



# Government Go Cashless

## AGD's Perspective

Accountant General's Department  
of Malaysia (AGD), Ministry of Finance

# Presentation Outline

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1. National Digital Transformation Agenda
2. Cashless Payment
3. Cashless Collection
4. AGD's Initiative



# 1. National Digital Transformation Agenda

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- MyDIGITAL
- AGD Business and ICT Strategic Plan 2019-2023

# National Digital Transformation Agenda



The **Malaysia Digital Economy Blueprint (MyDIGITAL)** is a vision towards Digital Malaysia. MyDIGITAL aims to develop an inclusive, responsible and sustainable socio-economy in line with *Wawasan Kemakmuran Bersama 2030*.



Date Launched by the Prime Minister | 19 February 2021

**Thrust 1** “Drive digital transformation in the public sector” of this blueprint aims to accelerate the transformation of the public sector into a digital government. Among the initiatives under this thrust are as follows:

- Adoption of digital technologies like AI, chatbot and blockchain to enable greater effectiveness and efficiency.
- Reducing the usage of physical storage files by shifting towards the cloud storage and adopting a paperless culture in everyday work.
- Develop specialised technical talent including data scientists.
- Provide cashless payment option.

# National Digital Transformation Agenda



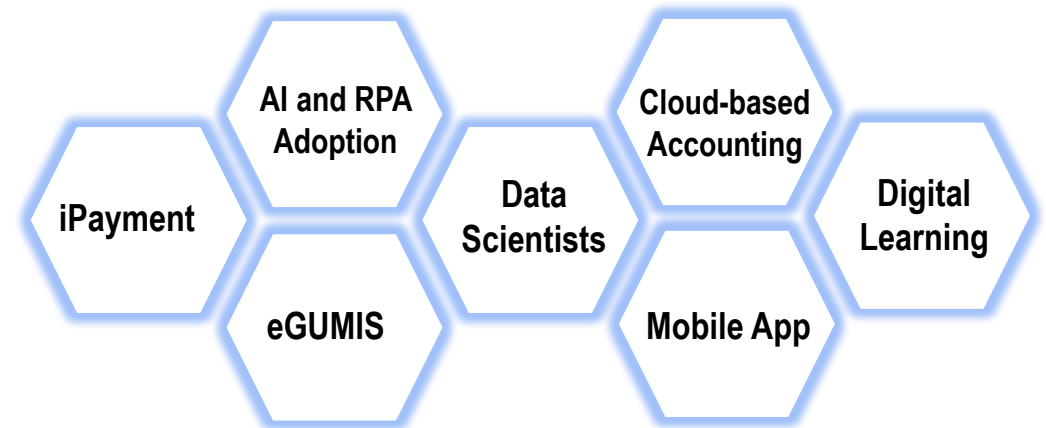
Objective : To incorporate a sustainable business model in order to strengthen the end-to-end business work processes and elevate Business-IT alignment.

## AGD Business and ICT Strategic Plan 2019-2023

Date Launched | 2 July 2019

Theme : Digital Finance & Accounting

Among the initiatives under this plans are as follows:





# National Digital Transformation Agenda

## The Journey of Integrated Government Financial and Management Accounting System (iGFMAS)



- CENTRALIZE**  
A **centralized environment** with highly enhancing data integrity via online environment supported by real-time reporting for Ministries
- HARMONIZE**  
Support **dual reporting, cash basis and accrual** basis by providing for both transactional requirements
- INTEGRATE**  
A **single JANM system** which leverages on current GFMAS functionalities by improving work processes in achieving a lower Total Cost of Ownership
- UPGRADE**  
**Upgraded to the latest release of version** in enabling JANM to have the latest and improved functionalities
- CONTINUOUS IMPROVEMENT**  
Always ready to adopt **continuous improvement to support government's national agenda**

iGFMAS successfully processed in average of more than 80 million documents per year for payment and collection transactions



