

Interoperability the way forward

LAILI ISMAIL/THE EDGE

BY **KHAIRANI AFIFI NOORDIN**
AND **LAILI ISMAIL**

In the Klang Valley, where e-wallets are starting to take off, it is common to see a line of different quick response (QR) codes at a merchant's cashier counter. At times, the abundance of these codes can be confusing for both consumers and merchants.

In Singapore, where e-wallet adoption had an earlier start, the Monetary Authority of Singapore has launched the Singapore Quick Response Code (SGQR), the world's first unified payment QR code. It combines multiple payment QR codes into a single SGQR label, making QR code-based mobile payments simple for both consumers and merchants.

Here in Malaysia, Payments Network Malaysia Sdn Bhd — which has Bank Negara Malaysia as its largest shareholder and other major banks in Malaysia as joint shareholders — is pushing on with the implementation of the interoperable QR code initiative, which will allow participating e-wallet services to use a single QR standard for payment for goods and services.

This is expected to come into force in June but until then, the lack of interoperability remains a challenge. Merchants who accept e-wallets, say they have been plagued by the lack of interoperability over the past few years.

Loob Holding Sdn Bhd CEO Bryan Loo says when the company first adopted e-wallet payment systems, the reconciliation of financial process, which required a manual tallying of financial figures, was a challenge. However, he says the company has since been able to seamlessly integrate the different systems with its existing point of sale system.

"Standardisation is only possible if a third-party acquirer is the platform utilised to integrate all the e-wallets on one system. This is provided the commercial rates are agreed upon," he adds.

Meanwhile, Tim Tye, the owner of Chequers restaurant in Taman Tun Dr Ismail, Kuala Lumpur, faces an issue with tracking transactions across different platforms. He points out that the e-wallet systems have different lead times (the time that elapses between a payment and when the money lands in the merchant's bank account), making it troublesome to track inflows and outflows.

"Unless they can consolidate [all the e-wallet systems] into one, I have to do more to track the payments that are coming in. This is more complicated than credit card transactions. With credit cards, you do not have as many choices as you do with e-wallets, so it's not that hard to track them," he argues.

Mohammad Safwan Roslan, who sells Cuvert Scarves from a pushcart at a mall, finds managing transactions on multiple platforms problematic.

"Maybe the government should come up with a cross-wallet platform or some sort of standardisation. If everyone can access the same platform, then it won't be such a hassle for business owners to keep track of their funds," he adds.

The Malaysian e-wallet players do agree that interoperability is the way forward. In fact, they are even looking for ways to collaborate with other providers to enable their e-wallets to be used interchangeably.

One such example is the collaboration between U Mobile Sdn Bhd and Razer Inc. In March, they announced that users would soon be able to use U Mobile's Go PayZ and Razer Inc's RazerPay interchangeably. Upon the successful implementation of interoperability, users of Go PayZ will be able to access Razer's extensive network of over 10,000 pay-



ment points across Malaysia seamlessly, the companies say.

Aside from moving away from a closed-loop wallet ecosystem, the players are also looking at cross-border interoperability. According to Axiata Digital Services Sdn Bhd CEO Mohd Khairil Abdullah, the region is moving quite aggressively towards a cashless society. The users want to have the option of using their e-wallets to make payments outside the country.

Boost has partnered with Singtel Group and UnionPay International to make this happen. According to Mohd Khairil, Malaysians will be able to use Boost in Singapore and Thailand by the second quarter of this

year, pending regulatory approvals.

Singtel Group operates a mobile payment alliance called VIA in multiple countries — including Singapore and Thailand — that allows users to use their local e-wallet when visiting the countries in the alliance. Boost is the first Malaysian e-wallet to join the alliance.

Boost has also partnered UnionPay to enable Chinese cardholders to make their payments in Malaysia. "A lot of people don't know this but UnionPay is actually the largest payment network in the world, bigger than Visa and Mastercard. We partnered it because we want it to use our merchant base," says Mohd Khairil. **E**

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