

THE XCHANGE

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MALAYSIAN ASSOCIATION OF MONEY SERVICES BUSINESS • Q3/2021



CONTENTS

2
CEO's Message

3
Feature Article

6
Footprint & Collaborations

9
MAMSB Inside Affairs

11
Events & Happenings



CHITRA DEVI SUNDRAM

CEO'S MESSAGE

We recognise the need for evolutionary thinking, paradigm shifts and prioritising a holistic attitude for a new and progressive tomorrow.

Greetings to all. It has indeed been a hectic 2 months since we launched The Xchange in June 2021. After the scurry of preparing for MAMSB's virtual AGM last August, the Secretariat is back in the saddle with more exciting initiatives and plans for the industry in its diary.

As we continue to experience the backlash of Covid-19 with escalating statistics of infected peoples and continued movement restrictions nationwide, MAMSB is resolute in finding options and solutions for industry survivability. We recognise the need for evolutionary thinking, paradigm shifts and prioritising a holistic attitude for a new and progressive tomorrow. As CEO, I believe that MAMSB as an association established **"By the Members for the Members"** has the responsibility of ensuring these ethos are materialised for the benefit of its members and the industry.

Remittances, or more so digital remittances (those that are initiated online, through internet browsers, or through mobile applications) are said to be the monetary lifelines for migrant workers employed away from their home countries to feed and maintain their families. Digitalisation, although seen as a prominent trend for Remittance Service Providers (RSP), is in itself a catalyst for MSB providers today to remain sustainable and relevant. Whilst the benefits it brings to its customers is multifarious; like accessibility, convenience at the touch of a finger, lower costs, creating an organic competitive MSB eco-space, however, the flip side is, digitalisation requires deep pockets for technology investments, innovation and employment of subject matter experts. The reality is – the scales are in a state of balance and finding viable solutions for the Malaysian MSB market place today is imperative.

It cannot be denied that the role of the regulators is essential to shape policies in order to allow businesses to operate in a way that guarantees the welfare of all its players. Therefore in alignment with BNM's vision, MAMSB aspires to commence our digitalisation journey for the benefit and interest of every player in the industry especially the currency exchange providers whose livelihoods today are almost non-existent. No one solution fits all and I hope with the formation of the Digitalisation Taskforce and its committees, we will see change and hope for many as detailed in our Feature article.

We will get the ball rolling this third quarter with the launch of our 2 webinar series beginning with consolidation as an enabler for survivability of the MSB industry followed by workshops to handhold our members who wish to levitate their businesses operationally and digitally. These workshops aspire to prepare members for new business models and MSB products that will be proposed for BNM's approval soon.

You will see our initiative for more inclusivity with other institutions for capacity building like the Malaysian Anti-Corruption Commission (MACC) and AKPK in our **MAMSB Inside Affairs** section to ensure our members remain informed and advised. Your continued participation and involvement in all these initiatives is indeed an impetus for MAMSB to work harder for a more professional and sustainable MSB industry. Please keep checking your emails and the MAMSB website for invites to our events and updates on our trainings. On that note, please stay safe and enjoy the issue. We welcome your feedback.

FEATURE ARTICLE

MAMSB Digitalisation Roadmap For The MSB Industry – A Quantum Leap



In the recent few months, the buzz word in the MSB industry has and continues to be “Digitalisation”, however, MAMSB’s metamorphic journey towards digitalisation began on 21 October 2020 when the 4th Term Council presented to the industry the MSB roadmap for the money exchange service providers or “Class C” called “Evolution of Class C – MSB Licensee for Next Decade”. To date, MAMSB has reviewed and fine-tuned this deliverable approximately 9 times to get to where it is today; MAMSB Industry Proposal (High Level Presentation): Digitalisation Roadmap for Class C MSB Companies which was presented by the President, Dato’ Sri Jajakhan Bin Kader Gani to BNM on 29 June 2021.

