

IN-SIGHT

Connecting and Supporting the Open Account Receivables Finance Industry Worldwide

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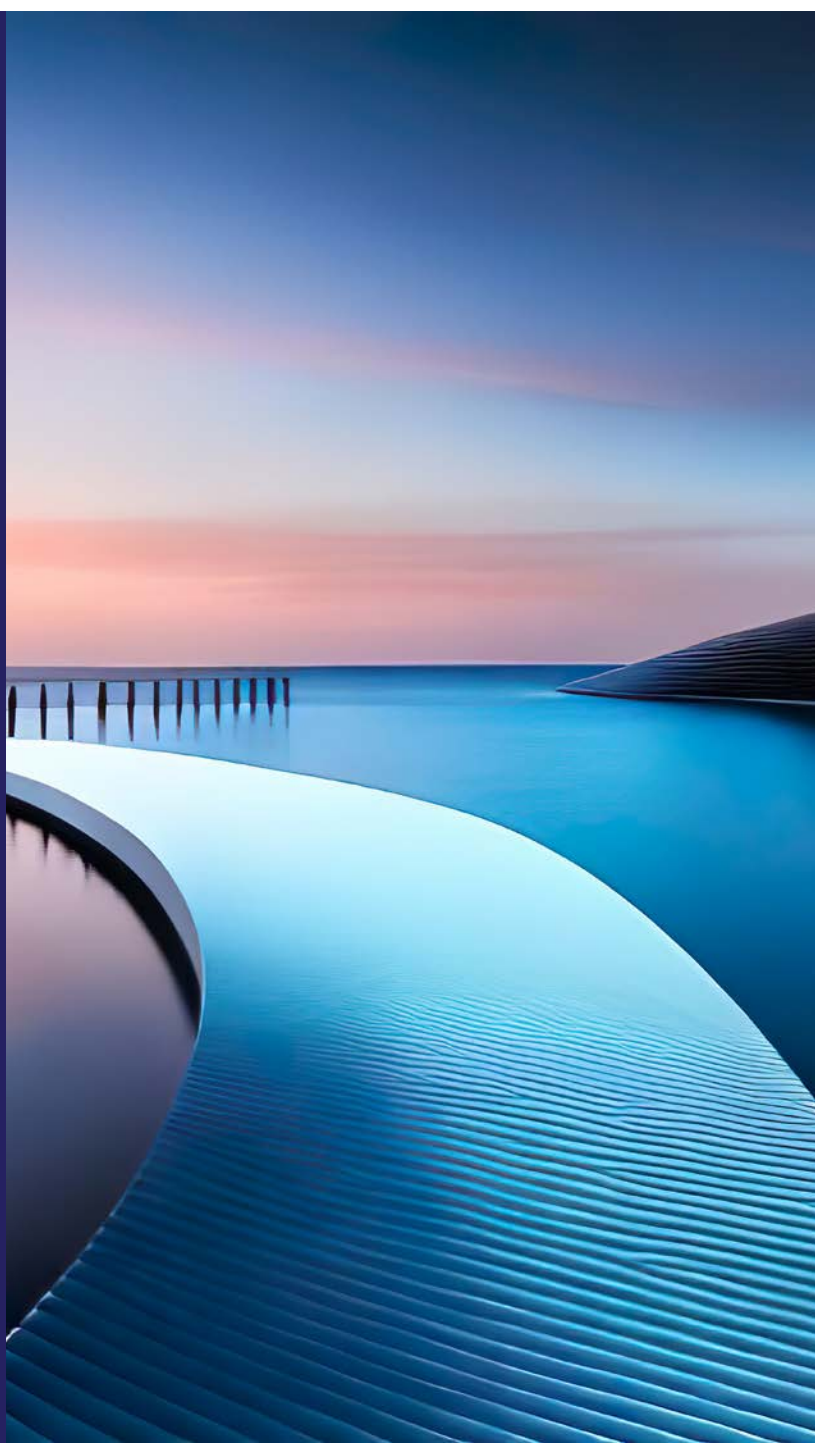
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EXECUTIVE SUMMARY



GWENDOLINE DE VIRON
Head of Marketing and
Communication

Dear Readers,

Welcome to the latest In-Sight!

Çağatay Baydar, the newly elected Chairman of FCI, welcomes the readers; he shares the key factors in his mission as the new Chairman.

Peter Mulroy, FCI Secretary General, and Neal Harm, Deputy Secretary General, who will take over Peter's role on 1 March 2024, speak about their transition period. They are discussing, FCI organisational structure, membership, finance, administration, advocacy, regional chapter, HR, marketing and promotion, FCI services, Executive Committee, technical committees, next steps regarding the legal project and amongst others the FCI 56th Annual Meeting in Seoul, 9-13 June 2024.

In the Connect section, Alberto Wyderka reports on the opportunities of congresses related to the industry for FCI in the Americas. He highlights two of them that he recently attended. Thompson Lui wrote the second part of his article about risk involvement in supply chain finance in a previous newsletter. Betül Kurtulus interviews Paris Georgiades, Bank of Cyprus, on their international business model, an example for new factors. Nassourou Aminou reports on events from the last three months.

The latest new members are presented: Bridge Bank Group, Kweli Finance, Tradeteq, The Collection Law Group, and UAE Trade Connect.

For the Education section, Aysen Cetintas reports on EBRD and FCI partnership with the recent events: the 2023 EBRD TFP Trade Finance Forum in Vienna, EBRD- FCI Factoring and Supply Chain Finance Conference in Vienna and EBRD-FCI Factoring and Supply Chain Finance Conference in Marrakech that took place just after FCI Annual Meeting. Spyros Tsolis explains one of the most popular training methods during the last few years, complimentary to the e-learning courses, tailor-made training. Already, 10 companies took this opportunity in 2023.

In the Influence section, Betül Kurtulus explains the benefits she sees in Supply Chain Finance and Digitalisation in the CEE & SEE region. Lin Hui describes why relying on big companies is not a good strategy for banks and financial institutions.

You may meet with the newly Executive Committee that was elected earlier this month in Marrakech.

The events and meetings attended in the last 3 months are reported in FCI spreading its wings.

Finally, Marwan ElHibri explains the impact of Islamic Finance solutions, reporting on a white paper written in collaboration with FCI.

Enjoy the reading!

Gwendoline



ÇAĞATAY BAYDAR
Chairman of FCI

WELCOME FROM ÇAĞATAY BAYDAR Chairman of FCI

Dear Esteemed Colleagues,

When my colleagues nominated me as Chairperson this year, I knew I would face significant challenges if elected. However, my immediate reaction was to accept the responsibility since I owe much to FCI. These challenges will be complex, and I am committed to addressing them with all my capacity and capability. As your newly elected Chairman, I would like to share the key factors in our transition phase and my mission as your new Chairman.

Effective Transition Phase & Welcoming New Secretary General

As we bid farewell to a decade of leadership under Peter Mulroy, we find ourselves on the brink of an exciting new chapter in the history of our organisation. I am thrilled to introduce our incoming Secretary General, Neal Harm, who brings a dynamic infusion of energy, vision, and innovation to FCI. Transitions of leadership are pivotal moments that demand careful consideration and strategic planning. Acknowledging the importance of this transition, our emphasis lies in upholding the exceptional standards established by Peter Mulroy while embracing Neal Harm's fresh perspectives and dynamic approach to the role.

Neal Harm's track record and professional achievements testify to his commitment to excellence and his ability to drive positive change. His vision for FCI aligns seamlessly with our organisation's mission, and we are confident that under his guidance, we will navigate challenges with resilience and welcome new opportunities with open arms. In the coming weeks, our priority will be to facilitate a seamless transition, ensuring that Neal is well-acquainted with the intricacies of FCI and can leverage the foundation laid by his predecessor. The collaborative spirit that defines our organisation will undoubtedly play a vital role in this process as we join forces to uphold the values that make FCI a beacon of success.

As we welcome Neal Harm, let us all embrace the new energy he brings. Change is not inevitable but an opportunity for growth, evolution, and progress. With Neal's leadership, we can look forward to exploring uncharted territories, fostering innovation, and solidifying our position as a leader in our field.

Financial Health of FCI

In the spirit of progress, we are excited to embark on a transformative journey to enhance FCI's financial standing. While the past three years presented challenges, they also catalysed positive change.

Balancing Import and Export Factors Relationships

Committed to regaining profitability and ensuring enduring financial strength, we are embracing this opportunity to implement effective strategies. Together, we will navigate this journey with resilience and innovation, building a more robust foundation for the future. A practical balance between import and export factors is vital to propelling our industry's sustained growth. Let's unite to strengthen resilience and collectively increase our business for a brighter future. We commit to supporting the mutual benefit of all members for brighter, successful businesses.

Team Unity

We must work together as a cohesive team. This includes the newly elected Chairperson, new Executive Committee Members, the Secretary-General, the FCI Directors, technical committees, valuable FCI staff, and all our partners. Collaboration, knowledge sharing, and effective communication are keys to our future and sustainable success.

