



**Eximia Journal**  
**(ISSN 2784-0735)**

**Vol. 11**  

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**2023**

## Chance or Challenge for Fintech in SEA

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**Abstract.** This article provides a comprehensive overview of the financial technology (fintech) landscape in Southeast Asia, highlighting the region's rapid economic growth and burgeoning e-commerce sector. It discusses the significant differences in population, economy, and culture among Southeast Asian countries, but recognizes the consistent need for enhanced modern financial services. Aspects such as the rapid development of internet infrastructure and new economy sectors have provided a fertile ground for the growth of fintech services such as mobile payments and online lending. The paper also examines the role of established economic centers like Singapore, alongside emerging markets like Indonesia and the Philippines. Further, it stresses the importance of understanding local policies, fostering local relationships, and integrating into local cultures for fintech firms looking to expand into these markets.

**Keywords.** Southeast Asia, fintech, financial technology, digital transformation, regulatory environment, market potential, sustainable growth

### Introduction

As China's "One Belt, One Road" national strategy advances, coupled with the continual deepening of China's strategic partnership with ASEAN, an increasing number of Chinese companies are designating Southeast Asia as their preferred region for expansion. The historic and robust ties between China and Southeast Asian nations date back to the 15th century when maritime trade was established. In recent years, Southeast Asia's rapid economic growth has positioned it as a global hotspot for economic development and the first stop on China's Maritime Silk Road. Chinese enterprises and investment institutions have been actively establishing a presence across the region, from Jakarta to Manila and from Hanoi to Phnom Penh, competing for market share and talent acquisition.

Three key factors - geographical proximity, demographics, and economic development potential - make Southeast Asia an attractive arena for Chinese fintech. Historically, China and Southeast Asian nations have maintained close exchanges in the political, economic, and cultural realms. The region, home to over 20 million Chinese descendants, is one of the world's most densely populated areas with Chinese overseas communities, making it an ideal location for bilateral business interactions. Additionally, the Southeast Asian region is characterized by a substantial population and youthful age structure, offering high economic development potential. Economically, nations such as Indonesia, Vietnam, and the Philippines have registered GDP growth rates exceeding 6%, reflecting a robust growth trajectory. Furthermore,

these countries' considerable investment in digital infrastructure and increasing mobile internet penetration provide a conducive environment for fintech enterprises.

In recent years, as domestic online finance regulations in China have become more stringent, some fintech firms have strategically initiated or been compelled to seek overseas development strategies. The intense competition within the domestic market, coupled with escalating regulatory and compliance costs, has led to a strategic shift towards overseas markets. In this context, Southeast Asia, especially countries like Indonesia, the Philippines, and Vietnam, with their large populations, significant internet user bases, less stringent regulation, and underdeveloped financial services, have naturally emerged as preferred destinations. Consequently, this report will focus on five representative Southeast Asian nations - Singapore, Vietnam, Indonesia, the Philippines, and Cambodia - providing detailed analysis of their regulatory policies, case studies of fintech development, assessments of Chinese enterprises that have established a presence in Southeast Asia, and a comprehensive evaluation of the business environments in these nations.

### **Brief overview of the overall situation in Southeast Asia**

Southeast Asia, a term that emerged in the late stages of World War II, encompasses 11 countries. these 11 Southeast Asian countries can be divided into mainland countries (such as Thailand, Myanmar, Vietnam, etc.) and island countries (such as Indonesia, the Philippines, Brunei, etc.). The World Bank's statistics for per capita GDP in 2017 rank as follows: Singapore, Brunei, Malaysia, Thailand, Indonesia, Philippines, Laos, Vietnam, East Timor, Cambodia, and Myanmar. Each country has a long history and is an emerging economy. Apart from Singapore, all other countries are developing nations.

