

Promoting Safe and Efficient Payment and Remittance Services

BNM is committed to ensuring that payment systems remain safe, efficient and responsive to evolving needs of Malaysians.

The payment landscape and money services business (MSB) industry¹ continued to advance rapidly in 2024 with businesses and consumers increasingly embracing digital payments. BNM's focus in 2024 was twofold. First, we aimed to drive greater innovation and efficiency. This included continuing to promote electronic payments (e-payments), futureproofing key payment infrastructures and exploring emerging technologies. Second, we sought to preserve public confidence in our payment system by ensuring the safety and reliability of payment services. In doing so, we also ensured our regulatory and supervisory framework remained fit-for-purpose.

Sustaining Greater Digitalisation of Payment and MSB Services

Use of e-payments continued to rise. Overall transactions increased by 28% in 2024 (2024: 14.7 billion; 2023: 11.5 billion)

Malaysia is well on track to achieve the Financial Sector Blueprint 2022–2026 target of over 15% compounded annual growth in the average e-payment transactions per capita. In 2024, e-payment transactions grew by 19% to 409 transactions per capita (2023: 343). On average, this translates to every Malaysian making at least one e-payment transaction per day. This marks a significant milestone in the progress of e-payment adoption in Malaysia, given that the average was only one transaction per week just over a decade ago. The high growth in 2024 was supported by increasing consumption

activity, with the total value of selected retail e-payment transactions² increasing by 17% to reach RM698.1 billion (2023: RM592 billion).

Among the different modes of e-payments, online banking remained the most widely used. These transactions also grew the most in 2024, increasing by 24% (2023: 13%). In terms of online banking channels, the share of mobile banking at 62% (2023: 50%), is higher than internet banking.

The second most widely used mode of e-payment is electronic money (e-money). In 2024, e-money transactions increased by 25% (2023: 26%). 64% of e-money transactions was attributed to electronic wallets (e-wallets) with the remainder to card-based e-money (2023: 59%). The average transaction size of e-money remained low at around RM33 (albeit higher than in 2023 at RM27), indicating that this mode of payment is commonly used for everyday purchases.

Payment cards is the third most used mode of e-payment. Payment card transactions grew by 20% in 2024 (2023: 26%), with debit cards accounting for 68% of the total payment card transactions (2023: 66%). The growth in debit card usage grew by twice as fast as credit cards (24% versus 12%). Contactless card transactions continued to gain traction given its speed and convenience, constituting 83% of payment card transactions at physical premises during the year (2023: 77%). This growth has been supported by the growing adoption of mobile wallet usage in Malaysia such as Apple Pay, Google Pay and Samsung Pay, as well as the expansion of open toll payment systems across more highways during the year.

Acceptance of e-payment transactions have continued to rise among businesses, especially smaller-sized enterprises. In particular, the usage of DuitNow QR

¹ Namely remittance, currency exchange and wholesale currency services. Wholesale currency refers to the buying and selling of foreign currency by licensed banks or licensed MSB operators, as well as the import and export of foreign currency notes.

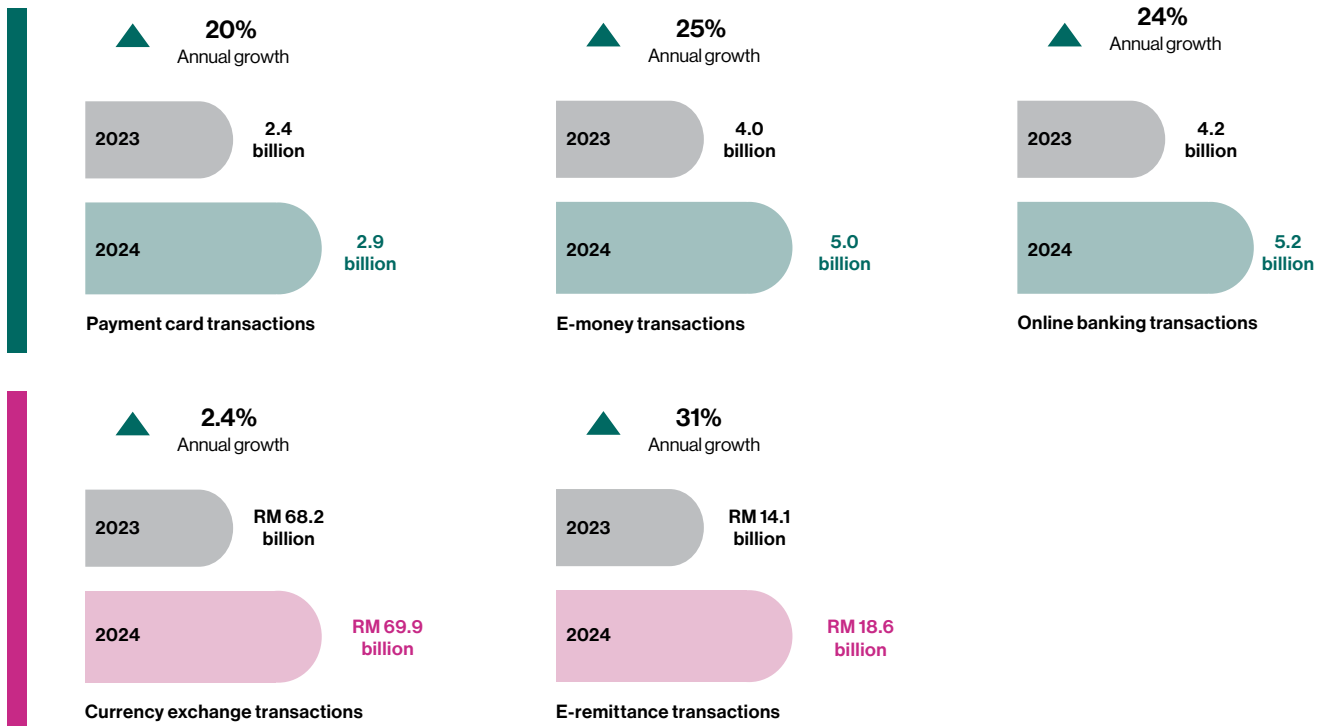
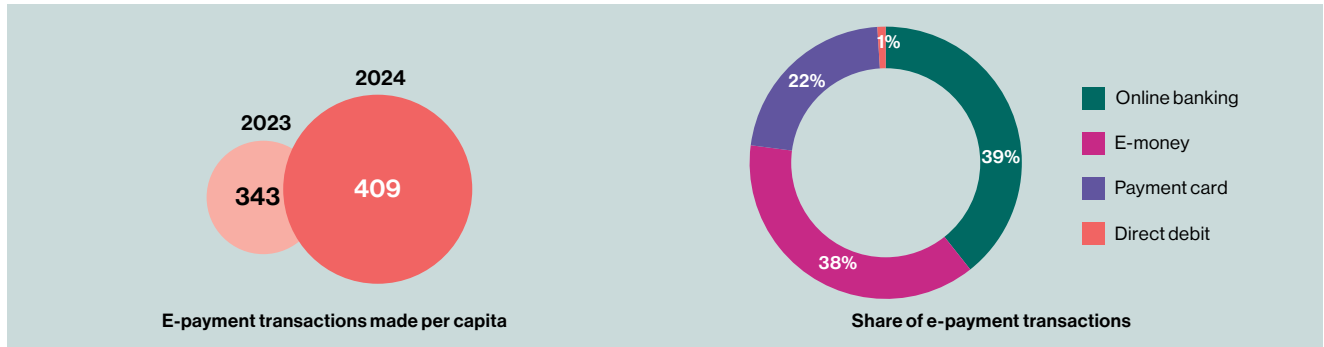
² Includes e-payment transactions made via payment cards, e-money purchase transactions and Financial Process Exchange (FPX) transactions. FPX is commonly used for e-commerce purchases.