Global Economic Conditions

In the face of challenging global economic and political conditions, coupled with the emergence of new technological developments, we stand at the threshold of exciting possibilities. We must address these challenges promptly and strategically, adapting to current and upcoming conditions to ensure FCI maintains and enhances its leading position in the industry's future.

My mission will be to facilitate and enhance factors towards making FCI the pinnacle of international trade reaching the entire globe. After successfully navigating the transition period, my priorities are clear:

Global Recognition:

Through concrete steps, FCI should establish itself as the Global Association of the open account finance industry.

Education and Thought Leadership:

Education is requisite for success in our industry. FCI must always be the centre for teaching and thought leadership in the open account trade finance industry.

Expansion in Emerging Markets:

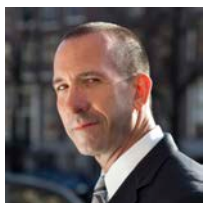
We will focus on seizing opportunities and establishing a robust presence in emerging markets. By prioritising expansion, we aim to contribute significantly to the growth and development of these regions.

I am confident that FCI is ready to take on new responsibilities and will succeed in overcoming the new challenges ahead to ensure continued success in this industry. As Chairperson, my foremost duty is to support all initiatives to make FCI the "voice" of the receivables finance industry during these politically and economically turbulent and unsettled times. Thank you all for your support and confidence in me over the past years, and I am privileged and honoured to continue being a part of FCI's achievements.

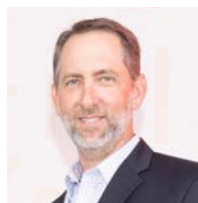
In closing, I extend a heartfelt invitation to every member of our esteemed organisation to actively engage in this pivotal transitional phase. Your valuable insights, experiences, and aspirations are the driving force behind the positive changes we envision for the future of FCI. Together, let us embark on this transformative journey with unwavering optimism and determination, fortified by the belief that the best of FCI is yet to come. I express my deepest gratitude for your dedication and steadfast commitment to our organisation. Your collective efforts and collaboration will undoubtedly shape a future for FCI characterised by innovation, resilience, and unparalleled success.

Warm regards,
Çağatay Baydar





PETER MULROY
Secretary General



NEAL HARM
Deputy Secretary General

A WORD FROM THE SG & DSG

In this In-Sight article, we share with you what has been happening here in Amsterdam since returning from the Annual Meeting in Marrakech and since Neal started as FCI Deputy Secretary General. Throughout this period, we have worked to prepare for a smooth transition by exploring the different areas of FCI's work and operations. From discussing FCI's organisational structure to the different membership types and regions, we are equipping Neal for his new role. In this article, we will explore the different areas we covered and discuss some of the upcoming projects that FCI is working on.

TRANSITION PERIOD

We started our discussion by focusing first on the legal structure of the association to give Neal a comprehensive understanding of the organisation, followed by an overview of the changes to the FCI organisational structure, which includes the front and back offices. We looked closely at the decentralised organisational structure, especially within the front office, reviewing the regional performance and the different teams that work together to achieve FCI's objectives. We delved into the different membership types and regions available in FCI. We also tackled the new membership procedures, including dues based on the World Bank classifications, as well as application procedures, constitutional matters, KYC/AML and internal compliance requirements, and a review of the membership agreement.

Furthermore, we talked about finance and administration, including HR policies and procedures, the role of the consultants, employees, and the impact of the laws relating to FCI staff due to the complexities of operating in so many different legal jurisdictions. We covered marketing and promotion, including industry promotion and regional events. We also discussed FCI's services, such as Edifactoring, FCIreverse, FCI Academy, consulting services, event management, and the new services in the pipeline. Additionally, we discussed the various committees supporting the overall functioning of the association, including the executive committee, advisory committee, the six technical committees, and two working groups focusing on credit insurance and receivables as an investable asset class (RIAC). Lastly, we discussed advocacy initiatives and the various public and private organisations work closely with FCI today. We also spoke about the annual meeting regarding the legal/constitutional aspects, the 2024 organisation in Seoul, and potential changes to future annual meetings based on member feedback.

PROJECTS AND THE NEXT FEW MONTHS

Supply Chain Finance (SCF): FCI launched our SCF initiatives in 2019, with the launch of FCIreverse, FCI reverse consulting services, FCI SCF/Reverse Factoring E-learning course and the inclusion of concept of SCF/Reverse Factoring in articles, events, and our website, in terms of thought leadership. FCI is also a founding member of the Global Supply Chain Finance Forum (GSCFF) together with the ICC, BAFT, ITFA, and the EBA, to help steer and guild the industry to new heights. Although the project was hampered by the pandemic, we have taken steps to improve our SCF strategy. We will announce shortly the formation of new composition to the SCF

**FROM
DISCUSSING FCI'S
ORGANISATIONAL
STRUCTURE TO THE
DIFFERENT MEMBERSHIP
TYPES AND REGIONS, WE
ARE EQUIPPING NEAL
FOR HIS NEW ROLE**

Continued on page 6

Continued from page 5

committee. And Neal joins FCI with significant experience in SCF with domestic and multinational banks, and we are optimistic that he will create an effective and sustainable SCF strategy that meets our members' needs. Our commitment to providing our members with the best possible support and services in SCF remains unchanged.



Advocacy - Late Payment Regulation (LPR): Peter has played a supporting role and contribution to addressing the challenges that come with the recently proposed EU Late Payments Regulation (LPR). In a letter to the EBA, the EUF shared its suggestions and opinions on the Commission's proposal to regulate late payments in commercial transactions (COM (2023) 533 final). The letter highlighted six key areas for improvement, including the need to retain or amend the Late Payments Directive, avoiding a strict cap on payment periods at 30 days, taking into consideration the liquidity issues of businesses as the main reason for late payments, including enhancing the role factoring and supply chain finance play in the EU supporting SMEs, ensuring efficient judiciary and alternative dispute resolution, and enforcing competition law instead of relying on LPR enforcement authorities. And of course, SMEs are not just vendors but are buyers/purchasers of goods and services as well, hence the regulation would impact them equally. EuroCommerce, the European association representing retailers and wholesalers announced the following: "A new proposal by the European Commission for a Regulation on payment terms that removes the ability for companies to agree payment terms beyond 30 days could 'severely affect' the retail and wholesale sector, EuroCommerce has warned. This will reduce retail and wholesale's flexibility and capacity to invest and will create a financial gap of up to €150 billion." We will wait to see the outcome of the submission of the letter and the impact from other industry bodies wanting a fair and equitable solution.

56th Annual Meeting - Seoul: We are thrilled to announce that Seoul was chosen as the location for the 56th Annual Meeting last year. The Grand Hyatt Hotel in Seoul, situated at the top of a mountain with a breath-taking view of the city, will be the perfect location for this gathering of factoring executives worldwide. Like this year's conference, we will be hosting a special awards dinner on the closing night of Wednesday, 12th June. Members, students, ambassadors, and others will be honoured and awarded in front of the FCI council during this dinner. The Awards Dinner in Marrakech, held in the desert outside the city, was an unforgettable evening of celebration. We also plan to have excellent content during the Monday plenum session. Based on positive feedback from members, we plan to make the experience during the week more valuable by providing more time for meetings and bilateral sessions between members. Registration will be rolled out in December 2023 with a special early bird registration fee available for a limited time. We hope you'll take advantage of it and join us in Seoul for a special week.

Next steps in the Legal Project: After the 55th Annual Meeting, factoring has entered a new era with the launch of three significant initiatives that will significantly change the factoring industry worldwide. These three initiatives, namely the Factoring Model Law (FML) by UNIDROIT, the IFC/World Bank's Factoring Regulatory Guide, and the FCI Legal Study, have been launched for the first time to accelerate the growth of factoring and receivables finance. Now that these initiatives have been officially launched, we will organise a meeting with UNIDROIT, World Bank/IFC, FCI, and Financial Inclusion in Trade (FIT) stakeholders to map out a strategy to launch these initiatives in markets where legal and regulatory reforms are necessary. This will help hasten the rise of factoring



and receivables finance worldwide.

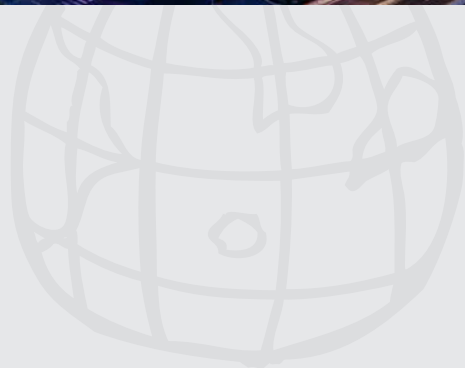
NEALS STRATEGIC VISION FOR 2024 AND BEYOND

Neal stated, "I have a clear strategic vision for FCI's future, focusing on building and growing Factoring and SCF in partnership with our regional and global partners. To achieve this goal, I plan on leveraging the expertise of the FCI Regional directors by empowering them to deepen FCI's presence while providing support to local members. Moreover, I intend to expand the scope of education at FCI by establishing relationships with key institutions and universities. This will help meet the growth needs of Financial Institutions and ensure that they stay up-to-date with the latest industry developments. By taking these steps, I aim to position FCI as a leading player in the financial industry, domestically and internationally."

