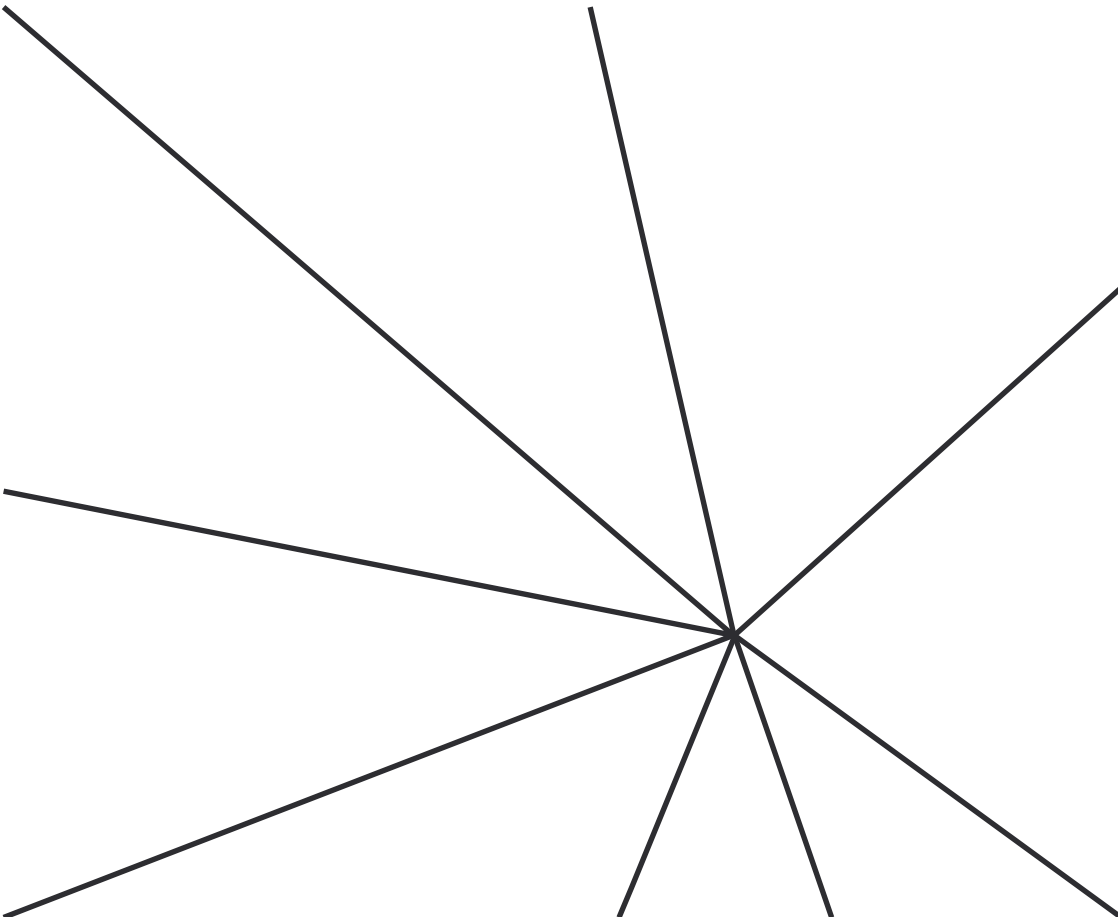


# PRODUCT DISCLOSURE STATEMENT

Preparation Date: 02 June 2023





## Contents

General	3
Licensing of the Services	3
How to contact Us	3
Zepto's Services	4
Payment Solutions Agreement	9
AML/CTF Act and KYC Process	9
Key Benefits	9
Key Risks	10
Fees and Charges	11
Tax Implications	13
Referrals	13
Complaints and Disputes	13
Key Terms	14
Disclaimer	15

## General

This product disclosure statement (“**PDS**”) is prepared by Zepto Payments Pty Ltd (ACN 604 057 598) (“**Zepto**”, “**we**”, “**us**”, “**our**”), a wholly owned subsidiary of Zepto Payments Group Pty Ltd (ACN 618 489 482), in accordance with the Corporations Act 2001 (Cth) (“**Corporations Act**”) and describes the services we offer, including the benefits, risks and associated costs of those services, together with other general information necessary to help you make an informed decision about whether to purchase the Services (defined below).

