

Malaysia

at a glance



Executive message: Welcome to Malaysia



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Malaysia continues to be a top 25 trading nation and offers great potential for investors. Its booming demography, flourishing business landscape inclusive of a vibrant manufacturing sector, along with its favourable government policies, all offer corporates unique investment prospects. Its diversified economy and connectivity to global trade networks and supply chains further add to its allure.

Located strategically in the heart of ASEAN, Malaysia has one of the highest standards of living in the region. With its superior infrastructure and the substantial investment planned over the coming years, the country makes for an ideal regional and international base for businesses.

HSBC's presence in Malaysia dates back 140 years when the Hongkong and Shanghai Banking Corporation Limited established its first office in the country. Today, HSBC has approximately 6,000 employees in Malaysia, inclusive of employees in the bank and its network of 54 branches nationwide, along with its global shared service centre, which serves the operations of 39 different countries. Our goal is to help our clients grow their businesses and embrace all of the opportunities Malaysia has to offer.

Get in touch to find out how HSBC can help you and your business thrive in Malaysia.

We look forward to seeing you here!

Watch the video to learn more about the growth opportunities Malaysia offers to your business.



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Overview



Major language(s)
Bahasa Malaysia (official language), English, Mandarin and Tamil

Time zone
UTC +8

Population
34.3 million (2023 est.)

Currency
Malaysian Ringgit (MYR)

Central bank
Bank Negara Malaysia (BNM)

Total area
330,323 sq km

Gross domestic product (GDP)
USD431 billion (2023 est.);
4.1% growth rate (2023 est.);

Consumer price index, average
3.3% (2022);
2.5% (2023 est.);
2.4% (2024 est.)

Capital
Kuala Lumpur

USD12,560 per capita (2023 est.)

Exchange rate vs. USD
4.71
(as of 30 June 2024)

Thrive regionally, grow confidently

Businesses across the globe are finding the ASEAN opportunity increasingly compelling. Why? Because it is built on multiple pillars, each reinforcing another, rather than relying on a single mega-trend. A combination of factors – demographic, technological, geopolitical and regulatory – is driving this diverse and dynamic region to new and self-sustaining heights.

There's a caveat of course. When its economy becomes the world's fourth largest, as is expected by 2030¹, ASEAN won't be any less complex. But by then, early-mover advantage in its burgeoning industries will have been grasped by those who acted quickly to take the uncertainty out of ASEAN's expansion opportunity.

The leaders will be firms whose CFOs and treasurers have also built a holistic vision from multiple sources of strength, while drawing on and catering to the individual characteristics of ASEAN's fast-evolving – and rapidly digitising – economies. In particular, they will be the businesses that have positioned themselves for success by prioritising treasury innovation, embracing the new economy, and integrating sustainability into their financial strategies. In short, ASEAN's leading firms will have aligned themselves with the future.

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Optimism, dynamism, futurism

With a population that will reach 700 million by 2030 – 61% of which is currently under the age of 35² – ASEAN’s expanding and tech-literate middle class is expected to double domestic consumption by the end of the decade. Much of this demand will be digital, with healthcare, biotech and education among the new economy sectors that are likely to benefit.

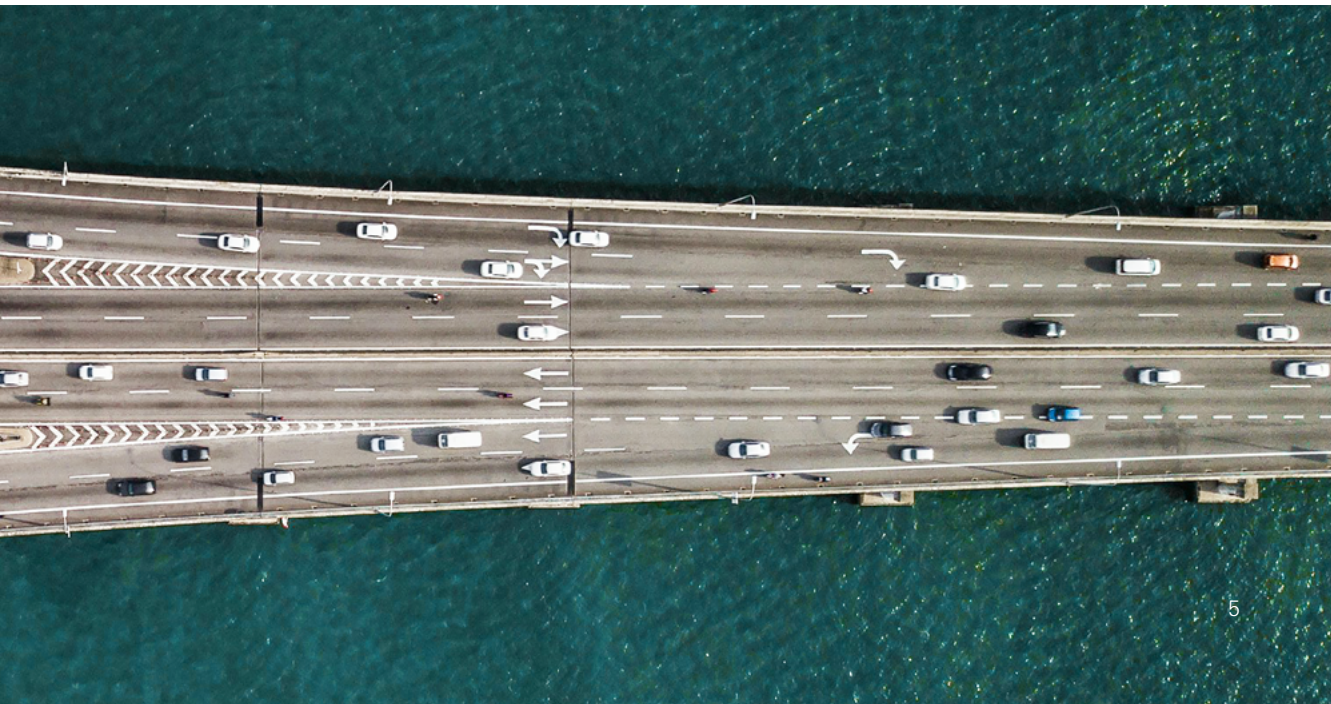
Unsurprisingly perhaps, the region’s businesses are also among the most optimistic in the world. More than 90% are more upbeat about the region’s prospects than they were a year ago, according to an HSBC survey of decision-makers in its six biggest economies³.