As we all know, digitalisation is neither a new trend nor a novelty in the MSB industry, especially in the remittance sector. Whilst some have already progressed, a majority of our MSB players have been unable to fully embrace digitalisation due to the many challenges that come along with it. Today, Class C players in Malaysia whose businesses are primarily micro enterprises or SMEs, lack funds to invest in digital infrastructure, to adopt innovation and technologies and equip themselves adequately with expert advisory to scale up their businesses. However, the critical impact of Covid-19

brought about an unprecedented awakening for these brick and mortar business operators who are now forced to contemplate how best to impel their businesses to remain sustainable.

Whilst a smattering few could take that quantum leap to consolidate for size and financial strength in alignment with the Regulator’s vision, many remain at the periphery hoping that the regulators will play a significant role in shaping existing policies or even agreeing to develop new ones in order to allow the MSBs to operate in a manner that secures their survivability. MAMSB will play a pivotal dual role in ensuring the vision of BNM for the industry is actualised and at the same time champion the needs and aspirations of the industry players.

The robust implementation of the digitalisation drive commenced with the establishment of the MAMSB Digital Taskforce in April 2021. The Taskforce chaired by the President comprises 9 members and is vice chaired by Mr Espen Kristensen, CEO of IME(M) Sdn Bhd and Mr Sarveswaran Raja Gopalan of TnG Digital Sdn Bhd who respectively chair technical committees to produce deliverables for BNM’s consideration. The current structure is seen below:

MAMSB DIGITAL TASKFORCE



MAMSB aspires to roll out the digitalisation drive for the industry by proposing 2 fundamental Deliverables with implementable frameworks; (1) Introducing two business models ie the Multi-Principal Business Model and the Domestic Remittance Hub Model to enable a more competitive and sustainable ecosystem for agents and (2) Reviewing and Developing frameworks to facilitate digitalisation across the industry.

The detailed deliverables are listed as below:



The Association has, to date, mobilised approximately 10 meetings collectively to get the ball rolling on the above deliverables and is confident that the output will indeed create a paradigm shift in the MSB industry. The various initiatives listed above are wholly industry driven taking into account the interest and benefits it will bring for every MSB player in the long run, the tenability that will meet BNM's approval and primarily to rehabilitate the industry from the injurious repercussions of Covid-19.

Digitalisation is inevitable, hence MAMSB invites its members to connect with the association on the various workshops and webinars planned for information and discussions. The MSB industry is traversing a new dynamic path and as a leading authorised body, the strategic plan can only find success if these initiatives are embraced in a holistic and co-operative manner.

FOOTPRINT & COLLABORATIONS



FOREIGN EXCHANGE & REMITTANCE GROUP (FERG) - THE EMIRATI CONNECTION

MAMSB in its strategic plan to establish an international footprint and promote itself as an MSB resource centre in Malaysia connected with the Foreign Exchange & Remittance Group (FERG) in early July of this year. FERG, like MAMSB is a non-profit organisation formed based on the initiative of the Central Bank of UAE. The FERG similarly comprises companies engaged in the business of money exchange and remittances from large sized companies with over 100 branches, to single branch outlets to come onto a common platform and work towards mutual benefits.

We connected with Mr Shamil.K.P, Administration Manager of FERG virtually and what ensued was a productive discussion to explore potential collaborations in the following areas:

- **Sharing resources** - To be able to share information on negative impact issues that face the MSB exchange industry
- **Forging an International Footprint** - Bi-lateral and multi-lateral engagements in the international arena regarding different services under the MSB industry
- **The Ability to Influence and Make Change** - In these pandemic times, it is crucial to be connected with regional associations that are dealing with similar purpose and audience
- **Accelerated Business Velocity** - To be able to collaborate in event involvement, such as speaking at our workshops/conferences and vice versa. Sharing and increasing knowledge amongst MSB players in Malaysia.

An area that interests MAMSB particularly is the **Research and Article contribution in our Digital Newsletter – The Xchange**. We look forward to the positive synergy.