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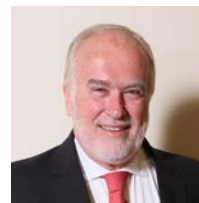
CLOSING

As we prepare for the New Year, we continue to prepare with Neal for his new role as the leader of FCI in March. Peter has been instrumental in propelling FCI into the modern era and moulding it into an industry leader, empowering its members with a worldwide presence and impact. FCI will be in good hands as the transition is finalised and Neal takes over on the 1st March 2024. With the groundwork laid out and the upcoming projects in the pipeline, FCI is well-positioned to continue its impact on the industry.



CONNECT

AMERICAS: CONGRESSES ARE AN OPPORTUNITY TO EXERCISE OUR MISSION.



ALBERTO WYDERKA
Director of Americas

Whenever I have to participate or decide to participate in an event representing FCI, I ask myself harshly, why participate? How does it contribute to our organisation's objectives and mission, and is it reasonable in terms of budget?

However, Congresses and Assemblies organised by institutions related to our industry are an opportunity to exercise our mission.

Expanding the knowledge of factoring, developing our networking with new banks and companies, integrating them into our community, and interacting with participating multilateral entities are some of the actions that find fertile ground to be carried out.

This year, I participated in several events that take place every year in our Americas Region that I consider relevant and contribute to our organisation's objectives. On this occasion, I want to tell you about two of them and leave other events for a future edition that are no less important.

- **The FELAFAC Congress** (the Latin American Factoring Federation) convened this year in Santiago, Chile.

FELAFAC is an association, headquartered in Santiago de Chile, aims to unify the perspectives held by different countries across the continent regarding our industry, thereby fostering its consolidation in Latin America.

Its mission is to achieve a common front for the factoring sector at the Latin American level, to share the highest quality standards among countries, and apply the best practices in factoring matters and, in this way, standardise the quality of services and promote the conditions for the development of International Factoring businesses between the different countries in the region.

Promote contact and exchange of information between the different Associations and factoring companies; disseminate and discuss studies of legal, accounting, tax, financial, economic, or any other nature related to the factoring activity; promote the development of new technologies and management methods for factoring companies in different countries to establish best administrative practices and standards; collect statistical data at the Latin American level and by country; Establishing alliances with international factoring organisations, disseminating best practices and international standards in the regulations applicable to factoring operations, and promoting and organising meetings and seminars related to factoring that are of interest to members are some of the objectives of FELAFAC.

It is an initiative that hopes to contribute to the development of factoring as a notable tool for financing SMEs in Latin America.

Although FCI participated in the founding guidelines of this federation, it joined it immediately after its creation.

The 6th FELAFAC Latin American Factoring Congress, held recently in Santiago de Chile, has undoubtedly proven successful. The event had a large panel of exhibitors from Peru, Chile, Mexico,

CONGRESSES
ORGANISED BY
RELATED
INSTITUTIONS ARE
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MISSION

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Colombia, Spain, and Argentina and the global vision of the industry at a regional and international level that FCI provided through my presentation.

One of the definitions, in my opinion very important, that the President of FELAFAC, Mr. Germás Acevedo, was that: "Factoring is a financial tool with great perspectives and growth potential in the Latin American market, and that is why this meeting "It allowed us to learn about the different trends in legal, commercial, financial matters, among others, and thus contribute to the development of this industry."

The objective of this meeting was to share experiences and technological developments applied to factoring. In this sense, Germás Acevedo highlighted that: "The pace at which technology moves makes us explore new paths. Technology applied to the financial world is generating a significant change in the way transactions are carried out and financial services are accessed. This gives us a great challenge as an industry to reach more customers with our product, especially to MSMEs."

Among the panelists who participated, I mention some, not because all the others are of less importance, but because of the cruel limitation that this note requires of us. They are: Sebastian Senzacqua Bravo, BICE Economist (Chile); Christopher Bosler, General Manager of the Chilean Commodity Exchange; Víctor Valdéz, Partner Lawyer of Rebaza, Alcázar and Las Casas; Alejandro Niquén, President of APEFAC (Peru); Roberto Galindo, Representative of the Internal Revenue Service, SII (Chile); Ignacio Sagarminaga, Director of the Legal Department of Santander Factoring and Confirming, S.A. and President of the Legal Commission of the Spanish Association (Spain); Carlos García, Secretary General of AEF (Spain); Alicia Ferrer, Senior Investment Officer of IFC (World Bank); Pilar Turanzas, President of AMEFAC (Mexico); Guadalupe Meléndez, Factoring Product Manager, BCP (Peru); Juliana Trujillo, EVC Factoring Bancolombia (Colombia). Like I said, to mention a few.

Among others, the topics addressed by the panelists were new strategies to expand the network of contacts, laws of different countries, tactics on electronic invoices, and exchanging information to create a commercial network in the region that leverages the development of the industry.

- **FELABAN** (Latin American Federation of Banks) organises an annual event alternating between a Latin American city and Miami, sponsored by FIBA (The Florida International Bankers Association). This year's event took place in Miami, attracting participation from over 800 banks, not only from Latin America and the Caribbean but also from the US, Canada, and various other countries worldwide, including Germany, Spain, Italy, Japan, and more. Over 1,500 high-level representatives from these banks were in attendance.

It is the most important event in the region for the financial industry, and I cannot find another similar one in any other Region of the World.

I participated in representing FCI, just as I do every year. This time alone, although on other occasions, I was accompanied by the Secretary-General, Peter Mulroy or Çagatay Baydar, as members of the Executive Committee.

The Assembly was held immediately after our Annual Meeting in Marrakech, so I joined this event directly from there.

The outcomes were notably advantageous and promising for our organisation. Over three days, we conducted more than 35 meetings that yielded encouraging results.

The upcoming FELABAN Assembly is scheduled to take place in Paraguay, and I anticipate being present, accompanied by the new Secretary General or by the President of our organisation.

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RISK EVOLVEMENTS IN SUPPLY CHAIN FINANCE:

HOW TO BETTER CONTROL THEM



THOMPSON LUI

Regional Manager South &
South East Asia

In the previous newsletter, you could discover the first part of the article.

Part TWO:

Mitigating risks in supply chain finance involves strategic planning, effective communication, and implementing various risk management tools. Here are some strategies to help mitigate risks in supply chain finance:

1. **Diversification:** Spread your business's exposure by working with multiple suppliers, buyers, and financing partners. This reduces the impact of disruptions from a single source and provides alternatives in case of financial distress.
2. **Due Diligence:** Thoroughly vet your supply chain partners before entering into financial arrangements. Assess their financial stability, operational capabilities, and risk management practices. This can help you avoid dealing with high-risk partners.
3. **Transparency and Communication:** Maintain clear and open communication with all participants in the supply chain. Timely communication can help identify potential risks early and allow for collaborative problem-solving.
4. **Supply Chain Mapping:** Create a detailed supply chain map, identifying critical nodes and dependencies. This helps you understand where potential risks may arise and develop contingency plans.
5. **Risk Assessment and Monitoring:** Regularly assess and monitor risks associated with suppliers, buyers, and market conditions. Use tools like risk scoring models to quantify and prioritise risks based on their potential impact and likelihood.



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6. **Contractual Agreements:** Use well-defined and comprehensive contractual agreements that clearly outline the terms and responsibilities of all parties involved. Address potential risks, such as payment terms, quality standards, and dispute resolution mechanisms.
7. **Contingency Planning:** Develop contingency plans for various supply chain disruptions, such as production halts, natural disasters, or geopolitical events. These plans should outline the steps to minimise disruptions and ensure business continuity.
8. **Insurance and Hedging:** Consider using insurance products or financial derivatives to mitigate risks related to currency fluctuations, interest rate changes, and commodity price volatility. These tools can provide a level of protection against financial losses.
9. **Technology and Data Analytics:** Implement advanced technologies like IoT sensors, blockchain, and data analytics to gain real-time visibility into your supply chain. This can help you proactively identify and address potential risks.
10. **Collaboration and Partnerships:** Collaborate closely with key suppliers, buyers, and financial institutions. Strong partnerships can lead to shared risk management strategies and faster problem resolution.
11. **Compliance and Regulatory Adherence:** Stay updated with relevant regulations and compliance requirements in your industry and region. Ensure that your supply chain finance practices align with these regulations.
12. **Scenario Planning:** Develop scenarios for various risk events, such as demand fluctuations, supply disruptions, or economic downturns. This helps you prepare strategies for different situations.
13. **Sustainability Focus:** Incorporate sustainability criteria into your supply chain finance decisions. By promoting ethical and sustainable practices, you can mitigate risks associated with environmental and social factors.
14. **Continuous Learning and Improvement:** Review and improve your risk management strategies. Adapt to new challenges, emerging risks, and changes in the business environment.

