

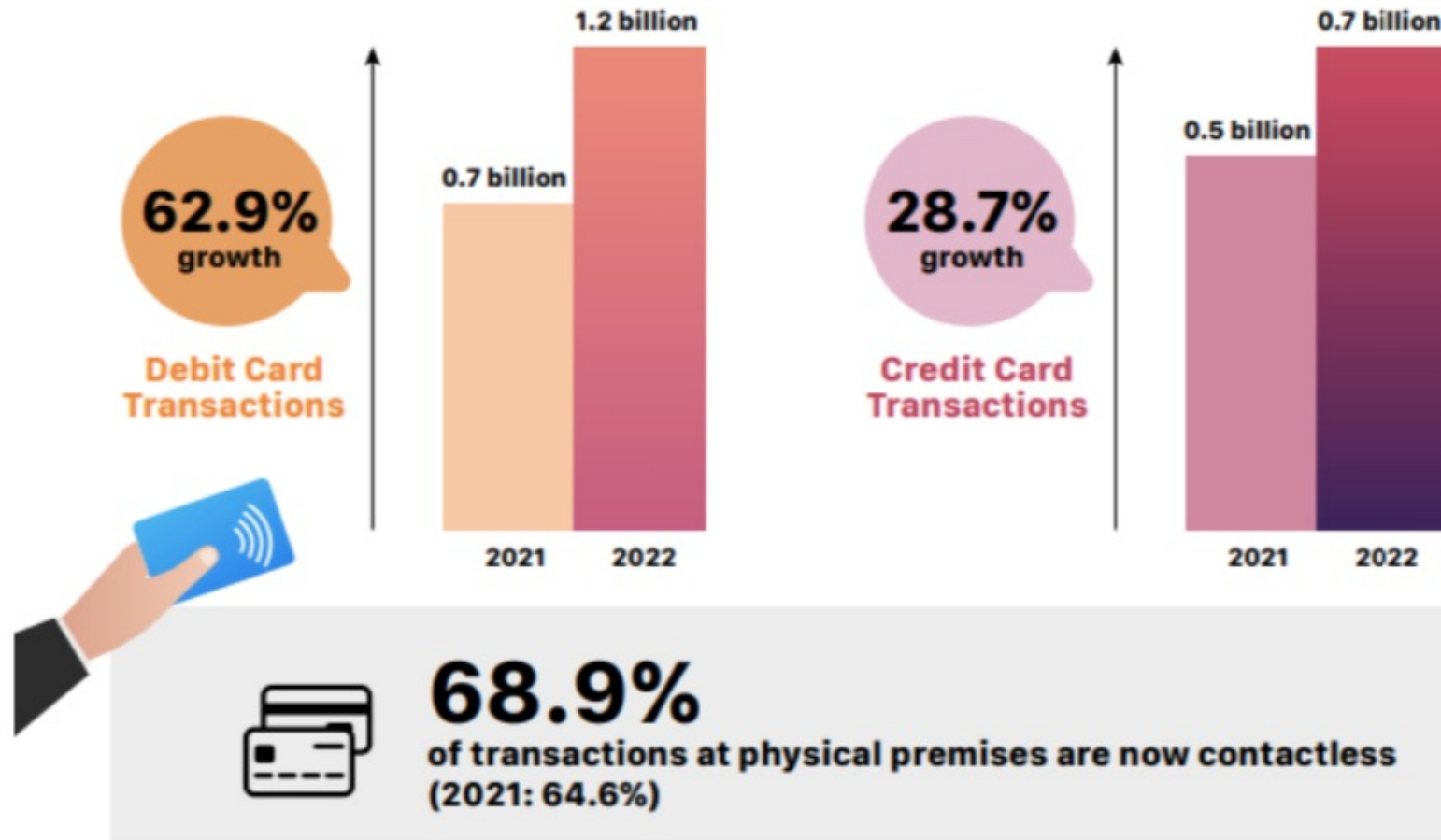


# Islamic Digital Bank

[zulkiflihasan.com](http://zulkiflihasan.com)



## PAYMENT CARDS



Source: Bank Negara Malaysia

# Five successful applicants for the digital bank licences

Embargo : For immediate release

29 Apr 2022

---

Bank Negara Malaysia (BNM) wishes to announce the five successful applicants for the digital bank licences as approved by the Minister of Finance Malaysia.

A. The following applicants are to be licensed under the Financial Services Act 2013 (FSA):

- a consortium of Boost Holdings Sdn. Bhd. and RHB Bank Berhad;
- a consortium led by GX5 Bank Pte. Ltd. and Kuok Brothers Sdn. Bhd; and
- a consortium led by Sea Limited and YTL Digital Capital Sdn Bhd.

