

## The six P2P lending operators in Malaysia

The Securities Commission Malaysia (SC) last Thursday announced the six registered peer-to-peer (P2P) financing platform operators in Malaysia. The six were chosen from over 50 applicants that had submitted their bids to the capital markets regulator to be considered for registration.

SC chairman Tan Sri Ranjit Ajit Singh says the successful P2P operators comprise existing P2P players from other markets, local technopreneurs and financial services professionals.

"These operators each draw on their unique strengths either through partnership with local banks, facilitating foreign direct investment, offering Islamic financing, micro-financing and invoice financing or leveraging data analytics to generate unique insight into small and medium enterprises (SMEs)," he adds.

The six operators have nine months to operationalise their respective platforms, with some targeting to launch as early as 1Q2017.

They are:

### 1 B2B FinPAL

B2B FinPAL aims to provide P2P financing for SMEs through business expansion financing and micro-invoice factoring.

For the last 17 years, B2B FinPAL's parent, B2B Commerce (M) Sdn Bhd, has been providing supply chain management software solutions in the SME space.

It already has a customer base that includes companies in retail, fast-moving consumer goods, oil and gas, manufacturing and logistics around the region. Apart from its home base of Malaysia, B2B Commerce has clients in Cambodia, Indonesia, Vietnam and China.

B2B FinPAL is targeting high-net worth individuals as investors.

### 2 Ethis Kapital

Ethis Kapital aims to create a sustainable Islamic funding marketplace, building on Malaysia's strength as a global Islamic finance hub. It wants to grow Islamic crowdfunding by focusing on projects that are both commercially viable and socially responsible for its crowd of ethical and Islamic investors. Ethis Kapital intends to work with shariah-compliant businesses looking for financing but it welcomes all investors – Muslims as well as those looking for ethical investment options. It is planning to host loans of between RM50,000 and RM500,000.

### 3 FundedByMe Malaysia

FundedByMe Malaysia is one of the six equity crowdfunding operators registered by the SC last year.

It is a joint venture between Sweden-headquartered FundedByMe and local digital marketing agency Alix Global.

FundedByMe is one of the fastest-growing crowdfunding platforms in Europe, with more than 72,000 investors across 178 countries. It has raised more than 28 million euros (RM130 million) for over 500 companies.

### 4 ManagePay Services Sdn Bhd

ManagePay Services Sdn Bhd is the managed payment services arm of the ACE Market-listed ManagePay Systems Bhd. The parent has already been in the business of providing payment solutions for companies large and small. ManagePay Services, through its platform QuickKash, aims to make credit more affordable for SMEs and investing more rewarding for investors. The focus is to provide short-term loans for SMEs that need working capital. Loan sizes can be as small as RM10,000 or RM20,000 with tenures of three, six, nine or 12 months.

### 5 Funding Societies Malaysia

Funding Societies Malaysia, incorporated as Modalku Ventures, is the latest branch of regional P2P lending platform Funding Societies, which has been operating in Indonesia and Singapore. In 2015, the platform operator originated almost S\$13.8 million (RM42 million) in invoice financing and business term loans for over 100 SMEs to grow their businesses. Investors include global and regional venture capital firms Sequoia Capital India and Alpha JWC. In Malaysia, Funding Societies is looking at providing loans of RM50,000 to RM500,000 on tenures of one to 24 months.

### 6 Peoplender

Peoplender is a financial technology startup by P2P Venture Sdn Bhd, a new company backed by former banking professionals and a lawyer.

It aims to facilitate greater access to financing, focusing on viable SMEs and micro-entrepreneurs that are still unserved by banks.

It is looking at offering loans of between RM20,000 and RM200,000. But investors can participate in a loan for as little as RM50 per investment note.