



Legal Issues of Buy Now Pay Later (BNPL) Scheme in Malaysia

Ulfah Mansurah Zainudin¹ and Ahmad Azam Othman²

¹ Universiti Teknologi MARA (UiTM), Malaysia

²International Islamic University Malaysia (IIUM)

³ulfahzainudin@gmail.com

Abstract. The advancement of technology has transformed the atmosphere of the global financial services sector. Financial technology, commonly known as Fintech, is widely adopted globally, including in Malaysia. The adoption of Fintech in the consumer credit landscape is no exception. The Buy Now Pay Later (BNPL) scheme is one example of the latest Fintech innovation gaining popularity amongst consumers. BNPL scheme falls under the category of non-banking credit services providing financial services to a broader segment of consumers, especially those without access to traditional banking services. The increase in consumers opting for the BNPL scheme is due to economic vulnerability and less rigorous requirements and procedures. This situation is due to the compelling need of consumers to make ends meet as most consumers' income has been affected due to the pandemic. Despite gaining popularity among consumers, the scheme poses some legal issues in its implementation. These legal issues may lead to a legal risk to vulnerable consumers, especially in fear of unfair practices and absence of standard protection of consumers. This paper employs qualitative methods to analyse relevant legal references such as legislation, guidelines, journal articles, and other authoritative and reliable references related to the topic. This research applies content analysis to derive the findings related to the topic. The findings of this research conclude that the BNPL scheme is currently unregulated. However, the government through the Ministry of Finance and other existing regulators has initiated the development of a legal and regulatory framework for regulating the BNPL scheme in Malaysia.

Keywords: Legal, Non-Banking Credit Services, BNPL, Malaysia

1 Introduction

The advancement of technology has shifted the paradigm of the financial services sector globally. With the wave of the industrial revolution, the medium of financial services available to consumers is open to more than the conventional methods. Besides traditional banking financial services, financial services are also now offered by non-banking financial institutions or non-banking credit providers/services.

Non-banking credit providers/ services refer to other than traditional banking financial institutions. The segment of non-banking credit providers/services is vast. The

scope of non-banking credit providers/services was said to be indefinite to catalyse the evolution of the non-banking credit provider/services segment. The unclear definition of the non-banking credit provider/services segment enables the growth of the segment of non-banking credit provider/services. Examples of non-banking credit providers/services segment are money lending companies, hire-purchase companies, factoring companies, leasing companies, and the Buy Now Pay Later (BNPL) scheme.[1] BNPL scheme is one of many creations of Fintech applying the convenience of technology such as the Internet, communication, automated information processes and other innovations to elevate the financial services experience.[2]

1.1 Problem Statement

The legal aspects of non-banking credit providers/services, including the BNPL scheme, are in a grey area as the BNPL scheme is a newly developed industry. The fast development of BNPL has forced this segment to be in a legal vacuum. The legal context of the BNPL scheme as of 2023 in Malaysia is uncertain. BNPL scheme is considered a legal arbitrage where its services are not subject to a rigid framework compared to other financial services [3].

The unregulated BNPL scheme under the present legal framework in Malaysia raises concerns about vulnerable consumers in dire need of financial services. BNPL scheme has become very popular and expands financial services for those in the gig economy, informal industries, and those without access to traditional banking institutions [4].

1.2 Research Questions

The research questions related to this paper analyse the legal issues related to implementing the BNPL scheme in Malaysia. After determining the legal issues, this paper seeks to make recommendations to address the legal issues related to implementing the BNPL scheme in Malaysia.

1.3 Purpose of Research/Study

This research aims to analyse the legal issues of the BNPL scheme in Malaysia. However, to explore the BNPL scheme from the legal perspective, it is pertinent to comprehend the concept of the BNPL scheme, the modus operandi, advantages and disadvantages of BNPL services. This research will then examine selected legal issues related to the BNPL scheme in Malaysia.

1.4 Research Methodology

This paper employs qualitative methods to analyse relevant legal references such as legislations, guidelines, journal articles, and other authoritative and reliable references related to the topic. This research applies content analysis to derive the findings related to the topic.

2 Overview of Buy Now Pay Later (BNPL) Scheme

BNPL scheme is one of the fintech sub-categories that applies the advancement of technology to enhance the financial services activity of BNPL credit providers. The idea of the BNPL scheme is not entirely new. The element of credit which is the substance of the BNPL scheme is structured more appealingly for the present market segment to be able to access conveniently with the tip of their fingertips without any hassle.