But consumer and business energy does not exist in a vacuum. In recent decades, at least part of ASEAN’s appeal has been its proximity to neighbouring giants; however, ASEAN’s largest export market is now itself, with intra-community trade reaching

historic levels. According to a survey of 600 businesses in ASEAN’s six core economies, 57% of firms expect their intra-ASEAN trade to increase by up to 30% this year, while a further third foresaw a higher uptick⁴. Inflows still matter. Foreign direct investment rose 5.5% to a new high of USD224 billion in 2022, surpassing China, as global levels fell⁵.

The Regional Comprehensive Economic Partnership ensures strong ties with ASEAN’s five main regional trading partners – China, Japan, South Korea, Australia and New Zealand – via the world’s largest free trade agreement, accounting for around 30% of the world’s GDP and over a quarter of global trade⁶.

In combination, these factors are set to drive the ASEAN economy to 5% of GDP growth per annum on average up to at least 2030⁷, offering opportunities to local and global businesses alike.



Visibility, flexibility, liquidity

To capture these exciting and evolving opportunities across ASEAN's strongest markets, CFOs and treasurers will need to reimagine their existing processes and practices, while adhering to first principles. In a varied and sometimes volatile business environment, it will remain important to exert control over multiple risk factors and cash flows, to establish visibility over subsidiaries, business partners and supply chains, and to maintain flexibility to account for local regulations, practices and preferences.

To this end, treasurers are turning to digital platforms for real-time cash visibility, automated payments and streamlined treasury operations, with cloud-based treasury management systems becoming indispensable for managing liquidity and risks across diverse markets.

Firms appreciating the benefits of digitised control and visibility across their ASEAN operations include IHH Healthcare, one

of Asia's largest private healthcare groups. Having grown rapidly through acquisition, the firm has adopted a centralised treasury model based on group-level policies and processes, host-to-host connectivity between banks and in-house payroll and accounting systems, and a multi-currency notional pooling structure to optimise liquidity, funding and investments. Its sharp improvements in visibility and flexibility can be measured in tangible terms, with a halving of bank accounts and an extra USD74 million to pay down debt and boost investments.

Critically, firms are looking to treasury solutions that serve multiple needs and specific contexts, such as streamlined collections services that offer a smooth customer experience as well as internal process efficiencies, by leveraging connectivity to real-time payments networks in key markets.

Digitisation, transformation, solutions

Building on a vibrant ecosystem of tech startups, e-commerce platforms and digital payment solutions, ASEAN's rapid digital transformation is reshaping traditional industries and creating new opportunities. The extent of these is reflected in the fact that Southeast Asia's digital economy is set to double to USD340 billion by 2025, on the road to surpassing USD1 trillion in 2030⁸.

Governments and regulators are creating an enabling environment for e-commerce in response to the mobile-first preferences of middle-class consumers. The authorities in Singapore and Malaysia have awarded digital banking licences, as infrastructure and regulatory roadmaps are rolled out in all major ASEAN markets to encourage digital transformation and prompt the emergence of the next Grab, Ovo or GoTo.



The rise of FinTech innovation presents both challenges and opportunities for treasurers, who must be able to evaluate the value of emerging digital technologies to company-wide e-commerce strategies as well as more specific treasury-focused tasks.

Foodpanda, a Singapore-based food and grocery delivery company operating in 11 Asian markets, has done both, implementing technology-led solutions which streamlined its bank account structure, improved liquidity visibility, control and yield, saved cost and effort through automated processing of high payment volumes, and enhanced the digital experience of clients and partners.

Key elements included the bulk execution of payments on real-time payment rails, virtual accounts that automated the identification of incoming payments from merchants, and an ongoing expansion of supported digital payment methods. Whether one considers the seamless customer experience or the USD1 million generated through the interest

enhancement solution, integration of treasury and business priorities underpinned an award-winning digitisation initiative.

An online delivery platform might be a suitable poster child for the new economy, but firms from a much wider range of sectors are realising treasury efficiencies and business benefits. These include DKSH, a market expansion services provider for companies looking to grow their business in new or existing markets in Asia and beyond, in consumer goods, healthcare, performance materials and technology.