category	Singapore	Malaysia	Thailand	Indonesia	Philippines	Vietnam	Cambodia
Land area (square kilometers)	7,800	3,29,613	5,13,120	1,90,456	3,00,000	3,31,212	1,81,035
Population size (2021)	5,896,686	32,776,194	69,635,763	276,361,783	113,046,913	97,338,579	16,718,965
Total GDP billion US dollars (2020)	337.5	354.3	505.9	1,111	367.8	340.6	27.3
GDP per capita (USD)2020	57,714	10,880	7,196	4,028	3,249	3,499	1,631
GDP growth rate 2020	-5.4%	-5.6%	-6.1%	-2.1%	-9.5%	2.9%	-3.1%
Exchange Rate (USD)*2021	1.34 SGD	4.18 MYR	32.87 THB	14,220 IDR	50.10 PHP	23,070 VND	4,120 KHR

Southeast Asia's geographic location is significant and, in recent history, has gradually developed into one of the world's important sea and air transportation hubs. The region's strategic position has amplified its influence, serving as a nexus of global trade and transport routes.

There is significant variation among Southeast Asian countries in terms of scale, population, and economy. At the same time, Southeast Asia has the largest number of overseas Chinese in the world, with more than 20 million ethnic Chinese in the region. Additionally, there are over 2 million Indians and over 1 million immigrants from other countries, making the cultural environment relatively complex with significant differences in religious beliefs.

According to a joint study by Google US and Temasek Holdings of Singapore, the total transaction volume of Southeast Asia's internet economy reached \$72 billion in 2018. This internet economy mainly includes online tourism, e-commerce, online media, and ride-hailing services. With an increasing number of consumers using smartphones to access the internet, the size of Southeast Asia's internet economy is expected to exceed \$240 billion by 2025.

In particular, Indonesia's growth stands out. By 2025, Indonesia's internet economy is projected to grow to \$100 billion, accounting for two-fifths of the entire Southeast Asian region. With the development of the internet economy, fintech has gradually risen in the Southeast Asian market.

From 2014 onwards, fintech has shown a high-speed growth trend. By 2018, fintech in Southeast Asia had a record year in terms of transaction financing, with an overall increase of 143%.

The ASEAN Fintech Census 2018 report published by Ernst & Young shows that the top five sub-areas of cumulative fintech investment in Southeast Asian countries are payments, investment tech, insurtech, consumer finance, and alternative lending.

Overall, whether it's the advantages brought by the natural environment and geographical location or the dividend effects of the economy and population, all indicate that Southeast Asia has a favorable investment environment for fintech. With the continuous improvement of technology and financial levels in Southeast Asian countries, the development of the internet economy is thriving, driving the steady development of fintech. The fintech market in Southeast Asia is in excellent shape, and fintech companies from various countries are gradually laying out their operations in Southeast Asia.

### **Overview of Financial Technology Development in Southeast Asian Countries**

At present, the development of financial technology in Southeast Asian countries is clearly differentiated. Among them, Singapore has the most outstanding performance, showing a comprehensive leading situation in various fields. It has been selected as one of the regions with the strongest financial technology development by major international organizations and institutions for many years. Indonesia and the Philippines, as emerging financial technology markets, have the advantages of a large population base and a high Internet penetration rate, with great potential for development; Vietnam, Cambodia, and other countries are still in their infancy, and the financial technology business is limited. In the future, we look forward to capital forces to boost start-ups' develop.

#### **Singapore**

Singapore is the most developed country in Southeast Asia and a significant international financial center. The Monetary Authority of Singapore (MAS) is Singapore's central banking institution, primarily responsible for formulating and implementing monetary policy, regulating the payment system, issuing currency, regulating financial institutions, and managing the country's foreign exchange reserves.

The FinTech industry in Singapore is developing rapidly. The Monetary Authority of Singapore has established a "regulatory sandbox" that allows companies to test and develop

innovative financial services within this environment after completing business reporting, which greatly encourages the development of the fintech industry. Moreover, Singapore has the largest number of fintech companies in Southeast Asia, encompassing various types of fintech enterprises such as payments, tech support, and peer-to-peer lending.

