

# RAID on MBI

**> Bank Negara, ministry officials conduct SEVEN-HOUR search at HQ of Mcoin digital currency provider**

BY **AARON NGUI**  
newsdesk@thesundaily.com

**G**EORGE TOWN: The headquarters of digital currency provider MBI International was raided by authorities yesterday.

A multi-agency team entered its office on the top floor of M Mall shopping centre in Jalan Datuk Keramat at about 11am and left at about 5.30pm.

Domestic Trade, Cooperatives and Consumerism Ministry officials were seen taking away several boxes and documents.

The team included officers from the ministry, Bank Negara Malaysia, Companies Commission of Malaysia and police.

The raid on MBI, which issues "Mcoin" digital currency usable for purchase of goods, came in the wake of enforcement action against money game company JJ Poor To Rich (JJPTR).

Throughout the seven hours the team was at MBI's office, business went on normally for shoppers and traders at M Mall.

A trader, who declined to be identified, said although she was aware of what was going on, her outlet still serves those who want to purchase goods using Mcoin.

"One can use cash or credit card but most prefer to use digital currency as it is easier, as one does not have to carry so much cash around," she said.

However, many declined to be interviewed when approached at the mall or at the atrium near the office, claiming they were not investors in the virtual currency scheme.

In September last year, *theSun* reported that Mcoin was becoming a hot investment as many people were attracted to its high yields.

Investors obtain the digital currency by subscribing to various packages ranging from US\$100 to US\$15,000 (RM427 to RM64,140).

Mcoin, purportedly the pioneer in digital currency in Malaysia, is especially popular in Penang, on the back of wide acceptance of "Mpoints" in the city.

Mpoints has been around for four to five years and is undertaken through MFace International Sdn Bhd, a unit of MBI.

Investors start by buying a package of Mcoins that later grow as the coins are "split" to increase the number of coins in circulation.

However, at point-of-sale with the coins in hand, only 55% will be realised in the form of cash while 30% is allocated for "coin buyback", 5% for Mpoint and the balance for company service charges.

This creates more Mcoins in circulation to ensure its sustainability.

In addition to cash returns, Mcoin investors can also redeem points earned to purchase products and services from its "flagship store" in

## Companies deny links to MBI

► FROM FRONT PAGE

M Mall.

The redemption can also be made for "big-ticket items" such as properties and cars.

In response to *SunBiz* queries, Ivory Properties and Hyundai Malaysia clarified that they have no links to Mcoin or the MBI Group.

"We do not have a partnership with MBI, but it is hard to control if the dealers do this on their own," a Hyundai spokesman said.

Ivory Properties also denied involvement.

However, as recently as last Thursday, the sales gallery at the mall confirmed that it still accepts MPoints as payment for up to 20% of the value of The Wave development at Jalan Datuk Keramat in Penang.

Both MBI and MFace were put under Bank Negara's Financial Consumer Alert List a week ago for "unlicensed activities undertaken", immediately following the collapse of many money game schemes.

TURN TO PAGE 03 ►



MASRY CHE ANI/THE SUN

## Mcoin, proponents on Bank Negara alert list

> Move follows bust-up of a number of money game schemes in the last couple of years

BY **LEE WENG KHUEN**  
sunbiz@thesundaily.com

What makes Mcoin, which is issued through MFace, particularly appealing is that its value keeps increasing and the creation of more units at a "splitting"

actively involved in networking, it took more time to get significant returns. Attempts to contact the two companies for comment were not successful.

MFace's filing with the the Companies Commission of Malaysia shows that it is principally involved in

Officers from the multi-agency raiding team carting away several boxes of documents from the MBI International office in Jalan Datuk Keramat, Penang, yesterday. Left: Our report on May 23.

STYLING BY: MFace International