THE REMITTANCE ASSOCIATION SINGAPORE (RAS) - PARTNERS ACROSS THE STRAITS

The Secretariat engaged with Mr Barakath Ali, Chairperson of The Remittance Association Singapore (RAS) and his team to discuss partnership initiatives between MAMSB and RAS. A joint MOU is in discussion to provide mutual efforts which consists of webinars, information sharing, media exposure and FinTech drives at the Association level. We look forward to providing our Members with some international leverage on these joint initiatives.

The Remittance Association (Singapore) was registered in April 2014 and initiated by a small group of 12 founding members who had contributed immensely to the formation of the Association along with the valuable support of the Monetary Authority of Singapore.



MALAYSIAN ANTI-CORRUPTION COMMISSION (MACC) – KNOW YOUR RIGHTS!

MAMSB in its concerted initiative to ensure the upliftment of professional standards and ethical conduct amongst its licensed money service business providers made a courtesy call on 10 March 2021 to the Deputy Chief Commissioner of the Malaysian Anti-Corruption Commission, Dato' Sri Ahmad Khusairi Yahaya at the MACC Headquarters in Putrajaya.

The Deputy Commissioner, who was accompanied by the Senior Director of Investigations Datuk Seri Norazlan Mohd Razali and the Director of Anti Money Laundering



Division, TPJ Mohamad Zamri Zainul Abidin had an engaging session with MAMSB's President, Dato' Sri Jajakhan Kader Gani and its CEO, Ms Chitra Sundram on how MAMSB can create better awareness and understanding on the role and responsibility of the MACC to its members through several potential initiatives.

The meeting was indeed a successful one which resulted in MACC agreeing to collaborate with MAMSB on conducting workshops and seminars for our members on MACC's enforcement standards, policy and procedures in the northern, central and southern regions of the peninsular. The first workshop is expected to be conducted by MACC via virtual platform on 14 October for all regions.

We hope that this session will achieve a two pronged effect of firstly ensuring continued public confidence in the MSB industry and further to educate the members themselves on how to conduct their business in accordance to the anti-money laundering laws and regulations in the country. MAMSB is indeed very thankful to the Chief Commissioner for his support and looks forward to a strong synergy for our shared common national interest.

MACC ENFORCEMENT PROCEDURES



1

When is an investigation done?
When is a raid conducted?

2

How to identify a MACC Officer?
What documents must be presented as evidence?
What must we be aware of?

3

What are the assets that can and cannot be confiscated?
When will they be returned?



AGENSI KAUNSELING DAN PENGURUSAN KREDIT (AKPK) – GETTING HELP TO MANAGE YOUR FINANCIAL CHALLENGES

The Credit Counselling and Debt Management Agency, or commonly known as Agensi Kaunseling dan Pengurusan Kredit (AKPK), is an agency set up by Bank Negara Malaysia in April 2006 to help individuals take control of their financial situation and gain peace of mind that comes from the wise use of credit.

As we all know, the financial standing of the majority of Malaysians has been deeply impacted by the Covid-19 pandemic since March 2020. The Money Services Business (MSB) industry which today consists of about 257 Class C members (money exchange) out of 296 licensees have suffered almost 90% loss in their businesses with almost non-existent currency exchange transactions and tourism influx in the country.

With that in mind, MAMSB believes that our members will need advice on prudential financial planning and debt management to assist them to move forward in their loan repayments. We invited AKPK to engage with our members in two (2) virtual sessions. The first session was held on 2 August for the Central region and close to 80 members attended. The next session targeted the Northern, Southern, East Coast and East Malaysia regions and close to 70 Members attended the two-hour session. This SME Pocket Talk session was presented by Ms Veronica Kow, Deputy Manager of the AKPK KL Branch.

The session covered topics on SMEs & the economy, challenges & assistance avenues, AKPK's value propositions for SMEs such as Small Medium Enterprise Help Desk, Small Debt Resolution Scheme, Online Learning and Future services.