The information contained in this PDS is general in nature and does not take into account your individual objectives, financial situation and needs. As such, before acting on this information, you should assess whether the Services are right for you. You should consider this PDS, in addition to speaking with an appropriate adviser, before making any decision about whether to acquire the Services. Please contact us or visit our website at [www.zepto.com.au](http://www.zepto.com.au) if you would like more information regarding the Services.

The information contained within this PDS is correct as at the date of issue but may change from time to time in which case we will issue a supplementary PDS (“**Supplementary PDS**”). This PDS and any Supplementary PDSs will be published on our website at [www.zepto.com.au/legal](http://www.zepto.com.au/legal). Should you wish to have a paper copy of this PDS and/or any Supplementary PDSs, please email us at [enquiries@zepto.com.au](mailto:enquiries@zepto.com.au) and we will provide you with copies free of charge.

Unless otherwise defined in this PDS, words are taken to have the meaning as set out in the ‘Key Terms’ section below.

## Licensing of the Services

---

The Services are issued by Zepto Payments Pty Ltd (ACN 604 057 598) pursuant to its Australian Financial Services Licence (“**AFSL**”) (AFSL No. 541011).

Zepto is also registered with Australian Transaction Reports and Analysis Centre (“**AUSTRAC**”) as an Independent Remittance Service Provider (IND1006344321-001).



## How to contact Us

---

Our details are as follows:

<b>Zepto Payments Pty Ltd</b>	
<b>Australian Company Number</b>	604 057 598
<b>Australian Financial Services Licence number</b>	541011
<b>Address</b>	3/66 Centennial Cct, Byron Bay NSW 2481
<b>Phone</b>	1300 611 406
<b>Email</b>	support@zepto.com.au
<b>Website</b>	<a href="http://www.zepto.com.au">www.zepto.com.au</a>

If you have any questions in relation to this PDS, please contact us.

## Zepto's Services

---

Zepto owns and operates a series of Application Programming Interface (**API**) and User Interface (**UI**) systems (collectively, the "**Zepto System**") to carry out various payment processing activities for merchants utilising one or both of Australia's two major payment rail systems, BECS and the NPP.

Using the Zepto System, a merchant is able to access one or more of the following services through either access to Zepto's UI or the integration of Zepto's API into the merchant's own platform:

- i. collect recurring payments through BECS by direct debit;
- ii. collect one-off payments through BECS by direct debit;
- iii. send one-off payments through BECS by direct credit;
- iv. receive one-off payments through BECS by direct debit;
- v. send one-off payments in real-time through the NPP;
- vi. receive one-off payments in real-time through the NPP;
- vii. collect recurring payments in real-time through the NPP using PayTo;
- viii. collect one-off payments in real-time through the NPP using PayTo;
- ix. send one-off payments in real-time through the NPP using PayTo;
- x. store their and/or their customers' funds in a purchased payment facility (**PPF**);



- xi. send, receive and/or collect their and/or their customers' funds into and out of a PPF; and
- xii. obtain a record of their transaction instructions,

(collectively, the “**Services**”).

In relation to the Services described in items (i)-(vi) above:

- Zepto is sponsored by Cuscal Limited ABN 95 087 822 455 (“**Cuscal**”), an authorised deposit-taking institution (“**ADI**”) under the Banking Act 1959 (Cth), to access BECS as a Tier 2 Participant (direct debit and direct credit) and the NPP as an Identified Institution (NPP payouts, PayID delivery and NPP receivable payments).
- All payments are cleared and settled by Cuscal pursuant to its ADI authorisation and related contractual arrangements with Zepto.

In relation to the Services described in items (vii)-(ix) above, Zepto accesses the NPP directly as a Connected Institution.

In relation to the Services described in items (x)-(xi) above:

- The PPF is a purchased payment facility for the purposes of section 9(1) of the Payment Systems (Regulation) Act 1998 (Cth).
- Cuscal is the holder of stored value in respect of the PPF for the purposes of section 9(2) of the Payment Systems (Regulation) Act 1998 (Cth).
- The funds are stored in a Customer Funds Account in Zepto’s name held with Cuscal. The funds are not covered by the Financial Claims Scheme.
- Zepto may earn interest (payable to it by Cuscal) in respect of any amounts held in the Customer Funds Account.
- The Services set out in items (i)-(vi) are also provided in connection with the PPF and the arrangements described above in respect of those Services apply.
- Cuscal does not provide accounts to merchants or their customers and does not have any contractual relationship with merchants or their customers.

