

FCI 50th Annual Meeting

Hotel Okura, Amsterdam, 10-15 June 2018

Amsterdam in June is a joy to behold. Sunshine, flowers everywhere, long legged girls and guys on ancient looking bicycles and delightfully for those from the UK, no helmets, no Lycra, just normal clothing. The taxi from Schiphol was electric, as was much of traffic. The peace, the tranquillity, the canals, the mood was restful.

It was Amsterdam's centre as a world trading hub that drew the founding fathers of FCI to this global city in 1969 to establish an office for its secretariat, following an initial meeting in Baden Baden in 1968 and the first formal FCI meeting in Stockholm in November that same year.

Sunday

The Sunday night welcome cocktail and dinner took place at The Marble Hall of KIT Royal Tropical Institute. We were welcomed with a handshake at the entrance by FCI chairman, Çağatay Baydar and secretary general, Peter



A warm welcome at the Concertgebouw

Mulroy both of whom addressed the gathering later. Reunions with friends from all over the world are wonderful and there were so many

my wife Iris and I had not seen for three years. An international menu was served and the conference was off to a convivial start.



Formal evening wear at the reception



Secretary general Peter Mulroy

Çağatay Baydar: Chairman of FCI

I have interviewed more senior executives in invoice finance than most, yet nothing matches the buzz of establishing a rapport with a leader in the financing of business. It is not just about the bottom line, risk management, developing the loan portfolio. The great ones have a broader vision, striving to spur business growth, new employment and community prosperity, seizing opportunity when it is offered. Creating opportunity when it is not.

Çağatay Baydar exudes the insightful instinct of the natural business lender, allied to the boundless energy that is found in most of the leaders in business finance, but here too is the global vision. The need for the world view, promoting factoring as a mainstream product and to see it employed more widely.

Intelligent, friendly, enthusiastic and always looking to develop or improve, he leads a major Turkish invoice finance business, TEB Faktoring, which has 110,000 clients. He has still found the time to claim two-and-one-half stints as chairman of FCI. The half stint was stepping into the gap when the incumbent unexpectedly departed. His first formal appointment, following his election to the select committee in Japan at the 2008 gathering, was made in 2011 in San Francisco. He was elected chairman once more at the 49th FCI Annual General Meeting in Lima, Peru, in 2017.

If FCI means a great deal to him, it is the immense opportunity he sees for invoice finance in opening up developing countries. The only cloud that drifted across a cheerful and entrepreneurial demeanour during a lively and warm interview was when we discussed the prospects for the world economy. He confessed to some misgivings over burdensome tax and compliance issues.

In Turkey it has impacted TEB's business growth as much as 25%, and he is not alone in highlighting the degree to which the failures



Çağatay Baydar with his wife Nuray

of the world's governments and police forces has been visited upon the business finance sector in such a damaging way.

Developing nations offer huge opportunity for growth, though central governments need educating and not just on the challenges of compliance and money laundering but on new opportunities too, such as blockchain and the potential of FCI Reverse, if invoice finance is to progress.

He singles out the potential in both China and Africa as their needs are mostly related to exports to readily assessable debtors in developed nations but by no means exclusively. Infra Africa business is also growing fast and he lauded Afrixem and its management's tireless efforts supporting and developing business there.

Çağatay believes that great future opportunity lies too in Malaysia, Indonesia and the Philippines, and he is excited about the evolution of FCI's Islamic finance product to finance growth here. The 2019 FCI annual conference in Ho Chi Minh City, Vietnam, seems a clear signal of intent.

By happy coincidence, for much of the FCI 50th Anniversary meeting in Amsterdam, I was seated next to Ben Hosh and was pleasantly surprised to see the number of people from all over the world who told me that Ben gave them their first job in factoring when they greeted him. He recruited Çağatay in this manner, little dreaming I guess that one day he would not only lead one of the world's biggest invoice finance companies but would also chair the organisation that seeks to deliver and develop invoice and trade finance across the world.

Where does the present chairman see FCI in 10 years' time? Here we had another expression of both his enthusiasm and his commitment as he told me that 1,000 FCI members was his target and emerging countries, of course, are in focus with a target of 90% of world factoring volumes. The world may be a much better place, way beyond just the invoice finance sector, for many more people if this aim is achieved.

Group Editor

Monday

Monday morning saw Peter Mulroy open proceedings then Çağatay Baydar deliver the welcome address.

This was followed by a wonderful account from Ken Hitzig of the founding days and the

people that made it happen followed by the son of one of them, Richard Livijn, speaking of his father Claes-Olof. Patrick de Villepin then presented the book *Factors and Actors*, a comprehensive history of invoice finance and a nation by nation account of how it works on the

home patch. Copies were given to all delegates along with copies of *The Factoring Journey* by Claes-Olof Livijn with a warming foreword by Richard recalling the founding days of FCI.

