

Abdul Rasheed Ghaffour: Launch of the Cambodia-Malaysia cross-border QR phase 2

Congratulatory remarks by Mr Abdul Rasheed Ghaffour, Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Launch of the Cambodia-Malaysia Cross-border QR Phase 2, Kuala Lumpur, 8 April 2025.

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It is with great pleasure that I welcome you as we celebrate the launch of the second phase of the cross-border QR payment linkage between Malaysia and Cambodia.

It was only about a year ago when Governor Chea and I signed the MOU on cooperation in payment systems and innovation. The MOU lays the groundwork for a more efficient cross-border payments that benefits both nations, in line with our shared vision for greater regional economic and financial integration. Since then, we have made great strides

After we celebrated the first phase that went live last September in Phnom Penh, we have witnessed encouraging take-up in the number of Cambodian visitors to Malaysia scanning DuitNow QR for purchases. The service has been well received, and I am confident that it will continue to grow further.

Building on this momentum, I am delighted that the second phase of the linkage is now live. Malaysians traveling to Cambodia can now easily transact with Cambodian merchants by scanning any of the 4.5 million KHQR touchpoints using the mobile payment apps of participating financial institutions.

Indeed, it is encouraging to see how much we have achieved in such a short span of one year. The achievement today is a testament to the collaborative efforts of various parties to operationalise this linkage.

Let me take this moment to congratulate those involved in this initiative. Special thanks go to (i) Governor Chea and her dedicated team at the National Bank of Cambodia, the operator of Bakong, (ii) to Dato' Izzaddin and PayNet, our instant payment system operator; (iii) to Datuk Khairussaleh and your team in Maybank, the sponsoring bank that has been instrumental in bridging these two systems; and (iv) my team at Bank Negara Malaysia.

On this note, let me also congratulate the National Bank of Cambodia on becoming a signatory to the MOU on Cooperation in Regional Payment Connectivity as announced by Governor Chea in her remarks earlier. Cambodia's inclusion represents another positive step forward in ASEAN's collective journey towards greater regional economic and financial integration.

Our collective payment connectivity efforts are set to significantly boost our individual economies and ASEAN as a whole. By facilitating seamless payments, we provide a key catalyst for enhancing regional trade and investment and offer travellers a familiar and safe digital payment solution. Importantly, the linkages will foster greater financial

inclusion, empowering over 7 million merchants in Cambodia and Malaysia to access a broader customer base. With most of them being micro and small SMEs, we also elevate economic participation among those that are the very backbone of our economies.

In fact, we are already seeing the fruits of these efforts from the 21 existing payment linkages that are up and running within the region. In 2024, 5.2 million cross-border QR payment transactions were recorded a fourfold increase from the previous year. This underscores the value that these services bring to users and merchants alike.

As ASEAN Chair this year, Malaysia will continue to drive the payment connectivity agenda to broaden its impact throughout the region. Our priority in 2025 is to expand the number of payment linkages involving ASEAN member states and to promote greater usage of these services among users.

As we expand these linkages, equal focus will also be directed towards managing risks arising from payment connectivity to preserve confidence in a secure and thriving payment landscape for ASEAN. To ensure the linkages operate safely and securely, we will intensify efforts on cooperative oversight arrangements between countries. This will help to mitigate risks, including cybersecurity threats, fraud and scams, money laundering and terrorism financing.

ASEAN's success in pursuing payment connectivity hinges on strong cooperation and collaboration from everyone, not only among central banks but also between the public and private sectors. To this end, we look forward to continuing our partnership with the National Bank of Cambodia on payment connectivity initiatives, including on cooperative oversight, as well as on other cross-border payment areas such as CBDC.

On the industry side, we also see great potential in continuing support and collaboration with market players, especially in maximising the network effects of the linkages and promoting greater awareness of the services.

On this point, I encourage the industry to watch closely various cross-border payment initiatives being developed by the BIS Innovation Hub and offer to participate in the projects. A notable initiative is Project Nexus, which aims to develop a live multilateral payment connectivity infrastructure. The project has recently graduated, with an entity called Nexus Global Payments (NGP) formally incorporated just over a week ago, bringing the Nexus vision much closer to life. We invite all of you to consider being part of this exciting journey in shaping the future of global payment connectivity.

Efforts should not stop there. Beyond retail payments, we should also work towards futureproofing our payment connectivity on the wholesale side to unlock efficiency gains in back-end settlement processes. One area that I have in mind is the use of innovative solutions powered by blockchain technology for this purpose.

Together with the BIS and other partner central banks, BNM is heavily involved in ongoing projects including Project Mandala and Rialto that aim to automate compliance and FX processes using smart contracts. Separately, BNM is also exploring potential use cases for CBDCs under Project Mawar. We would certainly benefit from the industry's hands-on expertise in this journey. Together, we can unlock the full potential

of payment integration-improving efficiency, reducing costs, broadening access to payment services and ultimately enhancing user experience.

In closing, I believe that today's launch represents more than just the introduction of another new cross-border payment service-it is a testament to what we can collectively achieve when technology aligns with trust, vision is paired with execution, and countries join hands in the true spirit of partnership.

On that note, I thank you all again for your dedication and partnership in making this endeavour a reality and I look forward to seeing the impact this will bring to our citizens and our region.