

Accelerating Digitisation in the Fund Management Industry

The SC launched the Fund Management Industry Digitisation Group (FMDG) in November 2019 to accelerate the digitisation of the fund management industry to help enhance investors' digital experience and improve the overall operational efficiency of the industry. The FMDG working group comprises members from the SC, BNM and industry members representing fund distributors, fund managers and trustees. FMDG is made up of the digital onboarding workgroup and the fund management services workgroup.

Recommendations identified and implemented in 2020 included:

- Enabling higher online settlement limit for the fund management industry, in tandem with the brokerage industry.
- Increasing the use of electronic transfer for income distribution. Most firms in the fund management industry have reduced the use of cheques but a few have retained it. In this regard,

the SC has engaged several fund management companies¹ (FMCs) with high usage of cheques, and have gathered their commitments to move towards e-distribution or auto-reinvestment from 2021 onwards.

- Enhancing information sharing for improved decision-making. FMDG has facilitated the publishing of NAV prices online via FIMM's amendments to its Investment Management Standard. This enabled current and relevant information to be hosted and updated on its website for access by relevant stakeholders.

FACILITATING GROWTH OPPORTUNITIES FOR MARKET INTERMEDIARIES

To strengthen the competitiveness of capital market intermediaries, the SC continues to develop regulatory frameworks that are facilitative and responsive to enable the intermediaries to grow beyond traditional product offerings and business models.

FUND MANAGEMENT INDUSTRY DIGITISATION GROUP

...aims to facilitate collaboration between regulators, industry associations, asset management companies, banks and other stakeholders to accelerate the digitisation of the fund management industry

Two working groups were created to achieve this objective

Digital Onboarding



To improve retail investors' experience when investing in domestic collective investment schemes

Fund Management Services



To increase convenience and ease of access for retail investors



To digitise and streamline post-trade and settlement processes

¹ The fund management companies engaged are Affin Hwang Asset Management, Eastspring Investments, Principal Asset Management and Saham Sabah.