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A morning of memories was followed by a vision of our tomorrows. Leo Johnson provoked much thought about the future and what it may hold in a delivery that held the room's total interest.

Peter Mulroy presented on the The Year In Review following which the original founding members were honoured.

The FCI Lifetime Achievement Award honoured an FCI legend. We enjoyed a lengthy speech of recall and memories from Jeroen Kohnstamm who remembered the early days and an insult from the then head of International Factors' Group that may explain why the eventual merger was delayed for so long. A long, long, standing ovation applauded this staunch servant of FCI and its mission and his achievements.

My old friend Josep Sellés presented on FCIRreverse and Laurent Tabouelle, general manager of Codix, followed him.

Workshops on Intro to FCIRreverse, Digital Evolution: The Rise of Blockchain, Fintechs



Jeroen Kohnstamm (right) receives his FCI Lifetime Achievement Award

and E-Invoicing, Islamic Factoring and the Supplemental Agreement and Rise of Regulations Impacting the Industry offered delegates a perm of any three from four options.

Later we enjoyed a pleasant evening afloat on a pleasure boat, guests of ABN AMRO and HPD Software, and their generous hospitality was welcomed by all.

Tuesday

Tuesday opened with A Panel On The Future: what will the industry look like in 10 years time, and was followed by regional presentations on Europe by Peter Mulroy and Simon Peterman, Africa by Kanayo Awani, Asia was covered by Lee Kheng Leong and the Americas by Alberto Wyderka. The late morning session examined the relationship with the credit insurance industry followed reports on SCF and the IFRS9. The afternoon was devoted to the Advocacy Report, presentations by the FCI technical committees and the awards ceremony.

Tuesday evening saw us afloat once more, this time for a canal tour, taking in the FCI Secretariat office as we sailed by, followed by entertainment and great hospitality at the Scheepvaartmuseum, the National Maritime Museum featuring a boisterous choir of Dutchmen of mature years in national dress and some young ladies in sailor outfits dispensing duck with hoi sin sauce in pancakes.

Wednesday

Wednesday was given over to Plenum Sessions, the Membership Forum and Council Meeting followed by the Executive Committee Meeting in the afternoon. I have taken the view that the content was for the members.

The evening was free and Iris joined me dining in one of the excellent restaurants found just a short walk from the Hotel Okura.



Hospitality at the Scheepvaartmuseum





Holland has a rich maritime heritage



FCI head office with balloons



An evening on the canals



Patrick de Villepin and team



Ken Hitzig



Richard Livijn



Leo Johnson



Josep Sellés

Thursday

The closing day of the conference was devoted to networking and sightseeing.

A trip to the Van Gogh Museum left me wishing to spend a couple of days there, others visited the Rijksmuseum. This was followed by a journey to examine the day to day history of 17th and 18th century Holland at Zanse Schans, a working neighbourhood of windmills

driving a range of activities, pumping water for drainage, a sawmill, a linseed mill, to name but a few of the uses for which their power was harnessed.

The trip concluded with a voyage back to Amsterdam on the Prins van Oranje, a beautiful riverboat launched in 1908 and what a treat awaited us. Indonesian rice came home to Holland in the 1950s when former colonists

fled Indonesia following its independence. Having briefed us that we could not find this cuisine anywhere in the UK, it left me wishing we could.

It was outstanding, seven or eight spicy meat dishes served on yellow rice and washed down with copious quantities of Dutch beer.

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An even bigger treat awaited. The farewell cocktails and dinner event was held in Amsterdam's famous Concertgebouw. We were entertained with music throughout, starting with eight trumpeters playing Pirates of the Caribbean music and included and finished with singing from Yajie Zhang, the 24-year-old mezzo soprano who won the 2017 International Vocal Competition at Hertogenbosch. To say she brought the house down with her final aria is not idle hyperbole. She was magnificent and what a fitting end to a wonderful day, a great conference, a grand occasion as befits FCI on its 50th anniversary.

I have not laboured detail of the presentations or formal proceedings here as they are recorded elsewhere and members may access them if required from the FCI offices. I have set out to capture the spirit of the occasion, supported by some pictures.

It was my first FCI gathering but from Ken Hitzig's opening, detailed yet wistful reminiscences, Jeroen Kohnstamm's so richly deserved lifetime achievement award, Ben Hosh's reunions with former recruits and colleagues, the two factoring books and Richard Livijn's presentation, we were reminded that no matter how good the IT and the infra structure of a hard-nosed business finance group, this is a people business with a long and proud history and judging the chairman's thoughts, a great future too. My thanks for making me with my wife, Iris, a part of it.

Group Editor



Light and classical entertainment



A full group picture taken by the canal