

For immediate release

SURVEY: SINGAPORE BUSINESSES FORGING AHEAD WITH USE OF FINTECH TO IMPROVE EFFICIENCY

SINGAPORE – 20 August 2020

More Singapore businesses are expected to use fintech products or services in the next 12 months as they strive to improve operational efficiencies, according to findings from a new regional survey by global professional accounting body CPA Australia.

The survey of fintech adoption by companies found that 73 per cent of Singapore businesses expect to use at least one fintech product or service in the next 12 months, compared with 67 per cent of businesses in the past 12 months.

Mobile payments and digital wallets are likely to drive the adoption of fintech, with 42.7 per cent of businesses surveyed saying they believe that these will be used most in the next 12 months. This was followed by robo-advisory/chatbots (23.6 per cent) and open banking APIs (19.1 per cent).

Fintech adoption received a boost from the need to increase efficiency in doing business, with nearly six-in-ten respondents (59.1 per cent) identifying this as an important factor. More than four-in-ten (43.6 per cent) businesses saw the use of fintech as helping them better understand and improve the customer experience. Just over a third (36.4 per cent) felt the need to adopt fintech as a new way of operating due to disruptions caused by COVID-19.

“With the global pandemic and more challenging business environment, improving efficiency and enhancing the customer experience are essential elements for businesses to sustain themselves and to thrive. More widespread adoption of fintech products and services will help in this respect as consumers become increasingly comfortable with digital financial transactions. Government support of technology adoption and a friendly regulatory environment to position Singapore as a top fintech hub will also be key influences in growing fintech usage,” said Mr Chng Lay Chew, Singapore Divisional President of CPA Australia.

At the start of the circuit breaker in April, the Monetary Authority of Singapore (MAS) urged individuals and businesses to use digital finance services and e-payments as part of safe distancing measures.

Just last week, the MAS also announced that it is committing \$250 million to speed up technology adoption and innovation-driven growth in the Singapore financial sector.

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But the use of fintech is not without its risks and challenges. The top two factors identified as barriers to fintech adoption were cybersecurity (33.6 per cent) and a lack of fintech understanding within senior management (30 per cent).

“Cyber risks are very real threats to organisations. To mitigate these risks, it is important that senior management and the boards of companies have the relevant expertise to drive the company’s cybersecurity strategy, as well as invest in systems and people to build up cyber defences,” said Mr Chng.

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About the survey

The survey was conducted from 23 June to 14 July 2020.

573 responses were received from CPA Australia members in four markets. The markets surveyed are: Singapore, Malaysia, Mainland China, and Hong Kong.

There were 110 respondents from Singapore and respondents came from a variety of different industries, with consulting (13.6 per cent), financial services (12.7 per cent) and public practice/CPA firm (12.7 per cent) being the industries with the largest representation.

[Click here to download the infographic of the key findings.](#)

About CPA Australia

Founded in 1886, CPA Australia is one of the world’s largest professional accounting bodies representing more than 165,000 members working in 100 countries and regions and supported by 19 offices globally. CPA Australia advances its members’ interests through education and knowledge exchange, the development of professional networks, advocacy in relation to policy, standards and regulation and the promotion of value of CPA Australia members to employers, government, regulators and the public. The world-renowned CPA designation is synonymous with professional credibility and international portability. CPA Australia has been operating in Singapore for 66 years, having arrived in this market in 1954 under the auspices of the Colombo Plan.

For more information, please visit cpaaustralia.com.au.

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Appendix

BUSINESS FINTECH USAGE SURVEY 2020 SINGAPORE MARKET

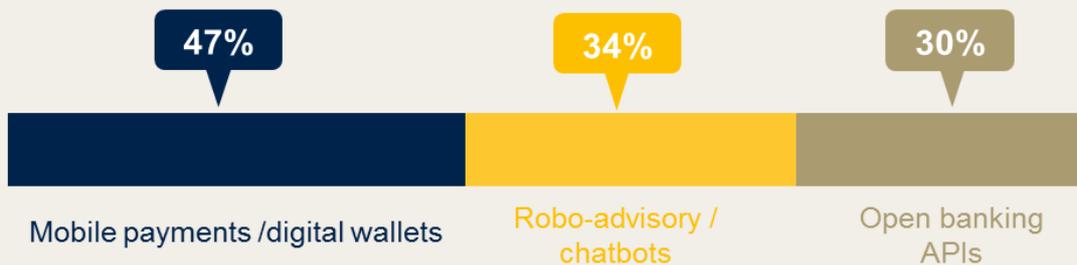


Used FinTech in the past 12 months

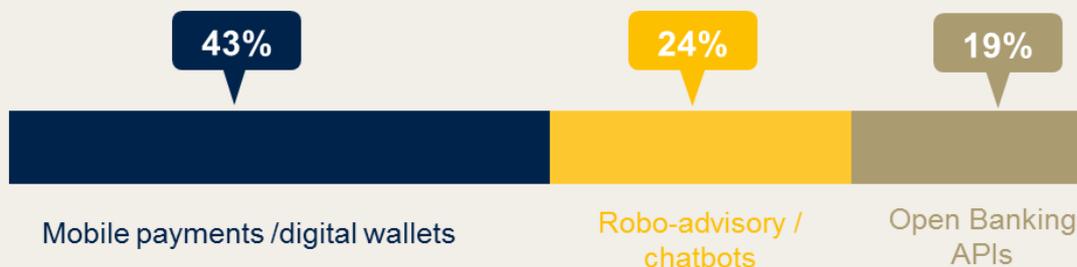


Will use FinTech in the next 12 months

TOP 3 FINTECH WITH THE HIGHEST BUSINESS USAGE IN THE PAST 12 MONTHS



TOP 3 BUSINESS FINTECH USAGE IN THE NEXT 12 MONTHS



DRIVERS

-  To improve efficiency
-  To better understand and improve the customer experience
-  A new way of operating due to COVID-19

CHALLENGES

-  Cybersecurity
-  Lack of FinTech understanding and knowledge within Board / senior management
-  FinTech is not considered necessary for the business

RECOMMENDATIONS FOR BUSINESSES

Business strategy

- Use mobile payment technology to improve the customer experience and to meet changing consumer behaviour
- Identify and implement appropriate FinTech that improves efficiency and reduces cost

Business operation

- Establish a board-level FinTech committee to actively stay informed of new trends and potential
- Provide FinTech training programs to all employees and adopt innovative technology tools for recruitment to secure top FinTech talent

Risk management

- Commit appropriate levels of expenditure to maintaining and upgrading IT systems to protect the business from cyber-attacks.
- Identify your business's sensitive data and ensure that appropriate tools and solutions are in place to help protect that data.

SIX KEY LESSONS FOR FINTECH START-UPS

FinTechs need to demonstrate the following six key features of their product or service:

-  How it improves the efficiency of a potential client
-  How it will lead to cost savings
-  How it can give the business a better understanding of their customers and improve the experience of their customers
-  How the FinTech will assist the business implement, support and enhance the technology
-  How customer and business data will be protected
-  Its cybersecurity features, and how they will assist the business protect its cybersecurity into the future