Thus, in certain jurisdictions, there was a significant increase in usage of the BNPL scheme which became a well-liked financial access for consumers. Examples of those jurisdictions with the increased use of the BNPL scheme include European countries such as Sweden, Germany, and Norway, the United States of America, the United Kingdom, Australia, and Singapore [5].

The development of the BNPL scheme globally is due to several factors. One factor contributing to the fast growth of the BNPL scheme was the COVID-19 pandemic, which hit the world at large. The pandemic has catalyzed the approach of payment of consumers without any physical contact. In addition, the pandemic also caused consumers to strategise their spending style as many were affected due to losing employment or decreased income due to restrictions of movement by the government. Thus, the BNPL scheme is one of the available avenues enabling consumers to purchase any compelling needs but with installment to have a more structured spending style [6].

The objective of spending using the BNPL scheme varies depending on the needs of the consumers. The needs of the consumers include fashion and apparel, home furnishing and decoration, electronic appliances, travel, lifestyle and accessories, beauty services and products, and others [7].

2.1 Modus Operandi of BNPL Scheme

The BNPL scheme enables consumers to purchase products or services with an arrangement that the consumers will pay the total price in installments. For better understanding, the discussion is further divided into three (3) segments: (1) Parties/Stakeholders of BNPL scheme; (2) Salient Features of BNPL scheme; and (3) Modus Operandi/Flow of BNPL scheme.

Parties/Stakeholders of BNPL Scheme. There are three (3) parties involved in a BNPL scheme. They are (1) Consumers; (2) Merchants; and (3) BNPL Credit Providers.

Consumers. Consumers refer to credit consumers or buyers who utilise the BNPL scheme and purchase any products or services in installments from the merchants who receive full payment from the BNPL credit provider. Upon purchasing, the consumers pay some portion of the total price, and the remaining is to be paid later in installments to the BNPL credit provider. The consumers will either use the BNPL scheme through an online application or mobile application (in-shop purchase) through the scan of the QR code.

Merchants. The merchants refer to the sellers of products and services who adopt the BNPL scheme as one of the options for payment of their customers/consumers/buyers. Merchants are required to pay fees as a form of consideration for using the BNPL scheme platform.

BNPL Credit Provider. BNPL credit provider refers to the fintech firm or company offering the BNPL scheme. BNPL credit provider pays merchants the total purchase price of the customers/consumers/buyers.

Salient Features of BNPL scheme. The salient features of the BNPL scheme include the following:

- a) The primary purpose of the BNPL scheme is to provide credit to consumers to purchase any products or services participating in the BNPL scheme.
- b) The credit provided to consumers by the BNPL credit provider is without any interest in the repayment from the consumer and is in deferment with a more extended time in which the amount is split and spread.
- c) The late payment and processing fees are charged to the consumers if payment is not following the due date.
- d) The BNPL scheme is entirely operated on a digital platform used by the BNPL credit provider that can either be directly through online or mobile application through in-house purchase.
- e) The process of the BNPL scheme is less hassle, simple, and less complicated as compared to other mechanisms of financial services with minimum authentication procedure and on-the-spot approval.

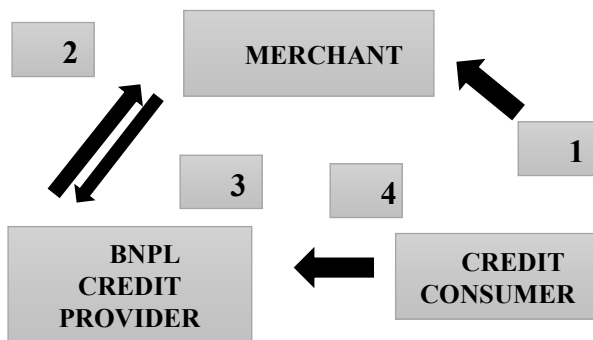


Fig. 1. Modus Operandi of BNPL scheme.

The following explains the above illustration on the modus operandi of the BNPL scheme.

No 1: The consumer/buyer purchases products or services from merchants via the BNPL scheme through online or mobile applications.

No 2: The BNPL credit provider pays merchants the total purchase price of the products or services upfront.

No 3: The merchants pay fees to the BNPL credit provider for every transaction.