Increase **PRODUCTIVITY & EFFICIENCY** by implementing:

- ✓ **online transaction (paperless environment)**
- ✓ **automation on real time validation**

### INTEGRATION



100%

Fully integrated with 100 external systems



### TECHNOLOGY

Leveraging on the latest technology to achieve tighter and highly seamless integration between iGFMAS and others external systems (G2G & G2B)



**GO-LIVE**  
**01 JAN 2018**



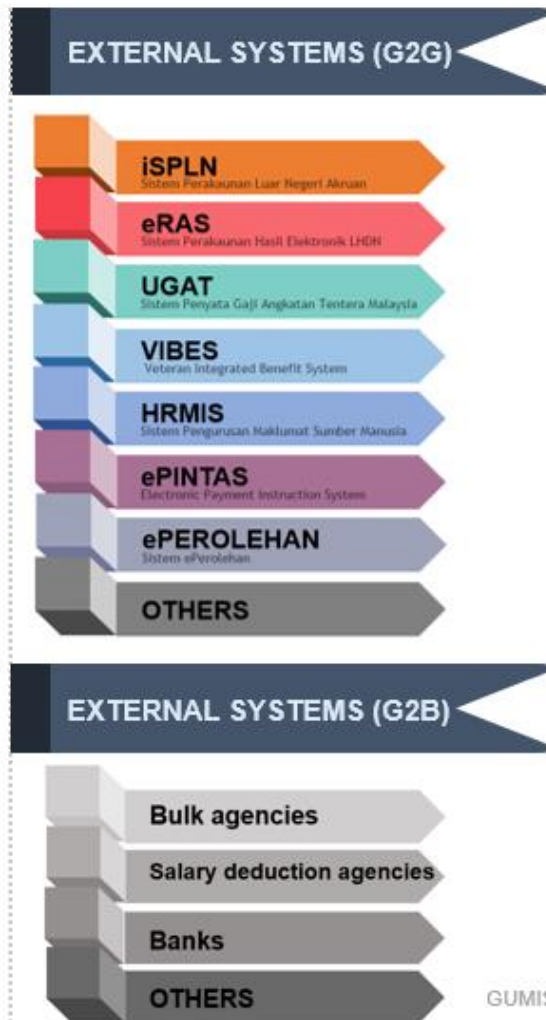
### USERS



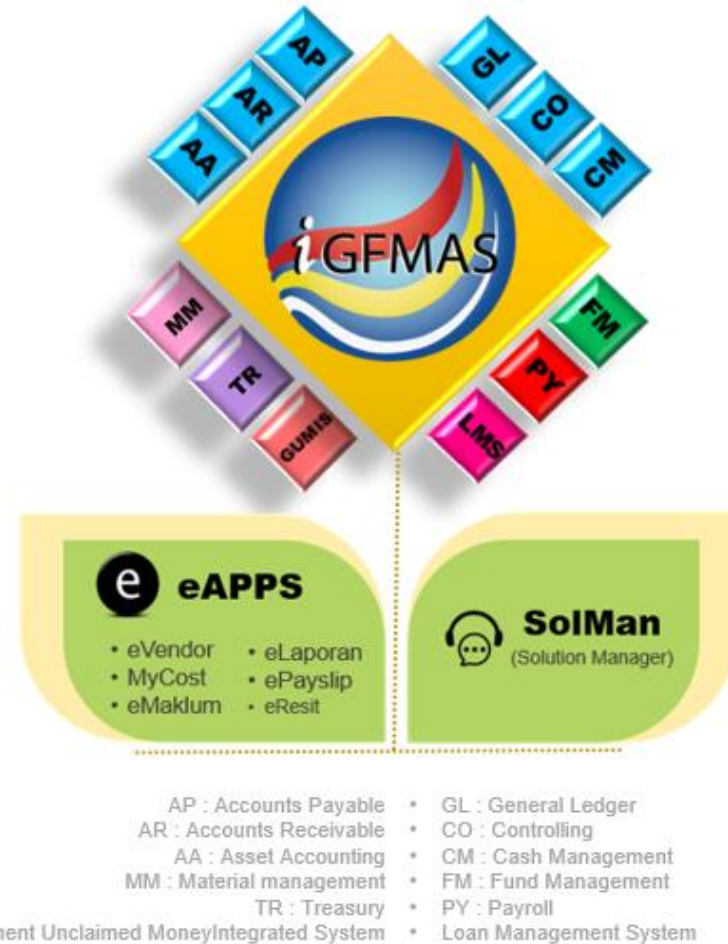
- 27 Ministries
- 55 Controlling Officers
- 5,000 Responsibility Centers (PTJs)
- 70,000 users throughout Malaysia