Promoting Safe and Efficient Payment and Remittance Services

continued to increase given its convenience, lower cost and wide coverage. There are 2.6 million registered DuitNow QR acceptance points across Malaysia as at end-2024 (2023: 2 million). The wider DuitNow QR merchant network

has contributed to an increase in DuitNow QR transactions³ by more than double (2024: 870 million; 2023: 360 million), with total transaction value amounting to RM31.1 billion (2023: RM14.6 billion).

Diagram 1: Snapshot of E-Payment and Money Services Business



Source: Bank Negara Malaysia

³ Refers to person-to-merchant DuitNow QR transactions and excludes person-to-person and cross-border DuitNow QR transactions.

With rapid e-payment adoption, the use of cheques continued to decline. In 2024, 39.9 million cheques were issued, which is 2% lower than the previous year (40.9 million). Large corporations remain the main users of cheques, as some prefer⁴ the tangible nature and flat fee of this payment instrument. However, as e-payment adoption continues to rise, we anticipate that cheque usage will steadily decline. This will be further supported by ongoing efforts, including by the financial industry, to increase awareness on the availability and benefits of e-payment alternatives among their corporate customers.

Currency exchange transactions⁵ registered a moderate growth of 2.4% during the year, with transactions increasing to RM69.9 billion (2023: RM68.2 billion). The trend observed may be contributed by the emergence of various cross-border e-payment alternatives available in the market. Meanwhile, overall outward remittance transactions increased by 25% to RM42.7 billion (2023:

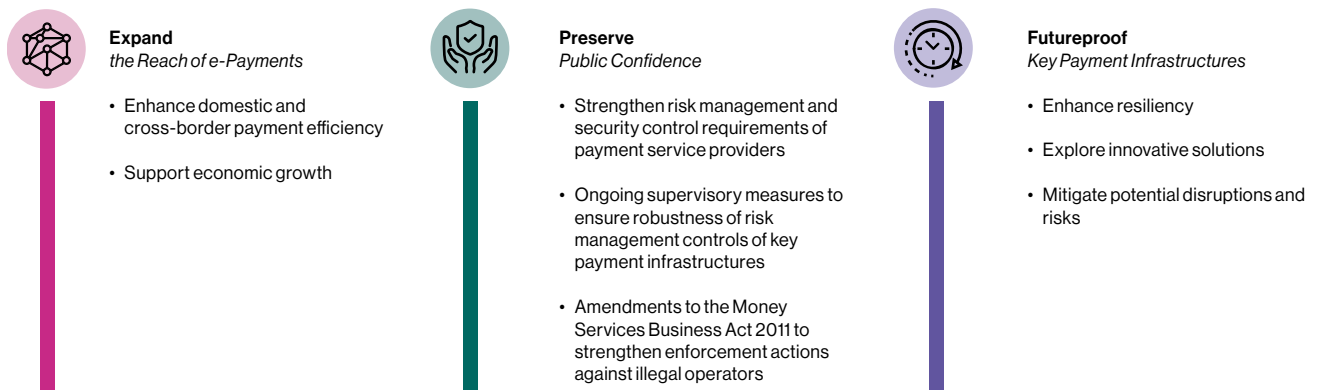
RM34.2 billion). This was attributed to, among others, the increased number of foreign workers entering the country under the Labour Recalibration Programme (RTK) 2.0 and greater access to formal remittance services through digital means.