Remember that supply chain finance risks are interconnected and can evolve. The key to effective risk mitigation is a proactive approach involving strategies tailored to your specific supply chain structure, industry, and business goals.



THE
KEY TO
EFFECTIVE RISK
MITIGATION IS A
PROACTIVE APPROACH
INVOLVING STRATEGIES
TAILORED TO YOUR
SPECIFIC SUPPLY CHAIN
STRUCTURE, INDUSTRY,
AND BUSINESS
GOALS

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UNLOCKING THE POWER OF FACTORING: AN INTERNATIONAL BUSINESS MODEL BY BANK OF CYPRUS

Interview by Ms. Betül Kurtulus, Regional Director CEE, SEE and the Middle East with Paris Georgiades, Manager Factors, Bank of Cyprus.



Mr. Paris Georgiades



Ms. Betül Kurtulus

BK: I think what distinguishes this business model from other examples is that it explains how it can be successful when positioned on awareness and good service in a small economy and in a country where the awareness of factoring is not very high.

In this sense, I think your story is an exemplary model. We have the privilege of delving into the profound impact and success of factoring as an international business model. I'm pleased to interview Mr. Paris Georgiades, who will shed light

on the remarkable case study presented by the Bank of Cyprus. Their innovative strategies have significantly bolstered international factoring and can serve as a guiding template.

Can you highlight the significance of factoring in Europe and, more specifically, Cyprus?

PG: Factoring stands as a pivotal financial practice, contributing substantially to Europe's GDP, approximately 11%. This contribution spikes to approximately 12% in Cyprus, largely owing to the robust initiatives led by the Bank of Cyprus. Our market share of over 90% actively champions and propagates factoring solutions, significantly influencing the local economy.

BK: How does the Bank of Cyprus navigate the landscape of international factoring in contrast to its local market dominance?

PG: Interestingly, while the local market prevails in the factoring volume due to economic size and established banking products, the Bank of Cyprus has pioneered an exemplary model for international dealings. Despite challenges, the success in international turnover and income growth from November 2022 into 2023 is a testament to exceptional strategy.

BK: Can you walk us through the key elements of the Bank of Cyprus's successful international factoring business model?

PG: The Bank of Cyprus's success is rooted in a multi-faceted approach. Our strategy involved elevating factoring awareness through targeted education and media outreach, fostering collaborations with key stakeholders, implementing a strategic pricing model, embracing digitalisation, and securing unwavering support from top-level management.

BK: How did the Bank of Cyprus enhance factoring awareness and accessibility?

PG: Our initiatives spanned educational campaigns for staff and the public using interviews, online training exercises, a podcast and conferences, leveraging influential financial platforms to disseminate the benefits of factoring. Collaborative efforts with reinsurers and digital platforms

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further enriched the ecosystem, making factoring a more attractive working capital solution. A meticulous approach to pricing, underpinned by extensive research, ensured competitiveness, and the embrace of digital solutions widened accessibility.

BK: What role did senior management play in this success?

PG: Senior management's unwavering support was pivotal. The flawless execution of the Bank of Cyprus's business model was facilitated by the endorsement of large customers, recognising the potential of factoring and its impact on the broader economic landscape.

BK: In conclusion, what can other countries and companies learn from the Bank of Cyprus's model?

PG: The Bank of Cyprus's model is a beacon for implementing and sustaining factoring in evolving economies. Our comprehensive approach, encapsulating awareness campaigns, collaboration, strategic pricing, digitalisation, and top-level support, has led to substantial turnover and profit growth. Emulating their strategy can unlock the latent potential of factoring, significantly contributing to economic growth.

BK: Thank you for sharing insights into the international business model.



FCI CAREER PATH

A COHESIVE, THREE-LEVEL DEVELOPMENT PROCESS THAT SUPPORTS STAFF DEVELOPMENT



LEVEL 1st
CAREER PATH

**FOUNDATION COURSE
ON FACTORING**



LEVEL 2nd
CAREER PATH

**INTERMEDIATE COURSE
ON FACTORING**



LEVEL 3rd
CAREER PATH

**ADVANCED COURSE
ON FACTORING**

FCI Career Path Courses are available to FCI Members only | Find out more at fci.nl/education or email us at fci@fci.nl

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UPDATES FROM ACROSS AFRICA



NASSOUROU AMINOU
Regional Manager Africa

International trade is increasingly essential for economic growth worldwide. The African Continental Free Trade Area (AfCFTA) Agreement emphasises intra-African trade, and this article updates on recent activities that I have been involved in across Africa. These include a factoring workshop in Lagos and a capacity-building and the Intra-African Trade Fair (IATF) in Cairo. Additionally, we are introducing new members in the Africa region.

During the 3rd Intra-African Trade Fair (IATF) held from 9 to 15 November, FCI set up a promotional booth for Factoring and FCI in the expo hall. Aysen and Cagatay traveled to Cairo to participate in the IATF2023 event, organised by The African Export-Import Bank (Afreximbank) in partnership with the African Union and AfCFTA Secretariat. This trade fair drew more than 35,000 visitors, and we had the opportunity to engage with numerous attendees at our booth.



Alongside the IATF 2023, we also hosted a workshop with Afreximbank focused on the role of Factoring under the African Continental Free Trade Area (AfCFTA) Agreement. The event gathered financial institutions from Africa to get up-to-date information on what is happening on the continent, examine the impact AfCFTA will have on the necessity for SMEs to have access to liquidity, and examine the vital role factoring will play in the future. After the short workshop featuring presentations and a panel discussion, a brainstorming session began, finishing with one-to-one meetings with all attendees from factors and banks.

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In October, we were part of another Afreximbank ATFS 2023 Factoring workshop in Lagos, Nigeria, where we presented on topics such as the world of factoring, receivables finance, and FCI, how Factoring and reverse factoring works, risk management in factoring, challenges, and opportunities for factoring and SCF in West Africa.



Lastly, I am pleased to welcome Bridge Bank Group from the Ivory Coast and Kweli Financial Services from DRC as new members of FCI in the Africa region. The region of Africa now has over 45 FCI Members, and we are continually growing.

In conclusion, our commitment to supporting the growth of factoring and supply chain finance in Africa is reflected in the workshops we host and the initiatives we participate in. We look forward to continuing our work in the region and supporting the Factoring growth of businesses across Africa.

THE
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CONNECT

NEW MEMBERS

One of the key reasons we exist is to connect people in the industry – creating business opportunities, networking, and relationships that last.

Since the last newsletter, the FCI family has grown with the following Members. Today FCI counts 403 members! We still have a lot of prospects that will soon join FCI.



Started its commercial activities on 14 June 2006, Bridge Bank Group Côte d'Ivoire "BBG CI" is a limited company with a Board of Directors and a capital of EUR 19 Million.

Initially focusing on Corporates, and more specifically SMEs, BBG CI is a commercial bank which, since 2011, has focused on Retail, Professionals and VSEs, to broaden its customer base and be present in all segments of the Ivorian banking market, with an even more diversified range of services and products.

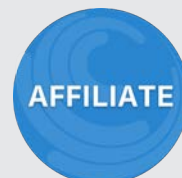
In 2016, BBG CI embarked on a transformation process that was reinforced between 2019-2021, by a deep reorganisation and an external growth materialised by the opening of its first branch in Senegal.

In the realm of Trade Finance, BBG CI has emerged as a trusted partner, offering a suite of products designed to facilitate international and local trade seamlessly. The services provided by our Trade Finance Service include: Import and Export letter of credit; Import avalized draft; Standby Letter of Credit; Reissuing guarantees; Collection; and Confirming.

Building on our commitment to innovation, BBG CI is excited to announce the launch of factoring service in 2024. This new product will further empower businesses by providing flexible and efficient solutions for managing their receivable, reinforcing BBG CI's position as a pioneering force in the trade finance landscape.

Bridge Bank Group Côte d'Ivoire continues to evolve, innovate, and setting new benchmarks in Trade Finance, positioning itself as the preferred partner for businesses in the region.

Learn more on Bridge Bank Group via their [website](#).



Kweli was incorporated in 2019 and entirely owned by Congolese. It operates in Kinshasa and Lubumbashi as a separate legal entity fully devoted to logistics and supply chain finance. Kweli is a trustworthy financial partner, legally registered with an respectable equity.

Our product propossal consists of reverse factoring in which Kweli will come in with the backing of a Bank to pay approved suppliers in advance of due date.

As a conclusion, Kweli financial services is well positioned to become the leader in factoring in DR Congo. Kweli is a affiliate member of FCI, which is the global representative body for factoring and financing of open domestic account and international trade. With Kweli, you have access FCIreverse, a supply chain finance solution for reverse factoring.