# National Digital Transformation Agenda

## iGFMAS Functionality Diagram



A fully online front end **integrated** system with **real-time validation automation** in supporting cashless transactions for federal government



## 2. Cashless Payment

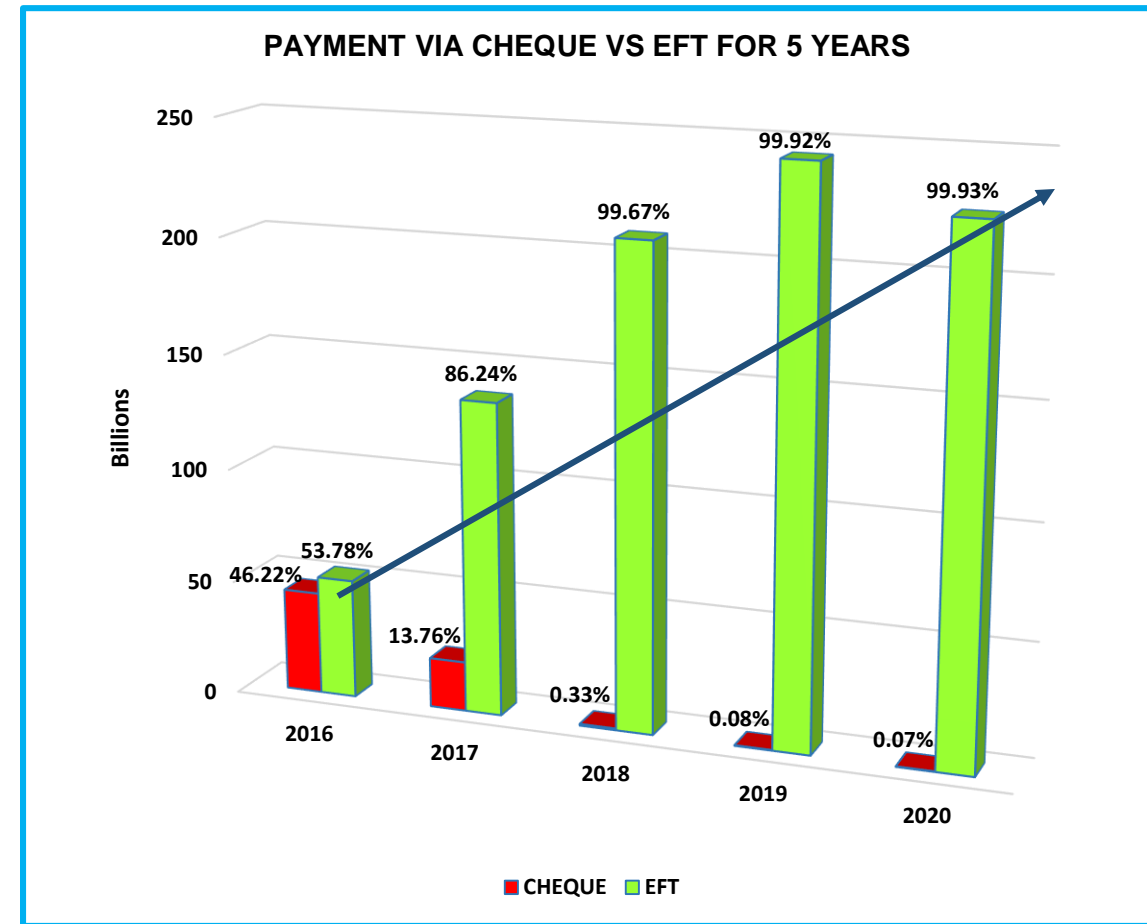
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# Cashless Payment



