

PinPay Offers Developing Countries Modern Low Cost Financial Infrastructure

Summary: By providing a complete, modern, low cost financial infrastructure, with international payment and money transfer services, PinPay grants every developing country the potential for significant growth in GDP, tax revenues and the standard of living for all of the Country's citizens.

A Modern and Effective Financial Infrastructure for Developing Countries

Every developing nation is faced with many difficulties and challenges which must be addressed if sustained economic growth and prosperity is to be obtained.

One of the foundational elements of successful growth is a sound, modern and effective financial infrastructure. An infrastructure that services not only the merchants, businesses and government, but also one that provides simple, secure and effective financial services to the individual.

PinPay provides the needed elements for a complete, secure and effective national financial infrastructure. This proprietary technology and system for providing a modern financial infrastructure is immediately available. It addresses the needs of the government, public agencies, merchants, private industry, and each individual citizen. Plus PinPay is compatible and operates with exiting mobile phone services and existing banking and financial services.

To gain a basic understanding of the technology and services provided by PinPay, this white paper defines some of the key objectives sought by developing countries and briefly addresses each. Additional information and details are available by contacting a PinPay marketing representative and by visiting www.pinpay.net.

Objectives of a Developing County

- 1] To obtain and install an effective, modern, electronic financial services infrastructure within the country, which addresses the needs for security and convenience.
- 2] To obtain an electronic payment, money transfer and transaction processing service for the country, with links to the international marketplace, supports delivery of remittance payments, and will spur economic growth and prosperity for all.
- 3] To obtain the needed financial infrastructure (number 1 above) and the benefits of an electronic payment service (number 2 above) quickly and for a low capital investment by the government, individuals, merchants and private industry.

4] To make available to merchants and private industry within the country secure international trade and commerce, with the ability to sell local manufactured goods to customers throughout the world.

5] To increase the nation's GDP (Gross Domestic Product), tax revenues, and raise the standard of living (the per capita income) of all citizens.

PinPay Responsive Services and Solutions

These five objectives are all inter-related. These inter-relationships, plus the fact that attempted solutions have often relied upon conflicting technologies and incompatible business models, has commonly resulted in a failure by governments to meet these key objectives.

PinPay has an integrated technology, which has proven to operate effectively and seamlessly across all five objectives. Furthermore, PinPay provides all of the infrastructure elements and payment system services required for operation. PinPay also supports participation by the developing country's existing banking infrastructure, ATM networks and payment systems.

PinPay assures that all of the five objectives are successfully met. Therefore, the only remaining issue is how much the increase in GDP, tax revenues and per capita income will be annually.

1] To obtain and install an effective, modern, electronic financial services infrastructure within the country, which addresses the needs for security and convenience.

The core elements of an electronic financial services infrastructure includes a service which will accept, process, clear and settle a purchase, payment or money transfer event between two parties. The PinPay Network is designed to fully provide all of these core elements. The clearing and settlement is completed in real-time with near instant posting of good funds to the receiving party. All participants, who may include merchants, private industry, public entities, government agencies, and individuals, receive online access to their account, the ability to spend and transfer their funds, and to receive funds by payment or money transfer. Access and infrastructure security is provided to participants by password and PIN codes. In addition to direct online access to their account, all parties have access to their account with clerk assistance at participating retail stores, banks, ATM networks and government agencies.

2] To obtain an electronic payment, money transfer and transaction processing service for the country, with links to the international marketplace, supports delivery of remittance payments, and will spur economic growth and prosperity for all.

PinPay is not a national or local service; rather it is an international payment and money transfer service. It is available for use by the citizens, merchants and the government of a developing country. Being an international financial network, anyone from anywhere in the world can purchase products that are being offered for sale by merchants located in the developing country. All of the merchants in the developing country gain immediate potential access to over 1.7 billion Internet users who through PinPay become potential customers. That is an immense opportunity for economic growth and prosperity.

3] *To obtain the needed financial infrastructure (number 1 above), and the benefits of an electronic payment service (number 2 above), quickly and for a low capital investment by the government, individuals, merchants and private industry.*

Addressing the issue of timing, PinPay is available and ready to be implemented. PinPay is amortizing its years of development over a large worldwide market and has no need to place large capital investment requirements on a developing country or individuals. PinPay earns income from the merchant discount rate and selective transaction fees. Based upon this business model PinPay is able to provide many free services and eliminate most capital investment requirements.

Specifically addressing the individual, almost anyone can be approved to obtain a PinPay SoftCard. The SoftCard holder incurs no set-up fee, no monthly fee, and no annual fee.

In joining PinPay there are no set-up fees or application fees owed by a merchant. PinPay does not impose capital investment requirements onto merchants. Businesses, private industry and government entities are considered a merchant by the PinPay Network.

4] *To make available to merchants and private industry within the country secure international trade and commerce, with the ability to sell local manufactured goods to customers throughout the world.*

Because PinPay is an international payment and transaction processing service, this right is automatically granted to every merchant who joins PinPay. Exclusive of anti-money laundering and other international trade restrictions, PinPay does not discriminate as to a merchant's size, nationality, business experience, pricing or type of products or services sold. Any PinPay merchant can sell to anyone as long as the purchasing party has an active PinPay SoftCard.

With the current Visa, MasterCard and other major credit card merchant payment networks, many merchants find it necessary to restrict sales of their products to local customers or national customers. These merchant dictated sales restrictions are due solely to the merchants' fear of not being paid. In a typical example, the merchant accepts a credit card payment and ships the product. A week later, the customer contacts the credit card company and states they never received the product and demands their money back.

The credit card company gives the customer back their money and charges the merchant for the customer's refund (known as a charge back). The common term for customer initiated payment cancellation after the product was delivered without return of the product is "friendly fraud." The card company also charges the merchant a fee for processing the charge back, and uses charge back activities as criteria to raise discount rates on the merchant. The result of this sequence of events is the merchant has no product, has actually paid the customer to take the product away from him, and has incurred added losses, plus has exposure his online business to higher processing costs in all future transactions.

PinPay does not impose charge backs or charge back fees. It does not use charge back criteria to adjust the processing discount rate charged a merchant. All transactions are cleared and settled in real-time, with instant good fund, and no payment reversals by PinPay. Any disputes as to delivery, quality, quantity, performance, or other issues are resolved by the merchant and the customer. The PinPay payment service is not in the dispute resolution business.

Because the merchant knows he will be paid, without risk of any friendly fraud from payment reversals, the Merchant can offer and sell his products and services to the world and to access potentially over 1.7 billion worldwide Internet users without having to factor in any friendly fraud losses.

5] *To increase the nation's GDP, tax revenues, and raise the standard of living (the per capita income) of all citizens.*

Based upon the discussions provided for topics 1 through 4 above, it is clear that PinPay offers every developing country a clear opportunity for annual increases in GDP, tax revenues and per capita income.

However, the amount of the increase is dependant, to some degree, on the rate PinPay service acceptance and utilization by the developing country's business community and the country's consumers. Therefore, the stronger the government support of the PinPay services and the stronger the level of promotion and education of the country's merchants and citizens, the higher the potential for the success of these five important objectives.

The PinPay teams remain prepared to assist the government, the local merchants and each citizen in joining PinPay and proceeding to realize the fulfillment of the five objectives discussed.

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