
- 20% Managers
- 2% Academia
- 57% Others

Note: Others include junior-level staff and students

Participants from around **the globe**

Key sessions and conference

32,151
Total session views

Social media performance

226,137
Social media impressions

17,619
Likes/ Engagements

452
Shares

Top viewed sessions by theme

Sustainability
- Why a sustainable, climate-resilient planet is the only future worth building
- Accelerating our sustainability journey: The role of Finance
- Net zero banking: How realistic, how soon?

New Realities
- Towards a renewed financial landscape
- Payments and the next evolution: What lies beyond the horizon?
- Bigtechs in financial services

Economy
- Helping businesses scale new heights: Latest solutions by the financial sector
- Malaysia's digital economy: The promise of a better future
- Redefining the future of tech innovation

Inclusion & Financial Health
- Building socioeconomic equity through digital financial services – How far have we come?
- Digital financial literacy: A vaccine for financial health
- Reinforcing social finance through digitalisation

Resiliency
- Open finance ecosystem: Breaking down the silos
- CeFi vs DeFi: Which will be dominant in the financial landscape of the future?
- Update required: Fundamental change in cyber defenses of the new normal

Start-ups
- MyFW 2022 Demo day: Sustainability challenge accelerator
- MyFW 2022 Demo day: Alpha startups™ accelerator programme for sustainable digital solutions
- Catalysing the next wave of innovation through alternative finance

Regulations
- Money in the new age
- Chat and chill: A candid session with the public agencies
- Shariah compliance: Obstacle or opportunity for Islamic Fintech

KEY INSIGHTS

Themes	Descriptions	Insights and Calls-to-Action
Sustainability	• The financial sector plays a crucial role in helping the economy to tackle climate change and support businesses in shifting toward more sustainable practices – but this cannot be left to any one single entity/agency.	• Establish coherent national SDG policies to help set priorities and coordinate the efforts of the financial sector in driving the SDG agenda. • Enhance SDG-related data collection capabilities across the economy, particularly the carbon-intensive sectors. • Redouble efforts to instill a greater sense of urgency on sustainability among businesses.
New Realities	• Major trends shaping society, economy and finance are closely interlinked and are accelerating in complexity. They present both risks and opportunities for the financial sector and broader economy.	• Build an agile posture in organizational mindset, employee core skillsets and technical infrastructure to remain relevant amid the increasing complexity and speed of change. • Accelerate efforts on open data to enhance productivity and efficiency in the economy.
Economy	• Malaysia's future economic development is envisioned to be a transformation toward a more sustainable high-income economy with improved social wellbeing and shared prosperity.	• Undertake fundamental reforms in education to ensure Malaysia's workforce is ready to drive the economy of the future. • Unlock more collective benefits through the greater use of shared infrastructure and resources. • Reinforce the country's strategic position in the global Halal economy by leveraging on Malaysia's leadership in Islamic finance.
Inclusion & Financial Health	• Notions of shared prosperity, social equality and balance are gradually taking precedence over economic growth and consumption as the basis of healthy national development.	• Integrate social impact into business-as-usual practices. • Manage digital exclusion risks amid fast digital adoption to ensure inclusive growth. • Adjust and adapt business models to address emerging socio-economic issues.
Resiliency	• Technologies such as 5G, blockchain, edge computing and virtual reality will fuel digital integration into everyday life and challenge businesses to stay relevant in the complex Information Age.	• Establish cybersecurity norms based on 'Zero Trust' to build a strong defence. • Overcome integrity concerns and build trust to grow the adoption of frontier technologies. • Look beyond private interests and view open finance as an opportunity to create value for customers, businesses and society-at-large.
Start-ups	• The next stage of Malaysia's economic development must be underpinned by innovation-led growth and a vibrant start-up ecosystem to nurture entrepreneurs.	• Place increased focus on solving universal problems and doing good. Investors in start-ups are increasingly looking beyond profits. • Recognise the potential of Islamic fintech to accelerate the growth of fintech start-ups.
Regulations	• Regulators are now shifting from a more prescriptive approach toward a market-led approach which will help position the market to respond more effectively to an increasingly dynamic and complex economy.	• Leverage on infrastructure-level linkages and shared resources to drive the next phase of Malaysia's development. • Strengthen policy support for Islamic finance over the near term, particularly for start-ups. • Anchor regulations on clear development objectives and principles.

