



Product Disclosure Statement

April 2018

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:

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About Billzy

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
1/450 Sherwood Rd
SHERWOOD
Brisbane QLD 4075
Telephone: 1300BILLZY

Billzy was established to serve the interests of the building and construction community by providing products to mobilise the cashflow economy that every business,

Contractor or subcontractor participates in, in the course of normal business, 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 offers its products with only general advice.

How Billzy works

Billzy is an on-line community of businesses operating in the building and construction and adjacent 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 successful and sustainable as possible.

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

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. It will include a credit check. These checks are performed at no cost to the prospective member.

Once approved, Billzy uses your email address as a username and provides you a password to your member page where you can securely register credit or debit cards you may wish to use. Billzy will contact you to verify your bank account details so you can make and receive payments. The card

registration is provided directly through Westpac, Billzy's acquiring bank 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 Westpac only.

Once your bank account is verified, each Billzy member becomes a sub-merchant that can accept card 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 trust 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.

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 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 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.

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

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 rekey in all their details.

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.

Offering Card facilities. A big 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 1.67% (GST inc) are deducted from the bank account the recipient has nominated to receive the card payments.

Paying by card. Billzy allows you to register credit or debit cards for convenience of payments. These are 'tokenised' where the full card number is never disclosed. In fact, it is not ever seen or stored at Billzy. It is only accessed by Westpac as the acquiring bank. This provides you the highest level of security for your card information. Billzy is PCI-DSS certified as secure by Westpac.

Surcharging. Billzy gives you the ability 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 to you to use surcharge. It just enables you to recoup the costs of card processing if you choose to.

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 trust account. There is no charge for these transfers.

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 more quickly 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.

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.

BillzyCash Billzy allows approved members to sell 80% of their selected invoice values to Billzy in return for fast payment of the purchased portions. The balance is paid to the member at the original invoice due date less an acceptance fee and a percentage of the money already paid by Billzy.

The member remains responsible for the payment of the invoice at its due time. This product has the effect of releasing cash quickly to the member to assist with their cashflow management.

Billzy may perform a fresh credit assessment of the merchant and may also contact the payer to confirm their expectation to pay, in managing its risk.

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

How we make and receive your payments

Billzy operates a trust account and carefully supervises all transfers.

Card Payment. A card payment is paid into the Billzy trust account from the acquiring bank, Westpac. Billzy reconciles the amount with the invoice information, and transfers it to the destination Billzy member's bank account. Fees are then deducted.

Direct Transfer. A direct transfer instructs Westpac to transfer the payment to the Billzy trust 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 to receive cleared funds in the destination bank account. There no charge for this service.

Chargebacks. In the event of a chargeback, the money is refunded to the Billzy trust account and then to the originating account. During these transfers, Investigations are made into the nature of the problem. Billzy follows normal card scheme rules in handling chargebacks.

What do Billzy services cost?

Billzy provides comprehensive services to its members at no charge. You pay:

- No joining fee
- No on-going membership fee
- No Card Merchant establishment fees
- No Card Merchant monthly fees
- A transaction fee of 1.67% (GST inc) on each card payment received
- No direct bank account transfer or direct debit transfers

Billzy Deal. If you use Billzy Deal and make agreement with another Billzy member for different payment terms, the person first proposing the deal will be charge 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.

Billzy Cash. Billzy charges a facilitation fee to process a Billzy Cash request, and a percentage calculated on the 80% invoice value that is paid to the member. This will be in a range to 2.5% to 5% for each 30 days depending on the invoice value, credit assessment and previous activity within Billzy of the member.

Tax and GST

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

How to join Billzy

Applications to join Billzy can be made from the main Billzy website billzy.com

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

On applying, you will provide requested information to allow Billzy to verify you 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. It will include a credit check. These checks are performed at no cost to the prospective member.

You will be taken through several screens to confirm your identity, details of your business and permission to assess your credit rating. This information is only used within Billzy or with external providers but then only with your express permission to provide them that information.

Additional Information

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
PO Box 536 Sherwood, Qld 4075