No 4: The consumer/buyer pays the total purchase price in installments to the BNPL credit provider linked to a debit/credit card. BNPL credit provider charges late payment fees if the consumer/buyer fails to pay the installments on time.

2.2 The Advantages of the BNPL Scheme

Despite the installment concept being familiar to consumers, the BNPL scheme is advantageous compared to other traditional financial services such as credit cards and personal financing. The advantages of the BNPL scheme include the following:

Easy transaction with complicated procedure. The process and procedure for BNPL are less hassle and less complicated than other financial services. The BNPL scheme is user-friendly and requires minimum authentication for approval. The credit score is optional or required minimum subject to the different practices of BNPL credit providers in other jurisdictions. The digital platform operated by the BNPL credit provider also makes the intended transaction easier [8]. As for the application in Malaysia, the payment by the customer of the BNPL scheme is usually linked to a debit or credit card [9].

Zero Interest Fees. BNPL credit provides an advantage to merchants to partner with BNPL credit providers in terms of visibility. The merchants' income will increase with visibility due to the BNPL scheme provided by the merchants. BNPL scheme attracts potential consumers to purchase the merchant's products. The BNPL scheme made available by the merchants tends to influence the spontaneous decision to proceed with the purchase. This situation will benefit the merchants in terms of business growth and increase business income. Besides that, the BNPL scheme puts merchants at no risk because the payment is made by the BNPL credit provider [11].

Visibility of Merchants. The BNPL scheme allows a wide range of consumers to enter the credit market. Due to the less stringent credit requirements as opposed to other financial services, the audience of the BNPL scheme is more extensive. This wide range of consumers includes those who cannot access traditional financial services, especially those in the gig economy. With a broader audience of the consumer credit segment, this will increase the income of the merchants providing the BNPL scheme. During the COVID-19 pandemic, the BNPL scheme became popular due to the convenient way and spread of payment when the majority faced financial difficulties due to restrictions imposed globally. BNPL scheme also caters to the millennial consumer credit segment who spends more than the previous generation [12].

A wide range of consumers enter the credit market. The BNPL scheme allows a wide range of consumers to enter the credit market. Due to the less stringent credit requirements as opposed to other financial services, the audience of the BNPL scheme is more extensive. This wide range of consumers includes those who cannot access traditional financial services, especially those in the gig economy. With a broader audience of the consumer credit segment, this will increase the income of the merchants providing the BNPL scheme. During the COVID-19 pandemic, the BNPL scheme became popular due to the convenient way and spread of payment when the majority faced financial difficulties due to restrictions imposed globally. BNPL scheme also caters to the millennial consumer credit segment who spends more than the previous generation [12].

A convenient option for necessary and costly products. BNPL scheme provides a convenient option for consumers to purchase or pay for necessary matters and costly products. During this challenging economic instability, consumers face many financial difficulties, especially in meeting ends meet. BNPL scheme is an option for consumers to purchase necessary services such as renewal of vehicle road tax. With the spread of payment, consumers can easily lower the monthly commitment with the spread payments in installments. In addition, the BNPL scheme is also an option for consumers to buy costly products [13].

2.3 The Disadvantages of BNPL Scheme

Despite offering advantages to consumers, the BNPL scheme has disadvantages.

Overconsumption of Expenditure. BNPL scheme may cause overconsumption of expenditure by the consumers. Consumers tend to increase spending more than their financial ability. The spread of payment into installments makes the BNPL scheme sound cheaper without realising the risk of overspending which can badly impact the consumers. Furthermore, consumers are charged with interest if the BNPL scheme is linked with a credit card. This situation defeats the purpose of not paying interest and adding to more payments [14].

BNPL scheme can cause gratification and overconfidence of consumers in their financial ability which can increase the reoccurrence of short-term loan consumption. Thus, financial education is vital for consumers to comprehend the accurate details of the modus operandi and operation of the BNPL scheme before deciding to participate. When consumers participate in the BNPL scheme, they are to participate based on informed decisions and assess their financial abilities [15].

Late Payment Fees. If the customer fails to pay the installment on the due date, the BNPL credit provider will impose late payment fees. Despite the advantage of zero interest mentioned above, late payment fees are the aspects that need to be considered by consumers. In reality, late payment fees are BNPL credit providers' primary income

source besides fees imposed from merchants. This situation is where the paradigm shifts from the perspective of intending not to be charged interest fees but being imposed with additional late payment fees instead [16].