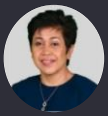
SPEAKER HIGHLIGHTS

Opening ceremony and launch of the Financial Sector Blueprint 2022-2026

Opening address by:
Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Finance

Key takeaways

- 2022 will not only be a pivotal recovery year for Malaysia, but also a rare opportunity to reform and future-proof ourselves. The road ahead will require nothing less than a whole-of-nation approach and close collaboration to build back better.
- The financial sector must continue to serve as a key pillar of the economy in times of crisis. It has been instrumental in aiding economic recovery and maintaining livelihoods during the pandemic.



Remarks by**:**
Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia

Key takeaways

- The pandemic has demonstrated the potential of finance to support the economy during a crisis by continuing to facilitate transactions in low touch settings and providing relief to borrowers.
- The financial sector will continue to have a central role in the challenges ahead to bring about an orderly transition to a greener economy and help the economy build resilience against financial shocks in a fast changing environment.
- We will need to work together to transform aspirations of the Financial Sector Blueprint 2022-2026 into reality. It is our desire that the financial sector will do its part to improve the well-being of people now and for generations to come.

Keynote speeches

Why a sustainable, climate-resilient planet is the only future worth building

Achim Steiner
UNDP Administrator, United Nations Development Programme

- The past seven years has seen the highest of global temperatures, bringing on the biggest impact on developing countries. Fintech is playing an increasingly important role in building a climate-resilient and nature-positive future, with the pandemic demonstrating the potential of digital finance for transformative impact.

Crystalising new financial realities

Tobias Adrian
Financial Counsellor and Director, Monetary and Capital Markets Department, IMF

- Digitalisation is changing our understanding of what money is and how it operates – examples include privately issued cryptoassets and stablecoins as well as Central Bank Digital Currency (CBDC). While these forms of digital money offer potential benefits, it is important to recognise the likely risks and ways to mitigate them.
- It is imperative for digital money to be regulated, designed and provided in a manner that ensure countries retain control over monetary policies, financial conditions and capital accounts.

1 Sustainability

Key imperatives for the Malaysian financial sector and the broader economy to transition towards a more sustainable future.

1 Sustainability

Key takeaways: Top priorities for Malaysia's sustainability agenda

Financial institutions in Malaysia play a crucial role in helping to tackle climate change, not only through the decarbonization of their own operations, but more importantly through their role in supporting businesses shift toward more sustainable practices – but they cannot do it alone. Regulators have a crucial role to play in firmly effecting change in the pursuit of a sustainable future.

Top priorities for Malaysia to push the sustainability agenda forward:

1. Coherent national policies – national policies on SDG should be harmonised across the economic sectors and industries. This is critical to guide the financial sector's effort in implementing ESG financing in line with national priorities.
2. Build stronger awareness – government and financial institutions must redouble efforts to educate businesses, investors and the broader public on the urgency of transitioning toward greater sustainability.
3. Quantify impact and externalities – policies to enhance SDG related data collection capabilities across the economy is a critical foundation to effectively implement SDG initiatives.
4. Embrace innovation – foster an enabling environment for the adoption of innovation such as digital bonds and blockchain that can further the SDG agenda.

"

Digital finance, underpinned by fintech, can put more of the US$380 trillion in assets managed by the global financial system, ultimately in the service of people and the planet.

