

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  Innovative Payment Solutions, Inc (formerly known as QPAGOS)		<b>2</b> Issuer's employer identification number (EIN)  33-1230229	
<b>3</b> Name of contact for additional information  William Corbett	<b>4</b> Telephone No. of contact  (818) 864-8404	<b>5</b> Email address of contact  bill@innovatepaysolve.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  4768 Park Granada, Suite 200		<b>7</b> City, town, or post office, state, and ZIP code of contact  Calabasas, CA 91302	
<b>8</b> Date of action  November 1, 2019		<b>9</b> Classification and description  Common Stock; 1-for-10 Reverse Stock Split	
<b>10</b> CUSIP number  45783M109	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  IPSI	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ The Company filed a Certificate of Change with the Secretary of State of the State of Nevada to effect a reverse split of Company's common stock at a ratio of 1-for-10 (the " Reverse Stock Split ") effective at 12:01 am on November 1, 2019. As a result of the Reverse Stock Split, each ten (10) pre-split shares of common stock outstanding will automatically combine into one (1) new share of common stock without any action on the part of the holders (subject to rounding of fractional shares).

Cash will not be issued for fractional shares. Rather, where fractional shares exist on the conversion, the fractional share will be rounded up to the nearest whole share.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A stockholder's tax basis in one share of Innovative Payment Solutions, Inc common stock after the reverse split will equal the stockholder's basis in the 10 shares exchanged in the reverse split. The total tax basis of each stockholder in the Innovative Payment Solutions, Inc common shares received in the reverse split should be equal to the total tax basis of the stockholder in his/her shares of common stock before the reverse stock split.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ There is no change in the basis of the shares of a stockholder as a result of the reverse stock split.

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The reverse stock split is a non-taxable recapitalization pursuant to Section 368(a)(1)(E) of the Internal Revenue Code. Section 354(a)(1) provides that no gain or loss shall be recognized if stock in a corporation is exchanged solely for stock in such corporation. Section 358(a) provides that the tax basis of stock in a corporation received in an exchange will be the same as the tax basis in the stock exchanged.

**18** Can any resulting loss be recognized? ▶ No loss will be recognized as a result of the reverse stock split.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The reportable tax year for the reverse stock split of Innovative Payment Solutions, Inc common stock is the 2019 calendar year.

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ /s/ William Corbett Date ▶ 12/12/2019

Print your name ▶ William Corbett Title ▶ CEO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <u>Jeffrey B. Engler</u>	Preparer's signature <u>/s/ Jeffrey B. Engler</u>	Date <u>12/12/2019</u>	Check <input type="checkbox"/> if self-employed	PTIN <u>P00310701</u>
	Firm's name ▶ <u>WEINBERG &amp; COMPANY</u>			Firm's EIN ▶ <u>65-0386288</u>	
	Firm's address ▶ <u>1925 CENTURY PARK EAST, SUITE 1120 LOS ANGELES, CA 90067</u>			Phone no. <u>(310) 601-2200</u>	