



## **DIRECTOR AUTHORISATION - PRODUCT DISCLOSURE STATEMENT**

### **LATITUDE TECHNOLOGIES LIMITED**

#### **1. Issuer**

- 1.1. This product disclosure statement (PDS) dated 13 January 2023 is issued by Latitude Technologies Limited NZBN 9429 0415 37640 (Latipay Payment Gateway, we, us and our). We hold New Zealand financial services provider licence (FSP) No.455766
- 1.2. If you have any queries regarding this PDS, please contact us at: Level 19, 120 Albert Street Auckland 1010 New Zealand, Telephone 09 9300 600 customerservice@Latipay.net.

#### **2. The purpose of this PDS**

- 2.1. The purpose of this PDS is to give you the information you require to make an informed decision about whether to use our Latipay Payment Gateway for conducting business with consumers in China.
- 2.2. This PDS only applies to you if you receive it in Australia. The distribution of this PDS in jurisdictions outside New Zealand may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. This PDS does not constitute an offer to any person to whom, or any place in which, it would be illegal to make that offer.
- 2.3. The information in this PDS is current as at the date of the PDS but may change. Where there is a change in information which is not material to you, this updated information will be made available on our website at <https://pds.latipay.net/>. If you require a paper copy of any Updated Information, please contact us on customerservice@Latipay.net and we will provide a copy free of charge.
- 2.4. The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should review this PDS carefully and assess whether our Latipay Payment Gateway is appropriate for you and, if necessary, seek professional advice before deciding to use our Latipay Payment Gateway.
- 2.5. No person is authorised by us to give any information or to make any representation to you in connection with the offer of our Latipay Payment Gateway that is not contained in this PDS, or any Updated Information provided by us. Any information or representation not so contained in this PDS or the Updated Information cannot be relied upon as having been authorised by us. The issue of this PDS is authorised solely

by us and none of our related bodies corporate are responsible for any statement or information contained in this PDS.

### **3. About Latipay Payment Services**

- 3.1. We assist businesses outside of China to sell into China, and Chinese businesses to establish and improve their payment solutions.
- 3.2. We are a provider of secure and reliable real-time payment processing services, with solutions for merchants based internationally. Our team includes experienced Chinese linguists, payment executives, compliance professionals, legal counsel and ecommerce experts.

### **4. Latipay Payment Gateway**

#### **4.1. Application Program Interface (API)**

- 4.1.1. Our API Latipay Payment Gateway enables you to connect your business website to our payment gateway with world-class security, reliability and system features designed to help your business grow sales in China.
- 4.1.2. Latipay Payment Gateway provides the technology and mechanism for online merchants to accept online payments from consumers in China to pay for goods and services over the internet. Pursuant to this PDS, we offer our Latipay Payment Gateway to Australian merchants.
- 4.1.3. When a Chinese consumer decides to purchase goods or services online, at the payment stage they are redirected from your website to a secure website to input their debit or credit card details to pay for the applicable goods and services. The consumer is returned to your website at the end of the payment transaction.

#### **4.2. QR Code**

- 4.2.1. We make requesting money easy. We provide customers who have a physical premises with a QR Code. When your customer makes a purchase from you, the customer will scan the QR Code using their smart phone.
- 4.2.2. We are notified every time a customer uses the QR code we provide you.

#### **4.3. Settlement**

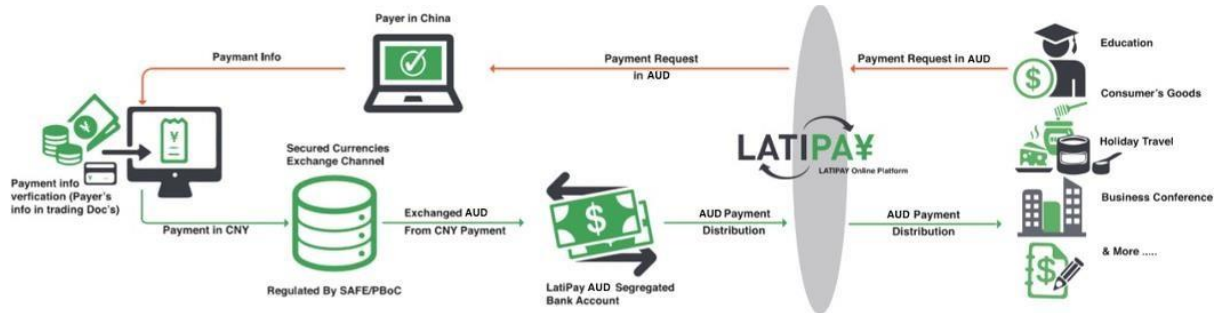
- 4.3.1. The Latipay Payment Gateway will enable your business to accept payments online in New Zealand dollars and then settle to your bank account in New Zealand dollars.