CONNECT

The Tradeteq logo consists of the word "TRADETEQ" in a bold, sans-serif font. "TRADE" is in white and "TEQ" is in a light blue color. The logo is set against a black rectangular background.A green circular logo with the word "PARTNER" in white, sans-serif capital letters in the center.A purple oval logo with the words "UNITED KINGDOM" in white, sans-serif capital letters in the center.

Tradeteq is the leading data, technology, and software provider to the trade finance and private credit industry. Founded in London in 2016, Tradeteq built the marketplace infrastructure to power private credit investments and help investment managers and asset sellers connect, interact, and transact efficiently. Tradeteq's team delivers deep, cross-disciplined knowledge together with client focus and understanding. Its digital platform enables it to be a true innovation partner to clients, significantly accelerating their pace of technology adoption while reducing complexity and costs. Tradeteq is the official technology partner of the Trade Finance Distribution Initiative, the industry-led group that sets global trade finance distribution standards. Learn more about Tradeteq via their website [here](#).

The logo for The Collection Law Group (TCLG) features the text "TCLG - THE COLLECTION LAW GROUP" in a small, white, sans-serif font, centered within a black rectangular background.A green circular logo with the word "PARTNER" in white, sans-serif capital letters in the center.A blue oval logo with the word "USA" in white, sans-serif capital letters in the center.

The Collection Law Group ("TCLG") is a group of experienced commercial collection lawyers who work on a contingency basis to collect past-due amounts from commercial debtors located in the United States. TCLG works with creditors in a variety of industries, with particular expertise in helping finance companies and factoring organisations collect past-due amounts quickly, efficiently, and cost-effectively. TCLG's "Attorney Driven Collection Approach" combines the best collection agencies with the best law firms, giving TCLG clients higher recovery rates than other collection alternatives. When you hire TCLG for your collection needs, you do so with no financial risk, as TCLG only earns a fee when they successfully collect on behalf of their clients. Learn more about The Collection Law Group (TCLG) via their website [here](#).

The UAE Trade Connect (UTC) logo features the words "UAE TRADE" in blue and "CONNECT" in red, both in a bold, sans-serif font. Below this, the text "an e&enterprise company" is written in a smaller, grey font.A green circular logo with the word "PARTNER" in white, sans-serif capital letters in the center.A dark blue oval logo with the words "UNITED ARAB EMIRATES" in white, sans-serif capital letters in the center.

UAE Trade Connect (UTC) is the first of its kind blockchain trade finance platform built by the banks for the banks in the UAE. The platform was incubated in 2021 with thought leaders from 7 banks that cocreated a solution to combat fraud, and currently, the platform has grown to 13 banks. Multiple interbank duplicates have been identified, safeguarding the member banks from potential frauds and saving multi-million dollars in the process. UTC is growing and bringing the success story to benefit the banking industry across different regions of the world. Learn more about UAE Trade Connect (UTC) via their website [here](#).

We wish all our new members lots of success!

Other Members who joined more recently will be included in the next issue of In-Sight.

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EDUCATE

EBRD AND FCI PARTNERSHIP

2023 EBRD TFP TRADE FINANCE FORUM

4-5 October 2023, Vienna



AYŞEN ÇETINTAS
Education Director

The Forum sought to investigate the present trends and progressions in trade finance, scrutinizing novel opportunities within the industry spanning the EBRD's operational regions and extending further.



About 250 representatives from issuing banks, confirming banks, co-financing partners under the TFP, factoring, and trade finance associations attended the Forum.

Among various discussions held during the Forum, FCI's Peter Mulroy and Ayşen Çetintas spoke in the panels about Training Initiatives in International Banking and Supply Chain Finance and Factoring.

EBRD-FCI FACTORING AND SUPPLY CHAIN FINANCE CONFERENCE

6 October 2023, Vienna



Following the 2023 TFP Trade Finance Forum, EBRD and FCI hosted a joint conference in Vienna on 6 October, with the support of Raiffeisen Bank International.

Following the welcome remarks by EBRD's Rudolf Putz and FCI's Daniela Bonzanini, industry professionals shared their expertise with attendees on factoring and supply chain finance developments, advantages, and practical tips. The event also highlighted digitalisation trends and discussed sustainability.

Over 100 representatives from issuing banks, confirming banks under the TFP, and factoring banks and trade finance associations attended the Conference.

EBRD-FCI FACTORING AND SUPPLY CHAIN FINANCE CONFERENCE

2-3 November 2023, Marrakech

EBRD Trade Facilitation Programme (TFP) and FCI hosted a Conference on Factoring and Supply Chain Finance on 02 - 03 November 2023 in Marrakech, Morocco, following the FCI Annual Meeting. The Conference started with an introduction on Thursday 02 November evening. On Friday, 03 November, attendees heard from Factoring and Supply Chain Finance experts.

The keynote speaker, Georges Affaki, Chairman of the Banking Commission of ICC France and a Professor of Law at the University of Paris, opened the Conference. During the panel discussions, industry professionals shared their expertise with attendees on Factoring and Supply Chain Finance developments, advantages, success stories, and fraud in factoring and supply chain finance: how to mitigate fraud risk.



EDUCATE

FCI ACADEMY TAILOR-MADE TRAINING PROGRAMMES: MEETING THE SPECIFIC TRAINING NEEDS OF FCI MEMBERS & INDUSTRY!



SPYROS TSOLIS
Deputy Education Director

FCI Academy's portfolio of learning options represents the most complete set of training methods in Factoring, Receivables & Payables Finance today. Our 400 members and the trade finance industry enjoy a variety of choices, either stand-alone or a combination, that cover all training needs in various aspects.

Amongst the most popular training methods during the last years, complementary to our e-learning courses, are the tailor-made training programmes. A **tailored training programme** is designed specifically for a particular institution (FCI Member, Industry Association, Development Banks, etc). It is mostly designed and adapted to the **needs expressed by the company** and its goals. It can include a variety of **pedagogical methods** and **training tools**, such as in-person or online training sessions, synchronous or asynchronous activities, business simulation exercises, case studies and projects, and role-playing games, to highlight the most important elements. Developing a tailored training programme begins by **studying the institution's expression of needs**, then continues by **constructing, step by step, a dedicated learning path** in close collaboration with the institution.

FCI Academy was delighted to design & deliver in 2023 numerous trainings, both onsite (at the institution's premises) and online, supporting new FCI members and associations globally. FCI Academy directors and industry experts serve as the presenters & facilitators of these trainings, transferring their knowledge in every demanded aspect. The institutions that made use of this training method in 2023 were:

- Consolidated Bank of Ghana, Ghana
- Credit Oman S.A.O.C., Oman
- Optima Factors, Greece
- DP World Financial Services, UAE
- Silk Road Bank AD, N.Macedonia
- IFS Capital Group, Singapore
- GIZ(Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH)/Egyptian Factoring Federation
- Ziraat Bank AG Frankfurt, Germany
- TEB Bank Sha, Kosovo
- ITFC – International Islamic Trade Finance Corporation, Saudi Arabia



Amongst the most popular topics were "Risk Management in Receivables & Payables Finance," "Operational & Legal Frameworks of FCI Two-Factor model," "Credit Risk Analysis in Factoring,"

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EDUCATE

and “Effective Sales & Business Development in Factoring”.

It is worth mentioning that all the institutions mentioned above continuously use various FCI Academy e-learning programmes, including mainly the e-learning courses that perfectly match the tailor-made training programmes, as they combine theoretical knowledge alongside practice and case studies.



**CONTACT FCI ACADEMY
DIRECTORS TO DESIGN THE
LEARNING PLAN FOR YOUR
INSTITUTION**

INFLUENCE

UNLOCKING GROWTH: SUPPLY CHAIN FINANCE AND DIGITALISATION BENEFITS WITH RECEIVABLE RECORDING CENTERS IN CEE & SEE REGION



BETÜL KURTULUS
Regional Director CEE, SEE
& the Middle East

Supply chain finance and digitisation are crucial aspects of modern business operations, and they have been increasingly gaining importance in the Central and Eastern Europe (CEE) and Southeastern Europe (SEE) regions. These regions have seen significant advancements in supply chain finance and digitisation to enhance efficiency, transparency, and competitiveness.

Supply chain finance refers to managing financial transactions and working capital within a supply chain. In the CEE and SEE regions, supply chain finance has evolved in the following ways:

- **Working Capital Optimisation:** Companies in these regions focus on optimising working capital by extending payment terms and managing their cash flows efficiently. Supply chain finance solutions provide the necessary liquidity to achieve this.
- **Supplier Financing Programmes:** Large corporations in these regions increasingly implement supplier financing programmes to help their suppliers access affordable financing. This initiative doesn't just benefit the suppliers themselves; it also bolsters the overall resilience and effectiveness of the supply chain.
- **Supply Chain Visibility:** Improved visibility into the supply chain is essential for efficient financing. Companies use technologies like blockchain and IoT (Internet of Things) to track goods in transit and ensure secure and transparent transactions.
- **Financial Inclusion:** Supply chain finance can also promote financial inclusion by providing access to financing for small and medium-sized enterprises (SMEs) in the CEE and SEE regions.

