ENABLING DIGITIAL ONLY ISLAMIC BANK IN LABUAN, MALAYSIA

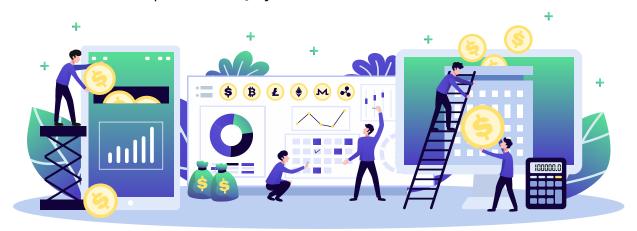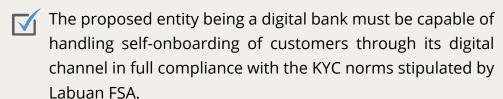**CASE STUDY**

2022 - JMR Infotech

BACKGROUND

One of the leading commercials banks in Eastern Africa was planning to setup a digital bank based out of Malaysia to offer Islamic banking services and products to UK based African diaspora. The new digital banking entity would be regulated by Labuan Financial Services Authority in Malaysia. The sponsors of the new bank were planning to launch the digital bank to UK customers and start its operations in July 2022.

BUSINESS REQUIREMENTS AND CHALLENGES

☑ The proposed entity being a digital bank must be capable of handling self-onboarding of customers through its digital channel in full compliance with the KYC norms stipulated by Labuan FSA.

☑ The payment rails have to be setup for the account transfers with external parties.

☑ The core banking back office, regulatory solutions and the digital channels have to be seamlessly integrated to ensure compliance with regulations, without compromising the customer experience during onboarding and servicing.

☑ The customer documentations must be handled entirely in digital form, with efficient storage and retrieval mechanism.

☑ The IT infrastructure for hosting the software applications have to be setup from scratch, with the options of on-premise setup or using cloud services.

SOLUTION PROVIDED:

- A team of consultants and senior leadership from JMR Infotech worked closely with bank right from the inception to understand the pain points of the bank team in achieving the business goals.

- Oracle Banking solutions such as Oracle FLEXCUBE UBS & Product processors, Oracle Banking Digital Experience (OBDX), Oracle Financial Services Analytical Applications and Oracle Content Management (OCM) were proposed as the software solutions.

- Provided implementation services for the above applications including the configuration of the Islamic products as required by the bank

- After bank has chosen Oracle Cloud services as the platform due to economic reasons, JMR team including DBA and Middleware Administrator has provided the installation services to bring up the applications in Cloud.

- All the applications were seamlessly integrated through standard plug-ins and customized adapters developed by JMR team.

- Major customizations were done in OBDX application to enable self-onboarding of customers, KYC validations using external e-KYC systems such as Jumio and Experian, integration with OCM Cloud for document management and customer notifications

- Customizations were done in Oracle FLEXCUBE to enable document management using OCM, auto scheduling of EOD process and integration with external Finance systems and Forex systems.

- For enabling payments to and from customer accounts, an external digital Wallet system called SafariOne was integrated with FLEXCUBE for online transfers between Wallets and accounts

- JMR Business analysts have assisted the bank in formalizing the business process flows involving the applications implemented.

BENEFITS

A seamlessly integrated system with end-to-end customer onboarding workflow was put in place within the timelines planned by the business.

Automated KYC processes aligned with regulatory needs and with watchlist based customer screening was built into the system

Even though there were delays in onboarding correspondent banks for SWIFT transfers, Digital Wallets application integrated with core banking system in a timely manner helped in funding of accounts and account transfers

Oracle cloud capabilities were fully leveraged, while gaining cost advantages on the infrastructure front

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