Zepto also offers certain enhancements to its payment processing services including instant account verification, direct debit pre-fail, PayID pooling and aggregated settlement.

Where we refer to a “float account” in the table below or otherwise in this document, this refers to a virtual ledger within Zepto’s settlement account with Cuscal which is established for the purpose of demarcating and reconciling funds paid by you from other funds within the settlement account. You can direct such funds through the Zepto System. For the avoidance of doubt, such funds are amounts paid to acquire a financial product or an increased interest in a financial product; they are not client money for the purposes of the Corporations Act. Please contact us if you require further details.

Key features of Services	
Service	Key features
Collect recurring payments through BECS by direct debit	<ul style="list-style-type: none"> <li>● Zepto processes direct debit transactions as initiated by you through the Zepto System.</li> <li>● The initiation occurs via you entering into a direct debit arrangement with your customer, which authorises Zepto to debit your customer's account.</li> <li>● Direct debit payments are available to you as cleared funds in line with BECS standard processing times (i.e. usually two (2) business days).</li> <li>● The Zepto System communicates real-time status updates to you when payments are cleared.</li> <li>● You have two options as to how to receive direct debit payments:               <ol style="list-style-type: none"> <li>1) payments may be directly credited to your external bank account; or</li> <li>2) payments may be aggregated within Zepto's settlement account (held with Cuscal) each day and then credited as a single aggregated volume into your external bank account.</li> </ol> </li> <li>● Transaction dispute resolution support is available in line with BECS requirements including dishonours, rejections, direct debit cancellations and transaction disputes.</li> <li>● The Zepto System can enable your customers to provide consent to connect their bank accounts, enabling Zepto to verify that:               <ol style="list-style-type: none"> <li>1) the account information provided by your customer is correct (referred to as 'instant account verification'); and</li> <li>2) there are sufficient funds in your customer's account before a direct debit payment is processed (referred to as 'direct debit pre-fail').</li> </ol> </li> <li>● If there are insufficient funds, the direct debit is not processed, and you are notified upon Zepto learning the transaction was unsuccessful. You can make contact with the end-customer to make an alternative payment arrangement.</li> </ul>
Collect one-off payments through BECS	<ul style="list-style-type: none"> <li>● Zepto processes one-off payments via BECS as initiated by a payer to an account instructed by you. The account can be:               <ol style="list-style-type: none"> <li>1) an external bank account held by you; or</li> <li>2) Zepto's settlement account. In this case, the funds may be allocated within Zepto's settlement account to a float account. You may then initiate an external transfer.</li> </ol> </li> <li>● Payments are available to you in line with BECS processing times (i.e. usually two (2) business days).</li> <li>● Zepto reports to you that funds are available.</li> </ul>

	<ul style="list-style-type: none"> <li>• Transaction dispute resolution support is available in line with BECS requirements including dishonours, rejections, direct debit cancellations and transaction disputes.</li> </ul>
<p>Send one-off payments through BECS</p>	<ul style="list-style-type: none"> <li>• Zepto processes direct credit transactions as initiated by you through the Zepto System.</li> <li>• The funds are debited by Zepto from your nominated bank account and credited to the payee's nominated bank account (this may take up to two (2) business days).</li> <li>• Direct credit payments are available to the payee in line with BECS standard processing times (this may take up to two (2) business days).</li> <li>• The Zepto System communicates real-time status updates to you when payments are cleared.</li> <li>• Transaction dispute resolution support is available in line with BECS requirements including dishonours, rejections and transaction disputes.</li> </ul>
<p>Send one-off payments in real-time through the NPP</p>	<ul style="list-style-type: none"> <li>• Zepto processes payments via the NPP (Single Credit Transfer) as initiated by you through the Zepto System.</li> <li>• NPP payments are available to the payee in line with the NPP's real-time processing capability (typically less than a minute).</li> <li>• You must have funds available in Zepto's settlement account prior to initiating an NPP payment. Funds can be transferred to Zepto's settlement account via the NPP if you are seeking an end-to-end real-time payment process.</li> <li>• Your funds are allocated within Zepto's settlement account to a float account.</li> <li>• Auto top-up of float accounts is available by setting up a direct debit arrangement with Zepto which will debit funds from your external bank account once the float account balance reaches a certain threshold.</li> <li>• NPP Adjustment, disputes and investigations support is available including NPP Payment return, mistaken payments, error payments, misdirected payments, overpayments, duplicates, unauthorised payments and fraudulent payments.</li> </ul>
<p>Receive one-off payments in real-time through the NPP</p>	<ul style="list-style-type: none"> <li>• Zepto processes payments into Zepto's settlement account via the NPP (Single Credit Transfer or OSKO) as initiated by the payer from their external bank account. Within Zepto's settlement account, the funds are allocated to a float account.</li> <li>• You can create PayIDs for float accounts. This enables your customers to make NPP payments into your float account using an alternative identifier instead of bank account details (noting PayID user rules apply).</li> </ul>