The mobile payment market in Singapore is also very active, with Grab, PayLah!, Apple Pay, and others being commonly used payment applications. At the same time, Singapore often hosts various high-end fintech summits, making it highly influential in the development of fintech.

### **Vietnam**

Fintech development in Vietnam is in a stage of rapid growth. This is mainly due to the Vietnamese government's strong support for financial technology innovation, as well as the opportunities brought about by technological developments such as digitization and mobile payment. Here are a few major trends:

#### Policy content

2011

In order to promote the development of e-commerce, the government issued an overall plan for electronic payment.

2012

The government issued documents to guide the formulation of non-cash payment regulations and introduced laws on non-cash payments and electronic wallets.

regulation

2014

Government issues guidelines on third-party payment platforms

2016

PM signs Vietnam's five-year plan to build a cashless society

2017

State Bank of Vietnam and Vietnam National Payment Corporation set up fintech steering committee

**Mobile and digital payments:** With Vietnam's growing middle class and increased mobile phone penetration, digital payments are growing rapidly. Payment companies such as MoMo, ZaloPay, and VNPAY have made some significant inroads in this space.

**Investment in fintech companies:** Fintech companies in Vietnam have received a large amount of domestic and foreign investment in recent years. Investors see huge potential in Vietnam's huge population, untapped market, and fintech sector.

**Development of fintech regulations:** The Vietnamese government is actively developing and revising fintech-related regulations to encourage more innovation and promote the development of the fintech industry while protecting consumer rights and preventing risks.

**Financial Inclusion:** Fintech has the potential to help Vietnam tackle the problem of "unbanking", where a large population does not have bank accounts. Viet Nam's large unbanked population can be provided with financial services through fintech solutions such as mobile payments and internet banking.

### Enterprises Layout in Vietnam

#### Ant Financial

In November 2017, Ant Financial reached a cooperation with the National Payment Corporation of Vietnam (NAPAS), allowing Chinese tourists to use Alipay when traveling in Vietnam.

#### JD Finance

In 2017, invested in Tiki.vn, a well-known e-commerce platform in Vietnam.

#### Tencent

In November 2017, WeChat officially announced a cooperation agreement with VIMO. VIMO is the first and currently the only authorized payment intermediary in Vietnam that cooperates with both WeChat Pay and Alipay.

#### crowd

In February 2018, Zhangzhong Financial Services launched the cash loan idong in Vietnam. The loan amount of idong is 500,000 VND (equivalent to about 147 yuan), and the loan period is 7/14 days.

### **Indonesia**

Indonesia, comprised of approximately 17,508 islands, is the world's largest archipelago nation. As of 2017, it had a population exceeding 261 million people, making it the biggest economy in Southeast Asia and a member of the G20. As a founding member of the Association of Southeast Asian Nations (ASEAN), Indonesia plays a significant role in the region. Roughly 87% of Indonesians practice Islam, making Indonesia the world's most populous Muslim-majority nation. Diplomatic relations between Indonesia and China were established in 1950.

Indonesia's financial system comprises commercial banks, rural banks, finance companies, insurance companies, pension funds, and financial markets. Here are some key banking institutions:

**Bank Indonesia:** This is the central bank of the country, responsible for setting and implementing monetary policy, supervising, and managing the nation's financial system.

**Bank Mandiri:** As the largest commercial bank in Indonesia, it provides a variety of retail and commercial banking services.

**Bank CIMB Niaga:** One of the largest foreign banks in Indonesia, it's also one of the earliest foreign banks to enter the Indonesian market.

The Financial Services Authority of Indonesia (OJK) oversees financial services regulation in the country. The agency is tasked with creating and enforcing policies to ensure stability and fairness in the Indonesian financial services industry.