- JANM has processed payments amounting to an **approximately more than RM200 billions annually**, pertinent to numerous types of payments for instance emoluments, bulk payments, contracts, procurements, loans and others.
- Thus far up to now for the year 2020:
  - ❑ Payments correlate to emolument **covers 1.2 million employees and has reached 99% cashless**;
  - ❑ Bulk payment has processed **an average of 4.9 million documents for the 5 year trend** and has enormously **achieved 99.99% cashless**; and
  - ❑ Procurement under eP (contracts, supplies & services) has tremendously **reached 100%**.
- In conclusion, JANM has practiced cashless payments which has reached 99.93% and presently assisted yet strengthen the national transformation agenda.



Source : Inclusive of data emolument, bulk payment & procurement extracted from iGFMAS

A wide, empty city street with modern buildings and streetlights under a cloudy sky. The street is paved with asphalt and has white lane markings. On the left side, there are several tall, modern streetlights with multiple lamps. The buildings in the background are multi-story and have a modern architectural style. The sky is filled with large, white clouds. The overall scene is clean and well-maintained.

# 3. Cashless Collection

## Policy and Procedure Regarding Collection Through E-payment

### Treasury Circular: Financial Governance

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- PS2.1 Collection at Point-of-Sale Terminal.
- PS2.2 Collection through Government Portal.
- PS2.3 Collection through Internet Banking.
- PS2.4 Collection by Pos Malaysia (Collection Agent).

### Circular Letter by The Accountant General of Malaysia (SPANM)

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#### SPANM Bil. 4/2018

As stipulated by this guideline, all Federal Government Agencies that intend to develop accounting and financial application systems must submit an application for system design approval to AGD.