B. The following applicants are to be licensed under the Islamic Financial Services Act 2013 (IFSA)

- a consortium of AEON Financial Service Co., Ltd., AEON Credit Service (M) Berhad and MoneyLion Inc. and
- a consortium led by KAF Investment Bank Sdn. Bhd.

Three out of the five consortiums are majority-owned by Malaysians namely Boost Holdings and RHB Bank Berhad, Sea Limited and YTL Digital Capital Sdn. Bhd. and KAF Investment Bank Sdn. Bhd.

All 29 applications received were thoroughly assessed pursuant to section 10 (1) of FSA, and IFSA<sup>(1)</sup>, which require BNM to consider all the factors in Schedule 5 of the Acts and other relevant policy requirements. The assessment criteria cover the character and integrity of applicants, nature and sufficiency of financial resources, soundness and feasibility of business and technology plans as well as ability to meaningfully address financial inclusion gaps. Applications were assessed on their individual merits, as well as relative to other applications based on consistent evaluations of each assessment criteria. This horizontal review is based on the assessment criteria applied across all applicants to determine the relative strength of each application and identify successful applicants.

- CENTRAL BANK ACT 2009 (BNM)
- SECURITIES COMMISSION ACT 1993 (SCM)

#### REGULATOR LEGISLATION

- Bank Negara Malaysia
- Securities Commission Malaysia

#### LIST OF REGULATEE:

- ISLAMIC BANK | 16+1 BANKS
- COMMERCIAL BANK | 26 BANKS
- DEVELOPMENT BANK | 6 BANKS
- \* DIGITAL BANK | 1 BANK : GX BANK

- FINANCIAL SERVICES ACT 2013
- ISLAMIC FINANCIAL SERVICES ACT 2013
- DEVELOPMENT FINANCIAL INSTITUTIONS ACT 2002
- CAPITAL MARKET SERVICES ACT 2007 (SCM) \*

#### \*LICENSING FRAMEWORK FOR DIGITAL BANKS

##### Applicable to:

1. Applicants under section 10 FSA
2. Applicants under section 10 IFSA
3. Licensed digital banks
4. Licensed Islamic digital banks
5. Shareholders of proposed licensed digital banks or proposed licensed Islamic digital banks
6. Shareholders of licensed digital banks or licensed Islamic digital banks

#### \*LICENSING FRAMEWORK FOR DIGITAL BANKS SHARIAH GOVERNANCE PD 14 SHARIAH STANDARDS

#### OPERATIONAL & GOVERNANCE

- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLA)
- Personal Data Protection Act 2010 (PDPA)
- Business conduct i.e Fair Treatment of Financial Consumers Policy Document, Guidelines of Responsible Financing etc

# Compliance

---

- Digital banks will be required to comply with the requirements under
  1. Financial Services Act 2013 (“FSA”) or
  2. Islamic Financial Services Act 2013 (“IFSA”),
  3. including standards on prudential,
  4. Shariah,
  5. Business Conduct
  6. Consumer protection,
  7. Anti-money laundering and terrorism financing.
- During the foundational phase, licensed digital banks will be subjected to a more simplified regulatory requirement relating to capital adequacy, liquidity, stress testing, Shariah governance and public disclosure requirements



## Key policies on governance, risk and controls

### Governance Standards

- Corporate Governance
- Fit and Proper Criteria
- Shareholder Suitability
- Employee Screening\*\*
- Shariah Governance\*\*

### Risk Management Standards

- Risk Governance
- Compliance
- Internal Audit
- Credit Risk
- Operational Risk
- RMiT\*\*
- Business Continuity Management
- Outsourcing\*\*
- Securitisation Transactions
- Data Management and MIS Framework
- Stress Test
- Recovery Planning
- Risk-Informed Pricing
- Introduction of New Products
- Investment Account


### Capital Adequacy and Liquidity Standards

- Capital Fund
- Capital Adequacy Framework
  - Capital Components
  - Risk Weighted Assets
- Pillar 2 - Internal Capital Adequacy Assessment Process
- Liquidity Coverage Ratio
- Net Stable Funding Ratio
- Leverage Ratio

### Prudential Limits

- Single Counterparty Exposure Limit
- Credit Transactions and Exposures with Connected Parties
- Equity Investment

### Reporting / Disclosures

- Financial Reporting
  - Pillar 3 - Disclosure
  - External Auditors
  - STATsmart Reporting
- 



## Licensing Framework for Digital Banks

Applicable to:

1. Applicants under section 10 FSA
2. Applicants under section 10 IFSA
3. Licensed digital banks
4. Licensed Islamic digital banks
5. Shareholders of proposed licensed digital banks or proposed licensed Islamic digital banks
6. Shareholders of licensed digital banks or licensed Islamic digital banks

Issued on: 31 December 2020

BNM/RH/PD 030-12