As for financial technology (fintech), Indonesia has shown a positive attitude towards its development. By 2021, the fintech sector in the country had achieved substantial growth, especially in the areas of mobile payments and online lending. The OJK has established a dedicated regulatory sandbox to test and promote new fintech products and services in a controlled environment. The government has also fostered various policies and regulations to encourage digitalization and innovation.

The surge in mobile and internet penetration in Indonesia has propelled the country's fintech landscape, with digital payments leading the way. The sector has seen an influx of investments and startups, paving the way for advanced solutions in peer-to-peer lending, insurtech, and robo-advisors among others.

To provide a conducive environment for the growth of fintech, the Indonesian government has been actively revising regulations and establishing fintech centers for innovation. The establishment of the Fintech Office by OJK was a crucial step to provide a single window for regulatory processes, fostering an environment conducive for the growth and innovation of fintech.

Banking institutions in Indonesia have also begun to collaborate with fintech firms to digitize their operations and provide more efficient financial services, pointing towards a future of banking that will be highly digital and possibly dominated by non-traditional players. This transition aligns with the government's vision to create a digital economy, considering the vast potential of Indonesia's large and young population, and a burgeoning middle class.

#### Enterprises Layout in Indonesia

##### alibaba

In 2015, Alibaba signed an agreement with DOKU to track and simplify payments for Indonesian customers.

In 2016, Alibaba acquired a controlling stake in Lazada, the largest e-commerce company in Southeast Asia, and increased its capital by US\$1 billion. The company's main market is Indonesia. In May 2017, HelloPay merged with Alipay to form ALipay, trying to expand Alipay to Southeast Asia.

In July 2017, Alibaba invested another US\$1 billion in Lazada, a Southeast Asian e-commerce platform, increasing its stake in Lazada from 51% to 83%. On March 21, 2018, the electronic wallet DANA jointly launched by Ant Financial and Indonesian Emtek Group was officially launched.

##### Tencent

In 2013, Tencent formed a joint venture company with PTGlobal Mediacom, the largest media group in Indonesia, with the purpose of promoting WeChat in the Indonesian market and further expanding the local social media market. It is expected to expand WeChat payment in Indonesia in the future.

In July 2017, Tencent invested US\$100 million to US\$150 million in Go-Jek, an Indonesian online car-hailing giant, with the aim of entering the mobile phone terminal service market in Southeast Asia.

##### Advance AI

Indonesia is the first stop for ADVANCE.AI to go overseas. In order to ensure the operation, promotion and service of the product, the team established a joint venture company in Indonesia and formed a team of about 200 people. ADVANCE.AI mainly provides services to Internet companies and Internet financial institutions with standardized products in Indonesia.

##### Tong shield

In 2018, Tongdun Technology received a lot of goods in overseas markets, and successively established subsidiaries in Indonesia, Singapore, and Malaysia.

##### Hengchang

Entered Indonesia in 2018, obtained the OJK registration number in April 2019, with a registered capital of 10 billion Indonesian rupiah. With the help of domestic funds, it has developed businesses including super loan, collection and cash loan. It is a new member of the Indonesian Technology Finance Association (AFPI).

and technology accumulation, opened in Indonesia.