Achim Steiner
UNDP Administrator,
United Nations Development Program

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It is also about how we transition industries to a low carbon, more sustainable business. Standard Chartered Bank has announced a US$300 billion ~~a~~ commitment to transition finance.

Daniel Hanna
Global Head of Sustainable Finance,
Standard Chartered Bank

"

Make no mistake. These challenges should not be left to our children or grandchildren to solve. The solutions and the embracing of change begin today. And they begin with us, including the financial community.

Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz
Minister of Finance,
Malaysia

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2

New realities

Latest developments in technology and business models in finance and associated emerging issues

2 New realities

Key takeaways: Emerging trends and strategies in the new realities

Major trends shaping society, economy and finance are closely interlinked and accelerating in complexity. They present both risks and opportunities, necessitating public and private institutions to be agile in adapting quickly to fast changing realities.

1. Acceleration in the integration of finance and digital lifestyles – Big techs in finance, internet of things (IoT), Web 3.0 and ~~a~~ greater digital adoption are challenging the relevance of the conventional delivery of financial services and intensifying the risk of disintermediation.

2. Co-existence of different forms of money – Digital money is increasingly diverse as various designs from both public and private issuers emerge. Stakeholders not only need to manage risks to the financial system but should also foster interoperability and harmonise standards which are key to ensure the efficient co-existence of different forms of money to serve different needs.

3. Pioneering incumbents are gaining ground – Progressive incumbents willing to reposition themselves by integrating into ecosystems, transforming business models and making investments in tech can reshape the financial landscape more significantly than new entrants. Incumbents possess resources, experience and trust built over the years which help convert new tech into commercial value faster.

4. Insurtech will enhance the appeal and relevance of insurance to a wider market by:
    - Empowering insurers to offer simpler and more affordable products
    - Expanding market reach with omni-channel distribution
    - Enabling the greater personalisation of coverage to better match needs
    - Lowering trust barriers with efficient claims processes and modes of premium

5. Financial data will become more liquid and accessible – Open data ecosystems with increased harmonisation of data standards, improved machine readability, greater global convergence and clarity on data sharing policies hold the potential to unlock greater value of data for businesses and consumers.

> "Macro trends are redefining banking industry dynamics. The industry must be agile to adapt as the environment is changing so quickly.

Dato' Sri Abdul Farid Alias
Group President and CEO,
Maybank

> "Join with partners who have the tech you don't.

David Mann
Chief Economist, Asia Pacific and Middle East Africa, Mastercard Economics Institute

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3
Economy

Critical opportunities and risks for post-pandemic economic development and transformation

3 Economy

Key takeaways: Build a digital and inclusive economy together

The next phase of Malaysia's economic development is envisioned to be a transformation towards a more sustainable high-income economy, with improved social wellbeing and shared prosperity. Beyond the immediate focus of post-pandemic recovery, persistent structural issues and challenges threaten the medium to longer term prospects of the nation's economic future. Some key challenges and considerations discussed during the event include:

1. Readiness of Malaysia's workforce to drive the digital economy - Employers are increasingly faced with difficulties to obtain the required quantity and quality of digitally skilled labour to grow. Some have attributed such challenges to be the result of a fast-changing environment that challenges the relevance of existing skills, and an education system that does not sufficiently nurture the right foundational skills that employers can build upon. The nation's education system requires substantial investment and clear strategies to future-proof Malaysia's workforce of tomorrow.

2. The role of the financial sector beyond financial services – Financial institutions are well-positioned to influence the activities of its customers, and by extension the broader economy. Increasingly, financial service providers are enhancing their value proposition and gaining competitive strength by offering value-added services beyond finance, thus helping customers to be more digital, inclusive and sustainable. Policies to accelerate such efforts are advantageous.

3. Shared infrastructure and resources are key to unlocking greater collective benefit – Just as how an interoperable payment system has benefited the economy, a cohesive national data sharing framework can unlock the value of data as a shared resource. Infrastructures such as the national digital ID also hold significant potential to lower costs, improve security and create value. Mindsets must shift among public and private institutions to maximise collective interests through shared resources.