Digitalisation of remittance services also continued to gain traction. E-remittance services offered by licensed non-bank remittance service providers (RSPs) increased significantly by 31% to RM18.6 billion (2023: RM14.1 billion), accounting for 43% of overall outward remittance (2023: 41%).

Priorities in 2024

In 2024, BNM remained focused in delivering the three key priorities, as identified in the Blueprint, to advance Malaysia's payment ecosystem (Diagram 2).

Diagram 2: Priorities and Key Initiatives in 2024



Source: Bank Negara Malaysia

⁴ In 2024, BNM conducted a study to understand factors that contribute to the continued use of cheques among selected government agencies and large corporations. Reasons for continued cheque use, particularly among large corporations, include fixed cheque fee, client preferences, and a lack of awareness of existing e-payment methods that mimic cheque features.

⁵ Refers to currency exchange transactions facilitated by both licensed banks and MSB operators.

Expanding the Reach of E-Payments

Promoting greater adoption of e-payment services

BNM, in collaboration with Payments Network Malaysia Sdn. Bhd. (PayNet) and the financial industry, continue to promote widespread use of e-payments among Malaysians through various e-Duit programmes. In 2024, we intensified our e-Duit Desa programme, which began in 2022, to further raise awareness and promote adoption of e-payments in rural areas. Through this effort, over 800 micro merchants nationwide have been onboarded to accept e-payments throughout 2024.



e-Duit Desa programmes organised by the industry in collaboration with BNM

To ensure sustainable e-payment adoption among these smaller merchants, PayNet and the financial industry are committed to ensure DuitNow QR transaction fees remain affordable and have been preparing for the eventual implementation of tiered pricing. With this approach, smaller merchants are expected to continue to enjoy zero or low Merchant Discount Rate (MDR)⁶ for acceptance

⁶ MDR is a common fee associated with the provision of e-payment services and is charged based on the transaction value of the e-payment transaction.

of DuitNow QR, while larger merchants can negotiate MDR that are reflective of their financial capabilities and value-added services they enjoy.

In 2024, we also returned to Pulau Redang⁷ to study how our blueprint project 'Bayo Dok Gune Pitih' (pay without using cash) has impacted the lives of the locals on the island. We found evidence of e-payment adoption significantly improving the economic livelihoods of the local community in Pulau Redang.

E-payment adoption among businesses in Pulau Redang has increased significantly since 2019, with more than 90% of merchants on the island now accepting e-payments.

For example, it has created opportunities for businesses to expand their customer reach, as businesses responded to growing demand from their customers for e-payment options. More than 70% of businesses reported receiving majority of payments electronically, enabling them to benefit from reduced cash handling cost, and enhanced security and safety.

The use of e-payments also reduced the need for business owners to travel to the mainland to conduct financial transactions, saving time and costs⁸ while minimising travel-related risks. The result of this study reinforces the tangible positive impact that digitalisation can bring to rural communities, not only in terms of cost efficiency but also safety, especially during the monsoon season. It also highlights the benefits and importance of cooperation between the public and private sectors to sustain widespread e-payment adoption across the island (e.g. infrastructure and awareness building).

Recognising the positive impact of digitalisation, BNM and the industry will continue to explore opportunities to further promote e-payments nationwide. This includes expanding e-Duit programmes and targeted initiatives in specific communities.

⁷ A feature article titled 'Empowering Communities with Digital Financial Services' was published in BNM's Annual Report 2022. The report highlights the real-life challenges that motivate the locals to embrace e-payments, supported by the multi-pronged approach to foster sustainable and inclusive e-payment adoption.

⁸ Based on the BNM study, it is estimated that the cost of transportation to the mainland alone would be more than RM50 per round trip.



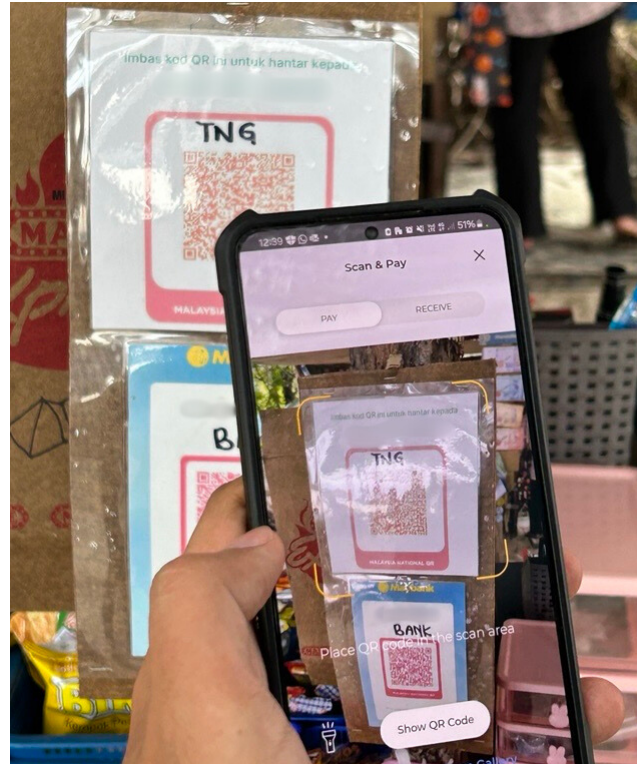
Acceptance of e-payments among businesses in Pulau Redang

Alongside on the ground awareness programmes, we expanded our efforts⁹ by utilising social media, radio broadcasts and billboard announcements to reach out to the masses on the benefits of e-payments and promote its safe use. We also focused on targeted engagements with selected government agencies and large corporations that continue to use cheques to encourage greater e-payment adoption among these entities.