Risk of Non-Payment by Consumers. As mentioned above, the BNPL scheme allows a wide range of consumers to participate. Thus, the financial background will range from those with excellent financial standing to those without. Even non-financially stable consumers can join the BNPL scheme due to the less stringent credit assessment requirement. Therefore, there is a high risk of non-payment of the installments by the customer to the BNPL service providers [17].

Credit Standing of Consumers. As mentioned in the advantages, easy and less application is one of the attractive features of the BNPL scheme. The application for the BNPL scheme is not subject to stringent credit assessment requirements. Consumers are entitled to participate in the BNPL scheme despite weak financial stability. This situation needs to reflect the actual standing of consumers as they will borrow more than they can pay. Furthermore, some BNPL credit providers report the outstanding payment of consumers to the credit agency. This situation would add to the low credit-worthiness of consumers [18].

3 BNPL Scheme in Malaysia

The BNPL schemes industry has grown in Southeast Asia and Malaysia is recognised as one of the top 25 countries by population with many BNPL credit providers [19]. The BNPL scheme industry's growth is expected to increase by 35.4 % between 2022 and 2028 [20]. The following is the list of various BNPL credit providers in Malaysia:

Table 1. Table captions should be placed above the tables.

No	Name BNPL Credit Providers in Malaysia
1	Spay Later
2	Grab PayLater
3	Hoolah
4	Split
5	Atome
6	PAY LATER
7	My IOU Pay
8	Fave Pay Later
9	My Pay Later
10	Pine Labs
11	Shop Back

Central Bank of Malaysia (CBM) has identified the emergence of the BNPL scheme in Malaysia despite BNPL service falls under the non-banking credit provider/services segment which is beyond the regulated entities under the purview and jurisdiction of CBM. CBM has taken cognizance of this development in line with its primary objective: to encounter any possible risk to Malaysia's public and financial stability as provided in Section 5 of the Central Bank Malaysia Act 2009. Due to the risk of overspending among consumers, especially vulnerable consumers, CBM has collaborated with the Financial Education Network to provide the public with basic information on the BNPL scheme. This provides the consumers with some brief education on the modus operandi of the BNPL scheme that consumers need to be vigilant and aware of. The illustration of the public education on the BNPL scheme shared in social media is illustrated below:

Diagram 5: Public Education on BNPL Schemes Shared via Social Media



Fig.2. Public education on BNPL Schemes shared on social media
 Source : Central Bank of Malaysia

Based on the above, consumers must understand the terms and conditions before participating in the BNPL scheme. Besides that, consumers are to pay the installment on time to avoid any penalties of late payment fees and to monitor BNPL scheme commitments to prevent overspending.

3.1 Unregulated under the Malaysian legal and regulatory framework

The main legal issue on the BNPL scheme is the status of the BNPL scheme in the Malaysian legal regulatory framework. As mentioned in the problem statement, Malaysia's BNPL scheme is unregulated. The Central Bank of Malaysia Annual Report 2021 and the public consultation paper on the Consumer Credit Act 2022 issued by the CCOB Task Force mention that Malaysia's current BNPL scheme is unregulated.

The legal and regulatory framework of the BNPL scheme falls under the grey area needing a specific legal and regulatory framework. This situation is also known as legal

arbitrage. Legal arbitrage is a situation where a particular subject matter's legal and regulatory framework is uncertain, unclear, and indefinite.

The Ministry of Finance recognises the concept of legal arbitrage in charge of finance as provided in Section 212 of the Financial Services Act 2013 and Section 223 of the Islamic Financial Services Act 2013. The provisions provide that persons not under the supervision or oversight of CBM might post legal arbitrage in terms of the uncertainty of the legal and regulatory framework.

Consumers who interact with unregulated non-banking credit providers like the BNPL credit providers are more likely to suffer the dangers of exploitative transactions as compared to banking and financial institutions which are highly regulated.

A well-regulated BNPL scheme market greatly decreases the economic and financial system risk. This situation will promote fair treatment of credit consumers, reduce default risk and authorities will be able to take enforcement actions against unethical or unfair company practices.

Even in certain jurisdictions where regulators have issued standards some people contend that the guidelines are insufficient. Despite the BNPL scheme being in a legal vacuum, the advantage of this is that it has enabled the development of the BNPL scheme without hindrance and obstacles.

