

Combined Financial Services Guide & Product Disclosure Statement

Billzy

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Product provider:

Billzy Pty Ltd
ABN 26 602 796 298
AFS licence 494176
Unit 1, 13 Merritt Street, Capalaba Qld 4157
1300 245 599

This Combined FSG and PDS provides information about the payment system provided by BPS Financial Limited (**Payment System**) to assist you to make an informed decision about this product. The Payment System is an electronic bill paying service.

Please read this PDS carefully. Always retain a copy of this PDS and related documents for future reference.

Important Information

Our legal relationship with you is governed by the User Agreement (which incorporates all of our policies). The Financial Services Guide (**FSG**) is designed to help you decide whether to use any of the services we provide. The Product Disclosure Statement (**PDS**) contains information you require to make an informed choice about whether or not to register for and use our Payment System and services. Information relevant to both the FSG and PDS may be included expressly in one part and incorporated by reference in the other.

Combined Financial Services Guide & Product Disclosure Statement

1. Part 1: FINANCIAL SERVICES GUIDE (FSG)

1. This Financial Services Guide (FSG) is to help you decide whether to use any of the financial services we offer. After reading this FSG, you will know:
 - ❖ who we are;
 - ❖ what financial services and products we provide;
 - ❖ how we (and any other relevant persons) may be remunerated;
 - ❖ whether any relevant associations or relationships exist that may influence our advice;
 - ❖ details on how to get advice and give instructions;
 - ❖ how we protect your personal information;
 - ❖ how to access our internal and external complaints handling arrangements; and
 - ❖ what we can do and what we expect from you.

2. About Us

Billzy Pty Ltd (ABN 26 602 796 298) (Billzy) is an Australian Financial Services Licensee, Licence No 494176 and in this document is referred to as 'we', 'us' or 'our'. Our contact details are as follows:

Billzy
Unit 1/13 Merritt Street
Capalaba QLD 4157
Telephone: 1300BILLZY

We will offer services through the Billzy member website <https://pay.billzy.com> or we may appoint Authorised Representatives to act on our behalf for the provision of authorised services.

We are, therefore, responsible for the financial services provided and therefore provide this FSG.

We are only responsible for the financial products and services described in this FSG and included on our approved product list.

Billzy is a community formed to benefit you and your business. Once approved, it will allow you to be a merchant for the purposes of receiving Visa and Mastercard Credit and Debit card payments without the joining, monthly or transaction fees usually associated with providing this payment offering to your clients.

In due course, Billzy will also be able to provide your business with a BPay biller number to give your clients the option of paying you via BPay.

You can also offer direct transfer of money to your account in payment of Billzy invoices you have raised, or in turn, pay invoices you have received.

The Billzy community absorbs many of the costs associated with these payment services. Billzy will remain viable only through the charges it applies in Billzy Deal and when available, from Billzy Cash. Both of these products are designed to be highly useful to your business to smooth cashflow and even out the cyclic costs business in a contracting environment.

Billzy Deal allows either the member raising an invoice or the receiver of that invoice to negotiate on the terms of the invoice so that the payee may accept a lower amount than the original invoice in return for a different payment term. Either party can initiate and both can counter-offer reject or accept the offer. If a deal is agreed, the status on both payer and payee member pages is updated to the new details. The party that initiated the deal pays the fee. The history of offers and counter-offers is recorded for audit purposes.

In time, Billzy expects to be able to provide insurance cover specifically suited to your industry needs, assistance with setting aside superannuation to provide for your future, addressing needs in training and OH&S and providing preferred access to lending, from lenders who understand the particular needs of small business and contractors.

The technical description of the types of services we provide are as follows:

- (a) providing general financial product advice for the following classes of financial products:
 - (i) deposit and payment products limited to: non-cash payment products;
- (b) deal in a financial product by:
 - (i) issuing, applying for, acquiring, varying or disposing of non-cash deposit and payment products; and
 - (ii) applying for, acquiring, varying or disposing of noncash deposit and payment products on behalf of another person, wholesale or retail

In particular, these include:

- (i) provision of invoice raising and invoice payment facilities.
- (ii) ability to accept credit and debit card payments as a sub-merchant of Billzy.
- (iii) ability to make direct transfers from your account to a payee's account.
- (iv) ability to receive direct transfers to your account from other payers.
- (v) ability to make or accept a settlement discount offer for earlier settlement of an invoice than the stated payment terms.

Billzy seeks identifying information about you and your business to provide the community services to you. You have the right not to tell us information about yourself. However, if you do not provide it, we cannot adequately verify it, or if the information indicates you may be an unacceptable risk to the community, Billzy may not offer all or any of the services to you.

