WeChat Pay
June 2017

微信支付
Wechat
Cross border payment

WeChat Pay in Dustin Thani Hotel in Thailand

What is WeChat Pay?

The new way to connect - the future of mobile payments and marketing is here.

Tencent
Parent Company Tencent is the #1 Internet company in China; listed on Nasdaq / Hong Kong / Shanghai with a market cap of ~US$325 billion and employs over 30,000 people..

WeChat App
Think Skype, Facebook, WhatsApp, Google and Amazon functions rolled into a single mobile app; it has ~**900** million monthly active users.

WeChat Pay
With over **600** million WeChat Pay monthly active users, WeChat is winning the race for mobile wallet supremacy. The ultimate "closed loop" payments system.

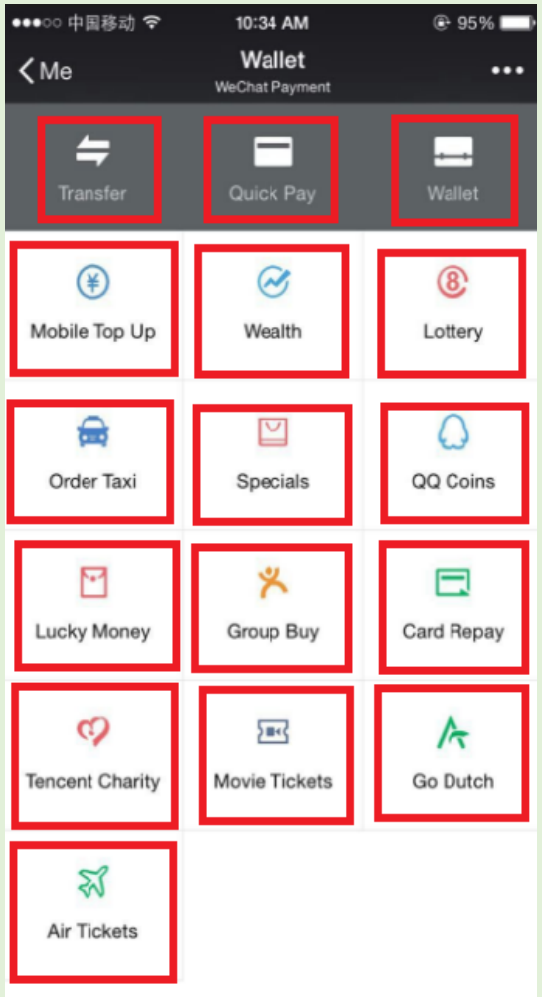
WeChat Pay now being deployed outside China to cater for the ~120 million Chinese tourists traveling overseas; such outbound Chinese tourism projected to increase to 200 million by 2020.