Faster, cheaper and more convenient cross-border payments

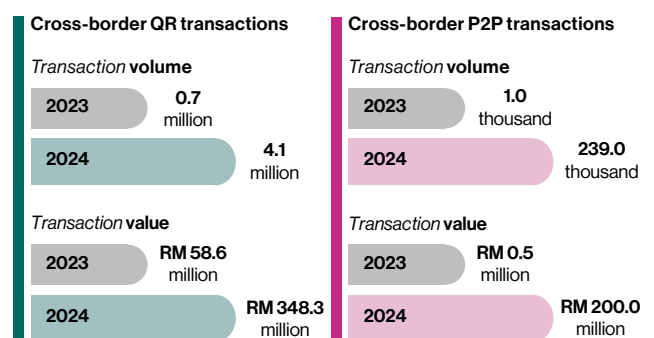
In 2024, BNM intensified efforts to encourage the use of live cross-border instant payment linkages between Malaysia and Indonesia, Singapore and Thailand. Through these linkages, customers and businesses benefit from faster, cheaper and more seamless cross-border payments.

Part of our efforts included the onboarding of four new local payment service providers (PSPs), including non-banks, to participate in the offering of cross-border payment services. This has enabled more Malaysians to enjoy these services when travelling to these countries. This also benefits local merchants by widening their customer base to accept QR payments from travellers from these countries.



The intensified promotional efforts, coupled with higher number of participants offering the cross-border payment services, led to a significant increase in cross-border QR transactions. Notably, compared to the previous year, the total number of cross-border QR payment transactions by both foreign visitors in Malaysia and Malaysians travelling abroad grew more than five times to 4.1 million transactions worth RM348.3 million in 2024. Cross-border P2P transactions also recorded significant growth, with transaction volume increasing to 239,000 transactions worth RM200 million in 2024 (2023: 1,000 transactions worth RM534,000).

Diagram 3: Snapshot of Cross-border Payment Services



Source: PayNet

⁹ In 2024, 45 distinct initiatives were launched across various platforms to create greater awareness on e-payments.

Promoting Safe and Efficient Payment and Remittance Services

In September 2024, with the strategic intention of expanding Malaysia's payment connectivity within ASEAN, we established a new cross-border QR linkage with Cambodia. In the first phase of the launch, Cambodian travellers visiting Malaysia are able to pay Malaysian merchants by scanning DuitNow QR codes. By the second quarter of 2025, Malaysians travelling to Cambodia will also be able to make payments to Cambodian merchants accepting QR code payments using their existing mobile payment applications.¹⁰ With access to a wider payment network, local merchants, including smaller ones, are able to expand their business footprint, further strengthening regional trade integration.

Another cross-border initiative that BNM is actively pursuing is the development of a scalable multilateral payment connectivity model under Project Nexus.¹¹ The third phase of Project Nexus (Phase 3)¹² had concluded with the issuance of a comprehensive blueprint in July 2024. The blueprint focused on the appropriate governance arrangement, business model and technical specifications that will be used as a guide to operationalise Nexus.

Under the current phase of Project Nexus (Phase 4), BNM, in collaboration with the Reserve Bank of India, Bangko Sentral ng Pilipinas, Monetary Authority of

Singapore and Bank of Thailand, along with the domestic instant payment system (IPS) operators in each country, are working towards establishing the Nexus Scheme Organisation (NSO).¹³ This new entity will be responsible for managing the Nexus scheme moving forward. With the live implementation of Nexus, as a first use case, customers would be able to transfer funds instantly and securely to a recipient in any country within the Nexus network using proxies such as mobile phone numbers.



Launch of Project Nexus Phase 4 on 1 July 2024 with the BIS General Manager and the Governors of Bank of Thailand, Bangko Sentral ng Pilipinas, Reserve Bank of India, Bank Negara Malaysia and Monetary Authority of Singapore

Diagram 4: Bilateral Linkages with Malaysia



Source: Bank Negara Malaysia

¹⁰ This service would only be available for users of participating PSPs.

¹¹ Nexus is a Bank for International Settlements Innovation Hub (BISIH) Singapore Centre project that seeks to enhance cross-border payments by connecting multiple domestic IPSs globally.

¹² BNM partnered with BISIH and central banks from Indonesia, Philippines, Singapore and Thailand in Phase 3 of Project Nexus.

¹³ The NSO will be wholly owned by the central banks and/or IPS in participating countries, depending on their specific domestic structure.

BNM also leveraged our role as the co-chair of the ASEAN Working Committee on Payment and Settlement Systems (WC-PSS),¹⁴ to further advance cross-border payment initiatives. As part of this effort, we identified two key initiatives. First, the development of a roadmap to enable all ASEAN Member States to eventually participate in the regional payment connectivity network. Second, preparing the groundwork for the establishment of greater cooperative oversight to preserve the safety and resiliency of the region's cross-border payment linkages. This work will intensify in 2025 as Malaysia assumes the ASEAN Chairmanship, with an aim to deepen financial integration and promote shared prosperity in the region.

Preserving Public Confidence in the Use of Payment Services

Continuous oversight of payment services

BNM remained focused on promoting sound risk management practices and safeguarding the resilience of critical payment system infrastructures, such as Real Time Electronic Transfer of Funds and Securities System (RENTAS) and the domestic retail payment systems.

In 2024, both RENTAS and the major retail payment systems remained resilient and achieved high system availability. BNM's supervisory efforts during the year were focused on ensuring the resiliency of key payment infrastructures operated by BNM and PayNet, and further strengthening the observance level of these infrastructures to the Principles for Financial Market Infrastructures (PFMI).¹⁵ Initiatives undertaken included enhancing business continuity measures for both RENTAS and the major retail payment systems, as well as strengthening liquidity risk management tools and liquidity stress test scenarios for RENTAS. Supervisory efforts in technology risk management and cybersecurity of payment services were also intensified given the importance of technology in the provision of these services. This resulted in improvements in areas surrounding cybersecurity and data protection practices.

