

Alliance of FinTech Community (aFINity@SC)



aFINity@SC, is an initiative facilitated by the Securities Commission Malaysia (SC) to catalyse greater interest towards the development of emerging technology-driven innovations in financial services, whether existing or prospectively developing in Malaysia.

aFINity@SC is about forming a network of community engagements among relevant FinTech stakeholders towards spurring more FinTech-focused innovation.

The SC will work together with relevant FinTech-related stakeholders including innovators, entrepreneurs, established businesses, investors and other authorities, as part of a concerted effort to accelerate growth and innovation in the financial market.

List of Registered Market Operators

A) EQUITY CROWDFUNDING (ECF)

Malaysia is the first country in ASEAN to introduce a regulatory framework to facilitate equity crowdfunding in 2015, with six registered equity crowdfunding (ECF) platform operators fully operationalised in 2016.

The ECF platforms provide an alternative venue for capital-raising to SMEs and innovative new businesses.

Name	Website	Founded/ Launched	Description
 Pitch Platforms Sdn Bhd	www.equity.pitchin.my	2012	pitchIN initially started in 2012 as a Malaysian rewards and donation crowdfunding platform. Since receiving approval by the SC to operate ECF, they are currently preparing to launch another web portal for businesses opting to use equity crowdfunding
 FBM (FundedByMe) Crowdtech Sdn Bhd	www.fundedbyme.com	2013	Strengthening Malaysia small and medium enterprises' (SMEs) competitiveness by digitalising their conventional businesses
 Crowdo Malaysia Sdn Bhd	investment.crowdo.com	2013	Southeast Asia's largest crowdfunding platform
 Eureeca	www.eureeca.com	2013	The first global online crowdinvesting, or crowdfunding for equity platform connecting SMEs with investors (the crowd) to raise funds in exchange for equity
 ATA PLUS Sdn Bhd	www.ata-plus.com	2014	Malaysia's first equity crowdfunding platform focusing on investments with a social impact dimension
 Propellar CrowdPlus Sdn Bhd	www.crowdplus.asia	2015	Fusing venture capital methodologies with crowdfunding, Propellar CrowdPlus adopts a "Qualified Matching Investor" feature that will bring to play qualified mentors and investors across the region

Source: Securities Commission Malaysia, InvestSmart

B) PEER-TO-PEER FINANCING (P2P)

P2P financing is a web-based innovation that broadens the ability of entrepreneurs and small business owners to unlock capital from a pool of individual investors in small amounts and provides a quick turnaround time to obtain financing for their businesses, through an online digital platform.

The SC announced the regulatory framework for P2P financing in 2016, and approved six P2P operators later in the year.

The P2P framework is part of SC's on-going effort to provide greater access to market-based financing through the application of innovative technology solutions.

Platform Operator	Description
B2B FinPAL	B2B FinPAL aims to provide P2P financing for SMEs through business expansion financing and micro-invoice factoring. For the last 17 years, B2B FinPAL's parent, B2B Commerce (M) Sdn Bhd, has been providing supply chain management software solutions in the SME space. It already has a customer base that includes companies in retail, fast-moving consumer goods, oil and gas, manufacturing and logistics around the region. Apart from its home base of Malaysia, B2B Commerce has clients in Cambodia, Indonesia, Vietnam and China. B2B FinPAL is targeting high-net worth individuals as investors.
Ethis Kapital	Ethis Kapital aims to create a sustainable Islamic funding marketplace, building on Malaysia's strength as a global Islamic finance hub. It wants to grow Islamic crowdfunding by focusing on projects that are both commercially viable and socially responsible for its crowd of ethical and Islamic investors. Ethis Kapital intends to work with shariah-compliant businesses looking for financing but it welcomes all investors – Muslims as well as those looking for ethical investment options. It is planning to host loans of between RM50,000 and RM500,000.
FundedByMe Malaysia	FundedByMe Malaysia is one of the six equity crowdfunding operators registered by the SC last year. It is a joint venture between Sweden-headquartered FundedByMe and local digital marketing agency Alix Global. FundedByMe is one of the fastest-growing crowdfunding platforms in Europe, with more than 72,000 investors across 178 countries. It has raised more than 28 million euros (RM130 million) for over 500 companies.
ManagePay Services Sdn Bhd	ManagePay Services Sdn Bhd is the managed payment services arm of the ACE Market-listed ManagePay Systems Bhd. The parent has already been in the business of providing payment solutions for companies large and small. ManagePay Services, through its platform QuicKash, aims to make credit more affordable for SMEs and investing more rewarding for investors. The focus is to provide short-term loans for SMEs that need working capital. Loan sizes can be as small as RM10,000 or RM20,000 with tenures of three, six, nine or 12 months.
Funding Societies Malaysia	Funding Societies Malaysia, incorporated as Modalku Ventures, is the latest branch of regional P2P lending platform Funding Societies, which has been operating in Indonesia and Singapore. In 2015, the platform operator originated almost S\$13.8 million (RM42 million) in invoice financing and business term loans for over 100 SMEs to grow their businesses. Investors include global and regional venture capital firms Sequoia Capital India and Alpha JWC. In Malaysia, Funding Societies is looking at providing loans of RM50,000 to RM500,000 on tenures of one to 24 months.
Peoplender	Peoplender is a financial technology startup by P2P Venture Sdn Bhd, a new company backed by former banking professionals and a lawyer. It aims to facilitate greater access to financing, focusing on viable SMEs and micro-entrepreneurs that are still unserved by banks. It is looking at offering loans of between RM20,000 and RM200,000. But investors can participate in a loan for as little as RM50 per investment note.

Source: The Edge (November 2016)