

Safer Than Visa 3D Secure

While DotCharge has been fully operational since October 2005 the DotCommerce staff has decided to wait to post-poner her launch. "The moment of EU integration is near and the application of the communitarian legislation suits our purposes, it is clearer and less restrictive. Then we needed time to arrange all the details. I state that DotCharge is safer than 3D Secure (online payment standard through banking cards) and nothing was neglected precisely for this statement to have a backing", Madalin Matica explains. DotCommerce received the help of two law offices.

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Săptămâna Financiară
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MONEY IN MOVEMENT

Most of the DotCharge facilities will be available to the users immediately after the registration. Still, in order to become a full right member, a client must have a number of successful transactions, with a certain value, and in the meantime the authenticity of the offered data will be verified. The checking of the banking account will be made through the wire transfer of a small sum of money of a value randomly chosen by the DotCharge informational system (for example 0, 53 RON). Later, the owner will be requested to mention when he received the sum and which its precise value is. The respective sum will not have to be refunded.

Wire Transfer Checking

Attack Against Western Union

DotCommerce launches the DotCharge system allowing Romanians to inexpensively send money home.

ROBERT VERESS

Integrator of online payment solutions, DotCommerce will inaugurate, during the first half of September, the online instant system of payment and transfer called DotCharge, Madalin Matica, director of DotCommerce Romania declared for SFin. DotCharge will have branches in Romania, USA, Great Britain and Holland and will be accessed from any location on the globe with internet access. Very likely, Dot-Charge will stir interest on the monetary transfer market because as Matica states "we will have very small discount rates, much smaller than any banking discount rate, without even mentioning the discount rates of an operator like Western Union."

SAVINGS OF 100 RON AT 1000USD/EURO

The money transfer system through DotCharge will be very easy to use by the persons who have internet access and who have an idea about the online payment operations. Firstly, both the person who sends the money and the person who receives it, open an account on DotCharge. This operation is free. One must only offer all the information requested by the system, namely the data from one's ID and the data of the active banking account. In addition, one must agree the checking of the authenticity of the offered data.

Once the DotCharge virtual account is created, the person who sends the money will deposit it in the virtual account. The deposit can be made through any known modality of banking payment. Assuming that a banking transfer will be ordered (from the solicitant's account in his DotCharge account), the respective transfer will be extremely rapid and taxed with a small discount rate, taken by the bank for the local operations.

The next step is the money transfer from the DotCharge account of the expedient to the DotCharge account of the addressee. This transfer is done instantaneously and will be taxed with an even smaller sum than the bank discount rate. In the end, the addressee makes the transfer (online) from the DotCharge account in his banking account.

Madalin Matica anticipates that money transfers through DotCharge will cost approximately 70% less than the least expensive traditional modalities of international money transfers. This translates to substantial savings for all Romanian citizens working abroad. For example, Western Union (service preferred by most Romanians who want a fast and safe delivery of funds sent abroad) charges 55 dollars (or roughly 150 RON) for transfers of funds between 1.000,01 and 1.250 dollars and 45 Euro (almost 140 RON) for transfers of funds between 1.000,01 and 1.250 Euro. Using DotCharge Romanians would see savings of over 35 dollars (100 RON) per transaction in fees. Given this substantial savings, it is likely that Western Union, as well as other money transfer services, will see a rapid decline in business with clientele who have access to the internet and minimal banking knowledge.



Western Union representatives sustain that they are not worried by the DotCommerce offer: "We constantly survey what happens on the Romanian market and elsewhere. As far as the entrance of a new player on the financial transfer segment is concerned, Western Union believes that competition is very healthy for the evolution of the Romanian market," Alexandru Badulescu, Country Director Western Union Romania & Moldova declared.

A PAYPAL ALTERNATIVE

DotCharge will also offer Romanians an online payment system that utilizes debit and credit cards. DotCharge will be a local alternative to the U.S. based Paypal system which was acquired and now owned by the online auction site eBay. Through a virtual terminal set up at DotCharge, Romanians will be able to send and receive payments to and from any DotCharge account from anywhere in the world; they will be able to purchase products and services from any online store registered in the DotCharge system upon approval by DotCommerce. "On the short and even medium run, it is clear that we will not have access on eBay's site. Ebay, in order to protect its own payment system, namely PayPal, has already excluded other payment systems such as GPay, the checkout system inaugurated by Google, as well as FirePay and StormPay. But who knows? it is certainly possible that we will collaborate with Google as it is my understanding that they want to inaugurate their own auction site," Madalin Matica says.

