

ASIA JALIL
KUALA LUMPUR

SOcial financial technology (fintech) startup uPledge aims to use Greater Kuala Lumpur (Greater KL) as a hub to expand opportunities for impact startups which seek to change the world through its Islamic based crowdfunding platform.

The company envisioned revolutionising the industry by assisting investors to improve their financial wellness and create a lasting impact through sustainable investing.

The Dutch company with subsidiaries in Malaysia and Kenya uses artificial intelligence to screen sustainable startups and organisations and connect them with investors through a single app.

"We want investors to know that their investments are not just giving them financial returns but also emotional and social returns.

"Not everyone has the time to go out and change the world, so why not allow them to do so through sustainable companies and green projects that serve the same purpose?" said co-founder and chief executive officer Andrew Chong in an interview with the *New Straits Times*.

He said the company had developed its product primarily with retail investors in mind, ensuring that they were able to build wealth while investing in impact startups in a safe and controlled manner.

The app was designed to be simple and intuitive for a user, infused with gamification design principles.

"When Europe first started the concept of crowdfunding platforms, the investor pools had always been sophisticated and high net worth individuals, so they were not creating a new market or to be more inclusive. "Existing platforms are focusing only on existing investors bases and failing to attract new participants. Therefore, unlocking real retail participation is our mission," he said.

Chong said engagement with the Greater KL Live Lab programme had made it possible for the company to set foot in Kuala Lumpur much sooner than intended.

He said uPledge was able to allocate manpower in the city, which was



The uPledge app preview at Web Summit 2022 in Lisbon, Portugal.

uPledge aims to be market leader

crucial for the company to establish its presence in the region.

"Without the grant from Greater KL Live Lab, we would not be here so soon.

"With the funding, it allows us to scale up on manpower and enables us to accelerate the process of bringing the product and innovations here," he said.

InvestKL chief executive officer Muhammad Azmi Zulkifli said: "uPledge is an innovative and forward-thinking project that brings together best-in-class and sustainable Islamic finance practices. We are proud to

support a project that facilitates funding for impactful outcomes. Malaysia is at the forefront of Islamic finance and is underpinned by the ease of doing business, digital infrastructure, technology-enabled ecosystem and talent. Companies like uPledge are well-positioned for the next phase of growth in Greater KL."

The Greater KL Live Lab programme is an initiative by InvestKL which aimed at using Greater KL as a testbed to run innovative activities that tie together the local industry players and the academia.

One sector that can drive the mar-

ket in Malaysia will be Islamic finance, which Chong noted has a sizeable potential in transaction volume.

However, the main problem is that investors usually do not find the right projects to channel their funds into.

"To some degree, Islamic finance could drive the market in this part of the world, especially in Malaysia.

"This is because there is also a strong push by regulators and government institutions to pursue a more sustainable and impactful approach to financing.

"At some point, there will be a convergence of Islamic funding and

impact funding and that would be the most exciting part," said Chong.

He added that the opportunity presented in Malaysia in terms of blended finance and Islamic finance had made it perfect for the company to set its footprint here before making its way to other countries in the region.

He said this was because Malaysia was already seen as an Islamic financial hub in the region.

"In terms of market and industry collaborations, we are working with regulators, technology enablers such as Malaysia Digital Economy Corporation and academic institutions," said Chong.

He highlighted that due to relatively small capital market volumes, Malaysia's funding ecosystem was still substantially supported by grants and philanthropic funding.

"We have been in talks with the local financial regulator on micro-finance initiatives in the coming quarters and how we can collaborate on the programmes.

"If some of the funding comes from the government sector and some from us, it would be a sizeable amount for micro entrepreneurs."

He said if uPledge did well in the next two to five years, the company could start unlocking the retail market.

"I hope for uPledge to be a market leader for blended finance in the retail market.

"I see us as first movers for actual crowd-sourced funds. In the next five years, we need to be a market leader in that and position Malaysia as a top blended finance hub as well," said Chong.

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ANDREW CHONG
uPledge co-founder and chief executive officer



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MUHAMMAD AZMI ZULKIFLI
InvestKL chief executive officer