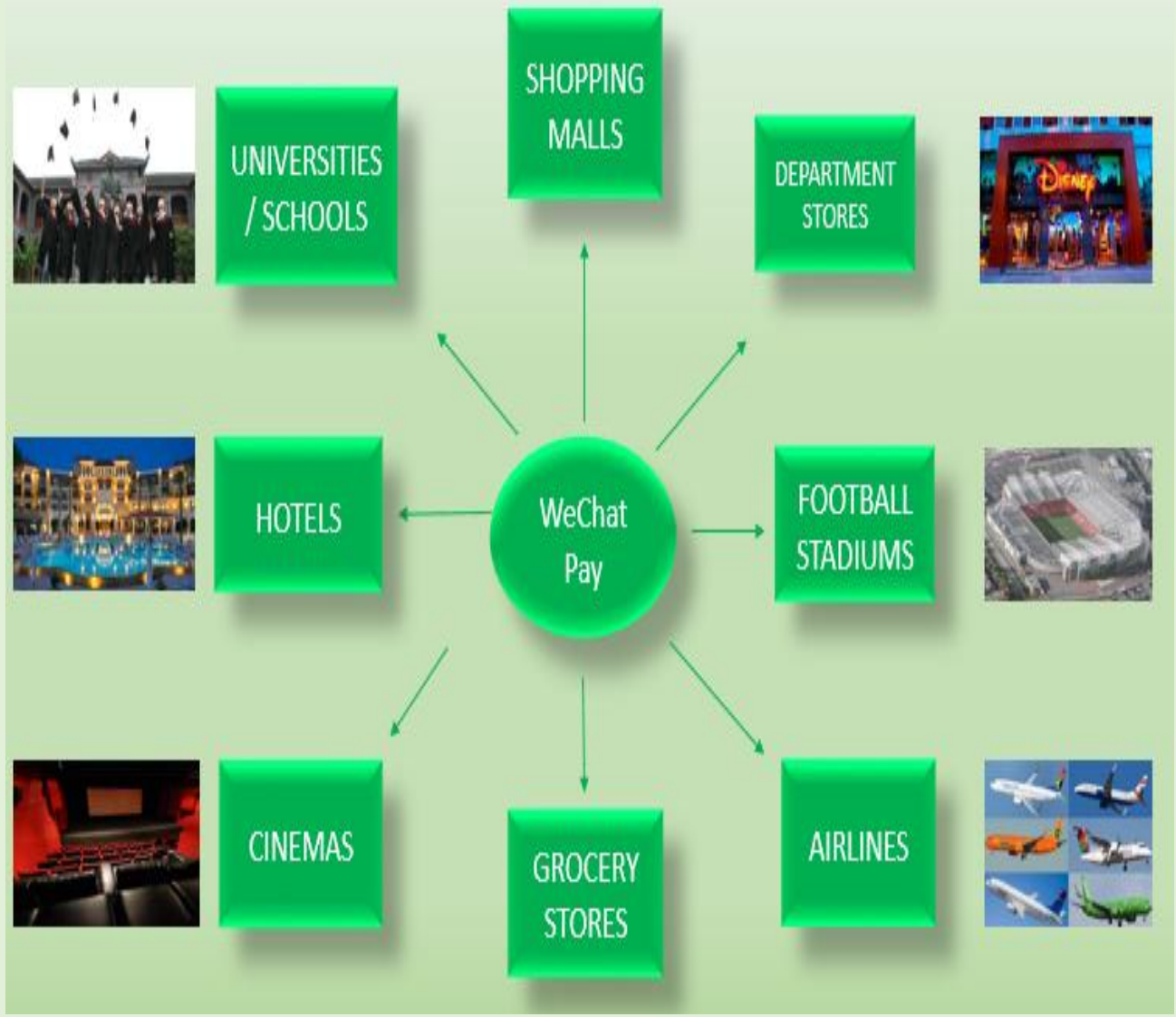
WeChat Pay in China

A variety of transactions can be performed using WeChat Pay:

- **Transferring money to friends**
- **Making transactions on e-commerce websites**
- **Topping up of mobiles**
- **Paying utility bills**
- **Ordering and paying for cabs**
- **Purchasing train or airplane tickets**
- **Booking and paying for hotels**
- **Purchasing movie tickets**
- **And much much more…**

WeChat can be downloaded on Android, BlackBerry, iOS, Symbian, Windows operating systems and also offers a web version for desktops.



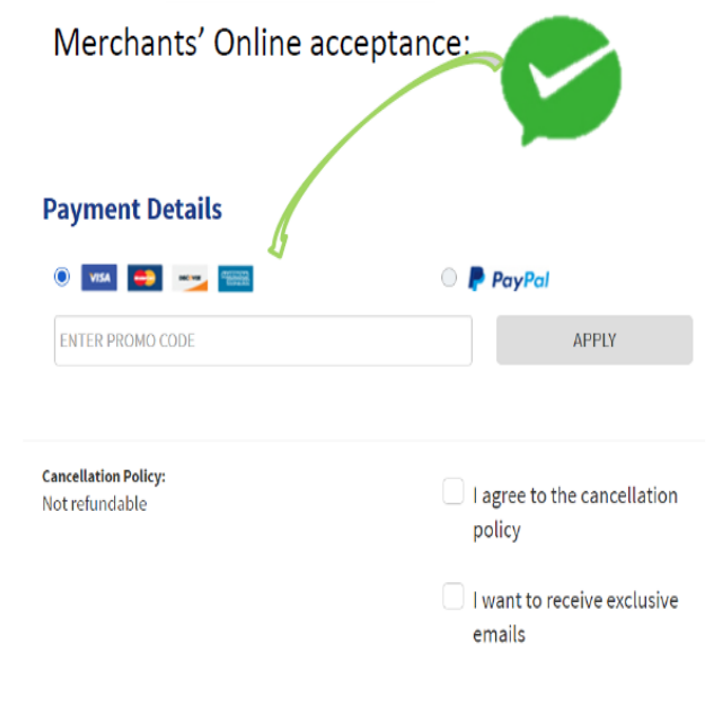


How does WeChat Pay work?

- Each user WeChat account linked to a mobile number; each mobile number linked to user's National ID; and each WeChat Pay account linked to the user's RMB debit or credit card
- For online transactions on merchant websites, WeChat Pay enables user to scan the relevant merchant QR Code on their mobile devices for goods and services purchased, and approves payments.
- For offline WeChat transactions in physical stores, merchants capture user's unique QR code on their POS or EDC to complete the sale transaction. If neither POS or EDC options available, user scans merchant QR code displayed at merchant locations, enters amount and approves payment.
- For transactions completed, WeChat receives RMB funds from banks overnight, WeChat converts such RMB into the functional currency of the merchants and remits such funds on T+1 to PSP segregated account, who on receipt of such funds remits to the individual merchant net of MDR – total transaction cycle completed within T+ 3-5 business days

WeChat Online/Offline Modes

WeChat Online



- WeChat enables users to scan QR codes on their mobile devices and make payments online
- User avoids unnecessary and tedious paperwork to make each transaction seamless.