BNM also took steps to further strengthen the governance and risk management practices of PSPs. These efforts included conducting comprehensive supervisory review of selected PSPs, focusing on the strength and robustness of their governance structures, as well as AML/CFT, fraud and IT risk control measures. Additionally, we introduced the new Operational Risk Reporting (ORR) system¹⁶ to facilitate comprehensive and timely incident reporting by PSPs to BNM, enabling better surveillance of operational risks in the payment ecosystem. We also intensified engagements with PSPs to enhance their risk management capabilities and elevate compliance standards on areas including cyber resilience and AML/CFT.

BNM's oversight activities were supported by ongoing use of advanced analytical tools for risk monitoring of PSPs and MSB licensees. During the year, we operationalised the use of a geospatial machine learning tool to enhance detection of anomalies among MSB outlets, such as transaction patterns that significantly deviate from peer outlets. This tool has facilitated more targeted assessments to be carried out by BNM supervisors. We also explored the use of language models to analyse a large number of compliance reports to improve the efficiency of supervisory reviews.

To ensure cross-border payment linkages operate safely and securely in line with growing adoption of the services among users, BNM, alongside counterparts from relevant jurisdictions, have initiated the groundwork for the establishment of cooperative oversight arrangements of cross-border payment linkages. The arrangement would initially focus on the regular exchange of relevant information among central banks, with this being a precursor towards more holistic oversight arrangements that will be pursued under the ASEAN WC-PSS.

Policy responses to emerging risks and market developments

BNM is fully committed to ensure regulatory requirements remain fit-for-purpose in adapting to emerging risks and developments. In 2024, amendments were made to the Money Services Business Act (MSBA) 2011 to strengthen BNM's ability to take enforcement actions against illegal MSB operators and ensure more timely and proportionate enforcement actions can be taken on existing licensees (Diagram 5). In addition, BNM intensified collaboration with local councils to assist in identifying hotspot areas of illegal MSB operations. In 2024, we engaged with 18 local councils nationwide.

¹⁴ The ASEAN WC-PSS was established in 2010 to support the ASEAN Economic Community on payment and settlement issues. The working committee aims to act as an inclusive and collaborative information sharing and capacity building platform, while also formulating recommendations on action plans to promote greater payment connectivity among ASEAN members. BNM and the Brunei Darussalam Central Bank are co-chairs of the ASEAN WC-PSS from the second half of 2024 to the first half of 2026.

¹⁵ The PFMI are international standards issued by the Committee on Payments and Market Infrastructures and the International Organization of Securities Commissions to strengthen and preserve financial stability of financial market infrastructures (i.e. payment systems, central counterparties and trade repositories).

¹⁶ PSPs are expected to report operational risk incidents through the new ORR system in the first half of 2025.

Diagram 5: Key Changes to MSBA 2011



Measures to **deter illegal MSB activities** with swifter and more punitive enforcement actions

- Tightened definition of 'remittance business'
- Widened scope of admissible evidence in court
- Legislated mandatory imprisonment and minimum fine for conducting unlicensed MSB services
- Strengthened provision on 'Abetment'
- Enable the Court to forfeit all exhibits tendered during trial



Measure to ensure **prompt and proportionate enforcement action against non-compliant licensees**

- Expanded scope of administrative actions (e.g. monetary penalties, public reprimand) that can be taken by BNM on operational non-compliances



Measure to **elevate MSB industry's stature**

- Replaced the term 'money-changing business' in MSBA 2011 with 'currency exchange business' to address the common misconception that money changing businesses are equivalent to money lending businesses²

¹ The change made to the term is only applicable to the English language text while the term in Bahasa Melayu remains as '*pengurusan wang*'.

² Money lending businesses are under the purview of the Ministry of Housing and Local Government (KPKT).

Source: Bank Negara Malaysia

We also initiated reviews of existing policies to further strengthen the risk management and security controls of PSPs. Through this effort, BNM issued two exposure drafts during the year that outline the proposed new regulatory requirements. The first exposure draft focuses on measures to strengthen fraud prevention for payment card transactions. This includes extending the security and customer protection measures, which are applicable to online banking transactions, to payment cards. The measures aim to streamline regulatory requirements across different payment channels and preserve users' confidence in the use of payment cards. Additionally, BNM proposed new regulatory requirements to enhance PSPs' management of technology risk and cybersecurity through the issuance of the exposure draft on Technology Requirement for Payment Services Regulatees in December 2024. These requirements aim to improve the resiliency of payment services and enhance system-wide cyber defences of PSPs.

In 2024, we continued to step up efforts to combat the threat of online fraud and scams by further strengthening our three-pronged anti-fraud strategy, covering prevention, enforcement and customer awareness and protection. On the prevention front, we have mandated banking institutions to implement additional security controls, such as velocity checks to analyse customer behaviour.¹⁷ These additional controls are intended

to elevate fraud detection standards, ensuring that detection capabilities remain robust complemented by more effective fraud intelligence sharing among financial institutions. Additionally, we required eligible e-money issuers (EMIs) to implement the five security controls¹⁸ adopted by banking institutions in 2022, further elevating fraud control standards across the payment industry. On consumer protection, an enhanced policy to ensure banking institutions treat victims of unauthorised online banking fraud fairly has been introduced and took effect from October 2024. The policy aims to ensure a more robust and timely investigation process of fraud cases that is fairer to both financial institutions and customers, whilst emphasising the importance of building a vigilant and well-informed society to combat fraud. Further details on these initiatives, particularly on enforcement and customer protection, can be found in the feature article 'Building a United Front Against Online Fraud Risk'.