Digitisation plays a crucial role in supply chain finance and is transforming business operations in the CEE and SEE regions. The adoption of digital payment systems, including mobile wallets and online banking, has become widespread. This allows for faster and more efficient payment processing within the supply chain.

Electronic invoicing (e-invoicing) is on the rise in the region. It simplifies invoice processing, reduces errors, and speeds up payment cycles, benefiting buyers and suppliers.

Blockchain technology is leveraged to heighten transparency and security within supply chain finance processes. It provides an immutable ledger tracking transactions and goods throughout the supply chain.

- **Big Data and Analytics:** Companies are leveraging big data and analytics to gain insights into their supply chain operations, identify areas for improvement, and make data-driven decisions.

DIGITISATION
PLAYS A CRUCIAL
ROLE IN SUPPLY
CHAIN FINANCE AND IS
TRANSFORMING
BUSINESS OPERATIONS
IN THE CEE AND SEE
REGIONS

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- **Cloud-based Solutions:** Cloud technology is used for collaboration and data storage, enabling remote access to critical information and facilitating communication between supply chain partners.
- **Automation and AI:** Automation and artificial intelligence are being deployed in supply chain management to streamline processes, forecast demand, and optimise logistics.
- **Regulatory Compliance:** Digitisation is helping companies in these regions comply with evolving regulations and standards related to data privacy and trade.

Supply chain finance and digitisation are essential for businesses in the CEE and SEE regions to remain competitive, adapt to changing market dynamics, and meet the growing demands of global supply chains. Embracing these trends can increase efficiency, reduce costs, and improve collaboration with supply chain partners.

Implementing invoice registry systems in emerging countries in the Central and Eastern Europe (CEE) and Southeastern Europe (SEE) regions can offer several significant benefits to the economies, businesses, and governments and several benefits in factoring operations in these areas. Here are some key advantages:

- Invoice registry systems enhance transparency in financial transactions. When invoice registry systems are in place, a more transparent and predictable business environment is created. This can attract foreign investment and foster economic growth, vital for emerging countries seeking to develop their economies.
- Receivables recording systems automate many aspects of the factoring process, reducing manual tasks and administrative overhead. This leads to more efficient operations and faster funding for clients. These systems provide real-time visibility into the status of accounts receivable. Factoring companies and their clients can easily track the progress of invoices, payments, and collections, enhancing transparency and decision-making.
- Receivables recording systems allow for in-depth analysis of the quality and creditworthiness of accounts receivable. Factoring companies can use this data to assess the risk associated with different invoices and decide whether to advance funds.



Factoring companies can conduct thorough due diligence by examining historical payment data, customer creditworthiness, and invoice details with the support of the registry systems and the provision of the credit bureau. This information is crucial in digitalising the factoring and reverse factoring operations.

- Receivables recording systems help factoring companies make quicker funding decisions. With access to up-to-date data, they can assess the risk and creditworthiness of clients' customers in real-time, allowing for faster approvals, which is crucial for SMEs, especially for MMSE financing.
- The improved visibility into a company's financial transactions through an invoice registry system can make it easier for businesses to access credit. Lenders can use this data to assess a borrower's creditworthiness, leading to increased access to business capital, which will show more SMEs to reach sustainable financing.

These systems are scalable, making it easier for factoring companies to handle a growing number of clients and a more extensive portfolio of accounts receivable without a significant increase in administrative overhead, with the benefit of preventing fraud, double assignments, and double payments.

While the benefits of implementing invoice registry systems are significant, it is essential to consider the challenges and costs associated with their implementation. These may include initial setup costs, privacy concerns, and businesses needing to adapt to new reporting requirements. However, when properly designed and implemented, invoice registry systems can drive economic development and improve governance in emerging countries in the CEE and SEE regions.

These systems often include robust security measures to protect sensitive financial data, ensuring the privacy and confidentiality of both factoring companies and their clients.

In summary, receivables recording systems are integral to factoring operations as they streamline processes, improve decision-making, reduce risks, and provide greater visibility into accounts receivable. These systems contribute to the efficiency and effectiveness of factoring services, benefiting companies and their clients.

WHILE
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COMPANIES AND
THEIR CLIENTS

ENHANCE YOUR SKILLS IN THE RECEIVABLES FINANCE INDUSTRY

The FCI Academy Online Courses are globally recognised, accredited & endorsed for their content and quality by International Academic Institutions. Enrol and start today with the FCI Academy On-Demand, the range of courses include:



INTRODUCTION TO FACTORING & RECEIVABLES FINANCE

Novice | Completed in 2 Months



FUNDAMENTALS OF DOMESTIC & INTERNATIONAL FACTORING

Advanced Beginner | Completed in 3 Months



SUPPLY CHAIN FINANCE & REVERSE FACTORING

Advanced Beginner | Completed in 4 Months



SPECIALISED COURSES

Open-to-all | Completed in 3 Months

Courses include:

- Pre-Sales & Seller On-Boarding Course
- Seller Selection & Control Course
- Selling & Marketing Factoring Course
- Dispute Prevention & Handling Course
- Buyer Risk Control Course
- Legal Course



INFLUENCE

WHY RELYING ON BIG COMPANIES IS NOT A GOOD STRATEGY



LIN HUI
Regional Director NEA

While weathering the headwinds of the past few years, one bank member in our region has seen significant growth in its export two-factor business. More impressively, this growth came after a decline in the bank. So, I visited this bank and met with its executives to discover some of the successful elements of their turnaround that would inspire other peers.

They told me quite openly that the previous fall in export two-factor business was mainly due to problems in the organisational restructuring, where they regrouped and integrated their international and domestic trade finance businesses. It turned out badly for international business. With KPIs being the same, no one is willing to take on the extra work and responsibility of doing something more complex and time-consuming. International business is naturally marginalised. Thankfully, the bank's management realised the problem soon and re-established a dedicated international business team with separate performance assessments. It quickly paid off.

Upon further examination of their business, concerns arose. They heavily rely on a small group of large exporters who sell to prominent entities abroad, indicating a concentration risk. Additionally, their approach needs a dedicated factoring team focused on specialised operations and risk management. Instead, only one or two product managers within the international business team handle the "product" of international factoring. These managers are typically tasked with other business responsibilities, potentially impacting their focus on international factoring.

The current scenario in the region reflects a trend where banks, particularly during less favorable economic conditions, tend to adopt a more conservative approach, often favoring large clients. Relying on these larger clients offers scalability without additional investments in building professional service capabilities and dedicated factoring teams. However, investing in specialised processes and teams could signify a shift from the traditional lending model towards a sustainable path centered around factoring. This transition could break away from conventional practices and establish a more sustainable and diversified business model.

A
TREND
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CLIENTS

Moreover, a high concentration of client portfolio and business size in a few large clients is prone to massive ups and downs in business volume, which harms the business's health. Large clients are not as financially sound and well-managed as they appear. Once a problem arises, it often becomes uncontrollable due to the lack of constraining instruments inherent in factoring. Over the past decade or so, we should have learned enough lessons.

Supplier financing, also known as supply chain financing and reverse factoring, is a current hot spot in the region. Many have promoted it as a magic bullet and benchmark for banks to implement financial inclusion policies to finance SMEs. This is because banks can structure their lending to SME suppliers whose credit ratings are weaker through the supply chains of large companies.

However, large companies' self-interest motivates this type of supplier financing. Large companies may abuse this mechanism to squeeze small and medium-sized suppliers by extending the

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payment period. It serves neither to help SMEs manage their overall liquidity risk during their business cycle nor to help them manage their sales credit risk and payment risk. At best, it is a structured working capital loan. Compared to our standard factoring business, the two are worlds apart regarding their significance for financial inclusion.

I am not simply arguing against banks offering factoring, accounts receivable financing, or vendor financing from a large business perspective. What I am advocating is a more balanced approach. For regional banks, it's

crucial to break away from heavy reliance on large companies and focus on enhancing their capability to offer standardised factoring services to SMEs to achieve financial inclusion genuinely.



Facilitating Open Account – Receivables Finance

Discover our unique solutions to help you with
Factoring & Receivables Finance

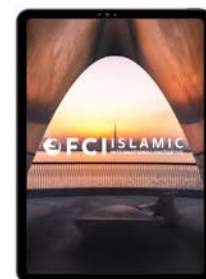
Simply scan the QR codes below or visit fci.nl to find out more



FCI's Edifactoring platform has been running for 20+ years, seeing over 300 members use the platform. It is highly trusted by its users and runs on FCI's legal structure with a community of users that have all been vetted by FCI. The two-factor platform helps bridge the gap by allowing local factors to communicate with each other in a safe and transparent place.