3.2 Indefinite definition of non-banking financial institution service under Malaysian law

Technological advancement has increased unregulated players amongst non-banking financial institutions, including the BNPL scheme. Due to this circumstance, there may be a higher danger of unfair or predatory tactics, which frequently target small enterprises and vulnerable households. Due to the evolving nature of non-banking financial institutions, the legal framework in Malaysia does not provide a specific definition as to what non-banking financial institutions are as to also includes BNPL. There is also the absence of any definite description of BNPL provided in the law as it is a new creation of the fintech world.

As they grow, bringing these new players within the legal and regulatory purview will better protect consumers and ensure the development of these new market players.

3.3 Consumer Protection Mechanism for Consumers of BNPL Scheme

The BNPL scheme is gaining popularity among many consumers as an alternative to traditional financial services. The unregulated position of the BNPL scheme poses a question on the consumer protection mechanism available to consumers.

Section 24AA of the Consumer Protection Act 1999 introduced the Consumer Protection (Credit Sale) Regulations 2017 (Regulation 2017). Despite the enforcement of this regulation in 2018, the scope of this regulation is limited and confined. Some non-banking credit providers do not fall within the ambit of this regulation, including BNPL credit providers. [21]

The modus operandi of companies offering credit sales under Regulation 2017 with the BNPL scheme is different. The BNPL scheme's distinct nature is the transaction's

digital operation. Furthermore, under Regulation 2017, the credit sale transactions involve the company as the merchant selling the goods itself and providing installment payment. So, the consumers pay directly to the merchants. However, in the BNPL scheme, the consumers pay directly to the BNPL credit provider. In addition, the scope of the subject matter of the credit is confined to only goods as listed as items in Regulation 2017 as compared to the BNPL scheme where the reason for the credit also includes services.

Thus, the present legal and regulatory framework does not provide a clear consumer protection mechanism for BNPL scheme consumers. These BNPL credit providers target underprivileged consumers, less financially savvy consumers, and lower-income earners to participate in the BNPL scheme. Thus, the consumer protection mechanism for BNPL scheme consumers is of importance.

3.4 Regulation of Credit Market for BNPL Credit Providers

Currently, credit assessment regulations in Malaysia are not imposed on BNPL credit providers. The application procedure involved in the BNPL scheme is easy and less hassle in which the requirements are less stringent than traditional financial services [22]. To manage excessive household debt and save consumers from experiencing financial hardship, BNPL credit providers should be given greater responsibility for conducting assessments of suitability and affordability. Hence, the credit assessment standard should suit the BNPL scheme itself.

3.5 Shariah Governance for BNPL Credit Providers Offering BNPL Scheme Based on Shariah Principles

Certain BNPL credit providers operate the BNPL scheme based on Shariah principles. The Shariah contract applied in the modus operandi of the BNPL scheme includes *Tawarruq*, *Murabahah*, and *Qard* [23]. The first issue is the enabling legal provisions that allow the offering of the BNPL scheme based on Shariah. The enabling provisions will provide clear guidelines for the BNPL scheme based on Shariah. Another issue is the mechanism to ensure compliance with the flow of the Shariah contract involved in the operation of the BNPL scheme. A dedicated Shariah governance mechanism is to be framed on these non-banking credit providers/services including the BNPL credit provider who offers the BNPL scheme based on Shariah-compliant contracts [24].

4 MOVING FORWARD: LEGAL ISSUES OF THE BNPL SCHEME IN MALAYSIA

4.1 Developing Legal and Regulatory Framework for BNPL Scheme

With the growth of the BNPL scheme industry, CBM has announced that a new Consumer Credit Act (CCA) will be enacted in 2022 to strengthen the regulatory framework

for consumer credit activities to include BNPL services as non-banking credit providers. On 4th August 2022, Part 1 of the Public Consultation Paper of the Consumer Credit Act was issued by the Consumer Credit Oversight Board Task Force (CCOB Task Force)) with support from the Ministry of Finance, CBM, and Securities Commission Malaysia (SC). CCOB was established to finalize the CCA together with other relevant ministries and agencies. On 5th April 2023, Part 2 of the Public Consultation Paper of the Consumer Credit Act was issued after receiving feedback from related stakeholders.

The pertinent content of these two (2) public consultations is on developing the legal and regulatory framework for consumer credits of non-banking credit institutions to include the BNPL scheme. The public consultation paper emphasized prioritizing unregulated entities to include the BNPL scheme.