The service provider has streamlined collections by accepting payments via a QR code scanned into a mobile device. Thanks to API connectivity, DKSH receives real-time notification of each payment while payer details and other transaction information are also embedded into the code to automate and accelerate reconciliation, which frees up customer credit lines more quickly for reinvestment into the business.

Sustainable, achievable, buildable

Whether driven by regulation, access to finance or access to markets, sustainability is emerging as a force of value creation in ASEAN.

With 11% of ASEAN GDP loss expected by 2100 if climate change is left unaddressed and having five out of 20 countries most impacted by climate change being from ASEAN⁹, the region's politicians and regulators have established the ASEAN climate vision 2050¹⁰ to ensure business and finance support the Paris Agreement, the Global Biodiversity Framework and the UN Sustainable Development Goals (SDGs).

But they're also alive to opportunity: the pursuit of carbon neutrality in ASEAN is expected to increase its GDP by up to USD5.3 trillion, attract green investments of up to USD6.7 trillion, and create up to 66 million additional jobs across the region by 2050¹¹.

The ASEAN regulators are putting in place an array of standards, strategies, plans and guidance to accelerate climate actions across the region. For example, the latest version of the annually updated ASEAN Taxonomy for Sustainable Finance was unveiled in April, setting sustainable financing and investment criteria for three out of the six focus sectors. Additionally, the ASEAN Climate Change Strategic Action Plan 2025–2030 is currently being developed, which will provide clear prioritised actions, timelines and implementation agencies to sustainably transform ASEAN as a region¹².

Aligning business models with sustainability goals will thus present CFOs and treasurers with multiple opportunities to add value

to the wider organisation over the coming decades, not only on the funding and investment side, but also in terms of reporting performance to stakeholders, and liaising with customers along the supply chain to collaborate on common sustainability objectives.

With lenders and investors expecting sustainability as well as financial performance, there are increasing funding opportunities across ASEAN for firms that can meet climate- or nature-related KPIs. Similarly, corporates can develop stronger relationships with customers and suppliers through programmes that provide financial incentives for better sustainability performance, such as sustainable supply chain financing.

From a cash and payments perspective, firms in the region are already combining customer convenience and process efficiency with sustainability. These include Malaysia's Sunway Property, which has replaced a highly labour-intensive and paper-driven process with a solution developed by HSBC that digitises the processing of multiple documents regularly exchanged by property developers and buyers.

This not only improves operational efficiency, but is a major step toward the alignment of Malaysia's real estate sector with SDG 12 on responsible consumption and production of resources.

Challenging, compelling, connecting

Alongside the opportunities outlined earlier, ASEAN offers its fair share of challenges to treasurers and CFOs. Many risks lie in its divergent regulatory and tax regimes, while geopolitical tensions, trade disputes and other sources of disruption can never be discounted in a region of such scale and contrast.

To negotiate these hurdles and align with the future, firms should seek established, knowledgeable and innovative partners, both at the local and regional level, with a deep understanding of the dynamics of each market and a broad-based experience of connecting businesses across individual economies to connect.

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1. World Economic Forum, 2024
2. World Economic Forum, 2019
3. HSBC
4. HSBC
5. ASEAN Investment Report 2023
6. ASEAN, 2022
7. ASEAN, 2023
8. Temasek in collaboration with World Economic Forum and AlphaBeta, 2021
9. ASEAN.org, August 2023
10. ASEAN.org, June 2022
11. ASEAN.org, August 2023
12. The ASEAN Capital Markets Forum, April 2024; Institute for Global Environmental Strategies (IGES), April 2024

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Global Research.**

Banking system and bank accounts

Bank Negara Malaysia (BNM) is the central bank of Malaysia. It has no explicit inflation target but influences the monetary system through the overnight policy rate (OPR). To manage liquidity, BNM also sets the statutory reserve requirement (SRR) ratio.

Since Malaysia has a large Muslim population, the country has a dual banking system, conventional and Islamic. Commercial banks are the most widely used among consumers.

The industry is competitive because it is a mature banking market. Malaysian banks have expanded into neighbouring countries in Southeast Asia, as well as in the Asia Pacific region.

The basic requirements for opening a business account in Malaysia include:

- A completed application form from the bank.

- Letter of introduction and recommendation from an existing customer of the bank (some banks do not require this).
- Photocopies of the identifications of the company directors and authorised signatories.
- Certified true copies of the:
 - Resolution from the board of directors to open the account and a list of the authorised signatories
 - Return of allotment of shares (section 78)
 - List of directors (section 58)
 - Registered office address (section 46)
 - Company's constitution
 - Certificate of incorporation (section 17).