4. Strategic positioning in the *Halal* economy – Malaysia stands to gain significant growth potential by accelerating efforts to develop the global *Halal* economy and leveraging on our leadership in Islamic finance.

> "
>
> The *halal* economy is thriving and booming, Muslims will represent 27% of the global population by 2030.
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> 
>
> Tuan Haji Adly Bin Mohamed
> Chief Commercial Officer,
> Halal Development Corporation

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4

Inclusion and financial health

Gaps and opportunities to uplift the financial well-being of consumers and foster equitable finance in the economy

Inclusion and financial health

Key takeaways: Strengthen financial wellbeing with equitable finance

Across the world, the COVID-19 pandemic has heightened concerns on societal issues associated with socioeconomic disparities. Notions of shared prosperity and social equality are gradually taking precedence over economic growth and consumption as the basis of national development. Against this backdrop, financial service providers are contributing toward narrowing disparities by discovering innovative means of making finance more inclusive and equitable. Some insights discussed by industry leaders include:

1. **Significant changes in the socio-economic structure of modern society will challenge the relevance of existing financial services –** Higher proportions of self-employed gig-workers, increased demand for micro-financial services and greater focus on channeling capital to social causes are among the many drivers affecting the characteristics of modern finance. Banks and insurers must leverage on new digital technologies to enable more equal access and serve a broader segment of society. Incumbents and new entrants at the forefront have successfully adopted digital solutions to create commercially sustainable value propositions to serve previously unviable segments. Private-public partnerships are also key in incentivising and accelerating private efforts in driving inclusive finance.
2. **The financial sector must integrate social impact into business-as-usual –** The role of financial institutions in addressing social and environmental challenges go beyond corporate social responsibility (CSR) initiatives. Innovative industry players can make positive impact by transforming their business models, such as leveraging on alternative credit scoring, embedding services into digital ecosystems and building in sustainability elements (e.g., green taxonomy, ESG principles).
3. **Manage digital exclusion risks –** Conventional services will need to co-exist and complement digital solutions to serve market segments that may not be able to keep pace with the fast rate of digital adoption. Digital literacy elements may also be built into product offerings to help smoothen the transition for customers, particularly more traditional small-medium enterprises (SMEs).

> “We have broadened our role as financial intermediaries with platforms where donors, changemakers and beneficiaries can meet.

Mohd Muazzam Mohamed
Chief Executive Officer,
Bank Islam Malaysia

> “Technology enables us to create new solutions in new areas, to cover more vulnerable communities.

Lee Yen Ming
Co-Founder and CEO,
PolicyStreet

5 Resiliency

Insights on strategies for businesses to address risks and disruptions in the Information Age

Resiliency

Key takeaways: Manage growing risks and disruptions in the Information Age

As digital adoption continues to accelerate its integration into everyday life, the participants of modern society and economy face both opportunities and risks that inevitably accompany such rapid change. The global datasphere is growing at an exponential rate, with 90% of the world's data being generated in the last two years alone. Technologies such as 5G, blockchain, edge computing and virtual reality will continue to fuel digital growth. Industry leaders shared some thoughts on how businesses can build resilience and relevance in navigating the Information Age:

1. **Decentralised finance (DeFi) will need to overcome market integrity concerns before it can challenge mainstream finance** - The absence of clearly identifiable liable entities and uncertainty in the legal framework create doubt on the enforceability of stakeholder rights and remediation. Moreover, core elements of a DeFi platform such as system stability, long term availability and strength of governance have also yet to be time-tested. It is not likely that DeFi will earn the trust of the broader economy in the near term. The financial sector should thus remain focused on enhancing the efficiency of services, including exploring the use of technologies underlying DeFi. A financial system that can serve the legitimate needs of an economy efficiently will reduce the potential disruption by DeFi and its associated risks.
2. **'Zero Trust' is the new cybersecurity norm in an increasingly complex digital world** - It is analogous to health and general crime where prevention does not guarantee a fail-safe solution. Businesses must thus evolve beyond preventative measures by ensuring robust mechanisms are in place to detect, respond and recover effectively when a breach eventually occurs.
3. **Open finance can maximize the value of financial data to benefit society** - There is increasing awareness that the accumulation of data by digital financial service providers is turning into "large walled data islands" which does not lead to optimal outcomes for the consumer or the broader economy. Organisations should look beyond private interests and view open finance as an opportunity to create value for customers and society-at-large.

> "Cybersecurity can be thought of as an unlimited problem, but organisations have limited resources, so **prioritisation is really important.**

Steve Ledzian
Vice President,
Chief Technology Officer,
Asia Pacific & Japan, Mandiant

> "Trust has many dimensions… there are many aspects of trust which cannot be addressed by smart contracts.

Jan Metzger
Managing Director,
Head of Asia Pacific Banking,
Capital Markets and Advisory,
Citi

6
Start-ups

The ins and outs of the start-up scene and how to get ahead in an increasingly competitive industry

6 Start-ups

Key takeaways: Bridging the challenges and gaps for start-ups

The next stage of Malaysia's economic development aspirations must be underpinned by innovation-led growth with internationally competitive businesses in order to sustain healthy socio-economic progress. A vibrant start-up ecosystem is a critical component in fostering entrepreneurship and translating creativity into valuable commercial activity. Leaders in the start-up arena shared some valuable insights from several perspectives:

1. A start-up should place increased focus on solving universal problems and doing good. As the global community struggles to cope with mounting numbers of socio-economic issues, from climate change to equality, investors are becoming more vocal in their demands and beliefs. Key among them is the definition of a good start-up that goes beyond profits and now encompasses how effective an idea or solution can help solve pressing issues in society.

2. Islamic fintech offers significant growth potential for start-ups. Malaysia has a unique strategic position in Islamic finance, with access to a large domestic and regional demand from the Muslim population, as well as a solid base of relevant skillsets (e.g., Islamic scholars) and interconnected infrastructure with ASEAN. Public policy initiatives further support Malaysia's appeal as a hub for Islamic fintech to expand in ASEAN and beyond.

3. Democratisation of finance is critical to support start-ups. Alternative financing platforms in Malaysia have experienced significant growth signaling a clear demand gap which conventional finance may find challenging to serve. As of late, conventional early-stage financiers such as venture capitals and angel investors have also begun to fund and collaborate with alternative funding platforms.

> "Great companies are always going to be funded, as long as they are solving real problems.
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> 
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> Thomas Tsao
> Co-Founder, Gobi Partners
> Malaysia

> "It is not enough (as a start-up) to just do well, We have to do good. We introduced Stripe Climate, which is the world's first carbon removal tool, to help our clients contribute to a cleaner planet.
>
> 
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> Sarita Singh
> Revenue Growth Lead, Southeast Asia,
> Stripe, Singapore

> "We (Southeast Asia) have the fastest growing economies that matter. We have an opportunity to change and lead how the future of the world looks like.
>
> 
>
> Moses Lo
> CEO and Co-Founder,
> Xendit

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7
Regulations

Perspectives on how regulators are innovating and changing their regulatory approaches to foster innovation

Regulations

Key takeaways: Lessons learnt and top priorities from Malaysian regulators

With the benefit of several decades of financial development and a more mature financial sector, regulators are now shifting from a more prescriptive approach toward a market-led approach, which will help position the market to respond more effectively to an increasingly dynamic and complex economy. Key sessions featuring regulators offered some perspectives on their key lessons learnt and upcoming priorities.