3. How do we get paid?

The fees and services that you will pay will also be set out in the Billzy Member Terms and Conditions client agreement. They are:

- **No fee** to become a Billzy community member if you are referred by another Billzy member and pass the Billzy 'good citizen' verification checks.
- **No fee** to become and remain a Merchant to receive payments by Visa and Mastercard Credit or Debit cards for your Billzy invoices.
- **Transaction fees** of 1.67% (GST inc) for card transactions paying your Billzy invoices.
- **No Direct Transfer fees** for payment of invoices
- from your registered bank account.
- \$1.99 (GST inc) for BPay Payments received by you when that feature is released.
- If you use **Billzy Deal**, you can negotiate a discount for early payment with someone you have raised an invoice to, or from whom you have received an invoice. If you both agree on a deal (a discount on the amount paid in return for a shorter payment term), then Billzy will charge 10% inc GST of the amount of the discount. An example:

If you have invoiced Fred \$1,000 (GST Inc) on a 30-day payment term, you might make an offer to accept \$950 (GST Inc) if the account were paid in 14 days. If that offer is accepted, Billzy would charge \$5 (GST inc), which is 10% of the \$50 discount, for facilitating the service, and you would receive \$950 less \$5 into your account in 14 days.

4. The person proposing the initial deal pays the fee.

These payments and transfers are handled by Global Payments Australia 1 Pty Ltd. We will deduct the fees from your account by direct debit for financial transfers as per the Member Terms and Conditions.

If you obstruct the collection of fees that are disclosed here and form part of the Member Terms and Conditions, Billzy reserves the right to terminate your membership or your member benefits and collect the unpaid fees by legal means.

5. Other benefits

Billzy seeks to create a community in the building and construction area where members have common interests, goals and problems. It specifically seeks to identify financial friction points to assist with business efficiency and improvements to member cashflow and business sustainability.

From time to time, additional products and services will be added to Billzy to further enhance its value to Billzy members.

6. Are there any relationships or associations that may influence the services provided?

As well as the payment arrangements outlined above, you should know about the following arrangements:

- A third-party provider may pay or receive a commission for referring you to them. Such a referral will only occur with your specific approval, and will be intended to give access to a high-quality product or service otherwise unavailable to you.

7. How we protect your personal information

Refer to the Privacy Policy on the main web page <https://pay.billzy.com>. Australian Privacy Principles apply to the collection of personal or sensitive information.

This means that information provided by you in the course of receiving financial planning services must only be used:

- to provide you with information, products or services that you might reasonably expect or request;
- to fully understand or anticipate your needs during our relationship;
- to manage rights and obligations under any laws applying to the services provided; or
- to conduct research, or planning and marketing, which includes direct marketing, although you have the right to specifically instruct that your details aren't used for these purposes.

The type of information which will usually be requested will include details about your employment, financial, taxation, and health. This may include details relating to your partner or family members.

As a financial service provider, we have an obligation under the Anti-Money Laundering and Counter-Terrorism Finance Act 2006 to verify your identity and the source of any funds.

This means that we will ask you to present identification documents such as passports or driver's licence and we may retain copies of this information.

In providing services to you, from time-to-time we may disclose information about you to our Authorised Representatives and other professionals, including insurance providers, superannuation trustees, product issuers as well as our service providers. This will only occur with your specific permission.

You are entitled to request access to your file for the purpose of reviewing and correcting the information held. However, you cannot access information where it would have an unreasonable impact on the privacy of another person or if the information is relevant to legal obligations or legal proceedings.

You are entitled to obtain access to the information we hold about you by contacting the Privacy Officer on 1300BILLZY or by writing to:

Privacy Officer

Billzy Pty Ltd
Unit 1/13 Merritt Street
Capalaba QLD 4157

For more information about how we collect, use, store and disclose your personal information, our Privacy Policy can be accessed on our website <https://pay.billzy.com>.

8. What happens if you want to make a complaint?

If you have a complaint about the financial services provided to you, you should call us on 1300BILLZY.

If your complaint is not resolved within five (5) business days, please write to:

Compliance and Professional Standards Manager

Billzy Pty Ltd
Unit 1/13 Merritt Street
Capalaba QLD 4157

Whilst every endeavour will be made to resolve the matter promptly and impartially, if you are not satisfied with how your complaint is handled, you can elect to refer the matter, free of charge, to the Australian Financial Complaints Authority (AFCA).

The AFCA can be contacted on 1800 931 678 or via mail:

Australian Financial Complaints Authority (AFCA)

GPO Box 3
Melbourne VIC 3001

Alternatively, other matters can be referred to the industry regulator, the Australian Securities and Investments Commission (ASIC) on free-call 1300 300 630 or via the website www.asic.gov.au.