The following types of bank accounts are currently available:

Account type	Local current	Local savings	Foreign current	Foreign savings
Resident	✓	✓	✓	✓
Non-resident	✓	✓	✓	✓



Clearing systems and payment instruments

Clearing system	Comments
RENTAS (Real Time Electronic Transfer of Funds and Securities)	<ul style="list-style-type: none"> • A nationwide, real-time gross settlement system (RTGS) for electronic domestic payments. • The current minimum amount for third party payments is MYR10,000 for conventional and Islamic accounts through manually initiated transactions. • The minimum threshold limit for internet banking channels is currently set at MYR50,000. • There is no limit for accounts favouring RENTAS members' own accounts. • The limit is not applicable to payments in favour of BNM, federal ministries, state governments and other government bodies such as the Social Security Organisation, Employees' Provident Fund or any institutions specified by BNM.
IBG (InterBank Giro)	<ul style="list-style-type: none"> • Operated by MEPS (Malaysian Electronic Payment Services). • Involves an exchange of digitised transactions to effect payment orders that are less than MYR100,000 per transaction. • IBG services are currently available between participating banks that are MEPS members only. Transfer of funds between an external account and resident account are allowed up to MYR5,000 per day in aggregate for any purpose.
CTCS (Cheque Truncation and Conversion System)	<ul style="list-style-type: none"> • Uses the electronic image and Magnetic Ink Character Recognition (MICR) data of the cheque and not the physical cheque to process clearing. • Cheques are digitally transmitted, thus efficiently reducing time needed for payment transactions.

Malaysia is shifting towards a cashless society as digital payments become more dominant, with high usage in contactless cards, Quick Response (QR) payments or online and in-app payments.

Popular payment methods encompass online payments through bank transfers enabled by the Financial Process Exchange (FPX) and debit cards and credit cards. E-wallets and QR digital payments are also gaining traction due to the cross-border functionality through DuitNow.

While debit cards and credit cards powered by networks such as Visa, Mastercard and American Express remain popular, Malaysians are embracing the convenience and efficiency of digital transactions, marking a significant departure from traditional payment practices.

BNM reported an increase in e-money transactions per capita from 65 to 98 in 2022.

Trade

In the area of Trading Across Borders, Malaysia introduced electronic forms and enhanced its risk-based inspection system. The country also made importing and exporting easier by improving infrastructure and the port operation system at Port Klang, which is now ranked in the top 20 container ports in the world.

In 2022, Malaysia was ranked the 36th economy in the world in terms of GDP (current USD), the 22nd in total exports, the 23rd in total imports, the 69th economy in terms of GDP per capita (current USD) and the 24th most complex economy according to the Economic Complexity Index (ECI).

In 2022, Malaysia was the world’s biggest exporter of Oscilloscopes (USD5.99 billion), Rubber Apparel (USD4.78 billion), Other Vegetable Oils (USD1.66 billion), Rare-Earth Metal Compounds (USD690 million), and Copper Powder (USD664 million).

	Exports	Imports
Value (2023 est.)	USD352.4 billion	USD294.4 billion
% of GDP (2023 est.)	68.8%	61.7%

Taxation

Resident/non-resident

- The company is a tax resident in Malaysia if the management and control of its business is exercised in Malaysia.
- Resident companies are subject to tax on income accrued in or derived from Malaysia or foreign-sourced income received in Malaysia.
- Non-resident companies without a permanent establishment in Malaysia are taxed only on Malaysia-sourced income.

- However, all gains/losses on revenue account financial instruments are taxable/ deductible for banks.

Interest and financing costs

- Interest is generally tax deductible, on the condition that the underlying loans were used in the production of income.

Foreign exchange

- Similar tax treatment as financial instruments.

Financial instruments

- Realised gains/losses on revenue account financial instruments are taxable/ deductible while unrealised or capital gains/losses are not.

Advance tax ruling availability

- Taxpayers can request for advance rulings on the interpretation and application of the tax law to proposed arrangements.



Capital gains tax (CGT)

- Real property gains tax (RPGT)
 - Gains from disposal of real property situated in Malaysia or shares in a real property company (RPC) are subject to RPGT at 10% to 30%, depending on the holding period.
 - RPC refers to a controlled company owning real property or shares in an RPC or both where the total value of the property and shares is not less than 75% of its total tangible assets.
 - Effective 1 January 2024, CGT in-scope taxpayers are no longer subject to RPGT on gains from disposal of RPC shares.
- CGT
 - From 1 January 2024, gains from disposal of (1) shares in unlisted companies incorporated in Malaysia, (2) shares in controlled foreign companies deriving value from Malaysian real property, or (3) capital assets situated outside Malaysia with proceeds remitted into Malaysia are subject to CGT.
 - Exemptions may apply to certain situations and subject to meeting conditions.
 - For (1) and (2), CGT rate is 2% or 10%, depending on the acquisition date.
 - For (3), taxpayers are taxed at the prevailing income tax rate.

Withholding tax (WHT)

- Domestic payments are generally not subject to WHT.
- There is no WHT on dividends distributed to non-residents.
- Interests paid to non-residents are subject to WHT at 15%.
- Royalties, service payments and rental of moveable properties paid to non-residents are subject to WHT at 10%. Exemption is provided where the services are performed outside Malaysia.
- Reduced WHT rate may be provided under Malaysia's tax treaties.

Tax treaties

- A foreign tax credit (FTC) is granted under Malaysia's tax treaties. The credit is limited to the lower of (1) the actual foreign tax paid, and (2) the Malaysia tax payable on that foreign income.
- A unilateral FTC is granted in respect of foreign tax paid on income derived from countries that have not signed double taxation agreements (DTAs) with Malaysia or the DTAs do not provide such relief. The unilateral FTC is limited to the lower of (1) the Malaysia tax payable on that foreign income, and (2) 50% of the foreign tax paid.
- DTAs generally take precedence over the domestic law.

