

# MONEY MOVER

Max Liu's EMQ comes to Indonesia to grab a slice of the global remittance market.

BY AASTHA SABOO

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merican Max Liu had a stellar Wall Street career, working in high-profile jobs in firms such as Goldman, Citadel and his own

boutique investment firm. Yet he decided in 2014 to venture out and start an online remittance firm called EMQ Inc., based in Hong Kong, first focusing on the roughly 330,000 migrant workers in Hong Kong to allow them to send money home, including Indonesia, through various platforms.

EMQ has a simple business model: offer remittance services that allows anyone to send money through the app from Hong Kong to Indonesia, Taiwan, the Philippines, and Vietnam. "Simply send money," is the company's tagline. EMQ's service is either free or at affordable prices.

"We are trying to build a low cost settlement network that by-



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passes other networks," says Max, whose title is chief executive and co-founder. The target market is huge: more than \$600 billion in remittances is sent worldwide every year.

However, Max and EMQ faced a big uphill battle to get his startup off the ground. First off, he had to struggle for three years without any revenue just to develop his network, including finding banks willing to partner with him, regulatory and legal approvals and various other issues. The banks were naturally reluctant to work with an unknown startup. "Many banks are skeptical about working with us because they are unsure of whether young companies like us understand compliance and regulation. So while the process of getting approvals for us was a long-drawn process, at every step we have been able to successfully convince each bank," Max says.

A second issue is the competition. The market for many years was dominated by banks, and the two well-known global brands—Western Union and Moneygram. Yet that \$600 billion plus market has attracted a huge number of other players, all looking to grab even a small slice of that enormous pie (just 1% market share would be \$6 billion revenues). There are now many remittance firms around the world, including dozens of fintech startups—not to mention remittance being a typical service offered by many banks worldwide. Even in Hong Kong, EMQ has competition such as Toast, which claims to make sending money as easy as making toast. The big boys are not standing still as well, as Western Union, Moneygram and online giant PayPal offer online remittance services.

Yet today, after a long time building, EMQ is finally gaining some traction. In the past 12 months, Max signed a slew of deals, including with China's giant Tencent, the owner of WeChat, to offer a remittance service called We Remit, which allows money to be sent to Philippines and Indonesia. In the Philippines, it has partnerships with Union Bank, Cebuana (a pawnshop turned financial services company) and Globe Telecom, which has its GCash service for remittances and e-wallets. Vietnam's HD Bank has also come in as a partner. (Most of these third-party vendors charge a fee.) For the moment, most of the transactions are one way—EMQ can only send money from Hong Kong to Philippines, Indonesia and Vietnam, but these are the countries that supply the bulk of Hong Kong's migrant workers, who send money to support their

loved ones back home. With We Remit, for example, any 7-11 store in Hong Kong accepts money from customers, who then scan a QR code with their phone, putting the money into their We Remit e-wallet, which then can be sent to the Philippines or Indonesia. EMQ says the process takes about 10 minutes.

A more interesting development came in October 2017 when EMQ signed a deal with China's QFPay to allow Chinese visitors in Indonesia to use QFPay for payments, getting EMQ into the much larger market of what is called "merchant settlement"—giving it a role more like a credit card payments processor than simple remittance.

Max remains hard at work extending the EMQ network to Taiwan, which also has a big migrant community as well. He'd like to bring his services to the world, including big markets such as the U.S., China, Europe and the Middle East. Closer to Hong Kong, Max says

**"WE PLAN TO EXPAND OUR FOOTPRINT BEYOND ASIA TO NORTH AMERICA AND EUROPE."**

Cambodia, Malaysia and India are likely markets which he hopes EMQ can open soon. "We plan to expand our footprint beyond Asia to North America and Europe, and are building the required infrastructure to support remittance," he says.

Max is convinced his partnership model is working (although EMQ does offer its own branded apps for remittance). "We have built a strong partner ecosystem of financial institutions, telecommunications service providers, messaging platforms and payment processors, to offer our customers with immediate access to thousands of cash pickup options, and to any bank account or mobile wallet," Max says. In typical startup fashion, Max won't disclose any financials, except to say EMQ is growing at a 30% rate month over month. To help EMQ grow, Max recently raised \$6.5 million in Series A funding from a group of investors that includes the U.S.-Indonesia crossborder firm Intudo Ventures. "With a global remittance business of more than \$600 billion, we are quite upbeat about the company's growth," says Max. **E**