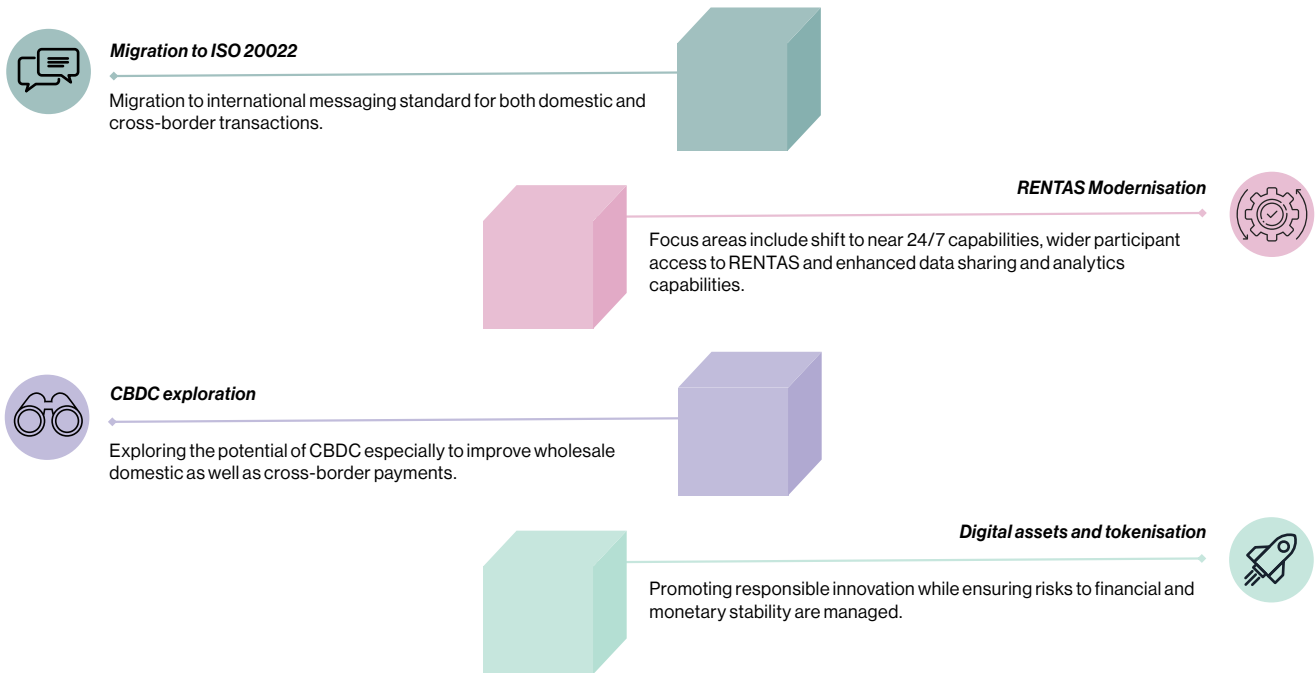
Futureproofing Key Payment Infrastructures

During the year, BNM made significant progress in advancing ongoing initiatives to modernise Malaysia's key payment infrastructures (Diagram 6). These initiatives are critical to ensure we are able to keep pace with emerging developments.

¹⁷ This refers to monitoring of the speed and frequency of customer transactions to flag deviations from normal behaviour, identifying patterns that may indicate fraudulent activity.

¹⁸ Eligible EMIs are required to: (i) adopt a robust multi-factor authentication method for account registration and e-wallet transactions; (ii) introduce cooling-off period for first time registration of e-wallet accounts and secure devices; (iii) restrict authentication of e-wallet transactions to only one secure device; (iv) establish a 24/7 complaint channel for incident reporting by customers; and (v) adopt fraud detection rules and triggers to block suspected fraudulent transactions.

Diagram 6: Key Initiatives to Modernise Malaysia's Payment Infrastructures

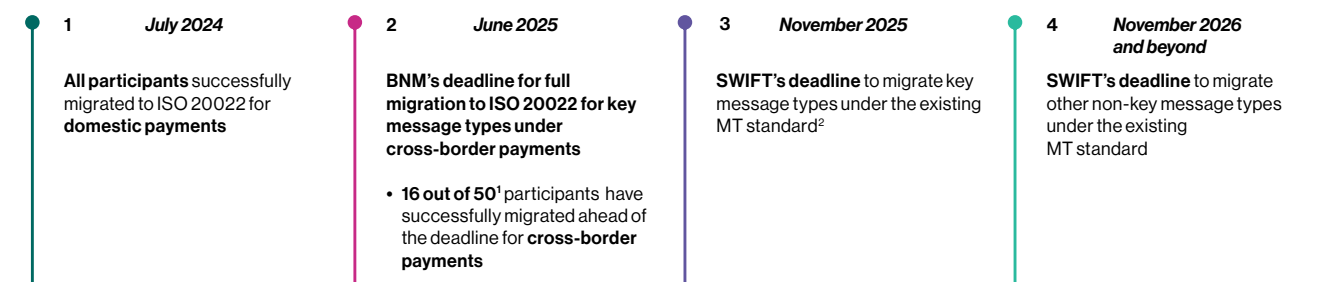


Source: Bank Negara Malaysia

With regard to the migration to ISO 20022,¹⁹ the financial industry has fully adopted the new messaging standard for domestic payment transactions since July 2024. The industry is now progressing towards the adoption of ISO 20022 for key message²⁰ types under cross-border payment transactions. While this initiative is targeted to

be completed in June 2025,¹⁶²¹ out of 50 participants have successfully migrated ahead of the deadline as of December 2024 (Diagram 7). This reflects the industry's strong commitment to enhance the efficiency of payment infrastructures and strengthen their risk management capabilities.

