

# IPEX PAYMENT FRAMEWORK: SUMMARY



IPEX<sup>®</sup>

IPEX is an online payment platform that secures funds intended for a project via a software layer that integrates with a dedicated Project Trust Account. IPEX provides transparency & security over the distribution of progress payments whilst offering protection to Developers/Lenders & Sub-Contractors in the event of Builder insolvency.

## **Register for invitations to work on upcoming Projects using IPEX**

Developers are now specifying IPEX on future projects & are looking for Builders who are willing & able to operate within the IPEX framework.

**IF YOU'D LIKE IPEX TO PROMOTE YOUR BUSINESS TO OUR DEVELOPER NETWORK, PLEASE REVIEW THE IPEX FRAMEWORK & CONFIRM THAT YOU ARE 'IPEX READY'.**



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## **IPEX PAYMENT FRAMEWORK: BUILDER CONDITIONS SUMMARY**

**As a condition of winning the contract, the Builder accepts that:**

- funds received for work completed on the project are held in trust & can only be used for the payment of verified Sub-Contractors & Suppliers linked to the project
- agreed margin will be paid automatically as Sub-Contractor & Supplier payments are made
- the Developer will have visibility over which Sub-Contractors/Suppliers have been paid & when, but not values\*
- should they enter administration or otherwise fail to arrange for the distribution of funds in accordance with set terms, the Developer has the right to remove the Builder as trustee & appoint themselves, entitling them to make payment directly to Sub-Contractors & Suppliers

**Contact IPEX to review the IPEX Terms & Conditions**

## **IPEX PAYMENT FRAMEWORK: BUILDER BENEFITS SUMMARY**

**Whilst IPEX does place certain limitations on how progress payments can be used, it also provides significant advantages to financially secure, responsibly managed Builders including:**

- Confirms to Developers & Lenders that you have no intention or need to divert funds to other projects
- Actively deterring Builders in financial difficulty from tendering
- Helps to differentiate your bid from non-IPEX capable tenderers by offering a level of transparency & security others can't
- Lowering risk of non-payment for Sub-Contractors & Suppliers, building trust & encouraging more favourable pricing/terms for Builders
- Aiding Builder compliance with Building Industry Fairness (BIF) Act, QBCC & other state project trust & retention trust legislation
- The potential to use IPEX security to negotiate more favourable payment/contract terms to help reach cash positive position earlier in the project\*\*\*

## **CONTACT IPEX TO REGISTER AS AN 'IPEX READY' BUILDER**

When you register your business as 'IPEX Ready', your business will be actively promoted to our Developer network. Developers will use the 'IPEX Ready' Builder Directory to identify/invite suitable Builders to tender on upcoming 'IPEX' projects.

**Registering your business is FREE & does not mean you must use IPEX on every project.**

**> CONTACT IPEX NOW**

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\* Developer will only be able to view exact amounts paid to Sub-Contractors/Suppliers if a) the Builder opts to allow this and/or b) the Builder becomes insolvent whereby ownership of the project trust account is transferred to the Developer.

\*\* Please note, download contains IPEX 'suggested' clause wording. Your Developer may adjust this clause at their discretion.

\*\*\* Not an IPEX feature; Given the additional protection IPEX brings, some Developers have also indicated a willingness to move on other contractual/payment terms to their Builders advantage. All contract terms/payment conditions are to be negotiated/agreed between the Developer & Builder.

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## PROCESS STEPS: WORKING WITHIN THE IPEX PAYMENT FRAMEWORK

### Setting Up Your Account

1. The successful Builder will be directed to the IPEX website to create an IPEX account and login. IPEX will then assist the Builder to open up a project trust account facility with Macquarie Bank for the purposes of receiving & distributing all project related payments (this is a one-off process). The project trust account must be opened prior to site establishment.
2. The Builder will be provided with the IPEX Sub-Contractor clause, to be included in all Sub-Contractor agreements linked to the project. Supply-only agreements are not subject to IPEX Clause.
3. The Builder will add awarded Sub-Contractors & Suppliers to the project within the IPEX Builder portal. IPEX will send onboarding information to all linked Sub-Contractors & Suppliers; they must register with IPEX before any payment can be made. An IPEX Account Manager will be available to assist in completing this process.
4. As part of initial onboarding, all Sub-Contractors & Suppliers will be subject to verification via KYC/AML\* protocols. Once verified, these Sub-Contractors & Suppliers can be added to future projects by the Builder without this step being repeated.
5. Sub-Contractors & Suppliers may also be contacted by IPEX representatives to assist in finalising this process.

### Requesting/Receiving a Progress Payment

1. The process by which the Builder requests a progress payment remains unchanged. All standard QS approval checks & processes undertaken prior to payment approval also remain unchanged.
2. Once the progress claim is approved, the Developer will deposit the progress payment into the Macquarie Bank project trust account linked to the project.
3. The Builder will be alerted once transferred funds have cleared & are ready for use.

### Making Sub-Contractor & Supplier Payments/Receiving Payment

1. The process by which the Builder processes Sub-Contractor & Supplier payments is unchanged. Builders upload payment file from their accounting software directly into IPEX platform for payment.
2. The Sub-Contractor will be alerted once they have been paid.
3. The Builder will be automatically paid the agreed prelim & margin as a function of the amount paid out to verified Sub-Contractors & Suppliers. For example, if the agreed margin is 5%, the Builder will be automatically paid \$5K for every \$100K paid to Sub-Contractors and/or Suppliers.
4. Should the Builder have preliminary costs approved by QS but not associated with a sub-contractor payment, these can be claimed in full via the IPEX 'redraw' function within the Builder portal.
5. Sub-Contractor retention funds will also be automatically set aside in the Retention Account.
6. If the Builder has managed to complete works at below budgeted cost, additional margin can be claimed via the IPEX portal. Once Developer approval is received, funds will automatically be paid into nominated Builder account.

\*KYC: Know Your Client / AML: Anti-Money Laundering

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**Book a FREE DEMO today at [ipex.com.au](https://ipex.com.au) to learn  
more about securing project payments with IPEX**

**IPEX.COM.AU**