



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

PRESS RELEASE

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Malaysia is participating in Project Nexus Proof-of-Concept to enable faster and cheaper cross-border payments

Bank Negara Malaysia (BNM) and Payments Network Malaysia Sdn Bhd (PayNet) are collaborating with international partners on a proof-of-concept to improve the cost and speed of cross-border payments. Dubbed Project Nexus, the proof-of-concept will explore the feasibility of linking the real-time payment systems in Malaysia, Singapore and the euro area¹. This will enable customers to send and receive cross-border payments instantly and securely.

Its results, expected to be published by end-2022, will inform future development of a global network of real-time payment systems to enable fast and seamless cross-border payments. The prototypes developed under the proof-of-concept will not be available for public use at this juncture.

Led by the Bank for International Settlements (BIS) Innovation Hub, Project Nexus is closely aligned with the G20 Roadmap for Enhancing Cross-border Payments. Other international partners in the project are Banca d'Italia, the Monetary Authority of Singapore (MAS) and the Banking Computer Services Pte Ltd (BCS).

Malaysia's participation in Project Nexus complements the country's existing efforts in linking the RPP/DuitNow² with other real-time payment systems in the ASEAN region. A payment linkage between Malaysia and Thailand was launched in June 2021 to enable instant cross-border QR code payments between both countries. The services facilitated by the linkage will be further expanded in 2022 to support real-time fund transfers using just mobile numbers. Efforts are also underway to establish similar payment linkages with Indonesia and Singapore, that will be launched by the end of 2021 and 2022 respectively. The enhanced cross-border connectivity of such payment

¹ This comprises the Real-time Retail Payments Platform (RPP/DuitNow) in Malaysia, the Fast and Secure Transfers (FAST/PayNow) in Singapore, and the Target Instant Payment Settlement (TIPS) in the euro area.

² RPP/DuitNow is a real-time payment system in Malaysia that facilitates payment to be credited into a recipient's account instantly.

linkages will serve as an important enabler to support closer regional economic and financial integration.

Fraziali Ismail, Assistant Governor of Bank Negara Malaysia, said that Project Nexus is a positive move for cross-border payments. “Our participation in Project Nexus underscores Malaysia’s commitment to future-proof the country’s key payment infrastructures. Building on the success of bilateral payment linkages with other ASEAN countries, this could pave the way for the RPP/DuitNow to connect with other real-time payment systems globally. This will support aspirations for faster, cheaper and more accessible cross-border payments for Malaysian residents.”

Peter Schiesser, the Group Chief Executive Officer of PayNet said, “RPP/DuitNow is a key infrastructure to drive cashless payments and digitalisation in Malaysia. We project about 1 billion real-time payments will be made in Malaysia in 2021. Project Nexus provides us with a unique opportunity to contribute to the design of next-generation payment infrastructure. This will ensure Malaysia is well placed to capitalise on the outcomes of the project.”

**Bank Negara Malaysia
Payments Network Malaysia Sdn Bhd**

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About Payments Network Malaysia Sdn Bhd (PayNet)

PayNet is the national payments network and shared central infrastructure for Malaysia’s financial markets. We innovate, build, and operate world-class payment systems and financial market infrastructures that safely, reliably and efficiently enable the functioning and development of Malaysia's financial system as well as the economy as a whole. PayNet also serves as a platform to harness the collaborative efforts of all providers of payment services to accelerate the adoption of electronic payments.

For more information, please visit www.paynet.my .