#### Appendix C, SPANM Bil. 3/2019

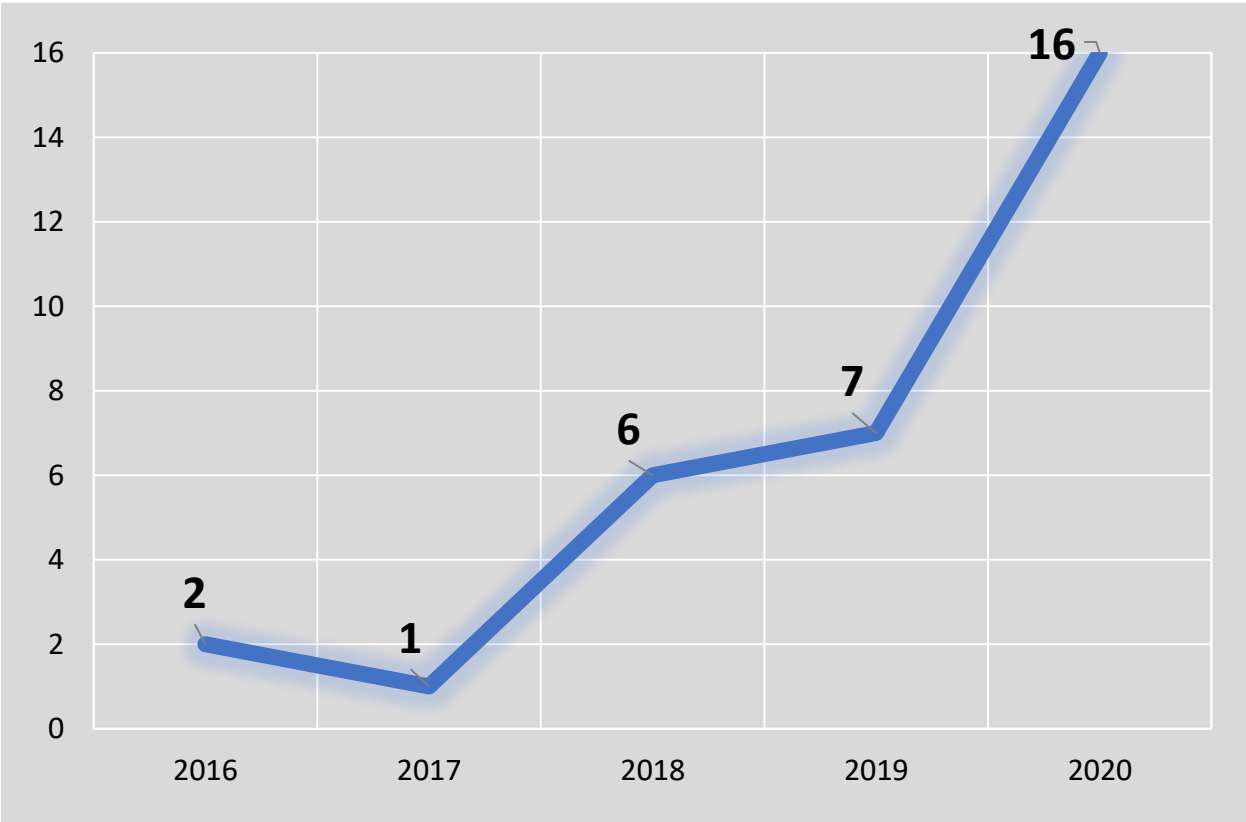
The guideline explains the responsibility of the collector's and accounting offices in collection management through e-payment method to ensure that transactions are accounted for accurately within the stipulated time.



# Cashless Collection

## No. of Electronic Collection System Approved by AGD

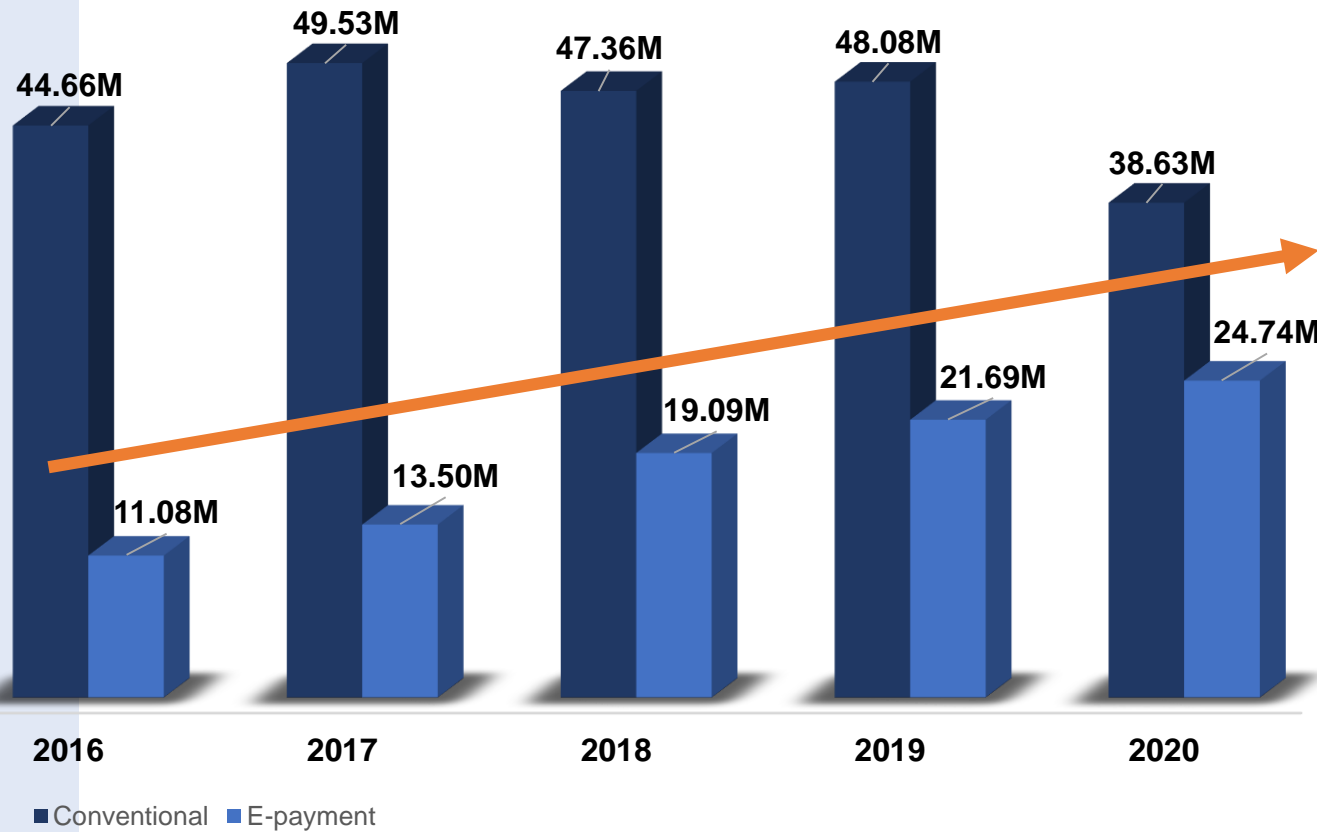
AGD has approved **85** electronic collection systems since 2004.