More Facilities

DotCharge will also provide the user with more supplementary facilities than Paypal currently offers, our quoted source continues, most importantly offering

DotCharge Discount Rates

- ✓ Discount rate for online transactions: 2.5-3% compared to 4.5-5% in traditional e-commerce.
- ✓ Discount rate for online payments: 0% for DotCharge account holders
- ✓ Discount rate for fund transmission: 0% for DotCharge account holders
- ✓ Discount rate for funds received: under 2%
- ✓ Discount rate for fund transfers from DotCharge in DotCard: 0%
- ✓ Discount rate for international transfers between users: 0% for the person who initiates the transfer and under 2% for the receiver
- ✓ Discount rate for enrolling in the system: 0% for users and 50 Euro for virtual stores. During the promotional period, the enrolling tax for stores will be 0%.

escrow payments. "This is a facility that will be truly appreciated by individuals who use online auction sites. Currently there are obstacles and resistances when one is interested in purchasing a product that one cannot see or test from an unknown party. We offer a guaranteed secure transaction. When the parties agree on selling-buying, the DotCharge system will first ask the buyer to dispose the necessary sum. If the buyer complies, the seller will see the funds are available, this represents payments on hold. The seller will have access to the respective sum only when the product arrives to the buyer, and he confirms the concordance of the product with the agreed specifications. If one of the parties is not well intended, we will arrive to a convenient resolution of the affected party, with the assistance of DotCharge's legal staff if necessary. The system that we propose will eliminate any worries for the most skeptical clients. In the case of an improbable fraud, for example, DotCharge would take the responsibility of immediately paying damages (in a matter of hours) to the affected parties, then proceed with taking action against the guilty party," Matica says.

INSTANT CREDITS

Within the coming months, customers who have a DotCharge card will also have the option to attain credit - either short term credits, for overdrafts etc or long term credits. Matica promises to outrun existing banking offers. "There will be many available credit lines. The credits will be granted almost immediately - typically within 30 minutes of the request. We have agreements on principle with four major banks, this is how we are able to offer credits through DotCharge. Other financial institutions will come into play which will allow us to offer even more to the customer, there will be a wide variety of choices. The crediting conditions will be more advantageous than anything else currently found on the market. Nevertheless, we will be vigorous in listening and addressing our clients and potential clients needs, says DotCommerce. The DotCharge system will also apply a credit rating toward each client, in accordance with the history of the transactions made by the client and in accordance with the history of the personal banking account with which the virtual account will be attached.

DOTCARD

At the beginning of the next year, DotCard (a physical card) will be directly linked to a customer's DotCharge banking account. DotCharge will initially function



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MĂDALIN MATICA,
director DotCommerce România

as a debit card and later as a credit card. Initially, the card can be used for payments at POS terminals in stores that utilize the Dotcharge system. If DotCommerce will reach an agreement with one or more card issuers, the utilization of DotCard will be possible even for the operations through ATM.

DotCommerce also intends to offer potential clients the possibility of connecting any type of banking account, opened at any bank in the world, to their DotCharge account. In this way, online payments may be conducted without the need to first transfer from the banking account into the virtual one.

"WE HOPE TO DISTURB MANY PERSONS"

The marketing strategy of DotCommerce is a very unusual one, at least for an inner market: "We start from nothing, with no users or online stores. Of course we know the persons in the system and we had discussions but we did not sign anything in advance, Matica states. Not even one advertising campaign will exist in the classic environment, the only promotions re online. Practically, DotCommerce relies almost exclusively on the beauty of its product, namely small and flexibly applied discount rates (for example, for an online transaction the system will allow the payment of the discount rate either by the seller or the buyer, either part-ially by both parties) against some financial services useful for many people.

Ambitious, Matica is not concerned that the Dotcharge system will disturb the competition: "We hope to disturb as much of the competition as possible as it proves just how much we're needed. Actually, Romanian banks will have nothing to lose from us. For example, for money transfers in a foreign account, the discount rate that the bank is applying is substantial, but only a small amount belongs to the bank. The large part of discount rate is taken by the diverse intermediary banks, intermediaries that are part of the chain that connect the bank where the payment is sent from to the bank where the money arrives. This will certainly affect and upset the intermediary, but do we really care?"