Thin capitalisation

- There are no thin capitalisation rules in Malaysia.
- Earning Stripping Rules (ESR) applies to cross-border related party financial assistance, including financial assistance from a foreign-related party operating through a permanent establishment in Malaysia and any financial assistance arrangement with a foreign third-party lender guaranteed by related parties, regardless of the guarantor's tax residency.
- Where total interest expense on all related party financial assistance which is subjected to ESR exceeds MYR500,000, any interest exceeding 20% of the defined tax-EBITDA is disallowed.

Transfer pricing

- Related-party transactions (RPTs) must be on arm's length terms, i.e., being carried out as if the parties were unrelated and independent.
- If it is found that the pricing of the RPTs is not at arm's length, the tax authority may impose transfer pricing adjustments and relevant penalties.

Cash pooling

- General tax deduction rules and transfer pricing principles apply to cash pooling arrangement.

Banking services tax

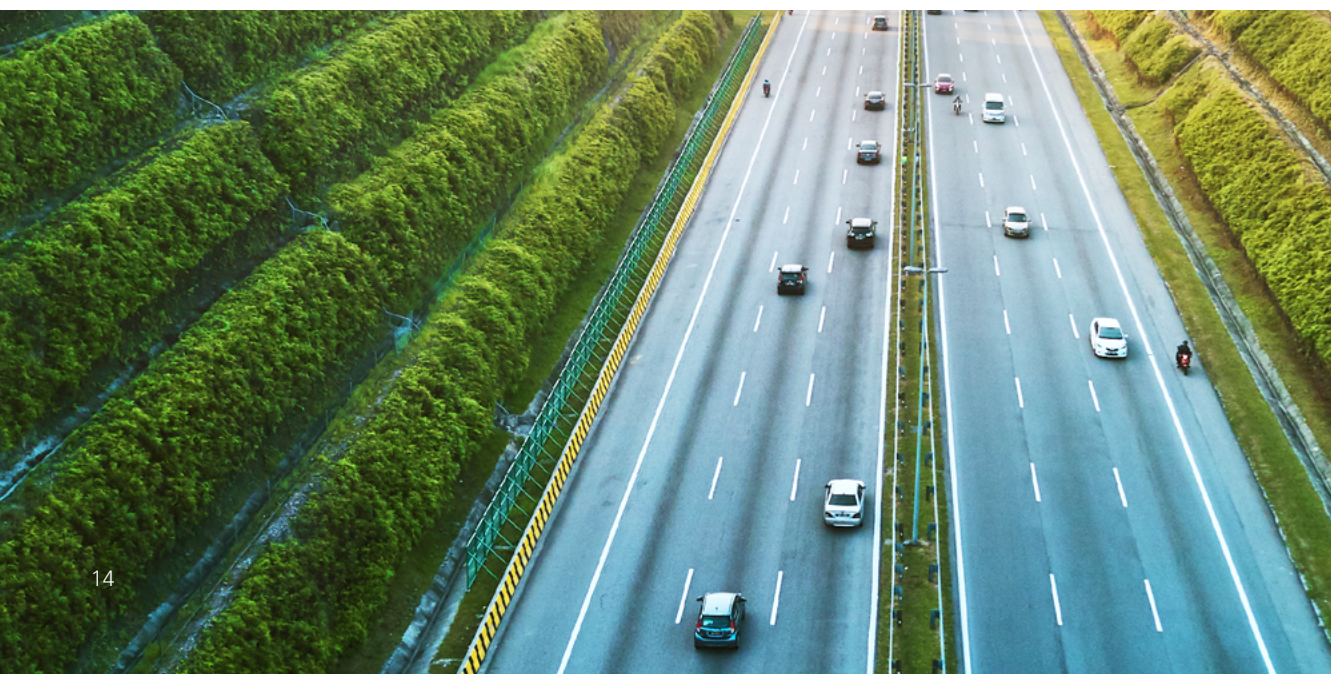
- None.

Corporate Income Tax (Rate)	24%
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Personal Income Tax (Rate)	0–30%
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Value Added (Sales) Tax (Rate)	10%
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IMD World Competitiveness Ranking number	27
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Environmental, social and governance

Initiatives by the Ministry of Finance:

- Release of the Principles on Good Governance for Government-linked Investment Companies (PGG).
- Launch of the revised Malaysian Code for Institutional Investors (MCII).

Initiatives by the Securities Commission (SC) Malaysia:

- Alignment of ASEAN Taxonomy for Sustainable Financing with Climate Change and Principle-based Taxonomy Issued by BNM and environmental component of Sustainable and Responsible Investment (SRI) Taxonomy for the Malaysian Capital Market issued by the SC.
- SC Advisory Committee on Sustainability Reporting issued consultation on the implementation of ISSB sustainability reporting standards in February 2024.
- Launch of the SRI-linked Sukuk Framework and expansion of SRI Sukuk and Bond Grant Scheme – for issuances under SRI-linked Sukuk Framework and ASEAN SLBS.
- SC's Capital Markets Malaysia published a transition strategy toolkit in April 2024 to help firms raise transition capital.