# Cashless Collection

## 5-year Collection for 5 Agencies

### No. of Transactions



Total Transaction Amount (RM'million)		
	Conventional	E-payment
2016	141,059.35	53,257.33
2017	145,945.21	64,480.79
2018	126,892.86	84,091.53
2019	99,642.19	94,812.57
2020	71,644.16	96,302.21

Note:  
Conventional method comprises of cash, cheque, bank draft, money order and postal order.

E-payment method comprises of debit/credit card and electronic fund transfer through FPX.

Source: IRB, RMCD, JIM, JPJ, RMP

# Cashless Collection

## E-payment Option Offered by Agencies



- Income tax
- Real property gain tax
- Monthly tax deduction



- Import, export, excise, extraordinary profit levy, vehicle levy
- Sales and service tax
- Tourism tax
- Departure levy
- Digital service tax
- Local GST



- Passport application and renewal
- Visa, pass and permit Application
- Expatriate employment services
- Foreign worker services
- Operations and enforcement



- Motor vehicle and driving license fee
- Vehicle Registration Number
- Summons
- Vehicle exchange fee/claim
- Driving test fee
- Tinted mirror payment



- Traffic summons



# Cashless Collection



E- Payment Initiatives

## Inland Revenue Board of Malaysia

### 2021

- Discouraged payment using cash and cheque at the payment counters.
- To increase transaction limit for payment through FPX (Company: RM1million to RM100million; Individual: RM50,000 to RM500,000).

Year	Conventional		E-payment	
	No. of Transactions (million)	Amount (RM'million)	No. of Transactions (million)	Amount (RM'million)
2016	6.33	77,973.53	2.16	36,042.07
2017	6.05	78,971.39	2.76	44,261.64
2018	5.26	72,071.84	4.08	64,961.96
2019	4.54	69,252.71	5.76	75,824.98
2020	2.79	48,810.56	7.05	74,281.53

### 2022

- To replace tax payment method through post-dated cheque with Direct Debit.
- To replace refund method through cheque and vouchers with DuitNow in addition to FPX.