1. Infrastructure level payment linkages will help drive the next phase of Malaysia's regional financial development - Building on the success of DuitNow domestically, BNM is now focused on establishing regional payment interlinkages within ASEAN. During the event, BNM and Bank Indonesia (BI) launched a cross-border quick-response (QR) payment linkage between Malaysia and Indonesia. This adds onto existing linkages with Thailand and Singapore, which promise to bring the region closer toward realizing an interoperable ASEAN payment network – a foundation for further financial integration.

2. More diversified sources of risk capital are needed to support Malaysia's growth. Both BNM and Securities Commission (SC) have identified the growth of the alternative finance ecosystem as a priority in their respective Financial Sector Blueprint and Capital Market Masterplan.

3. Public policy support for Islamic finance will strengthen further over the near to medium term - Regulatory initiatives will seek to promote innovation indigenous to Islamic principles such as social finance which reinforces the overarching intent of *Shariah* to promote good and prevent harm on people and planet. For example, SC's recent Islamic Fintech Accelerator Program (FIKRA) has seen significant success.

4. Regulatory efforts are anchored on clear development objectives and principles - Key areas of focus in the near term are to ensure the financial system can better address socio-economic gaps, enhance the quality of services and maintain healthy market competition. Adjustments to regulations such as new policies to enable digital banks or digital insurance and *takaful* operators are also designed to foster overall digitalisation, but are technology agnostic.

> "The problem should not rest entirely on the regulators' shoulders – but it must be addressed holistically with all industry players.

Chin Wei Min
Executive Director,
Securities Commission Malaysia

Sustainable Development Goals (SDG) Accelerator Programme

Sustainable Development Goals (SDG) Accelerator Programme

An opportunity for start-ups

The SDG Accelerator Programme was held by Bank Negara Malaysia (BNM) in collaboration with KPMG and 1337 Ventures. The goal of this programme focused on the development of sustainable technology-based solutions to help advance Malaysia’s sustainability and financial inclusion agenda. Two accelerator tracks were launched as a result:

- SDG Track 1: Sustainability Challenge Accelerator
- SDG Track 2: Alpha Startups Sustainable Digital Solutions Accelerator

Sustainability Challenge Accelerator

This track aimed to cultivate fintech solutions for sustainable development within Malaysia and the broader economy, focusing on four key areas: Enabling Green Finance, Innovating ESG Systems, Driving Financial Inclusion, and Shaping Sustainable Behaviour.

Alpha Startups Sustainable Digital Solutions Accelerator

The goal of this accelerator track is to uncover potential solutions that could disrupt the financial services scene by serving the unserved and underserved with the digitalisation of their financial solutions.

The way forward

Start-ups with top solutions were awarded with cash prizes and advisory support to further develop their solutions. Valuable insights were shared with participants during the event that are relevant for early-stage companies:

1. Solutions proposed should ideally be able to solve a universal problem, from a micro to global scale.
2. Investors look beyond short-term goals. Thus, a team must demonstrate the ability to sustain long-term execution reliably with solid operational plans.
3. Clear identification of the underlying root cause to a problem, with assessment of multiple hypotheses will substantiate market demand for a solution.
4. ESG considerations should be built into the business model from the get-go. Investors now focus a great deal on the ability of a solution to contribute toward positive impact on people and the planet.
5. Start-ups ought to pay attention to regulatory objectives and look beyond simple compliance with regulatory requirements. Solutions that help further a regulator’s goal are likely to be well received.

