

International Conference

Strengthening Payment Systems in Asia

Session I : Capital Flows, Payment Systems in Asia and its Relation to Financial Markets

Payment System in Malaysia

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Abstract

This paper examines existing Malaysia's payment system, which has been undergoing changes in recent years. Among the notable changes is the emergence of electronic-based payment system. In Malaysia, e-payment instruments have been introduced actively in the late 1990s and early 2000s. As a result of the active introduction of e-payment instruments, the volumes of transactions per capita using e-payment instruments have increased tremendously in recent years. The paper then examines how small- and medium-sized enterprises have enjoyed the benefit tremendously from e-payment scheme as the availability of e-payment instruments offers higher efficiency in business operations, cost reduction, enhanced security and wider payment channel choices. Finally, the paper assesses the impact of the current global financial crisis on capital flows and payment system in Malaysia.