2. Part 2: PRODUCT DISCLOSURE STATEMENT (PDS)

1. This Product Disclosure Statement (PDS) is to provide all the information you need to evaluate Billzy Non-cash services available to you as a member through the Billzy Community. It should be read in conjunction with the Billzy Financial Services Guide available from the Billzy website or on request directly from Billzy.

After reading this PDS, you will know:

- ❖ About Billzy
- ❖ How Billzy Works
- ❖ Benefits of using Billzy
- ❖ Risks of using Billzy
- ❖ How we make and receive your payments
- ❖ Fees and Costs
- ❖ Tax and GST
- ❖ How to join Billzy
- ❖ Additional information

2. About Billzy

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Billzy was established to serve the interests of industry and commerce broadly by providing products to mobilise the cashflow economy that every business, contractor or subcontractor participates in, in the course of normal business. It does this by making tools available that can improve cashflow and increase efficiency for the operating business.

All of these services are provided in the non-cash payments area. Billzy does not request information from members about their specific circumstances and only offers its products with general advice without taking account of member's objectives, financial situation or needs.

3. How Billzy works

Billzy is an online community of businesses operating in a range of industry segments. With its founders coming from building and construction, they have a commitment to create a vibrant community that identifies and addresses many of the problems and obstacles that make business hard or cause many businesses to fail each year.

Billzy's vision is to work together to overcome these problems and obstacles and make as many businesses as successful and sustainable as possible.

To become a member of Billzy, you need to be introduced or sponsored by an existing Billzy member, or introducer, or be contacted through recruitment activity that Billzy may run occasionally.

On applying, an applicant will provide requested information to allow Billzy to verify your identity (you are who you say you are) and your business as legitimate under Australian Anti-money Laundering (AML) and Know Your Customer (KYC) legislation supervised by AUSTRAC to detect and prevent criminal activity and financing of terrorism.

Note that Billzy supports 3 levels of association, a Lite member, an external debtor to a Billzy member and a full Billzy member. Different levels of AML and KYC apply to those levels as is required by law.

For full membership, boarding will include a credit check. These checks are performed at no cost to the prospective member.

Once approved as a member, Billzy uses your email address as a username and provides you a secure password to your member page where you can securely register credit or debit cards you may wish to use.

For full membership, Billzy will contact you to verify your bank account details so you can make and receive payments. The card registration is provided directly through Cybersource, Billzy's card gateway, and are only ever shown in tokenised form (e.g. 123456...789). For your highest security, no card details ever enter Billzy's platform under our security accreditation – PCI-DSS. All card information is stored at Cybersource only.

Once your bank account is verified, each Billzy member becomes a sub-merchant that can accept card and BPAY payments for bills, or receive payments through direct transfer of funds between bank accounts. You may also pay your bills by debit or credit card, or direct transfer as you choose.

The maximum card transaction value is capped at \$25,000, to protect both you and Billzy.

As each payment is made, it passes through Billzy's Client Distribution account. This is done so that Billzy can ensure that all money is accounted for and reconciled.

Billzy also holds Australian Financial Service License No. 494176 and is accountable to hold a prudential cash reserve over its obligations.

4. Benefits of using Billzy

Raising Invoices. Billzy allows you to raise invoices (bills) for your business and track them all in one place. You can upload your own logo or even a complete invoice form, or it will generate an invoice for you. If you are invoicing another Billzy member, it will pre-fill all the client details for you to save time. You select the term of payment you wish to apply.

When complete, it will send the invoice attached to an email to your client and register it in their member page. You can also print a copy. Billzy will notify you by email both when the email is opened by the recipient and when it is paid.

You can also raise an invoice to a non-Billzy member and the email will give them a link to a payment page to allow payment by credit or debit card as well as BPAY or direct transfer.

All of your invoices, paid and unpaid, are available to you at a glance.

- 5. Member lookup.** Billzy allows you to search through the Billzy community to locate other members in the community. This facility also allows you set up a new client for your invoices without having to collect and re-key in all their details.
- 6. Receiving and paying invoices.** Billzy receives invoices raised by other members and notifies you by email. They are all listed together, separating paid and unpaid available to you at a glance. These lists are searchable.
- 7. Offering Card facilities.** A significant benefit of being a Billzy member is that you become a card merchant without the usual intrusive process of approval through an acquiring bank. You automatically qualify to receive card transactions up to \$25,000. Billzy charges members no Merchant joining or monthly fees. Card transaction fees of \$0.33 + 1.67% (GST inc) are deducted by Direct Debit from the bank account the recipient has nominated to receive the card payments.
- 8. Paying by card.** Billzy allows you to register your credit or debit cards for convenience of making payments. These are 'tokenised' where the full card number is never disclosed to Billzy. In fact, it is never seen or stored at Billzy. It is only accessed by Cybersource, on behalf of Global Payments Australia 1 Pty Ltd (Global Payments) as the acquirer. This provides you the highest level of security for your card information. Billzy is PCI-DSS certified as level 3 PCI DSS compliant.
- 9. Surcharging.** Billzy gives you the option to add a surcharge to your invoices that will be applied if your client selects to pay by credit or debit card. It simply adds the percentage you have nominated up to your

actual cost of acceptance, to the invoice and shows it as a separate item. There is no cost for you to use surcharge. It just enables you to recoup the costs of card processing if you choose to.