MAMSB INSIDE AFFAIRS



REGIONAL ENGAGEMENTS

- CENTRAL REGION [18 JUNE 2021]

- SOUTHERN & EAST MALAYSIA [29 JULY 2021]

MAMSB Regional Industry Engagement sessions are organised once every quarter in the year to enable the President and the CEO to connect with members on MAMSB's day-to-day activities, events, updates on regulatory matters and also present industry-related issues for the members' feedback. These sessions also provide a sound platform for the Council to gauge the pulse of the MSB players and create conversation on important issues that impact the industry at a micro and broader level.

The Enhanced Movement Control Order (EMCO) declared sometime in early July of this year extinguished any hope the association had on having any face-to-face sessions and proceeded to host the industry engagement sessions virtually for the central region on the 18 of June and a month later on the 29 of July for members in the Southern and East Malaysia regions. For the purpose of ensuring all 4 regions were given equal importance on dissemination of information, the agenda and presentations for all 4 regions were kept the same.

The President, Dato' Sri Jajakhan as always chaired both the sessions, commencing with a warm welcome address followed by a welcoming brief by the regional representatives, Mr Lim Ching Seng for East Malaysia and Madam Analisa Yin for the southern region. The CEO thereafter presented detailed slides on the events and happenings of the association from Q1 until June 2021.

As scheduled, 30 minutes later, the GOCO chairman took over the stage with her interactive session with members on issues relating to compliance or GOCO in general. Thereafter in keeping with the digitalisation drive being proposed for the MSB industry, MAMSB Class C Council representative, Mr Mohd Sani was then invited to present and elaborate on the Digitalisation Drive slides that were presented to BNM, followed by a questions and answers session. The sessions were approximately 3 hours however as the virtual platform doesn't really facilitate personal interactive communication, we hope that by Q4, the association will be able to conduct physical sessions to facilitate more robust discussions. The association proposes to have the next session sometime in end October.

NEW STRATEGIC BLUEPRINT UPDATES

The Association is indeed happy to inform the industry that the SBP Taskforce members have finalised their development of the new SBP-Draft VI for the CEO's comments and feedback. Further discussions were held and the final version was submitted to BNM on 30 July 2021. BNM reverted on 1 September 2021 with their comments and broader views on various issues for the SBP Taskforce to consider and fine-tune. The Taskforce will meet for approximately 3 sessions to undertake meticulous review of the Blueprint 7, 11 before a 2nd draft is shared with the regulators.

The Association thanks each and every member of the taskforce for their time, commitment and dedication in developing a viable, functional and discerning document for the MSB industry. MAMSB will share the final version for implementation with the members upon receipt of BNM's clearance.



JPK ACCREDITATION UPDATES

The 4th Term Secretariat, since coming onboard in December 2020, had to overcome several challenges with regards to the accreditation programme under Jabatan Pembangunan Kemahiran (JPK), Ministry of Human Resources. We found that more than 15 members were not assigned to a trainer whilst several registrants were not diligent in following up on their accreditation programme and were not sure how to proceed.

The strong support and commitment from our current 2 trainers, Mr Mohamad Azizul Bin Abdul Rahman from Mobile Money International Sdn Bhd and Ms Lim Poh Hong from Tranglo Sdn Bhd and the hands-on administrative assistance provided by Ms Bhavani from our Membership Division of MAMSB, has steered the programme back on track. We are indeed pleased to inform our members that we have gained momentum and developed a strategic plan to resolve the protracted processes that have caused the inadvertent delays. As it stands today, there are 3 batches of registrants and along the way some candidates pulled out of this programme at the last minute. Below are the current total number of candidates.

- Mr Mohamad Azizul Bin Abdul Rahman - 6 Candidates
- Ms Lim Poh Hong - 10 Candidates
- Mr Muhammad Yasin Bin Shah Mohd - 14 Candidates (Mr Azizul will be taking over this batch)

For 2019/2021 JPK Accreditation Program, there are a total of 30 candidates. To date, a total of 7 candidates have completed their interview sessions and the respective documents have been submitted to JPK. The Secretariat and Trainers organised briefing sessions in August 2021 with the candidates to guide them in the process. As for the remaining 23 candidates, the Secretariat and Mr Azizul conducted a briefing session in Sept 2021 to give the candidates a clear picture on the process, document preparations and timelines. MAMSB aspires for this 2019-2021 batch to be completed by the end of December 2021. New entrants hereafter are encouraged to register for the 2022 batch intake sometime in January 2022 (date TBA).