	<ul style="list-style-type: none"> <li>● NPP payments are available to you in line with the NPP’s real-time processing capability (i.e. usually within a minute).</li> <li>● Zepto reports to you that funds are available.</li> <li>● Once funds are available, you can initiate the transfer of these funds externally via the Zepto System. You can send funds externally via the NPP or BECS and it is at your discretion as to when this occurs.</li> <li>● NPP Adjustment, disputes and investigations support is available including NPP Payment return, mistaken payments, error payments, misdirected payments, overpayments, duplicates, unauthorised payments and fraudulent payments.</li> </ul>
<p>Collect one-off or recurring payments in real-time through the NPP using PayTo</p>	<ul style="list-style-type: none"> <li>● Zepto processes one-off or recurring payments as initiated by a payer to an account instructed by you. The account can be:             <ol style="list-style-type: none"> <li>1) an external bank account held by you; or</li> <li>2) Zepto’s settlement account. In this case, the funds may be allocated to within Zepto’s settlement account to a float account. You may then initiate an external transfer.</li> </ol> </li> <li>● Payments are available to you in line with NPP’s real-time processing capabilities (typically less than a minute).</li> <li>● Zepto reports to you that funds are available.</li> <li>● Transaction dispute resolution support is available in line with NPP requirements including rejections, refunds and transaction disputes.</li> <li>● This service is available to move funds 24 hours a day, 7 days a week throughout the entire year.</li> </ul>
<p>Send one-off or recurring payments in real-time through the NPP using PayTo</p>	<ul style="list-style-type: none"> <li>● Zepto processes PayTo transactions as initiated by you through the Zepto System. The initiation occurs via you entering into an agreement (‘mandate’) with Zepto, which authorises Zepto to debit the customer’s bank account and credit the payee, as specified in the agreement.</li> <li>● The creation of a mandate is governed by NPP regulations and procedures.</li> <li>● Zepto will initiate the payment from your bank account on instructions from you (received via the Zepto System).</li> <li>● Transaction dispute resolution support is available in line with NPP requirements including rejections and transaction disputes.</li> <li>● This service is available to move funds 24 hours a day, 7 days a week throughout the entire year.</li> </ul>
<p>Store funds in a PPF</p>	<ul style="list-style-type: none"> <li>● Zepto stores funds for you in a PPF which sits within a Customer Funds Account held with Cuscal.</li> <li>● You can store your and/or your customers’ funds in the PPF indefinitely.</li> </ul>



	<ul style="list-style-type: none"> <li>● Any of your funds stored in the PPF will be separated from any of your customers' funds stored in the PPF.</li> <li>● Funds held in the PPF will be held on trust for you as "client money" in accordance with the requirements under sections 981B and 1017E of the Corporations Act.</li> </ul>
Send, receive and/or collect funds in and out of a PPF	<ul style="list-style-type: none"> <li>● Zepto processes payments into and out of the PPF via BECS and the NPP, enabling you to send, receive and/or collect you and/or your customers' funds into and out of the PPF.</li> <li>● Each of the payments services referred to in (i)-(vi) above are offered in respect of the PPF, the key features of which are set out in this table.</li> <li>● You can withdraw any part or all of your and/or your customers' funds from the PPF at any time.</li> </ul>

## Payment Solutions Agreement

---

Zepto's Services are governed by a Payment Solutions Agreement ("**PSA**") with accompanying terms and conditions that apply to specific Services. You should obtain your own independent legal advice prior to entering into a PSA with Zepto as you will be bound by the relevant terms and conditions.

## AML/CTF Act and KYC Process

---

Zepto complies with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* ("**AML/CTF Act**").