# Cashless Collection



E- Payment Initiatives

## Royal Malaysian Customs Department

RMCD has introduced various portal to encourage tax payment using FPX such as:

- Malaysia Sales & Sales Tax (mySST)
- Malaysian Tourism Tax System (MyTTx)
- Departure Levy System (MyDLV)
- Service tax on digital services (MySToDS)

Year	Conventional		E-payment	
	No. of Transactions (million)	Amount (RM'million)	No. of Transactions (million)	Amount (RM'million)
2016	4.92	59,883.05	1.65	16,245.82
2017	5.30	63,323.00	3.03	19,516.21
2018	4.07	51,322.81	2.84	18,006.44
2019	3.33	26,115.56	2.62	17,623.32
2020	3.32	20,136.53	2.90	19,624.82



Source: Royal Malaysian Customs Department (RMCD)

# Cashless Collection



## E- Payment Initiatives Immigration Department of Malaysia

### 2020

- Installed EDC terminals at all counters nationwide.
- Equipped all counters with Touch'nGo e-wallet facilities.
- Mandated e-payment method for all services except IMM13 Pass, compound and security deposit [September].

Year	Conventional		E-payment	
	No. of Transactions (million)	Amount (RM'million)	No. of Transactions (million)	Amount (RM'million)
2019	1.91	915.05	0.25	96.95
2020	0.35	119.11	0.90	425.27

### 2021

- To stop conventional payment method for IMM13 Pass, compound and security deposit.



# Cashless Collection



## E- Payment Initiatives Road Transport Department, Malaysia

### 2017 - present

- Installed EDC terminals at all counters.
- 100% e-payment in all JPJ UTC except Sarawak (requested by state government)

Year	Conventional		E-payment	
	No. of Transactions (million)	Amount (RM'million)	No. of Transactions (million)	Amount (RM'million)
2016	30.16	2,950.95	7.01	929.43
2017	35.01	3,426.99	7.51	670.09
2018	34.62	3,204.70	11.89	1,028.47
2019	35.77	3,103.17	12.79	1,214.02
2020	29.89	2,340.64	12.59	1,811.88

### Q4 2021 - 2022

- To install 50 units of new kiosks.
- To offer e-payment method via JPJ Mobile Counter.
- To accept payments using e-wallet.

Source: Road Transport Ministry of Malaysia (JPJ)

# Cashless Collection



E- Payment Initiatives

## Royal Malaysian Police (RMP)



To increase collection through cashless payment, RMP launched the MyBayar Saman online portal and mobile application on 25 March 2021.

Year	Conventional		E-payment	
	No. of Transactions (million)	Amount (RM'million)	No. of Transactions (million)	Amount (RM'million)
2016	3.25	251.82	0.26	40.01
2017	3.16	223.83	0.20	32.85
2018	3.41	293.51	0.28	47.94
2019	2.52	255.69	0.26	53.31
2020	2.29	237.34	1.31	158.72

## Cashless Day

RMP introduced 'Cashless Day', every Wednesday. The initial implementation is facilitated by the supply of point-of-sale terminals at the collection counters in city/urban areas of each state.

Source: Royal Malaysian Police (RMP)

# 4. AGD's Initiative

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## MyDIGITAL THRUST 01 Drive Digital Transformation in the Public Sector

**Initiative 9: All federal and state level agencies to adopt cashless payments as the preferred method for more efficient transactions**

### OBJECTIVE

Increase e-payment adoption for all government services in ensuring efficient, transparent and timely transactions.

### DESCRIPTION OF INITIATIVE

This initiative aims to ensure that government agencies at all levels implement e-payment as the preferred transaction method.

### OUTCOME

All ministries and agencies to provide cashless payment option by 2022.

### LEAD

Ministry of Finance.

Federal Government Electronic Collection System (iPayment) initiative under **AGD ICT Strategic Plan** is in line with **Malaysia Digital Economy Blueprint (MyDIGITAL)**.



