



MEDIA RELEASE

FinTech usage increases among Malaysian businesses

Over 75 per cent of Malaysian businesses have embraced at least one FinTech product or service over the past 12 months, according to findings from a new regional survey of business FinTech usage by global professional accounting organisation CPA Australia.

Mobile payments and digital wallets were the most widely adopted FinTech in Malaysia in the past 12 months, with 63 per cent of businesses surveyed indicating usage. This trend is likely to continue in the next 12 months.

“The increased popularity of mobile payments and digital wallets goes hand in glove with the Government’s efforts to increase the use of e-wallets amongst the B40 and M40 through cash transfer programs, as part of its transition to a high value-added, high income economy”, says Bryan Chung FCPA (Aust.) Chairman of the Digital Transformation Committee at CPA Australia Malaysia Division.

Overall, FinTech adoption in Malaysia was driven by the need to increase business efficiency, with more than five-in-10 respondents (56.3 per cent) identifying this as an important benefit in using FinTech. Four-in-10 (40.4 per cent) businesses adopted FinTech as a means to adapt to the challenges posed by the COVID-19 pandemic. Just over a third (34.4 per cent) saw the use of FinTech as a way of reducing costs.

Of concern though is that one-in-four businesses surveyed do not expect to use FinTech in the next 12 months with the majority of these being businesses with 50 or fewer employees.

“Small businesses may not have a sound understanding of the benefits of FinTech to their organisations. More needs to be done to improve small business understanding of what FinTech solutions might be good for their businesses.”

Survey respondents were most concerned about cybersecurity and data privacy. FinTechs need to address these concerns if they are to see greater adoption of their products or services.

“Greater consideration also needs to be given to increasing technology expertise at the board and senior management level to ensure better understanding of risks and benefits of FinTech. Including FinTech in the terms of reference of a board-level committee should help the highest levels of companies to stay informed of new trends in this type of technology,” Chung adds.

Survey results showed that there was an increase of 13.9 per cent in the number of businesses in Malaysia using FinTech lending, compared to Singapore’s 8.2 per cent. As at December 2019, the Securities Commission reported that RM 633m peer to peer lending was raised through 8102 successful campaigns.



“Start-ups, like other businesses, have been hard hit by COVID-19. As such, alternative financing platforms are critical to their survival and growth as their limited track records would likely render them ineligible to meet bank lending criteria,” says Chung.

While Islamic Fintech appears to be in its infancy, with Bank Negara Malaysia’s support, there is potential for growth both locally and regionally. “With the right skills, support and infrastructure, Malaysia is positioned to take Islamic FinTech to mainstream acceptance among ASEAN markets and beyond,” says Chung.

To capitalise on new opportunities from the digital economy, Chung advises businesses to deepen their own FinTech talent pool by retraining existing staff and by using innovative technology tools to secure new talent.

ENDS

About the survey

The survey was conducted by CPA Australia from 23 June to 14 July 2020. A total of 573 responses were received from accounting and finance professionals in Hong Kong, Mainland China, Malaysia, and Singapore, with 151 respondents from Malaysia.

For an infographic of the results, visit [here](#).

About CPA Australia

CPA Australia is one of the world's largest accounting bodies, with more than 166,000 members working in 100 countries and regions and supported by 19 offices globally. Our core services to members include education, training, technical support and advocacy. Employees and members work together with local and international bodies to represent the views and concerns of the profession to governments, regulators, industries, academia and the community. Visit cpaaustralia.com.au

Media contact:

Nirmala Ramoo on 6012 2790254, 0322673350 or nirmala.ramoo@cpaaustralia.com.au