Regulatory Authority for BNPL Scheme. Since the BNPL scheme is not within the purview of regulation and monitoring of CBM, the BNPL scheme is considered unregulated and not subject to any regulatory authority.

The introduction of CCA expected to be enacted by the end of 2024 will officially establish the present CCOB Task Force as an independent regulatory authority formally established as the Consumer Credit Oversight Board (CCOB). The CCOB will provide provisions and guidelines on authorisation, governance, and conduct reporting requirement obligation on the BNPL scheme.

With the establishment of CCOB as an independent regulatory authority, the BNPL scheme is expected to be under the purview of regulation and monitoring of CCOB. With the BNPL scheme under the regulation and supervision of CCOB, the market confidence of consumers towards the BNPL scheme is expected to increase as the BNPL scheme is regulated and monitored.

Dedicated Legislation to Regulate BNPL Scheme. The first focus of the future introduction of the CCA is to include the BNPL scheme as a regulated non-banking credit institution. This is because the BNPL scheme is currently not subject to any dedicated legislation. The BNPL scheme is proposed to be included as one of the credit businesses recognised under the CCA. Besides that, the proposed definition of credit business also includes the BNPL scheme to be offered based on Shariah principles.

The CCA is expected to adopt a principle-based and outcome-focused approach. This means that the provisions of the CCA will outline the general regulatory provisions while the detailed operational requirements will be specified in the Authorisation Handbook and Conduct Handbook.

Regulatory Requirements for BNPL Credit Provider. The CCA is expected to introduce detailed regulatory requirements for BNPL credit providers such as authorisation, governance, reporting, Shariah governance, business conduct, credit consumer protection, surveillance, supervision, and enforcement [25].

The details of the proposed regulatory requirements for BNPL credit providers are summarized as follows:

Table 2. Proposed Regulatory Requirement for BNPL Credit Providers in Malaysia

Regulatory Requirements	Brief Summary
Authorisation	BNPL credit providers are to apply for authorisation from CCOB to obtain licensing subject to requirements to ensure that the BNPL credit providers are fit and proper. This authorisation ensures that BNPL credit providers fulfill their obligations with professionalism without jeopardising the consumer's interest.
Governance	BNPL credit providers are required to fulfill organisational requirements, fulfill minimum financial requirements, and fulfill minimum requirements of fitness and probity.
Reporting	BNPL credit providers are to provide reporting to CCOB on relevant information as required by the law.
Shariah Governance	BNPL credit providers providing BNPL based on Shariah principles must comply with Shariah at every stage of operations. BNPL credit providers must appoint a Shariah advisor and establish an internal policy to monitor the operation of the BNPL scheme.
Business Conduct	BNPL credit providers are to adhere to business conduct, transparency, and disclosure of information, fair terms, imposition of fees, affordability of assessment, fair debt collection, and relief from hardship.

Consumer Protection	BNPL credit providers are required to uphold consumer protection, especially as to the data of the consumers.
---------------------	---

5 Conclusion

The BNPL scheme is gaining popularity amongst consumers as an alternative to traditional financial services in Malaysia. The growth of this segment of unconventional financial services requires a legal and regulatory framework to protect not only the interest of the consumers but also the interest of the BNPL credit provider. The proposed provisions on the legal and regulatory framework for the BNPL scheme in the proposed CCA will provide a more explicit law for regulating the BNPL scheme in Malaysia. However, the comprehensiveness of the provisions is yet to be tested in regulating the legal and regulatory framework of BNPL credit providers in Malaysia. The proposed CCA will catalyse the growth of the BNPL scheme segment and provide more options for consumers for financial services.