FCIreverse enables FCI members to start, deploy & participate in reverse factoring programmes on their own or as part of a community. It is a Supply Chain Finance Solution, the only holistic solution for reverse factoring. It combines the power of the FCI member network across 90 countries, a solid FCI legal framework and an award-winning technology powered by Demica.



FCI's Supplemental Agreement is a contract to facilitate Islamic International Factoring transactions. Since Shariah allows trade with people from other religions, it's important that countries adapt their frameworks to address the unique risks in Islamic finance and to develop Shariah-compliant financial markets and monetary instruments.



INFLUENCE

FCI MEMBERS ELECT NEW EXECUTIVE COMMITTEE AND CHAIRMAN

FCI's 55th Annual Meeting in Marrakech was a success, with over 250 attendees discussing global factoring and receivables finance industry trends. AFollowing the Council Meeting, a new Executive Committee was elected for 2023-2025 after the Council Meetingwas elected, and we would like to introduce each member to you.

FCI Chairperson



Çağatay Baydar, TEB Faktoring, Turkey

Çağatay Baydar has been elected Chairman of FCI, serving previously in 2011 and 2017. He is the Executive Chairperson of TEB Faktoring, the largest Turkish Export Factor and second largest in FCI. TEB Faktoring has won the Export Factor of the Year Award seven times. Mr. Baydar is dedicated to FCI and ready to support our chain in becoming the voice of the open account receivables finance industry. With 36 years of experience in financial institutions, he introduced factoring to Turkey and has worked in banking, factoring, leasing, real estate development, and auditing.

FCI Vice-Chairs



Chenyue MAO, Wells Fargo Bank N.A., USA

Chenyue Mao manages the International Factoring business line at Wells Fargo Bank since 2012. With 23 years of experience in the financial industry, she has worked across various positions, including managing director at BB&T, underwriter at ACE Limited and AIG. Chenyue holds an MBA degree in Finance and International Business from Central Connecticut State University and an LLB in International Business Law from East China University of Political Science and Law.



Philippe GRESTA, BNP Paribas Factor S.A., France

Philippe Gresta is the Head of International Relations at BNP Paribas Factor S.A, France. He has over 20 years of experience in the factoring industry and has worked with several institutions such as Fortis and Société Générale before joining BNP Paribas Factor. He specialises in international factoring and has been instrumental in developing FCI business both inside and outside the BNP Paribas Group. He has also actively participated in various FCI events and projects.

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FCI Executive Committee Members



Monica FERNANDEZ BARBERO, Caixabank, Spain

Ms Fernandez Barbero is the Head of International Factoring at Caixabank, with over 25 years of experience in the banking sector. Her focus for the past five years, she has been focused on developing international trade operations and promoting international factoring to SMEs. To improve her profile, she completed a Master's Degree in Customer Experience in 2018 and the Business Analytics for Leaders programme from IMD digital business school Digital Business School in 2022.



Mary FARLEY, The CIT Group/Commercial Services, Inc., USA

Mary Farley is the SVP of the International Region for The CIT Group, a subsidiary of First Citizens Bank. She has extensive experience in international finance and has held various roles in export credit, international operations management, and client service. Mary earned her bachelor's degree from the University of Georgia.



João COSTA PEREIRA, Banco Ourinvest S.A., Brazil

João Costa Pereira is a Portuguese senior banker based in São Paulo, Brazil. He specialises in Factoring and Trade Finance, offering advisory services to Banks and Corporations. He has over 30 years of experience in the banking industry and has worked for Credit Lyonnais Bank, Eurofactor Portugal, FIMBank, and Brasilfactors. João is a regular conference speaker and article writer on topics related to factoring, supply chain finance, and trade finance topics. He holds an Economics degree from the "Lisbon Catholic School of Business & Economics", FCEE.



Doaa HAFEZ, Egypt Factors (member of FIMBank Group), Egypt

Doaa is a senior commercial finance executive with more than 20 years of experience in finance and management. She is currently the General Manager of Egypt Factors and a member of the Executive Committee of FCI. Doaa has significant expertise in client relationship management, factoring operations, product structuring and development, and operational risk and controls. She was the first female member from Africa and the Middle East of FCI's Executive Committee.



Jianbo SUN, China Construction Bank, China

Jianbo Sun is the General Manager of the International Business Department at China Construction Bank (CCB) with 20+ years of Factoring experience. She has served as the Vice Chairman of the Executive Committee for two consecutive terms and is currently a Member of the Executive Committee. During her tenure, she has been dedicated to increasing FCI's influence in China, promoting collaboration with industry associations and regulators, shaping FCI's China strategy, and fostering mutual understanding between Chinese and global members.

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Julio NIELSEN, Eurocapital, Chile

Julio Nielsen is the EVP and Head of International Factoring at Eurocapital Chile. He has over 25 years of experience in Trade Finance and International Factoring, and over 8 years of experience in Credit Insurance. He is also a previous member of the FCI and FELAFAC Executive Committees.



Dorota SZCZEŚNIAK, Santander Factoring, Poland

Dorota is the International Factoring Manager at Santander Factoring. She has been in the banking industry for over 20 years now, gaining experience across various areas of branch network, retail, corporate banking, and Property Finance. Since 2010 at Santander Factoring where, she has been responsible for international factoring transactions, relationships with foreign entities, and, in particular, for management of managing Santander operations within the FCI framework.



Daniela BONZANINI, Banca IFIS, Italy, Past Chairman

Daniela Bonzanini has over 40 years of experience in international factoring and is the past Chairwoman of FCI and Head of International at Banca IFIS Italy. She has been instrumental in developing and implementing innovative products and services in the factoring industry and is responsible for developing the development of business and international network at Banca IFIS. She is also a Member of the Board of IFIS Finance Sp. z o.o and IFIS Finance I.F.N. S.A., the daughter companies of Banca IFIS in Poland and in Romania. Until April 2017, she served as Director of India Factoring and Finance Solutions Pvt. Ltd, and from 2006 until 2015, she was a Member of the Board of A.I.C.E., Associazione Italiana Commercio Estero in Milan.



Kanayo AWANI, Afreximbank, Egypt, Representing the Affiliate Members

Kanayo Awani is the Managing Director of Intra-African Trade Initiative at Afreximbank. She has a Masters in Public Administration from Harvard University and worked for 17 years at Citigroup. In 2009, she joined Afreximbank as Director of Trade Finance and Branches. She now leads the bank's implementation of intra-African trade and industrialisation strategies. She's also Chairperson of the African Chapter of FCI.

The new Executive Committee will be working with the Secretariat to deliver a strong programme of activities designed to develop a strategic plan to bring the association to the next level and confirming its reputation as the "Voice of the Industry".

As Çagatay Baydar, newly elected Chair of FCI, mentioned, "I am of the utmost confident that FCI is ready to take on new responsibilities and will succeed in overcoming the new challenges ahead to ensure continued success in this industry. It will be my foremost duty to support all initiatives to confirm FCI the "Voice" of the receivables finance industry. I would like to thank you all for your support and confidence in me for the past years. I am privileged and honoured to continue to be a part of FCI's achievements as the Chairperson of the Executive Committee."

FCI SPREADING ITS WINGS: MEETING BOTH ONLINE AND IN-PERSON WITH PARTNERS, PROSPECTS, ORGANISATIONS

More than ever, FCI has been partnering with organisations to promote factoring and boost the industry. FCI Directors were invited to speak at other organisations' events. Below is what has happened over the past three months.

SEPTEMBER 2023

5-6 September: GTR Asia

FCI was institutional partner of GTR Asia. Thompson Lui, FCI Regional Manager SSEA joined the event to meet with prospects and members. The event provided an opportunity to hear world leading experts reflect on the latest developments and rapidly changing dynamics across Asian and global markets. Thompson joined over 1,000 attendees at the Sands Expo & Convention Centre in Singapore.

28 September: efcom Symposium

FCI was invited to present Factoring with global growth at efcom symposium. Betül Kurtulus represented FCI. She explained the global success story of factoring. In her role as Regional Director Central, Eastern and South-Eastern Europe & Middle East, Betül Kurtulus described the incredible growth on a global level: In the past 15 years, the worldwide factoring volume has grown from approx. 870 billion EUR in 2007 to 3.7 trillion (!) EUR in 2022. In Eastern Europe, the factoring markets in Poland, Russia, Hungary and the Czech Republic are the largest in terms of volume, where there were sometimes high growth rates compared to the previous year. Further topics of the presentation were import and export factoring, reverse factoring or supply chain finance as well as Islamic factoring. The latter is predicted to continue its high growth rates in the coming years. efcom recognised this trend early on and will offer a Sharia-compliant factoring solution in the future. In conclusion, Betül Kurtulus presented which factors are particularly important for business based on her practical experience. Particularly worth mentioning here are investments in further education and training, as well as in suitable software solutions.



