

22 May 2023

## **ZIP WELCOMES INDUSTRY REGULATORY REFORM**

**Zip Co Limited** (ASX: ZIP) (“**Zip**”, or the “**Company**”) welcomes today’s announcement with regard to regulatory reform for the BNPL sector.

Zip’s Co-Founder and Global Chief Operating Officer Peter Gray said “Zip has been a vocal advocate of fit-for-purpose regulation for our industry since 2019 and we support the decision to further strengthen the BNPL regulatory framework proposed by Treasury as Option 2.

“For Zip, Option 2 means ‘business as usual’ as we have had an Australian Credit Licence (ACL) since inception (2013) and our Zip Money product is fully regulated under the NCCPA – we operate our Zip Pay product in a similar fashion.

“We are already conducting identity, credit and affordability checks on our customers, and have done since inception in 2013, and would already be compliant with any new requirements. As a result, we have very good visibility over a customer’s financial circumstances prior to signing them up. We generate less than 1% of our revenue from late fees and 0.2% of our customers are in hardship.

“With BNPL now well and truly established and some 7 million Australians adopting better and simpler ways to pay, this will provide clarity and consistency across the sector, deliver confidence to stakeholders and build on the already very high levels of trust we have with our customers.

We look forward to further engaging with Treasury and Government on next steps, knowing that Option 2 provides a sensible balance between consumer protection and minimum standards, whilst also promoting competition and innovation.”

Release approved by the Chief Executive Officer on behalf of the Board.

- ENDS -

### **For more information, please contact:**

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**About Zip**

ASX-listed Zip Co Limited (ASX: ZIP) is a leading global financial services company, offering innovative, people-centred products that bring customers and merchants together. On a mission to be the first payment choice everywhere and every day, Zip offers point-of-sale credit and digital payment services around the world, including through strategic investments, connecting millions of customers with its global network of tens of thousands of merchants.

Zip provides fair, flexible and transparent payment options to individual consumers, helping them to take control of their financial future and helping merchants to grow their businesses. Zip is committed to responsible lending and is managed by a team with over 100 years' experience in retail finance and payments. Zip is also a licensed and regulated credit provider and was founded in Australia in 2013.

For more information, visit: [www.zip.co](http://www.zip.co)

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