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HSBC and GHL collaborate to improve disbursement infrastructure for Malaysia's payment landscape

HSBC Malaysia has partnered with GHL, a leading Third Party Payment Processor (TPPP) in ASEAN, to implement a bespoke Direct Merchant Settlements (DMS) solution for merchant settlements between GHL and Bank Negara Malaysia (BNM), improving the disbursement infrastructure for Malaysia's payment landscape.

Prior to the implementation of the DMS solution, GHL was faced with a unique settlement challenge. They were heavily dependent on a manual process of verifying merchant data and payment approval to ensure that the FPX (online payments) and MyDebit settlements were processed daily – amounting to 5.4 million transactions with a value of RM8.7 billion annually in Malaysia.

Improving merchants' working capital

With the co-created DMS solution, GHL was able to streamline and automate the collection of FPX, MyDebit and other payment methods (credit cards, e-wallets, QR) to local merchants in Malaysia via an automated settlement process with the combination of Secure File Transfer Protocol (SFTP) and bank controlled accounts. It also enabled GHL to make a unified single pay-out to merchants, further improving the efficiency of GHL's operational process in the settlement journey.

Additionally, the DMS solution provided GHL greater control on the pay-out timing and refund execution of over thousands of merchants. With the implementation of DMS DuitNow (Real time payment method), merchants were also able to receive settlements instantly via DuitNow, thus improving their cash flow.

The platform also increased penetration in the local merchants' space with the offering of instant settlements over 365 days. This improved working capital for local merchants was critical during both the pandemic and the current endemic stage to ensure no disruptions impacted their supply chain.

Kevin Lee, Chief Executive Officer of GHL Malaysia said: "By implementing the DMS platform, we have significantly reduced the intensive manual operational processes in the settlement journey. Additionally, the HSBC DMS platform allows GHL to create value and differentiation for our merchant clients by streamlining our funding processes, increasing operational efficiency, reducing our funding timelines and eliminating errors. GHL is glad to be partnering with HSBC and utilising their DMS platform which can spur financial technology innovation in support of the growth of Malaysia's payment landscape."

Karel Doshi, Head of Commercial Banking, HSBC Malaysia said: “Our collaboration with GHL continues to strengthen our commitment to provide innovative digital solutions to the fast changing nature of the market that also meets the needs of our customers. At HSBC we continue to provide businesses with support beyond banking, that is, tools to streamline operations, business insights to enable informed decisions and platforms to connect to new opportunities bringing improved customer service and efficiency across the economy.”

HSBC Malaysia together with GHL have also won The Asset Triple A award for the “Best Payment and Collections Solution”. The award win is a testament to the collaborative partnership and HSBC’s ability to play a strong part in the client’s digital journey.

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About HSBC Bank Malaysia Berhad

HSBC's presence in Malaysia dates back to 1884 when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country on the island of Penang, with the permission to issue currency notes. HSBC Bank Malaysia Berhad was locally incorporated in 1984 and is a wholly-owned subsidiary of The Hongkong and Shanghai Banking Corporation Limited, founding member of the HSBC Group. In 2007, HSBC Bank Malaysia was the first foreign bank to be awarded an Islamic banking subsidiary licence in Malaysia, namely HSBC Amanah Malaysia Berhad. HSBC Malaysia offers a comprehensive range of banking and financial services including Islamic financial solutions. HSBC Malaysia has also led innovation in Malaysia by introducing Malaysia’s first ATM and Electronic Touch Banking in the early 1980s. Today, HSBC Malaysia has launched innovative solutions such as HSBCnet for secure banking for businesses, Trade Transaction Tracker and Facial Recognition on supported mobile phones.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 63 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,985bn at 30 June 2022, HSBC is one of the largest banking and financial services organisations in the world

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