### **5. How does the Latipay Gateway work?**

- 5.1. As part of the payment process, we perform identity screening and fraud checks and then pass payment details to our Chinese banking partner, who facilitates authorisation from the consumer's bank.
- 5.2. Our Chinese banking partner settles funds to us for all our merchants and we settle to individual merchants, less our fees. As a merchant you must notify your

customers if you are passing on to your customer the cost of any fees incurred by you in relation to your use of the Latipay Platform. Latipay will charge you a fee each time you make a withdrawal. The fees charged are those as stated in the "Latipay Registered Merchant - Schedule of Fees".

- 5.3. Funds we receive from our Chinese banking partner are held on trust for our merchants prior to distribution to them. Therefore, those funds are protected against any claims by our creditors.
- 5.4. The following diagram illustrates how our Latipay Payment Gateway operates:



## 6. Merchant Agreement

- 6.1. To add our API Latipay Payment Gateway to your website, you will enter into an Merchant Agreement which will form your agreement with us and governs the use of our Latipay Payment Gateway. The terms and conditions of the Merchant Agreement are available online at <https://merchant.latipay.net/Merchant%20Terms%20and%20Conditions.pdf> and are incorporated into, and form part of, this PDS.
- 6.2. Latipay does not take any part in the contract for sale and purchase of goods or services between you and your customer. The Latipay Payment Gateway merely provides a means of communicating orders either from or to you and facilitating payment for the goods or services purchased. Latipay accepts no responsibility or liability for any issues which may arise between you and your customer.
- 6.3. Before you can establish an e-commerce relationship with our online Latipay Payment Gateway, you will need to read, accept and agree to be bound by the terms and conditions of the Enterprise Merchant Agreement.
- 6.4. The terms and conditions of the Merchant Agreement are available free of charge on request and also are available at <https://merchant.latipay.net/Merchant%20Terms%20and%20Conditions.pdf>
- 6.5. Amongst other things, the Merchant Agreement describes the legal relationship between each merchant and Latipay Payment Gateway; the fees payable by the merchant and our right to amend these fees; our obligation to settle funds to the merchant's account and right to deduct or withhold amounts from the funds payable to a merchant; the merchant's obligations for delivery of goods and services and dealings with returns and exchanges; certain conduct the merchant is prohibited from undertaking and the circumstances where we can amend the list of

prohibited conduct; warranties provided by the merchant and the circumstances where the merchant indemnifies Latipay Payment Gateway for loss or damage suffered; the term of the Merchant Agreement and each party's termination rights; ownership of intellectual property associated with the Latipay Payment Gateway; confidentiality obligations; and our limitation of liability.

6.6. You should access and read the terms and conditions of the Merchant Agreement as they will govern the arrangement that will apply to you as a user of our Latipay Payment Gateway.

## **7. Benefits and Key Features**

### **7.1. Key benefits include**

- a. multi-lingual (English, Chinese) switchable interface and support
- b. accepts Chinese credit and debit cards
- c. e-wallets
- d. highly secured gateway;
- e. online real time payment authentication;
- f. advanced real-time reporting and comprehensive online reporting;
- g. settlement in any major currency out of China;
- h. easy integration with technical support;
- i. consultative account management;
- j. competitive pricing;
- k. fast approval and set up;
- l. local access with global reach.

## **8. Key risks**

### **8.1. Reliance on counterparty**

8.1.1. We have entered into an agreement with our Chinese banking partner to facilitate the collection of funds from Chinese consumers with debit and credit cards and we are reliant on the continuation of our partnership to facilitate the collection and distribution of payments from Chinese consumers to our merchants.

8.1.2. If our arrangement with our Chinese partnership ceases or our Chinese banking partner does not remit funds owing to our merchants to us in a timely fashion or at all, it will adversely impact our ability to remit these funds to our merchants. We are not liable to remit monies paid by Chinese consumers to our merchants where we have not received the funds from our Chinese banking partner.

### **8.2. Reliance on technology**

8.2.1. Whilst we have extensive systems in place to ensure reliability, there remains a risk that disruption to computer and/or

telecommunications systems may occur from time to time resulting in the temporary unavailability of our Latipay Payment Gateway. If disruptions occur, merchants may be unable to sell goods and services online to Chinese consumers or there may be delays in payments to a merchant.

8.2.2. Under the Merchant Agreement, except as provided by law, we are not liable for any loss a merchant suffers due to any outage or interruption of our Latipay Payment Gateway.

### **8.3. Payment reversals and unlawful transactions**

8.3.1. Whilst we employ an advanced fraud prevention system designed to minimise fraudulent or unauthorised payments by Chinese consumers, merchants may still be exposed to liability where payment by a Chinese consumer is fraudulent or unauthorised (for example, if the credit card/debit card, e-wallet details used by a Chinese consumer were stolen).

8.3.2. Also, payments from a consumer to a merchant may be reversed for various reasons such as charge backs, returns, cancellations, refunds and deductions.