Diagram 7: Progress of ISO 20022 Migration



¹ As of December 2024
² Refers to ISO 15022

Source: Bank Negara Malaysia

¹⁹ ISO 20022 is an internationally recognised messaging standard for the financial industry with enhanced data content and structured messaging format. For more information, please refer to Bank Negara Malaysia Annual Report 2020 and the introductory video at <https://www.iso20022.org/about-iso-20022>.

²⁰ In June 2024, SWIFT announced that the co-existence timeline for non-key message types has been extended to November 2026 and beyond, while retaining the original migration deadline for key message types by November 2025. The key message types as defined by SWIFT includes payment instructions.

²¹ 9 participants have fully migrated for both key and non-key message types while 7 participants have migrated for key message types only.

Promoting Safe and Efficient Payment and Remittance Services

Similarly, significant progress was made in modernising RENTAS in 2024 which provides a clear path forward for its continued enhancement. On this, BNM issued a focused strategy paper in December 2024 detailing the key areas that we will pursue to modernise RENTAS in the next several years (Diagram 8). The paper takes into consideration feedback received from the industry, including non-RENTAS participants,²² on an earlier discussion paper on RENTAS Modernisation Plans issued in February 2024. As part of the focused strategies being pursued, we have commenced work on the implementation of near real-time settlement (NRTS)²³ for retail payments with the industry expected to transition to the new settlement model by the second half of 2025.

Exploring Responsible Innovation while Managing Emerging Risks

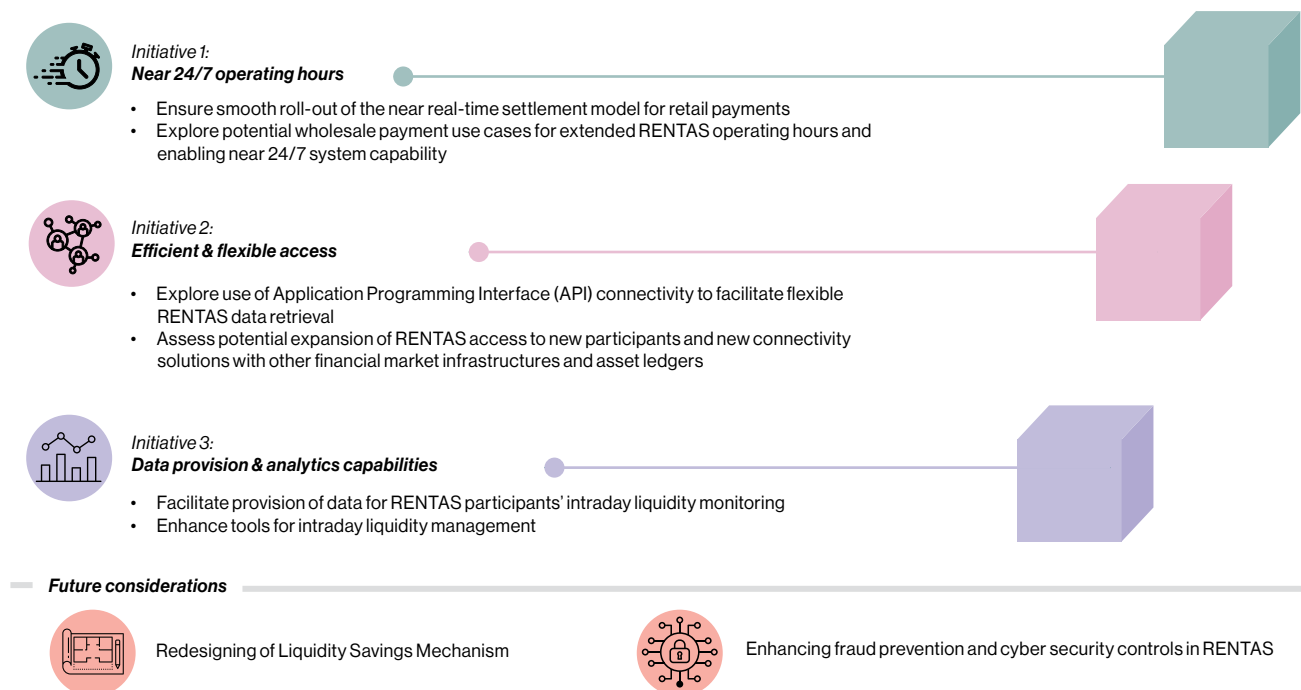
Digital assets continued to grow in popularity as an asset class. To this end, BNM's Digital Currency Research Hub was established to actively explore opportunities to harness the benefits of innovative features and technologies underlying digital assets, while effectively

managing the associated risks. More specifically, the Hub's focus in 2024 was twofold.

First, intensified ongoing research and market surveillance have enabled BNM to better assess opportunities for further exploration work, while balancing the attendant risks to BNM's financial and monetary stability mandates. This was undertaken in close collaboration with the Securities Commission Malaysia, including ongoing sharing of intelligence between the two institutions. Further details on the current state of the digital asset market in Malaysia and our thinking on asset tokenisation can be found in the feature article 'Navigating the Future of Digital Money'.

Second, the Hub actively seeks opportunities to promote responsible innovation. During the year, the Hub continued to explore the use of emerging technologies to futureproof key digital infrastructures, particularly on central bank digital currency (CBDC). This includes the exploration of domestic wholesale CBDC (i.e. Project Mawar)²⁴ in collaboration with selected financial institutions. The outcomes of Project Mawar, which is expected to be completed in 2025, are

Diagram 8: Key Initiatives under RENTAS Modernisation Plan



Source: Bank Negara Malaysia

²² For example, EMIs and fund management companies.