Initiatives by Bank Negara Malaysia:

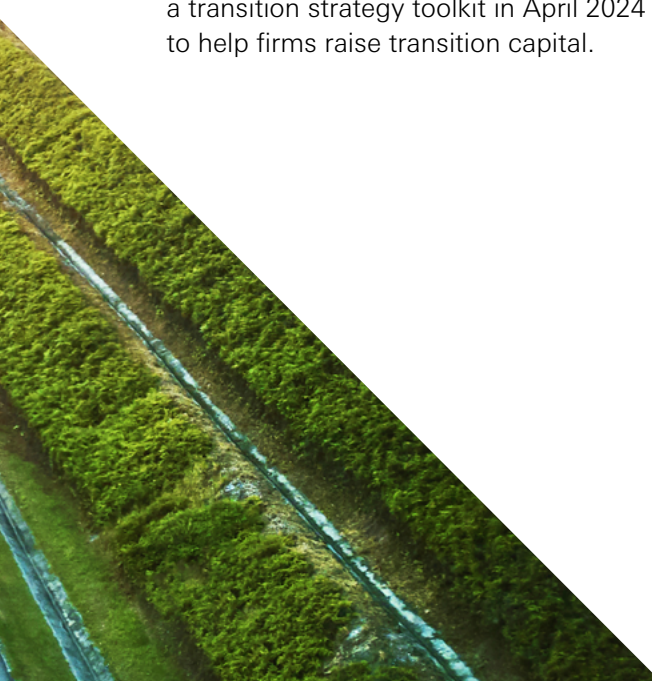
- New methodology for financial institutions' climate Risk Stress Testing exercises published by BNM in March 2024.
- Launch of the Low Carbon Transition Facility (LCTF) to encourage SMEs to adopt sustainable practices.
- Announcement of the Greening Value Chain (GVC) Programme.

Initiatives by Bursa Malaysia (stock exchange):

- Release of the enhanced Sustainability Reporting Guide Framework.
- Launch of the Bursa Carbon Exchange (BCX).

Expected developments:

- JC3 said it would integrate nature risks into financial institutions' climate risk strategies in March, and added it would support finance sector alignment with sectoral transition pathways, as per the national strategy.
- BNM will expand the use cases to include sector- or project-specific use cases for CCPT, based on the Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Sectoral Guides.



Clearing systems holidays 2024

Holiday	Date
New Year's Day	1 January, Monday
Thaipusam	25 January, Thursday
Federal Territory Day	1 February, Thursday
Chinese New Year	10 February, Saturday 11 February, Sunday ¹
Nuzul Al'Quran	28 March, Thursday
Hari Raya Puasa (Eid-ul-Fitri)	10 April, Wednesday 11 April, Thursday
Workers Day	1 May, Wednesday
Wesak Day	22 May, Wednesday
Harvest Festival (Labuan Only)	30 May Thursday 31 May Friday
Yang Dipertuan Agong's Birthday	3 June, Monday
Hari Raya Haji (Eid-ul-Adha)	17 June, Monday ²
Awal Muharram (Maal Hijrah)	7 July, Sunday ¹
National Day	31 August, Saturday
Malaysia Day/Birthday of Prophet Muhammad	16 September, Monday
Deepavali	31 October, Thursday
Christmas Day	25 December, Wednesday

1. When a public holiday falls on Sunday, the following Monday will be observed as a holiday, and if there is an overlapping public holiday on a weekday, the following day will then be observed as a holiday.
2. Date subject to change

Sources for country profile (pages 3, 10–16): Asian Development Bank; Bank Negara Malaysia; Bursa Malaysia; Climate Bonds Initiative; ESG Investor; HSBC; KPMG (Taxation); Ministry of Investment, NST; OEC World; Trade and Industry, Malaysia; US Department of the Treasury; World Bank

Case study:

Sunway Property

Promoting sustainability in Malaysia's real estate sector

The challenge

Established in 1974, Sunway Property is the property arm of the Sunway Group and is now one of Malaysia's top multinational property construction corporations. As a master developer of community spaces, environmental and social consciousness forms a central tenet of Sunway's corporate ethos, which it aims to incorporate into every aspect of its operations. The same commitment extends to its treasury department, where the team identified the reduction of paper-intensive processes as a key means of furthering the company's sustainability initiatives.

Traditionally, real estate developers in Malaysia are required to maintain a Housing Development Account (HDA), into which they channel payments received from buyers. The HDA is a regulated bank account under the governance of the Ministry of Housing. To withdraw funds from an HDA account, a licensed housing developer must provide sufficient documentation to the requesting parties, outlining the purpose of the payment.

Under the standard HDA withdrawal procedure, the developer was required to submit these supporting documents physically to its financial controller (e.g. the bank). Authorised signatories then had to physically sign the documents to authorise the HDA withdrawal processes. This process was highly manual, time-consuming and inconvenient, particularly when signatories were not physically present. Additionally, it carried risks associated with the loss of documents during transit, and the manual tracking process was neither efficient nor effective.

HSBC solutions and capabilities



HSBC's e-Housing Development Account

The solution

Sunway made the decision to incorporate HSBC's e-Housing Development Account (e-HDA) offering to reduce paper use in day-to-day payment processes.

By collaborating with the first bank in Malaysia to offer a complete e-HDA solution, Sunway successfully achieved complete digitisation of this long-standing paper-intensive process in a relatively short timeframe, all without incurring significant costs for its overall operations.

Sunway now submits withdrawal requests via file uploads to HSBCnet and provides all supporting documentation digitally through secure channels. All documents can be centrally accessed and viewed on HSBCnet, ensuring full visibility for auditing purposes.