## **Philippines**

The Philippines is a multi-ethnic archipelagic country in Southeast Asia, with an area of 299,700 square kilometers. Statistics from the International Monetary Fund (IMF) show that the GDP growth rate of the Philippines in 2018-2019 is expected to be 6.7%. The total population is 105.7 million, the Malay branch accounts for 85% of the national population, and the foreign descendants mainly include Chinese, Arabs, Indians, Americans, and Spaniards. The Philippines, which faces the mainland across the sea, has a deep historical relationship with China. Including the founding father "Fuxi Rizal", the patriot "Roman Wang Bin", and the former president "Aquino III" are all descendants of Chinese. Although the Chinese population is only about one million, through generations of travel to Southeast Asia and hard work, 70% of the Philippine economy is related to Chinese, including aviation, supermarkets, banks, catering, mining, food, etc. Eighty-nine out of ten Filipino Chinese are from Fujian, and eighty-nine out of ten Fujianese are from Quanzhou Sanyi (Jinjiang, Hui'an, Nan'an). English and Tagalog are the official languages, and the Philippines is the fifth largest English-speaking country in the world. The Philippines is a diverse country, successively colonized by Spain, Japan, and the United States. At the same time, in 1450, the Arabs brought Islamic culture and political power to the southern Mindanao region of the Philippines. About 85% of Philippine citizens believe in Catholicism, 4.9% believe in Islam, and a small number of people believe in independent religion and Protestantism. In modern times, the Philippines was deeply influenced by American colonization. Coupled with its diverse historical culture and popular English environment, the Philippines was once known as the "Four Asian Tigers", and Manila was even more known as the "Little New York of Asia". The Philippines is a major member of ASEAN and one of the 24 member countries of the Asia-Pacific Economic Cooperation (APEC). It is a developing country, an emerging industrial country, and one of the emerging markets in the world. It established diplomatic relations with China on June 9, 1975. In recent years, the two countries have had both frictions and cooperation in diplomacy. However, with the advancement of international cooperation under the "Belt and Road Initiative", bilateral relations between China and the Philippines are expected to achieve greater development.

The banking system in the Philippines consists of commercial banks, rural banks, and trust companies. Here are some of the main banks:

**Bangko Sentral ng Pilipinas (BSP):** This is the central bank of the Philippines. It is responsible for setting and implementing monetary policies, as well as supervising and managing the country's financial system. Established in 1949, the BSP also provides liquidity and emergency loan assistance to banking institutions.

**BDO Unibank:** As the largest commercial bank in the Philippines, it offers a wide range of retail and commercial banking services. BDO Unibank, incorporated in 1968, also provides investment banking services, private banking services, leasing and finance, investment advisory, and more.

**Bank of the Philippine Islands (BPI):** One of the oldest commercial banks in the country, BPI provides a variety of retail and commercial banking services. Founded during the Spanish Colonial period, BPI has a long history dating back to 1851. It offers a comprehensive range of financial products and solutions, including corporate banking, investment banking, and asset management.

The Philippines has a well-established financial system, and as a result, it has been a significant player in Southeast Asia's banking industry. It has a mix of local and foreign banks, and the Bangko Sentral ng Pilipinas has worked diligently to maintain stability and confidence in the country's financial system. Over the years, they have implemented various reforms and

regulations to modernize and improve the banking sector, which has led to a robust and resilient system.

However, the rural banking sector is another critical component of the Philippine banking system, focusing on the rural and less developed regions of the country. These banks play a crucial role in promoting rural development by providing necessary banking services to rural communities. This structure helps ensure financial inclusion, allowing more Filipinos access to banking services and credit, which can be particularly beneficial for farmers and small businesses.

Regarding financial technology (fintech), both the Philippines and Indonesia have made significant strides. In the Philippines, the central bank has actively promoted the use of digital payments and has established regulations to foster a safe and inclusive digital financial ecosystem. They've launched initiatives like the National Retail Payment System (NRPS), aiming to increase the share of digital transactions in the country. On the other hand, Indonesia's fintech sector has achieved substantial growth, particularly in areas like mobile payments and online lending. The Financial Services Authority of Indonesia (OJK) established a regulatory sandbox to test and promote new fintech products and services in a controlled environment. The government has also pushed for policies and regulations encouraging digitalization and innovation.

#### Platform Development status

##### Loansolutions

Founded by JP Bisson in January 2014, Loansolutions is an online lending platform with loan products including personal loans, vehicle, business, home, cash, salary, student, sailor, car loan and car insurance. In addition, the company provides financial advisory services to help borrowers from inquiry to final loan acquisition.

In 2016 Loansolutions entered into a partnership with local financial services firm JK Capital Finance, Inc., a partnership aimed at making its capital more inclusive.