WeChat Offline

Upgrade existing POS system to accept WeChat

Merchant scans user's QR code using EDC

User scans Merchants QR code displayed at the cashier

- WeChat has been rolled out for offline payments in physical stores
- Offline merchants capture user's unique QR code on their mobile devices via POS or EDC to complete the sale transaction
- Where neither POS or EDC available, User scans Merchant QR code displayed prominently at the Merchant's cashier

WeChat Payments

Key Partners for WeChat Pay Rollout

- **Tencent Holdings Ltd ("Tencent")**: one of two internet giants from China with a market cap of ~US$325 billion and owner / developer of the WeChat platform.
- **Payxpert Ltd ("PayXpert")**: the Financial Conduct Authority of UK ("FCA") authorized payments institution which has entered into an agreement with Tencent in April 2017 for WeChat Pay deployment in the United Kingdom. PayXpert will use Ksher technology and will be supported by WiKaas for business development and merchant on-boarding
- **Wikaas Pte Ltd ("WiKaas")**; established for business development and merchant acquisition for the WeChat platform outside China. WiKaas team comprising Mihir Taparia, Sudhir Taparia and Nick Corby are collaborating with strategic partners, to onboard interested parties to the WeChat Pay platform in United Kingdom.
- WiKaas has partnered with **Dspread International Co., Limited ("Dspread" with the brand name "Ksher")** who have developed the last mile technology for this "plug and play" payments platform.

Structure for WeChat Payments

Money withdrawn from consumer's bank by WeChat (T+0) → ***WeChat Pay converts RMB to GBP and remits to PayXpert (FCA regulated Payment Institution) (T+1)** → **PayXpert to remit payment to UK merchant net of merchant discount (T+3-5)** → **Funds credited to designated Bank Account of merchant (Within T+3-5)**

*PCI-DSS compliant

Why WeChat Pay?

Benefits for Merchant

- No front-end costs for WeChat Pay implementation for the Online and Offline platform for Merchant
- Competitively priced payment option relative to China Union Pay, Visa, MasterCard, AMEX etc
- WeChat Pay settlements in GBP within T+ 3 business days (with T being the transaction date)
- Comprehensive real time WeChat Pay transaction reporting which can be extracted for business purposes
- In conjunction with WeChat Pay, establishing WeChat Official Account would promote Merchant's brand awareness and attract more Chinese Tourists to the Merchant's stores

Benefits for Chinese Tourist

- Preferred payment mechanism for Chinese tourists as over 700 million Chinese are using WeChat Pay
- Real time forex conversion rates displayed to Chinese tourists while making WeChat payments to the Merchant
- Overall, Chinese User experience to be significantly enhanced for settling charges for goods and services to Merchant
- Chinese tourists will be eligible for "hongbao", the digital red lucky envelope, from Tenpay for using WeChat pay at Merchant

Promotion into China

- KSHER, a WeChat trusted partner running your shop online
- WeChat Official Account which is your Window into China
- Targeted marketing through China's largest social messaging system
- Local advertising on Payment Successful page
- Specific marketing campaigns offering discounts and cash back. Some of these campaigns can be sponsored by WeChat

Other Services:

- KSHER Planet guide book/ Hotspots with specific vouchers/ QR code on restaurant table with Chinese translation of menu

WeChat Pay for King Power Duty Free Stores

- ✓ In Thailand, the King Power runs Duty Free stores in 4 major airports. King Power products range from garments, apparels, ornaments, watches, perfumery, cosmetics, souvenirs and food products.
- ✓ For tourists visiting 'King Power' stores, purchases via WeChat are a). convenient and b) rapid, enhancing the overall shopping experience for Chinese tourists.
- ✓ 'Ksher' plays a pivotal role in providing premium around the clock technical support and online security for King Power duty free stores, ensuring smooth, sage , robust and efficient processing of transactions.
- ✓ Currently transaction volumes in monetary terms at these stores are in the region of $300,000 per day and an increase of around 20% was experienced as a direct result of WeChat pay implementation, since the initial launch in 2016.
- ✓ Ksher anticipates that WeChat on boarded merchants will number in the region of 10,000 by 2018. Currently some 1,000 merchants including 'King Power' are supported by WeChat and this is expected to grow to 3,000 by the end of 2017.
- ✓ Thai tourist authorities have reported that some 8.75M Chinese tourists visited the country in 2016, which amounted to 27% of all foreign travel into the country.

Next Steps

1 – WiKaas/Ksher/PayXpert Workshop to learn more about WeChat Pay. Kindly complete the attendee contact details form with the relevant information which will be provided at the Workshop.

2 – Contact Wikaas to learn about the Online / Offline Solutions

3 – We will work with you or your Payment Gateway to implement Online Solutions

4 – Realistically merchants can be up and ready to offer WeChat Pay within a couple weeks for the Offline solution and 1 month for the Online solution