



CYBERJAYA ADOPTS CASHLESS ECOSYSTEM WITH MALAYSIA NATIONAL QR

Speech by YB Lim Guan Eng Minister of Finance Malaysia Launch of Cashless Ecosystem for Cyberjaya with Malaysia National QR

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Yg Bhg Tan Sri Ahmad Badri Mohd Zahir
Chairman of Cyberview

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MD of Cyberview

Mr Peter Schiesser
Group CEO of PayNet;

Members of the media;

Ladies and gentlemen.

Good afternoon and Salam Harapan,

INTRODUCTION

1. I would first like to thank you for inviting me here today for the official launch of Cashless Ecosystem for Cyberjaya with Malaysia National QR here at RekaScape, Cyberjaya.

2. Slightly more than 2 decades ago, our current Prime Minister, YAB Tun Mahathir Mohamad officiated Cyberjaya – the nucleus of the Multimedia Super-Corridor or the MSC. It was launched amidst the aspiration to leap-frog this nation into an ICT-based economy. Today, 7,000 acres of primarily undeveloped land is now a smart city, home to some of the brightest and most innovative minds in Malaysia.

3. This is made possible with Cyberjaya's world-class infrastructure. It was the first city to have 1 GBPS broadband speed, the first low carbon smart city, among the earliest cities in South East Asia to be IoT enabled and now, the first city to go cashless.

4. The plan of Cyberjaya to go cashless started slightly more than 2 years ago in 2018 and began with the objective of securing more than 80% merchants to accept at least 1 e-payment mode which can either be credit or debit cards or eWallets. Apart from shops, Cyberjaya Farmers Market and Pasar Malam sellers are also targeted so that they will be digitally enabled to accept e-payments and thereby, inclusivity.

5. Many e-Wallets have since established their footprints in Cyberjaya and with such wide choices of e-payments, interoperability or the ability of various e-wallets to work with one another, would be a natural progression to improve cashless customers' journey. The solution lies in Malaysia National QR, or DuitNow QR implemented by PayNet under the auspices of Bank Negara Malaysia.

6. The DuitNow National QR standard enables a merchant to sign up with one Acquirer, and customers of all participating Banks and e-Wallets would be able to make DuitNow QR payments to the merchant using their respective mobile apps. By enrolling in DuitNow QR, merchants will be able to accept payments from 22 million bank customers as well as millions of e-Wallet customers.

7. Adoption of a common national QR standard, DuitNow QR, will reduce the confusing proliferation of QR codes displayed at merchant outlets and increase consumer adoption.

8. In addition, transfers between and among e-wallets and banks can be done freely, conveniently and securely, translating in seamless customer journey.

9. The smart collaboration between PayNet and Cyberview is mutually re-enforcing in many ways. As an affiliate of Bank Negara Malaysia, PayNet has a national mandate – to accelerate Malaysia's adoption of e-payments. PayNet also operates among others MyDebit, the national debit card scheme, FPX for e-commerce payments and JOMPay for e-billing, as well as the DuitNow, IBG and RENTAS. They are widely used throughout the country and touches the lives of Malaysians on a daily basis.

10. In fulfilling its mandate as a Global Tech Hub, Cyberview has put in place necessary infrastructure and further enhances the city's tech ecosystem with e-payments as a key enabler. With the collaboration between PayNet and Cyberview today, the network effect is multiplied, exponentially.

Ladies and Gentlemen,

THE GOVERNMENT'S EFFORTS IN CASHLESS SOCIETY

11. When this government took over, we are committed to restoring trust in the government by implementing institutional reforms for Competent, Accountable, and Transparent (CAT) governance. In implementing reforms, going cashless is a government priority as one of the means to curb corruption. All transactions are recorded leaving no room to accept or give bribes.

12. ePayments is also an important and secure means to ensure that the correct parties receive our targeted subsidies without any unnecessary handling fees or commissions. Another important benefit of going cashless is to improve tax collections so that public infrastructure can be further improved. The United Nations estimates USD2 trillion a year is wasted on corruption.

13. Despite many efforts and initiatives in the past 2 decades, only 5% of total daily payments in Malaysia is cashless.

14. This is why at least 2 aspects need to be addressed for increased adoption. First, e-payment facilities must be widely available, safe and simple to use. It must be as convenient as cash. This is where having central payments infrastructure providers such as PayNet will address the enablement aspect to increase adoption. Making available shared infrastructures that are inclusive, including banks and fintechs such as the retail payment platform would contribute positively to this objective.

15. To spur the development of a cashless economy, the Government has launched the e-Tunai Rakyat incentive worth RM450 million, as announced in Budget 2020. For the period between 15 January 2020 until 14 March 2020, eligible Malaysians aged 18 and above will receive RM30 free shopping money from the Federal Government when they sign up for the programme through the three selected e-wallet providers. The providers, in turn, will match the amount and offer other incentives to attract users to their respective services. The incentive must be spent within the period on goods and services that are available through the respective e-wallet providers.

16. To promote the e-Tunai Rakyat initiative, I have travelled to various locations across the country, both here in Peninsular Malaysia, as well as in East Malaysia. I am pleased to report that there has been an encouraging response from the rakyat to this initiative, and we are confident that the Malaysian public around the country is ready for greater adoption of cashless payment technologies. As at 9PM yesterday, there has been a total of 2.9 million applications, and 2.2 million approved, with a total of RM66 million disbursed to the rakyat.

17. Besides increasing the rate of adoption for cashless payments in Malaysia, the e-Tunai Rakyat incentive will also support the country's economic growth, as users spend the incentive and amounts topped up by the e-wallet providers at their local merchants and vendors across the country.

FINANCIAL LITERACY IN MALAYSIA

18. The other important aspect is in changing behaviour and habits where an important lever is to elevate financial literacy. This is where the public sector will primarily need to step up.

19. In this respect, the Government launched the National Financial Literacy Strategy 2019 – 2023 in July last year. It is a comprehensive five-year plan that aims to improve Malaysians' financial security and standing through responsible behaviour, rational attitude, and increased financial knowledge. Five priorities have been outlined.

20. According to Bank Negara Malaysia, one in three Malaysians consider themselves as having low financial knowledge particularly among the low-income households. Low financial literacy has far reaching consequences. It will result in susceptibility to financial scams such as social engineering, identity theft and pyramid schemes.

21. Literacy in e-payments is an important component to this Strategy given its obvious benefits in financial management. I am encouraged by the planned engagements that PayNet and Cyberview intend to have with the community in Cyberjaya in this respect.

22. I am told that 20% of the Cyberjaya population are among early tech adopters. So, that and the city's Smart City and Living Lab propositions driven by Cyberview are key factors in making the community here perfect for this initiative.

CLOSING REMARKS

23. Looking ahead, the Government intends to forge ahead with its going cashless policy. Apart from Cyberview, I am pleased to note that PayNet is working with various government departments and agencies at state and federal levels throughout the country to enable the government to go cashless. There will also be initiatives throughout the year to encourage cashless payments and change customer behaviour.

24. With this, I wish to congratulate thank all of you for your efforts. On this note, I officially launch the Cashless Ecosystem for Cyberjaya with DuitNow QR, Malaysia's National QR.

Thank You.