##### Acudeen

In March 2016, co-founded by Magellan Fetalino III and Mario Salazar, it is positioned as an online platform for receivables discounts, allowing fast transactions with receivables financing within 5-7 days, giving SMEs better control cash flow.

So far, Acudeen has displayed a total of 1,669 invoices and a transaction value of nearly 120 million Philippine pesos on its website.

##### Fund Ko

Established in 2016 as a subsidiary of Guevent Investments Development Corporation (GIDC).

Its loan products are personal, cash back, business and working student loans. Through FundKo, borrowers can apply for loans of PHP 1,000-2,000 for 3-10 months at interest rates as low as 1% per month. In addition, borrowers can apply without submitting collateral. FundKo lenders can also provide additional funding to SMEs for their expansion, refurbishment and other business funding needs.

##### Good Credit

An e-Gift Voucher program based on multiple repayment models, all transactions are done through a mobile application. Provide various financial services around P2P participation in B2B and B2C scenarios. Borrowers can directly receive fast cash assistance in the form of coupons.

GK's model focuses on small amounts (like 500-1000 Philippine pesos face value) and pays out in overpayment plans (or commonly known as 4GIVES). Through this model, GK users (borrowers) will have enough time to arrange their liabilities, unlike credit cards that need to pay fees at the end of the month.

#### Uplon

Launched in 2017, it targets the withholding salary loan market, providing investment for both institutional and retail investors. Through Uplon's platform, investors can fund loans against personal salary for different risk criteria and loan tenors.

#### Money Match

Launched in 2017, the initial investment amount is 5,000 pesos. The return rate of the project is between 12% and 36%, with an average return rate of 24%. It belongs to Fintech Global Resources, Inc.

#### Domestic enterprises Layout in the Philippines

##### Ant Financial

In February 2017, Ant Financial and the digital financial company Mynt reached a strategic cooperation. The latter owns GCash, the largest e-wallet in the Philippines. Ant Financial and Globe hold 45% of the shares, and Ayala, the second largest enterprise group in the Philippines, holds 10% of the shares. %.

##### Tencent

In October 2018, Tencent and KKR acquired part of the equity of Voyager Innovations Inc., a payment innovation company under PLDT (Philippine Long Distance Telephone Company), for US\$175 million. Founded in 2013, Voyager owns e-wallet PayMaya, remittance service Smart Padala, lending platform Lendr, and enterprise solution PayMaya Business.

##### crowd

In May 2018, the Philippine cash loan product "PondoPeso" was launched, with a daily interest rate of 3%-5%. At present, there are hundreds of local employees.

##### MinTech

In 2017, it entered the local market research, and the APP "Peso2Go" was launched in mid-2018 to start the cash loan business.

Over 100,000 GooglePlay downloads, 3.7 rating. Mainly provide 140-500 yuan, 7-14 days of loan interest rate above 3%, the product is currently hundreds of orders per month.

The identity is mainly verified through manual credit review, and bad debts are reduced by strengthening collection. The first excess is about 30%, and the team has more than 50 people.

##### Hengchang

Hengchang's 100%-owned Philippine company successfully obtained two licenses for Lending and Financing in 2019, with a registered capital of more than 20 million pesos. Hengchang's local firm is the only Chinese-owned member of Fintech PH, the Philippine fintech association.

#### **Cambodia**

Cambodia, officially known as the Kingdom of Cambodia, is a country located in Southeast Asia. It is bordered by Laos to the north, Vietnam to the northeast and east, and Thailand to the west and northwest. The capital and largest city of Cambodia is Phnom Penh. Cambodia has a population of approximately 16 million people. The Cambodian economy primarily relies on the textile industry, agriculture, and tourism.

Regarding the banking sector, Cambodia's financial system is still developing, primarily composed of the National Bank of Cambodia (central bank) and other commercial banks. Here are the main banks in Cambodia:

**National Bank of Cambodia:** This is Cambodia's central bank, responsible for formulating and implementing the country's monetary policy and regulating domestic financial institutions. The National Bank of Cambodia also plays a crucial role in promoting financial stability and sustainable economic growth.

