

SPECIAL FEATURE 3

SCxSC EXPANSION: DRIVING INNOVATION FOR A SUSTAINABLE CAPITAL MARKET

Since its inception, the Synergistic Collaboration by Securities Commission Malaysia (SCxSC) programme has been central to fostering innovation in the capital market. Underpinned by the accelerating pace of technology-driven innovation, there is a need for greater engagement with innovators to respond to these developments more effectively. Starting in 2023, SCxSC was expanded to foster focused collaboration with industry players and the broader ecosystem, enhance deeper understanding of new innovations at play, and gain valuable insights for policymaking.

The SCxSC aims to unlock potential of innovation to enhance the capital market, thus support the SC's strategic goals of fostering competitive economic growth, empowering investors, and shaping a more inclusive and sustainable stakeholder economy, as outlined in the CMP3. In 2024, SCxSC transitioned from an annual fintech conference to a series of targeted, thematic events aimed at specific outcomes. This shift reflects three core objectives:



The 2024 programme expanded into four key series, each addressing different aspects of capital market innovation:





Series of SCxSC programme implemented throughout 2024 on key innovation domains



The programme culminated in the SCxSC Fintech Summit, the SC's flagship fintech conference from 1 to 2 October 2024. The event gathered around 1,000 attendees, bringing together financial professionals, policymakers, fintech communities and technologists from Malaysia and across the region.

With the theme 'Where Innovation Meets Purpose', the fintech summit featured thought leadership, innovation showcases and discussions on:

- AI's applications in various domains, including impact investing, RegTech, and business growth;
- Tokenisation and its growing role in capital markets and the potential of digital assets as a new asset class; and
- Innovation in Islamic finance with FIKRA ACE's pitching sessions spotlighting solutions designed to address the unique needs of Islamic capital markets.

During the SCxSC fintech summit, the SC announced the introduction of the Regulatory Sandbox; given the rapid emergence of innovative products and services that challenges the boundaries of our existing regulatory framework. This Regulatory Sandbox offers a controlled environment to explore new ideas that will benefit the capital market while maintaining focus on investor protection. This would supplement the SC's approach towards creating fit-for-purpose and forward-looking policies for the capital market.

SCxSC continues to underscore the SC's commitment to foster responsible, purpose-driven innovation. By facilitating meaningful dialogue between regulators, market players, and innovators, SCxSC remains pivotal in shaping a capital market ecosystem that is resilient, forward-thinking, and primed for sustainable growth in the digital era.