10. **Direct transfers.** You can also pay or receive payments between your bank account and that of a client. Billzy does this by transferring the monies through a secure Client Distribution account. There is a \$2.20 fee per transaction charged for these transfers.
11. **BPAY.** Billzy members can use Billzy's biller account number when raising an invoice and the system will generate a unique Customer Reference Number (CRN) for each invoice. When the debtor pays, these are received, matched and deposited into the member's bank account. There is a \$2.20 fee per transaction charged for this service.
12. **Billzy Deal.** Billzy has a unique feature where, when an invoice has been raised, either the biller or the receiver can offer a 'deal' by suggesting a shorter payment term in return for a discount on the invoice amount. The second party can accept, ignore or counter-offer. This allows great flexibility in managing cashflow because the biller can seek to be paid faster in return for being paid a little less. The party that makes the first offer pays the Billzy fee for the service. Billzy charges a facilitation fee for this service. It is 10% (GST inc) of the discount offered in the deal. I.e. If a discount of \$50 is offered, Billzy will charge the initial proposer of the deal \$5. This is irrespective of the overall value of the invoice.
13. **Split.** Billzy allows you to spread a payment across several payment instruments, such as several registered credit or debit cards. This, for example, allows you to keep your credit limits down on cards but still meet a bigger payment. There is no charge for this feature.
14. **Billzy Cash.** Billzy allows businesses to access quick and easy invoice and debtor finance, at any time and from any device. With Billzy Cash's simple-to-use interface, you can apply for finance in just seconds and have it available in your merchant account within 24 – 48 hours. That means frictionless cash flow for your business and less time spent chasing unpaid invoices. Billzy Cash is only available for business purposes and not for the purchase, renovation or improvement of residential property or investment in marketable securities.
15. **Risks of Using Billzy**
Billzy is an operating business like any other and relying on the Billzy service may present some risks to Billzy members:

Risk	Likelihood	Mitigation
Unavailability of platform	Low	Cloud-based service with multiple redundancy
Security Breach	Medium	PCI-DSS accredited Focus on cyber-security
Fraudulent behaviour of members	Low	Billzy vets members carefully on entry. Member misbehaviour jeopardises their own future earnings

19. **How we make and receive your payments**
Billzy operates a Client Distribution account and carefully supervises all transfers.
 - (a) **Card Payment.** A card payment is paid into the Billzy Client Distribution account from the issuing bank. Billzy reconciles the amount with the invoice information, and transfers it to the destination Billzy member's bank account. Fees are then deducted.
 - (b) **Direct Transfer.** A direct transfer instructs Global Payments to transfer the payment to the Billzy Client Distribution account. Billzy reconciles the amount with the invoice information, and transfers

it to the destination Billzy member's bank account. It may take up to 4 days agree to receive cleared funds in the destination bank account.

- (c) **Chargebacks.** In the event of a chargeback, the money is Direct Debited from the receiving member's account to the Billzy Client Distribution account and then back to the originating account. During these transfers, investigations are made into the nature of the chargeback cause and validity. Billzy follows normal card scheme rules in handling chargebacks.

20. What do Billzy services cost?

Billzy provides comprehensive services to its members. You pay:

- No joining fee;
- Annual membership fee of \$110 (GST inc) payable in arrears on 1st anniversary of becoming a member;
- No Card Merchant establishment fees;
- No Card Merchant monthly fees;
- A transaction fee of \$0.33 + 1.67% (GST inc) on each card payment received;
- A \$2.20 (GST inc) transaction fee for Direct bank account transfers or Direct Debit transfers made or received;
- A transaction fee of \$1.33 + 1.67% (GST inc) for Direct Debits from cards;
- A \$2.20 (GST inc) transaction fee for BPAY payments received;
- Direct Debit Dishonour Fee of \$5.50;
- Card Chargeback fee of \$50.

Billzy Deal. If you use Billzy Deal and make an agreement with another Billzy member for different payment terms, the person first proposing the deal will be charged a facilitation fee. This fee is 10% of the invoice reduction amount (including GST). As an example, if a payer accepted to \$950 (inc GST) instead of \$1000 (inc GST) in return for paying in 14 days instead of 30 days, Billzy would charge \$5 (inc GST) which is 10% of the \$50 discount.

21. Tax and GST

Billzy supports GST and non-GST invoices. The member raising the invoice nominates which applies.