8.3.3. Where either an unauthorised payment or reversal occurs, we may be obliged to refund moneys received from our Chinese banking partner prior to distribution to the merchant or the merchant may be liable to repay funds received from us.

### **8.4. Currency Exchange**

8.4.1. If a merchant chooses to quote the purchase price of goods or services in one currency and elects to have purchase funds settled to their bank account in a different currency, the merchant will be exposed to fluctuations in the exchange rate of those currencies during the period between payment by the Chinese consumer and when Latipay Payment Gateway remits funds for distribution to the merchant.

8.4.2. Currency exchange rate fluctuations may increase or decrease the transaction value for the merchant in their chosen settlement currency compared to the time the purchase was made.

## **9. Fees and costs**

We receive the following fees in connection with our Latipay Payment Gateway.

### **9.1. Processing fee**

9.1.1. We usually receive an agreed fee of up to 2.5% (excluding GST) of the gross transaction volume for a merchant. For example, if your gross transaction volume is \$10,000, you will be charged a fee of up to \$250 (excluding GST). The fee is deducted prior to transferring funds

to the merchant. However, we do not always charge a flat fee of 2.5% (excluding GST). This can be variable.

- 9.1.2. Your fee rate will be outlined in the Enterprise Merchant Agreement. As a merchant you must notify your customers if you are passing on to your customer the cost of any fees incurred by you in relation to your use of the Latipay Payment Gateway.

## 9.2. How and when fees are paid

- 9.2.1. The fee is deducted prior to transferring the funds to the merchant.

## 9.3. Changes to processing fees

- 9.3.1. Under the terms of the Enterprise Merchant Agreement, we can change the processing fee immediately upon written notice to the merchant. Also, if a payment from a consumer to a merchant is reversed, we are still entitled to our processing fee.

## 9.4. Interest

- 9.4.1. We are also entitled to all interest earned on funds we receive and hold on our merchant's behalf.

# 10. Dispute resolution

- 10.1. If you have a complaint or concern about any aspect of our Latipay Payment Gateway, please write to:

The Complaints Officer  
Lvl 19 120 Albert St  
Auckland 1010  
New Zealand

- 10.2. Alternatively, you can call on 09 9300600 or send an email to [complaint@Latipay.net](mailto:complaint@Latipay.net)

- 10.3. Latipay will provide acknowledgement of receipt of written complaints within 5 business days, and seek to resolve and respond to complaints within 30 business days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

- 10.4. If you feel that your complaint has not been satisfactorily resolved, you are entitled to make a written complaint to:

- 10.5. The Commerce Commission New Zealand

PO Box 2351  
Wellington 6140 New Zealand  
Freephone 0800 943 600  
Email: [contact@comcom.govt.nz](mailto:contact@comcom.govt.nz)  
Web [www.comcom.govt.nz](http://www.comcom.govt.nz)

If you require any further information about our dispute resolution system, please contact us and request a copy of our dispute resolution procedures.

## 11.Privacy

- 11.1. The privacy of your personal information is very important to us. We will only collect, use and retain personal information which is necessary to provide you with access to, and information about, our services.
- 11.2. The below summarises our privacy policy:
  - 11.2.1. Before or at the time of collecting personal information, we will identify the purposes for which information is being collected;
  - 11.2.2. We will collect and use personal information solely with the objective of fulfilling those purposes specified by us and for other compatible purposes, unless we obtain the consent of the individual concerned or as required by law;
  - 11.2.3. We will only retain personal information as long as necessary for the fulfilment of those purposes;
  - 11.2.4. We will collect personal information by lawful and fair means and, where appropriate, with the knowledge or consent of the individual concerned;
  - 11.2.5. Personal data should be relevant to the purposes for which it is to be used, and, to the extent necessary for those purposes, should be accurate, complete and up-to-date;
  - 11.2.6. We will protect personal information by reasonable security safeguards against loss or theft, as well as unauthorised access, disclosure, copying, use or modification; and
  - 11.2.7. We will make readily available to customers information about our policies and practices relating to the management of personal information.
- 11.3. We are committed to conducting our business in accordance with these principles in order to ensure that the confidentiality of personal information is protected and maintained.
- 11.4. You are entitled to request reasonable access to your personal information. We reserve the right to charge an administration fee for collating information requested.
- 11.5 We aim to ensure that the personal information we retain about you is complete, accurate and up-to-date. If you have any concerns about the completeness or accuracy of the information we have about you or you would like to access or amend your information, simply send an email to [info@latipay.net](mailto:info@latipay.net)

## **12. Director Authorisation**

The Directors of Latitude Technologies have consented to and authorised the issue of this PDS.

## **13. Latitude Technologies Statement**

### **13.1. Purpose**

13.1.1. This statement is provided to help you decide whether to use the financial services we are authorised to provide

13.1.2. This statement, also provides you with information about the remuneration which Latipay Payment Gateway may receive and how any complaints you may have are handled. This statement is dated 13 January 2023.

Signature:

Peter Wei Director