"The impact that the e-HDA proposition has already had for many of Malaysia's real estate companies is something that we are very proud of, as it has allowed companies such as Sunway to drive more operational efficiency while intensifying their ESG commitments. We believe that this solution will play a key role in highlighting the numerous benefits that corporates can realise by adopting more sustainable practices, and will be looking to build on this by continuing to work with our customers and regulators on unlocking more solutions that can facilitate the transition to a more sustainable economy."

Anand Mukati

Country Head, Global Payments Solutions, HSBC Malaysia

The benefits

This transformation has enabled Sunway to eliminate paper usage in the HDA withdrawal process, providing the company with a vital opportunity to meet its sustainability goals while enhancing operational efficiency. In the context of the existing resource-intensive and inefficient traditional process, this environmentally conscious solution has provided several benefits, including cost savings, improved process efficiencies, increased automation, improved visibility and a reduction in manual intervention and errors.

Treasurers can often find themselves uncertain about the immediate actions required to contribute to their organisation's overall sustainability strategy. As Sunway has demonstrated, however, digitising long-standing paper-intensive processes can be an easily overlooked step that treasurers can take immediately, with the added benefit of mitigating risk and enhancing the overall efficiency of payment processes.

Sunway was the Highly Commended Winner, Best Sustainable Treasury Solution award-winner at the Adam Smith Awards, Asia 2023, highlighting to industry peers and the broader market that the advantages of adopting sustainable business practices extend well beyond environmental consciousness. It marks a significant milestone in promoting sustainability within Malaysia's real estate sector in line with SDG 12 responsible consumption and production of resources.



HSBC cash management capabilities

Liquidity management

Physical cash pooling	✓
Notional pooling – balance compensation	✗
Notional pooling – interest optimization	✓
Commercially our product is called Interest Enhancement Facility (IEF)	
Liquidity Management Dashboard	✓

Payments

Cash withdrawals	✓
Cheque payments	✓
Direct debit payments	✓
Domestic outgoing transfers	✓
Real Time Instant Payments via Fast and Secure Transfers (FAST) & Paynow Alias	✓
Commercial cards	✓
Virtual cards	✓
International outgoing transfers	✓
SWIFT GPI	✓
Card issuing	✓

Collections

Over-the-counter deposit (cash)	✓
Inward telegraphic transfers	✓
Inwards RTGS (RENTAS)	✓
Inward domestic transfers	✓
QR code (Duitnow QR)	✓
ACH Direct Debit Collections	✓
Virtual Accounts for Payor Identification	✓
Omni Collect – alternate payment methods enablement (in store & online)	✓

Channels

Local e-banking	✓
Global e-banking – HSBCnet	✓
SWIFT/ host to host	✓
Treasury APIs	✓

HSBC trade finance capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	✓
Payables	✓
Inventory	✓

Trade channels

Trade finance	✓
Supply chain finance	✓
SWIFTNet Trade for Corporates	✓
HSBCNet for Trade	✓

ASEAN's international bank

With over 135 years supporting businesses in six ASEAN countries, and an extensive network across Asia and the rest of the world, HSBC provides clients with an in-depth understanding of local market dynamics, tailored advice and international connectivity.

Businesses can harness HSBC's extensive regional experience, and benefit from local insights, dedicated support and comprehensive market research for a competitive advantage in ASEAN markets.

HSBC's network across ASEAN



200
locations



15k
staff



2.5m
retail clients



10k
corporate clients



20k
SME clients



Captures
over 93% of
ASEAN GDP and
international trade

Our services

With a deep understanding of the region's markets and businesses, HSBC provides comprehensive financial services to support companies operating in ASEAN.



Trade finance



**Treasury
management**



**Cash
management**



Capital markets



Advisory services

Source: HSBC Commercial Banking



Global expertise for global businesses

Expectations of, and demands on, corporate treasurers and their teams are high. As well as all the traditional functions of overseeing and being responsible for payment methods and technologies, cash visibility and optimisation, they must also be aware of changing regulatory environments and the increasing demands of ESG compliance and standards.

HSBC's broad and deep international networks connect clients to experienced, on-the-ground specialists and solutions. This extensive network helps businesses scale up, with a full suite of tailored services including access to capital, easy cross-border transactions, advisory services and more.

As the world's number one trade bank, HSBC facilitated USD850 billion in trade in 2023¹. Businesses looking for a banking partner to support international growth and enable them to explore new opportunities can rest assured that HSBC understands individual markets and how to navigate the dynamics between them.

HSBC's extensive banking network facilitates cross-border transactions. With specialist knowledge, dedicated Southeast Asia desks and ASEAN specialists in other countries, and local RMs, HSBC is an invaluable guide to assisting businesses through regulatory, cultural and economic nuances to achieve their growth potential.

HSBC's ASEAN Desk Network comprises individual specialists who provide valuable insights into local business practices, cultures and legal environments. It can also help clients identify growth opportunities and support their entry to new markets in ASEAN. These desks are available for major corridors, including China, Germany, France, the UK and the Middle East – all offering support in local languages.

Treasury cannot work alone, which is why HSBC has a suite of interconnected regional solutions for working capital, trade, liquidity and risk management, and specialist teams across Real Estate, Commodities & Structured Trade, Private Equity, Leveraged Finance and Debt Origination.