References

1. Ahmad, A., & Ishak, M. S. I. Shari'ah Governance of Islamic Non-Banking Financial Institutions in Malaysia: A Conceptual Review. *The Journal of Management Theory and Practice (JMTP)*, 2(1),70-77. (2021).
2. Milian, E. Z., Spinola, M. D. M., & de Carvalho, M. M. Fintechs: A literature review and research agenda. *Electronic Commerce Research and Applications*, 34, 100833. (2019).
3. Demyanyk, Y., & Loutskina, E. Mortgage companies and regulatory arbitrage. *Journal of Financial Economics*, 122(2), 328-351. (2016).
4. Consultation Paper – Proposed Enactment of the Consumer Credit Act (Part1) Consumer Credit Oversight Board Task Force (CCOB).(2022), https://ccob.my/wp-content/uploads/2022/10/Consultation_Paper_Part_1_en.pdf
5. Worldpay/Fidelity National Information Services (FIS). The global payments report for financial institution and merchants. (2022). <https://offers.worldpayglobal.com/rs/850-JOA-856/images/ENGPR2022.pdf>
6. Quantilope. Covid-19's impact on how consumers use Buy Now, Pay Later Services. (2020), <https://www.quantilope.com/resources/insight-studies-how-has-covid-19-shaped-how-consumers-are-using-buy-now-pay-later-services>
7. Milieu. The Big Picture: Payments, Singapore Report (2021).
8. Fisher, C., Hollander, C., West, T. *Developments in the Buy Now, Pay Later Market*. Reserve Bank of Australia.(2021), <https://www.rba.gov.au/publications/bulletin/2021/mar/developments-in-the-buy-now-paylater-market.html>
9. Bank Negara Malaysia (BNM) Annual Report ,2021

10. Novendra, B., & Aulianisa, S. S. Konsep Dan Perbandingan Buy Now, Pay Later Dengan Kredit Perbankan Di Indonesia: Sebuah Keniscayaan Di Era Digital Dan Teknologi. *Jurnal Rechts Vinding: Media Pembinaan Hukum Nasional*, 9(2), 183. (2020).
11. Papikyan, A., & Belleflamme, P., Buy Now, Pay Later: A critical review of the system and its implementation based on an analysis on currently working countries and based on a consumer survey. (2022).
12. Sng, A., & Tan, C. Buy now pay later in Singapore: Regulatory gaps and reform. *Available at SSRN 3819058*. (2022).
13. Alcazar, J., and T. Bradford. "The appeal and proliferation of buy now, pay later: Consumer and merchant perspectives." *The Federal Reserve Bank of Kansas City* 10. (2021).
14. Lux, M., & Epps, B. Grow Now, Regulate Later? Regulation urgently needed to support transparency and sustainable growth for Buy-Now, Pay-Later. *M-RCBG Associate Working Paper Series*. (2022).
15. Wulandari, R. T., & Damayanti, S. M. The Importance of Digital Financial Literacy to Anticipate Impulsive Buying Behavior In Buy-Now-Pay-Later Mode. *International Journal of Business and Economy*, 4(3), 170-182. (2022).
16. Johnson, D., Rodwell, J., & Hendry, T. Analyzing the impacts of financial services regulation to make the case that buy-now-pay-later regulation is failing. *Sustainability*, 13(4), (2021)..
17. Schomburgk, L., & Hoffmann, A. How mindfulness reduces BNPL usage and how that relates to overall well-being. *European Journal of Marketing*, 57(2), 325-359. (2023).
18. Papich, S. Effects of Buy Now, Pay Later on Financial Well-Being. *Pay Later on Financial Well-Being* (2022).
19. Abdellaoui, M., & Tzili, M. Buy now pay later: overview of the international active services and of the key trends. (2021).
20. Research & Markets. (2023) <https://www.globenewswire.com/news-release/2023/03/08/2622747/28124/en/Malaysia-Buy-Now-Pay-Later-Market-Report-2023-BNPL-Payments-are-Expected-to-Grow-by-23-6-to-Reach-2-298-6-Million-in-2023-Forecasts-to-2028.html>
21. Hassan, R., Kassim, S., & Bakar, E. A. Consumer credit grievance and redress mechanisms: The Malaysia perspective. *UUM Journal of Legal Studies*, 12(2), 61-88. (2021).
22. Pani, S. S. Buy Now, Pay Later. *Pay Later* (2022).
23. Mahmud, M., & Jamaludin, M. A. S. Isu-Isu Syariah berkaitan Buy Now Pay Later (BNPL) dan E-Wallet. (2023)
24. Katterbauer, K., Syed, H., Genc, S. Y., & Cleenewerck, L. AI Driven Islamic Buy Now Pay Later (BNPL)—A Legal Analysis. *Journal of Management and Islamic Finance*, 3(1), 1-19. (2023).
25. Consultation Paper – Proposed Enactment of the Consumer Credit Act (Part 2) Consumer Credit Oversight Board Task Force (CCOB) (2023), https://ccob.my/wp-content/uploads/2022/10/Consultation_Paper_Part_2_en.pdf

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