# AGD's Initiative



## iPayment Overview

User:



Customer/Public

Government Agencies under  
Federal Government:

### Phase 1

Q4, 2022

7 pilot agencies

### Phase 2

Q4, 2023

Full roll-out

- Enforcement Division, KPDNHEP
- National Institutes of Health
- Department of Fisheries Malaysia
- Department of Polytechnic Education and Community College Education
- Kuala Pilah Hospital
- National Accounting Institute
- Forestry Department of Peninsular Malaysia



Channel:



Mobile App | Web Portal | POS Terminal



Mode:



EFT | Card Payment | E-wallet



Integration:



Acquiring bank



Other external  
systems

# AGD's Initiative



## iPayment Key Features

### Integrated Solution

End-to-end process in delivering a complete functional solution, from payment by customer until accounting record.

### Real Time

Real-time capturing and updating of information.



### Scalability

Capacity to be used in all Government agencies.

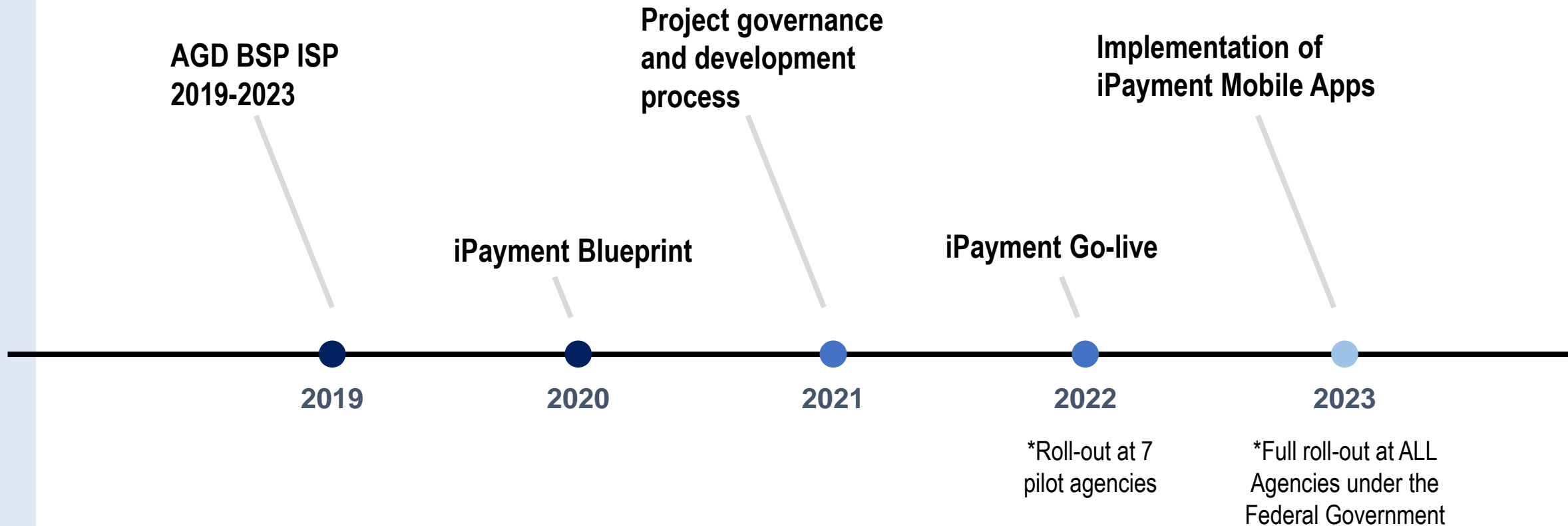
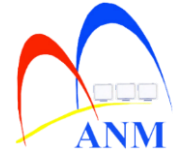
### E-payment Method

Expansion of payment method—accepting various payment method using debit/credit/charge card, EFT, e-wallet.

# AGD's Initiative



## iPayment Implementation Timeline





# Thank You

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of Malaysia (AGD), Ministry of Finance