Malaysia Digital Economy Corporation (MDEC) Growth Series

MDEC Growth Series

Stimulating the growth of Malaysia's digital economy

As an agency dedicated to drive the growth of Malaysia's digital economy, Malaysia Digital Economy Corporation (MDEC)'s mission is closely aligned with the event's goal to foster greater digitalisation and support growth. MDEC is a key partner and contributor to BNM MyFintech Week 2022, hosting 11 sessions on Day 5 of the event, which comprised three key components – Future talent forum, SME growth and digitalisation, Investment and funding. Several insights discussed during the sessions include:

1. Future talent forum

- Successful Malaysian tech start-up entrepreneurs inspired participants by sharing their success stories on how they have not only survived, but strengthened their businesses through the recent crisis.
- Mature businesses and start-ups have also called out the importance of strengthening Malaysia's future talent pipeline that is required to match the digital skillsets needed to fuel further growth. The lack of right talent is a struggle for innovators to establish themselves in Malaysia.
- Digital skills will be universally demanded by all economic sectors as digitalisation eventually permeates all economic activity. The entire labour workforce should be equipped with foundational digital skills to be agile in the modern economy.

2. SME growth and digitalisation

- SMEs can fast-track their digitalisation journey with various MDEC programmes which offer business networking opportunities, mentorship and advice on how to access financing from private and public sources such as the smart automation grant
- E-wallet providers in Malaysia have evolved beyond just offering payment services. Many have expanded to offer broader digital financial solutions (e.g., micro-loans, digital point of sales systems) to help SMEs digitise more seamlessly
- Transitioning towards hybrid working arrangements among SMEs is important to pave the way for a stronger post-pandemic remote working culture, while enhancing work-life integration. It is not only good for retaining and motivating employees for better productivity, but also has a positive impact on the overall mental health of society.
- As more SMEs enable remote working, it will also open up opportunities for businesses to hire beyond their immediate geographical vicinity and tap on the freelance market, which can be a more cost-effective option.
- SMEs which are digitalised can also begin to tap into digital productivity tools such as budgeting tools which are critical to help them achieve their financial goals and sustainability during periods of crisis.

3. Investment and funding

- Investors are ultimately looking for the best returns on their investment. It is an exception rather than the rule for start-ups to incur significant losses for a lengthy period before turning profitable.
- Start-ups need to look for a niche demand to kick-start their momentum and secure a solid customer base before expanding further into more competitive markets.
- Start-ups should look to capitalise on the value of partnerships with agencies such as MDEC which is critically beneficial for early-stage financing, including for Fintech start-ups. MDEC serves as a platform that can connect to a wide network of potential investors and collaborators that may provide feedback and valuable connection even if they do not provide financing.

A session dedicated to discussing the roles of Corporate Ventures in Accelerating the Malaysian Fintech Landscape also offered several important pointers for fintech start-ups:

- Large conglomerates with businesses across multiple industries are providing significant cross-fertilisation opportunities for fintech players to discover new applications and use cases for their ideas.
- Corporate partnerships offer start-ups-access to a ready customer base along with stronger brand recognition and trust which may take years for a start-up to build from scratch.
- Corporate accelerator programmes often act as a synergistic arrangement where start-ups inject creativity into a large corporate which may struggle to foster an innovative culture, while start-ups obtain valuable mentorship to quicken the conversion of an idea into realistic commercial value.

“

Cross-skilling is important. To become more competitive, one must have the willingness to learn, the ability to bring in technical aspects combined with other elements and expertise to become a complete professional across different sectors.

Dr. Jasmine Begum
Director of Legal, Corporate & Government Affairs, Microsoft ASEAN & New Markets

“

Boost recorded double of our merchant payments over the past year, 50% of them-are from micro-SMEs. E-wallet service providers are helping to drive cashless initiatives across the nation.

Eric Chong
CEO, Boost Biz

ORGANISED BY:

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

IN COLLABORATION WITH:

1337 Ventures
Alliance for Financial Inclusion
Asia School of Business
BCG Malaysia
Deloitte Malaysia
EY Malaysia
Fintech Association of Malaysia
FIDE FORUM
KPMG Malaysia
MDEC
PwC Malaysia
Securities Commission Malaysia
UNDP
World Bank Group – Inclusive Growth & Sustainable Finance Hub in Malaysia

EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

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Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

APAC no. 07009014

ED None.

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