**Phnom Penh Commercial Bank:** This is one of the largest commercial banks in Cambodia, offering a variety of retail and corporate banking services. As one of the leading banks, it has a significant role in promoting financial inclusivity and contributing to Cambodia's economic development.

**ACLEDA Bank:** This is the largest retail bank in Cambodia, which began as a microfinance service provider and has now become a comprehensive banking service institution. ACLEDA Bank has played a substantial role in promoting financial inclusion, especially by providing financial services to Cambodia's unbanked and underbanked population.

The financial landscape in Cambodia has been growing and evolving. Increased efforts to promote financial inclusion and banking penetration have been noticeable, especially with the rise of digital banking and fintech solutions. ACLEDA Bank, for instance, has been a pioneer in this regard, offering services such as mobile banking to its customers, thereby making banking more accessible and convenient.

On the regulatory front, the National Bank of Cambodia has been proactive in setting up a conducive regulatory environment that promotes the stability and integrity of the Cambodian banking system. This includes establishing appropriate prudential standards, effective supervision, and robust risk management practices.

The National Bank of Cambodia has also shown an openness towards digital innovation. They launched the Bakong project, a blockchain-based peer-to-peer payment and money transfer platform, which is the first of its kind in the country. This is an indicator of the positive strides being made towards digital transformation and financial inclusion in Cambodia.

### **Summary and Observations**

Southeast Asian countries vary significantly in aspects such as population, economy, and culture. However, modern financial services are generally underdeveloped. The rapid development of the new economy, including e-commerce and online shopping, has led to the rapid growth of modern consumer groups. This lays a good foundation and external environment for the development of financial technology. Although the coverage of traditional financial services is relatively low, Southeast Asia's internet industry and new economy are developing rapidly. Infrastructure improvements, a large base of internet users, and multiple new technology application scenarios provide immense potential for the development and application of financial technology, such as mobile payments and online lending.

Singapore, as a highly mature and open regional center, has been selected by various international organizations and institutions as one of the regions with the most potential for the development of financial technology for many consecutive years. Regulatory agencies have established a "regulatory sandbox" to further encourage the development of financial technology. Representative companies in the mobile payment field include GrabPay and PayLah! Funding Societies and Seedin are leaders in Singapore's online lending industry. Indonesia and the Philippines, as emerging financial technology markets with large populations,

have tremendous development potential. The Indonesian OJK has learned from the lessons of China's P2P online lending and has strict entry requirements for newly registered companies. The Philippines is relatively lax in controlling online lending, but there is no unified personal identity system, and credit information is severely lacking. Countries like Vietnam and Cambodia are still in the early stages, and fintech business operations are limited, looking forward to capital assistance for the development of start-ups.

From internet giants to financial technology companies, from PE/VC investments to telecommunications technology exports, Chinese enterprises will continue to increase their investment in Southeast Asia in the future. According to disclosed information, internet companies or fintech companies from Ant Financial, Baidu, Tencent, JD Finance to Lufax, Yixin, and Hengchang have all carried out overseas deployments, and they are all involved in the Southeast Asian market without exception.

There are both opportunities and challenges for Southeast Asian fintech companies to go abroad. They should pay attention to operating in compliance with the law, fully integrate into local culture, and truly achieve mutual benefit and win-win. There is considerable variation among the different countries in Southeast Asia regarding historical circumstances, business environments, market competition, etc. Fintech, as an innovative industry, is changing rapidly. Hence, going abroad requires a deep understanding of the local policies and markets, actively joining industry self-discipline associations, establishing Chinese commercial associations and exchange platforms, developing peer exchanges, and doing well in compliance with laws and regulations. Finally, in the team-building and daily operation and management process, it is necessary to boldly recruit and vigorously train local employees, fully exploit and utilize their innate advantages as locals, truly integrate into local society and markets, and ensure the sustainable development of the company.

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