Members who have queries on the JPK may connect with MAMSB's Secretariat in-charge - Ms Bhavani Rajisperan (bhavani@mamsb.org.my / 017-6586240).

EVENTS & HAPPENINGS

MAMSB 2021 ANNUAL GENERAL MEETING

After much excitement and intense preparation, the Secretariat finally got together on the bright sunny afternoon of 21 August with our President Dato' Sri Jajakhan, fondly known by all as JJ and our Assistant Secretary, Leow Su Lin at the MAMSB office in Damansara Intan to host MAMSB 2021 Virtual Annual General Meeting.

We engaged Convene Malaysia Sdn Bhd, professional e-AGM virtual service providers to facilitate the conduct of the AGM and PKF Risk Management Sdn Bhd was once again appointed as our scrutiniser. As this was not an election year, we were happy to note that approximately 178 out of 296 members registered to meet more than a quorum to proceed with the 2021 AGM. The agendas were discussed and approved in a smooth and agreeable manner.

MAMSB welcomed its 2 new 4th Term Council members who were nominated via the processes provided under the MAMSB Constitution; CEO of TNG Digital Remittance Sdn Bhd Mr Sarveswaran Raja Gopal, a well-known personality in the MSB industry as MAMSB's Class B Council Representative and CEO of Alif Money Changer Sdn Bhd Tuan Haji Ahamed Sidique bin Abdul Latiff, stalwart member from Class C represent the Central Region Members. We look forward to their respective invaluable contributions to the association.



MAMSB RELOCATION TO AICB BUILDING

Whilst the Secretariat endeavours to accomplish its day-to-day functions and materialise its deliverables in accordance to the regulators and members expectations, work continues at a robust pace on the relocation of MAMSB's office to the AICB Building in Jalan Dato Onn, Kuala Lumpur.

The moving process commenced with the Council resolving and approving the execution of the Tenancy Agreement with the landlord, STF Resources Sdn Bhd sometime in April 2021. This was followed by a meticulous procurement process on the appointment of a suitable contractor from the list provided by the Landlord. After reviewing cost which was the primary consideration, competency, reference and timing, Rezzuan Yeoh Ong Sdn Bhd (RYO) was appointed as the most cost effective and suitable architect/contractor.

Currently, submissions have been made by the Contractor to DBKL and a payment of 30% of the contract sum under RYO's service contract with MAMSB is pending.



AT A GLANCE

297

TOTAL NUMBER OF MEMBERS

303

TOTAL NUMBER OF ASSOCIATE MEMBERS

9

ASSOCIATES CEASED AGENCY (LAST 3 MONTHS)

11

MEMBERS SURRENDERED LICENSE (LAST 3 MONTHS)

MAMSB PATRONAGE & SPONSORSHIP DRIVE 2021

In fulfilling the Regulator’s aspiration towards MAMSB becoming more inclusive in the financial services ecosystem and elevating public confidence in the MSB industry itself, the 4th Term Council took up the onerous challenge of relocating MAMSB to the AICB Centre for Excellence.

MAMSB is cognizant of its debilitating financial standing since 2019 mainly due to the pandemic which impacted the association’s revenue generating initiatives like training, conferences and annual dinner. Nevertheless, the Council gave serious consideration to the trajectory of the association which was to transform the MSB industry under Phase 3 of MAMSB’s roadmap requiring the repositioning of MASMB for excellence at the ACE building. The move is indeed an inevitable one.

The association is organising a launch event to raise funds via a Patronage & Sponsorship Drive to seek support from the industry, partners, vendors and MSB providers. This will assist MAMSB in the renovation costs as well as to top-up the association’s coffers for its future undertakings. The Patronage & Sponsorship prospectus will be shared with the members and associate members sometime around the end of October 2021. We look forward to your support and well wishes to be able to serve all of you in our new professional environment in Feb 2022.