OCTOBER 2023

4 October: GTR EGYPT 2023

As Egypt looks forward beyond the shocks that have impacted supply chains and highlighted the importance of security across a range of industry sectors, Farrukh Siddiqui (Emerging Capital Management Partners), Bharat Gupta (Olam Global Agri), Doaa Hafez (FCI), Ahmad Bani Hani (Arab African International Bank (AAIB)) and Amr Ezz Eldin (Al Dahra Holding) led a conversation at GTR Egypt

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in Cairo today to consider the activities being undertaken to best support Egyptian trade in line with the objectives outlined in Egypt Vision 2030 and its accompanying development goals.

5-6 October: 6th Latin American Factoring Congress

Amazing experience at the 6th Latin American Factoring Congress in Chile! Pilar Turanzas, President of the Mexican Association of Financial Factoring and Similar Activities, shone at this important event. In the photo, we see her with Alberto Wyderka, Director for America of FCI, and Julio Nielsen, Executive Committee member of FCI. A combination of talent and experience undoubtedly contributes to the growth and development of the sector.



BCR Interview

Michael Bickers interviews Betül Kurtulusül, Regional Director for Central, Eastern, and South-Eastern Europe and the Middle East, FCI, on factoring and SCF in Saudi Arabia, and explores the conditions necessary to help the market thrive within a five-year time frame, including digital initiatives, banking support for non-oil SMEs, and further education on open account. "Almost every Saudi bank has or is planning to have a supply chain finance solution in place," says Betül Kurtulus, Regional Director, FCI



30 October: Launch of Three Major Initiatives for the Factoring Industry

Last month, during the 55th FCI annual meeting, factoring entered a new era. The launch and release of three major initiatives that have taken years to achieve together will create a catalyst of significant change for the factoring industry globally. For the first time, the industry has launched three distinct yet essential milestones to help hasten the rise of factoring and receivables finance like never before.

- Factoring Model Law (FML)
- The IFC/World Bank's Factoring Regulatory Guide
- The FCI Legal Study



NOVEMBER 2023

7-8 November: BCR MENA SCF 2023

Betül Kurtulus participated in a regional focus panel on supporting trade growth in Saudi Arabia with SCF on 7-8 November at the Dubai Chamber of Commerce. Panel session: Regional focus – supporting trade growth in Saudi Arabia with SCF

INFLUENCE

- "It is important to address the challenges of introducing SCF in Saudi in order to avoid legacy system issues," Carlo Minasi, Arthur D. Little.
- "Factoring and SCF is very low in Saudi but there is big potential for SCF where they are giving this significant priority," A. Betül Kurtulusül Kurtulus, Regional Director for Central, Eastern and South-Eastern Europe and the Middle East, FCI
- "Membership of associations supports the ecosystem," C.A. Pankaj Mundra Mundra, Co-Founder and Chairman, 360tf; Co-Founder, Nimai; Steering Committee Member, UAE Banking Commission, International Chamber of Commerce
- "There is a huge budget allocated to build infrastructure to move away from oil reliance," Arif Choksy, Chief Financial Officer, Bahra Electric



24 November: IFC-FCI Meeting in Istanbul

On 24 November our Chairman, Mr. Cagatay Baydar, met with Central Bank representatives from Azerbaijan, Georgia, Tajikistan, and Uzbekistan at IFC's Istanbul office. FCI is honored to spearhead advocacy for infrastructure in these nations, focusing on fostering a shared understanding of factoring products, model law regulatory frameworks, and educational initiatives.

We want to thank IFC and Murat Sultanov for organising a highly productive meeting where we shared our commitment to providing technical, legal, and educational support to products at the highest level, acknowledging the significant contributions of central bank and regulatory officials. At FCI, we are always ready for collaboration. Thank you for this fruitful discussion!



28 November: CFEC Event

Peter Mulroy and Neal Harm delivered a video message, congratulating CFEC for their conference attended by more than 500 participants in China. They look forward to a closer cooperation between CFEC and FCI in the future.



INFLUENCE

THE IMPACT OF ISLAMIC FINANCE SOLUTIONS AND SCF PLATFORMS ON BUSINESS SUCCESS



MARWAN ELHIBRI
QUALCO

As the world has become increasingly interconnected, Islamic finance solutions have proven to be increasingly important for businesses. They provide access to capital, promote financial inclusion, support economic growth, and enhance corporate governance. Moreover, these solutions facilitate alignment between businesses following Islamic Shariah finance and those using conventional finance. They do so by providing a framework for risk management, promoting transparency and disclosure, and fostering cooperation and collaboration. All these factors have made Islamic finance an increasingly significant source of financing for businesses worldwide. Soon, its adoption is expected to grow even further, with more businesses and investors gradually seeking to do business that aligns with their values and beliefs.

Key Principles of Islamic Finance

At its core, Islamic finance is based on Shariah law principles, which focus on ethical behaviour, social responsibility, and risk-sharing. One of the fundamental principles is the prohibition of *riba* (interest). Unlike traditional Finance, Islamic finance does not allow interest-based loans. Instead, risk-sharing is emphasized, in which lenders and borrowers share the risks and rewards of a financial transaction.

Islamic finance includes a range of structured finance solutions, such as Sukuk (also known as Islamic bonds), the partnership models Musharakah and Mudarabah, and the cost-plus financing model Murabaha. These solutions provide businesses access to alternative funding sources while adhering to them.

The Significance of Islamic Factoring

Islamic Factoring is paramount in the contemporary financial landscape, offering a distinctive and Shariah-compliant approach to trade receivables management. Factoring involves a contractual arrangement allowing a supplier to assign accounts receivable to a factor for functions such as receivables ledger, collection, and protection against bad debts.

Islamic Factoring's distinctiveness lies in its unwavering commitment to Shariah principles. This ensures that financial transactions are managed efficiently and ethically, providing businesses with a Shariah-compliant means of navigating trade receivables. Implementing Islamic Factoring under Commodity Murabahah or Sale of Debt ensures prompt payment to the seller in alignment with Islamic principles.

Islamic Finance Efficiency via SCF Platforms

Supply Chain Finance (SCF) platforms can significantly increase efficiency and transparency in Islamic finance. They can leverage technology to streamline the supply chain financing process, eliminate inefficiencies, and reduce the risk of fraud and errors. Organisations that embrace digital solutions like QUALCO ProximaPlus can ensure fairness, ethical conduct, and transparency. Regarding factoring and supply chain finance products under the Murabaha structure, digital platforms streamline processes, replacing manual paperwork with efficient digital agreement issuance and acceptance through front-channel applications.

INFLUENCE

QUALCO ProximaPlus is a modular, end-to-end Factoring and Supply Chain Finance (SCF) platform that manages the Receivables and Payables Finance business. The platform streamlines operations and minimizes the time and cost of new factoring and SCF product implementations. It combines the flexibility business users need with the efficiency administrators require.

[QUALCO ProximaPlus](#) facilitates Factoring and Supply chain finance products under the commodity Murabaha structure by integrating factoring systems with commodity broker applications. This integration simplifies purchasing and selling commodities, extending financial services to a broader range of businesses and enhancing accessibility and convenience.



QUALCO's latest whitepaper, in collaboration with FCI, dives deep into the intersection of Islamic finance and Supply Chain Finance. It demonstrates how QUALCO ProximaPlus aligns with Islamic financing principles and drives innovation while optimising working capital management.





Peter MULROY
Secretary General
mulroy@fci.nl



Neal HARM
Deputy Secretary General
harm@fci.nl



Lin Hui
Regional Director North
East Asia
linhui@fci.nl
+86 133 0193 7798



Betül KURTULUS
Regional Director CEE and
SEE and the Middle East
kurtulus@fci.nl
+90 532 255 52 59



Alberto WYDERKA
Regional Director
Americas
wyderka@fci.nl
+54 911 4440 2595



Nassourou AMINOU
Regional Manager Africa
aminou@fci.nl



Lui Thompson
Regional Manager South
and South East Asia
lui@fci.nl
+852 9633 8733



Aysen ÇETINTAS
Education Director
cetintas@fci.nl



Spyros TSOLIS
Deputy Education
Director
tsolis@fci.nl



Kyle MOTA
Director of
Administration
mota@fci.nl



Ciprian RADU
Manager Business &
IT Solutions
radu@fci.nl



Gwendoline de VIRON
Head of Marketing and
Communication
deviron@fci.nl



Tanya NAYSMITH
Marketing Officer
naysmith@fci.nl



Gert-Jan BAARS
IT Manager
baars@fci.nl



Leena BAKSHI
Administrative Assistant
fci@fci.nl



Adi SHINE
Administrative Assistant
fci@fci.nl

You can reach FCI Staff by calling +31 20 6270 306



Facilitating Open Account – Receivables Finance

FCI
Keizersgracht 559
1017 DR Amsterdam
The Netherlands
Tel: +31 20 6270306
Email: fci@fci.nl
Web: www.fci.nl