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**MERGER OF MYCLEAR AND MEPS –
STRENGTHENING MALAYSIA’S PAYMENTS
INFRASTRUCTURE TO ACCELERATE MIGRATION TO
E-PAYMENTS**

GRAND HYATT, KUALA LUMPUR | 22 MAY 2017

Bank Negara Malaysia (BNM) wishes to announce the merger of **MyClear**^[1] and **MEPS**^[2] to form Payments Network Malaysia Sdn Bhd or PayNet. PayNet will be the operator of shared payments infrastructures for the nation. The formation of PayNet is aligned with Bank Negara Malaysia’s efforts to ensure Malaysia’s payments infrastructures are competitive, efficient, open and innovative to accelerate the nation’s migration to electronic payments (e-payments) and to meet the existing and future needs of the economy. PayNet will be jointly owned by BNM and the financial industry.

“The merged entity will assume a key role in enhancing Malaysia’s growth potential through the provision of world-class payment systems that are competitive, efficient, open and innovative. As a shared utility, PayNet will operate with a public interest objective to support and develop safe, reliable and efficient payment systems in Malaysia”, said Governor, Muhammad bin Ibrahim.

The merger will increase synergies and efficiencies through coordinated strategies for the development of shared payment infrastructures under a single entity that will improve the cost-effectiveness, inclusiveness and the value proposition of e-payment services in Malaysia. To facilitate network expansion and drive innovation in payment services, PayNet will enable open and fair access to its payment infrastructures to both banks and eligible non-bank entities. In the immediate term, infrastructure projects that will be spearheaded by PayNet include the establishment of a national addressing database to facilitate payments to recipients using their mobile phone numbers or National Registration Identity Card (NRIC) numbers. PayNet will also promote the acceptance of MyDebit cards as a low-cost alternative for merchants to lessen the need for cash in retail transactions.

“The merger comes at an opportune time when it is increasingly crucial for the country to avoid duplication and consequently make the right investment decisions to help prepare the domestic financial sector for what might come next. In this respect, we envisage that PayNet will facilitate innovation and technological improvements in payment infrastructures for the benefit of the various market participants in the financial sector, while preserving the need for stability and security”, added Datuk Abdul Farid Alias, the Chairman of MEPS.

PayNet will operate the nation's key payment systems previously operated by MyClear and MEPS. These include the Real Time Electronic Transfer of Funds and Securities System (RENTAS) that facilitates the transfer and settlement of high-value interbank payments and securities transactions, and various retail payment and clearing systems, including the Shared ATM Network, Interbank GIRO (IBG), Instant Transfer, JomPAY, Financial Process Exchange (FPX), Direct Debit, domestic debit card network (MyDebit) and the cheque clearing system.

[1] **MyClear**

Established in 2008, Malaysian Electronic Clearing Corporation Sdn Bhd (MyClear) is a wholly-owned subsidiary of Bank Negara Malaysia. MyClear builds and operates payment systems and financial market infrastructures that safely, reliably and efficiently enable the functioning and development of Malaysia's financial system as well as the economy as a whole.

[2] **MEPS**

The Malaysian Electronic Payment System Sdn Bhd (MEPS) is an interbank payment system operator in Malaysia established in 1996. As a payment consortium owned by 11 domestic banks, MEPS provides the Shared ATM Network services and real-time funds transfer service (Instant Transfer).

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