²³ NRTS is expected to significantly reduce the credit and settlement risks that RENTAS participants are exposed to when offering retail payment services, as retail payment transactions are currently settled on a deferred net basis.

²⁴ Project Mata Wang Ringgit (Mawar).

expected to provide further clarity on the potential of DLT and CBDC to futureproof RENTAS while deepening our understanding of the policy and operational issues surrounding the issuance of wholesale CBDC. Complementing this is BNM’s involvement in projects by the BISIH that explore the potential of CBDC to improve cross-border payments (Diagram 9).

In July 2024, BNM participated in Project Rialto which is jointly led by the BISIH Eurosystem and Singapore Centres, in partnership with Banque de France, Bank of Italy and Monetary Authority of Singapore. The project aims to address the costly, slow and complex foreign exchange (FX) services currently facilitated by correspondent banks for cross-border payments. The project will explore possible solutions using technology with wholesale central bank digital currencies (wCBDC) as a settlement asset, aiming to lower the FX costs of cross-border payments.

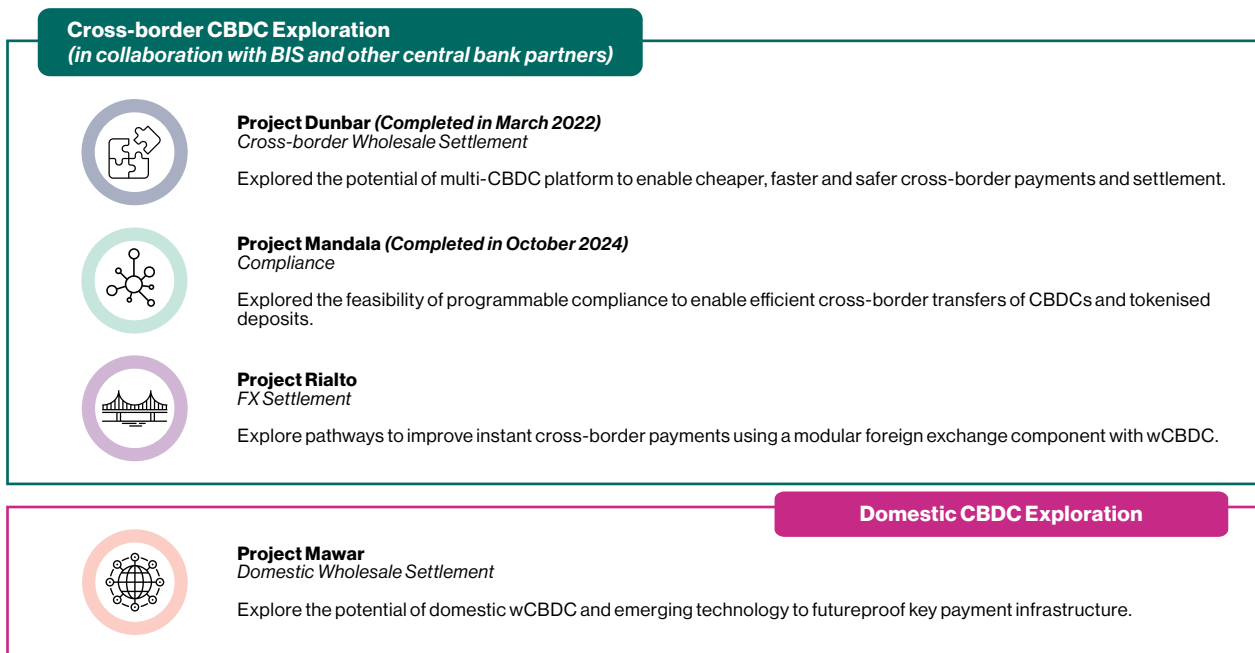
Another BISIH project that BNM was involved in is Project Mandala. The project, which published its final report in October 2024, demonstrated the feasibility of automating compliance procedures for cross-border financial transactions using smart contracts. By embedding regulatory compliance in cross-border transaction protocols, aside from a more streamlined compliance checking process for financial institutions, it will also facilitate more effective compliance monitoring by central banks.

Going Forward

In 2025, BNM’s focus is to ensure that payment systems and MSB services in Malaysia remain safe, efficient and fit-for-purpose. To this end, we will continue to proactively identify and address emerging risks through ongoing supervisory activities and continue strengthening our regulatory framework. We will also work closely with the public and private sectors to preserve public confidence in the use of payment and MSB services and promote responsible innovation. This is especially important in the fight against financial fraud, where we intend to enhance collaboration with key stakeholders, such as the law enforcement agencies and relevant parties in the communication sector, while also ensuring effective implementation of existing countermeasures.

Additionally, we will strengthen our collaboration with international stakeholders, in line with Malaysia’s ASEAN Chairmanship in 2025 and BNM’s role as co-chair of the ASEAN WC–PSS. The goal is to further expand instant payment connectivity and its use in the region, enabling more people to benefit from safe, efficient and affordable cross-border payments. Importantly, we will continue to futureproof domestic payment infrastructures through our ongoing work on RENTAS and CBDC, as well as intensifying exploratory work on other emerging technologies such as asset tokenisation, in line with aspirations of the Blueprint. This is to ensure that payment infrastructures are responsive to the evolving needs of the financial system and broader economy.

Diagram 9: Key Initiatives to Advance Malaysia’s Exploratory Work into CBDCs



Source: Bank Negara Malaysia