As a prospective merchant seeking the Services, you will be asked to undergo our KYC procedures to verify your identity. We may do this by requesting that you provide documents (including certified documents) and other information. You may also be asked at various times throughout the term of any PSA you have entered into with Zepto to confirm the accuracy of information you have previously provided, or we may ask you to provide additional information. It is an offence under the AML/CTF Act to give false and/or misleading information in connection with our KYC procedures. If you fail to complete our KYC procedures, or if you provide us with incomplete or inaccurate information, we will be unable to provide you with the Services.

## Key Benefits

---

Zepto's Services aim to increase the efficiency and security of payment flows. The specific benefits for you, as a merchant, will depend on the type of Services purchased, however, broadly speaking, the benefits include:

- increased control over the timing of collection and disbursement of payments;
- potential reduction of overhead costs associated with manual payment processing through increased automation and record-keeping;
- increased flexibility of payments with respect to amounts and frequency;
- potential reduction of the frequency of dishonoured and incorrect payments;
- increased cash flow through faster (real-time) payment processing;
- reduced friction in the payments process with the ability to store funds and make payments from the one facility; and
- increased protection of customer funds by storing them on trust.

## Key Risks

---

Zepto's Services are not suitable for some merchants. The list of risks below is not exhaustive, and you should seek independent advice in relation to the Services to ensure that you make an informed decision on what to purchase.

As a merchant, broadly speaking the risks for you include:

- The Services may not be appropriate for your needs;
- The Zepto System might have periods of downtime during which the Services will not be available. You will receive advance notice of any scheduled downtime, but unscheduled downtime may be out of our control;
- Zepto may use a third party, including banks and financial institutions, with whom they are contracted to assist in providing the Services you select. As a result, some of Zepto's Services may terminate, be delayed or otherwise be affected, through no fault of our own, and will result in a detriment to our ability to provide you with a Service;
- Once processed, generally payments cannot be reversed. This includes in circumstances where you (or one of your customers) have provided us with payment instructions that are inaccurate or fraudulent. In these circumstances you or your end customers might lose funds that cannot be recovered;
- We may not detect duplicate payment instructions received from you in error;
- Data provided to us in connection with your Zepto account and/or payment instructions could be accessed by unauthorised third parties. While we have implemented security systems and



processes, the security of data stored and transmitted through the internet cannot be guaranteed. It is important that you protect any passwords, equipment or software you use to access the Services;

- You may incur a fee through your nominated financial institution to top up your nominated account in order to pay us or to top up an account required for some of our Services;
- Zepto is unable to determine whether credit or debit payment instructions are accurate, authorised or fraudulent and you may be liable for these transactions. You are responsible for ensuring the security of all your payment instructions;
- You are responsible for repaying your customer any refund they are entitled to receive; and
- You are responsible for ensuring your customer is able to pay you for any goods or services you provide them.

## Fees and Charges

---

The fees and charges applicable to the Services are detailed below and will be agreed with you as part of the PSA relating to the Services you purchase (and detailed in a Fee Schedule forming part of the PSA).

All fees and charges are subject to change in accordance with the PSA. All payments will be made in Australian dollars unless otherwise agreed. The times at which the fees and charges will or may be payable are set out in the table below and will be set out in the PSA.

<b>Direct Entry Services</b>		
<b>Type of fee</b>	<b>When payable</b>	<b>Amount (exclusive of GST)</b>
<b>Direct Credit</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$0.55 per transaction
<b>Traditional Direct Debit</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$1.00 per transaction
<b>Open Banking Direct Debit</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$1.00 per transaction
<b>Digital Onboarding Fees</b>		If applicable, minimum of \$1.00

<b>NPP Services</b>		
<b>Type of fee</b>	<b>When payable</b>	<b>Amount (exclusive of GST)</b>
<b>Outbound NPP Payouts</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$2.50 per transaction
<b>Inbound Receivable Contact / PayID Payments</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$0.50 per transaction
<b>PayTo</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$1.00 per transaction
<b>PayID Features</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$0.20 per feature

<b>Stored Value Services</b>		
<b>Type of fee</b>	<b>When payable</b>	<b>Amount (exclusive of GST)</b>
<b>PPF Establishment Fee</b>	Upon issuance of a PPF to a merchant.	\$500
<b>Monthly Service Fee (Stored Value)</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	As negotiated