Watch the video to find out more about the HSBC Sustainability Tracker

Leading transition pathways

ASEAN countries have seen an increase in the development of policies, standards and initiatives that aim to support greater deployment of sustainable finance. In turn, there is an increased expectation for corporates to be more transparent on their sustainability targets and performance in order to enhance their access to capital.

In six key ASEAN markets, mandatory sustainability disclosure requirements have been implemented for listed companies, with some countries looking to further enhance these requirements to align with global developments. For example, the Singapore Exchange (SGX) announced in February 2024 that all listed issuers and large non-listed companies will be required to report climate-related disclosures from 2025 and 2027, respectively, in line with the

International Sustainability Standards Board (ISSB) standards².

HSBC offers a range of products, services and tools to support clients on their sustainability journey. For businesses involved in carbon-intensive industries, HSBC's Transition Pathways provides insights and solutions to help guide companies towards net zero. HSBC's Sustainability Tracker offers tailored suggestions and tangible actions that companies can implement to create a more sustainable business across their operations, energy use and products. HSBC's global network of analysts actively support dedicated coverage teams in providing key insights into the increasingly broad and fast-moving world of ESG.

Innovating for growth

HSBC gives clients the ability to trade and invest confidently, securely and efficiently all around the world, through the development of innovative new business models and the digitisation of companies' business and financial operations.

Management of the supply chain and quick responses to disruptions can impact cash flow, particularly if businesses face seasonal working capital challenges due to the cyclical nature of purchasing inventory from several suppliers. Across ASEAN, HSBC offers innovative trade finance solutions that help treasurers effectively manage and mitigate risks, improve cash flow and optimise their trade operations, through services including supply chain finance, receivables finance, trade loans, guarantees and letters of credit. In Singapore and Indonesia, HSBC TradePay, a simplified digital trade finance solution, means companies can draw down on their loan and make just-in-time payments to suppliers.

Managing transactions across markets needs simple solutions for complex trades. HSBC Omni Collect simplifies digital payment collections for in-store and e-commerce companies. Multiple payment methods become available to customers, and the business receives a comprehensive overview of all sales receipts.

Businesses can access six ASEAN accounts through HSBCnet with one login, increasing efficiency.

Access to capital is critical for business expansion, as it provides the financial resources necessary to fund growth initiatives, scale operations, penetrate new markets, innovate, mitigate risks, and attract investors and strategic partnerships. HSBC's dedicated ASEAN Growth Fund holds USD1 billion to accommodate debt financing for new economy businesses across the region that are looking to scale up³. In addition, the New Economy Fund (available in Singapore and Malaysia) provides early-stage funding to new economy businesses, while Singapore's Venture Debt offering provides debt financing to high-growth companies that are backed by venture capital or private equity investors.

Ultimately, the key to unlocking growth in ASEAN is understanding the dynamics of each market and grasping how businesses across individual economies can connect and work together. To find out more about how HSBC's network could help you to grow your business in ASEAN, please visit <https://www.business.hsbc.com/asean>.

1. HSBC
2. SGX
3. HSBC

Clients across ASEAN have benefited from HSBC's global expertise, transition pathways and innovations for growth

Vietnam



HSBC's delivery of a green loan helped finance the purchase of equipment for Vietnam's first plastics recycling factory. Duy Tan Plastics Recycling Factory will recondition used plastic bottles for further use in packaging – a step forward in Vietnam's battle against ocean pollution.

Thailand




J&T Express (J&T) is one of Thailand's top express delivery companies, delivering up to two million parcels every day. HSBC's dynamic solutions helped J&T modernise its end-to-end collections and payments processes, with a PromptPay QR solution that leverages Thailand's real time payment network. Improved user experiences for employees, customers and partners have reinforced J&T's position in a competitive market.


Singapore




When Multiplier, a global employment platform, rapidly expanded, it needed a banking partner that could help with streamlined account opening across multiple sites, timely collections, straight-through payment processing and FX hedging solutions, and that's where HSBC stepped in to provide holistic solutions to support its business growth.




The Philippines

 Manila-based Prime Infrastructure Capital Inc. is addressing the country's waste disposal problem, with a broader strategy to support sustainable development. Its subsidiary PWS turned to HSBC for a USD24.5 million Green Loan to finance a sustainable waste management facility in Cebu. Not only will the facility recover more reusable material and reduce landfill-generated emissions by doubling the daily waste processing capacity of the plant, it will also produce a lower emission fuel alternative derived from refuse and biowaste.

Malaysia

 HSBC provided Malaysia's Guan Chong Cocoa Manufacturer with its first green trade financing facility in support of sustainable cocoa sourcing. Its parent company, Guan Chong Berhad, is the fourth-largest cocoa grinder in the world and has committed to making its cocoa supply chain sustainable by supporting growers, minimising environmental impact and producing sustainable cocoa. This bespoke financing arrangement helps the business to source certified cocoa beans from farms that do not contribute to cocoa-related deforestation.

Indonesia

 Digitalisation has been a game-changer for businesses with global expansion plans. However, expanding into foreign countries can be challenging because of varying regulations and cultures. Indonesia-based aquaculture company eFishery partnered with HSBC because of the bank's knowledge of different regulations and cultures, facilitating the business's expansion into India, Singapore and the United States.

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