<b>General Fees &amp; Charges</b>		
<b>Type of fee</b>	<b>When payable</b>	<b>Amount (exclusive of GST)</b>
<b>KYC Fee per Merchant Entity</b>	At the time of execution of MSA	\$1000
<b>Transaction Dishonour</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$50
<b>Transaction Dispute: Claim or Dispute Retrieval Fee</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$60
<b>Transaction Dispute: Direct Debit Cancellation</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Up to \$60
<b>Unique APCA USER ID</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	Approximately \$300 per month (per ID)
<b>Monthly Transaction Fee</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	As negotiated
<b>Monthly Service Fee (Transaction Processing)</b>	Monthly on 1st of the month, debited directly from the nominated bank account.	As negotiated

## **Tax Implications**

---

The Services may have tax implications for your business, depending on your own financial circumstances. You should seek advice from a tax specialist before purchasing any Services.

## Privacy

---

Your privacy is important to us. The information you provide to Zepto and any other information provided by you in connection with the Services will primarily be used for providing you with the Services and for complying with certain laws and regulations.

Our privacy policy is available on our website at [www.zepto.com.au/privacy/](http://www.zepto.com.au/privacy/). It includes information such as:

- how we collect, hold, use and disclose your personal information;
- your rights and choices regarding the right to correct, amend or delete your information; and
- how you can make a complaint regarding privacy concerns.

We will update our privacy policy from time to time.

## Referrals

---

Third parties may have a contractual arrangement with Zepto where they may be remunerated with a payment or other benefit for referring business to Zepto.

## Complaints and Disputes

---

### Internal dispute resolution

Zepto prides itself on being honest about where we need to improve. We have a complaints procedure designed to make sure all concerns are addressed promptly and fairly. If you are unhappy with us and would like to raise any concerns or complaints in relation to the Services or any associated services, please contact us at [complaints@zepto.com.au](mailto:complaints@zepto.com.au).

We will acknowledge your complaint as soon as practicable (and in any event, within 5 business days) and aim to resolve your complaint within 30 days.

### External dispute resolution

If you are not satisfied with our response to your complaint, you can contact the Australian Financial Complaints Authority (“**AFCA**”) (an independent and free dispute resolution body). Before AFCA can investigate the matter, you must have first given us the opportunity to review it. AFCA’s details are listed below.

Online: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678 (free call)



Mail: Australia Financial Complaints Authority  
GPO Box 3  
Melbourne, VIC 3001

The AFCA website also permits you to register or lodge a dispute online.

## Key Terms

---

**AusPayNet** means the Australian Payments Network Limited (ABN 12 055 136 519).

**BECS** refers to the Bulk Electronic Clearing System, the official name for the direct entry payment system.

**BECS Participant** means a participating member in BECS.

**BECS Rules** means the regulations and procedures issued by the AusPayNet from time to time governing the participation in and the use and operation of BECS by BECS Participants.

**Connected Institution** has the same meaning as that in the NPP Regulations.

**Identified Institution** has the same meaning as that in the NPP Regulations.

**KYC** means the 'Know Your Customer' procedures for verifying the identity of individuals and non-individuals (companies, firms, trusts) in accordance with the requirements of the AML/CTF Act.

**PayID** means the identifier which you have registered in the NPP Addressing Service and which you provide to us as the identifier for your account.

**NPP** means the New Payments Platform.

**NPPA** means NPP Australia Limited ABN 68 601 428 737, the company which owns and operates the NPP.

**NPP Addressing Service** means the database of account proxy identifiers maintained by NPP Australia Limited (ABN 68 601 428 737).



**NPP Regulations** means the rules prescribed by the NPPA that establish the core obligations and rights between, among others, the NPPA and Connected Institutions, including, without limitation, the annexures and schedules to those regulations, as amended from time to time.

**Transaction** means the initiation or processing of a credit or debit payment to an account, financial institution account, bank account or a digital wallet.

### **Disclaimer**

The Services provided by Zepto are intended for use by companies and other legal entities registered to do business in Australia. The information provided in this PDS may not satisfy the law of other countries. Foreign companies and entities use this PDS at their own risk and should take into consideration the requirements of their country of residence when enquiring about our Services.

To the fullest extent permissible by law, the content in this PDS is provided as is and without warranty of any kind (either express or implied). Zepto does not warrant that this document will be error and/or omission free, nor will Zepto be liable for errors and/or omissions in this document or for loss or damage suffered as a result of reliance on any information therein. Zepto does not warrant or make any representations regarding the use or the results of the use of the information in this document in terms of its accuracy, reliability, suitability, completeness or otherwise.