

IN-SIGHT

Connecting and Supporting the Open Account Receivables Finance Industry Worldwide

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EXECUTIVE SUMMARY



GWENDOLINE DE VIRON
Head of Events Management

Dear Reader,

Welcome to the latest edition of In-Sight.

It provides a comprehensive overview of key developments in the global open account receivables finance industry.

In his welcome, Chairman Çağatay Baydar, reflects on FCI's role in navigating global trade shifts while reinforcing its leadership in open account finance. From regulatory challenges to digital transformation, the past months highlighted the power of collaboration. He celebrates the EFMD award for the COTFIA programme, thanks outgoing Regional Director Alberto Wyderka, and invites members to the 57th Annual Meeting in Rio, marking the close of his chairmanship.

The word from the Secretary General, Neal Harm, centres on readiness. With global uncertainty shaping markets, FCI is doubling down on relevance and resilience. Strategic expansion in Africa and Asia, stronger partnerships, and a mindset shift toward digital innovation are all driving impact. Harm calls for continued education and collaboration as core tools to stay agile and future-ready.

Connect features a rich variety of regional and thematic insights. From Alberto Wyderka's reflections on his 26-year journey with FCI to Saudi Arabia's growing influence in trade finance, the section highlights FCI's ability to foster meaningful partnerships. It also tackles tariff volatility, shares insights from China's factoring experience, and explores digital transformation across markets. The African Regional Conference and 10th European Factoring Summit stood out for uniting leaders and advancing regional integration, while new member connections and tools like FCIreverse continue to build a stronger, more connected global network.

Educate showcases FCI's growing role in capacity building in cooperation with the EBRD. Regional events in Georgia and the Western Balkans brought together regulators, banks, and SMEs to discuss accessibility, legal reform, and innovation in trade finance. The FCI Academy remains central, aligning training methods with the needs of today's professionals and tomorrow's markets.

Influence highlights the 2.7% growth in global factoring turnover, reaching €3.89 trillion in 2024. Despite headwinds, the industry remains a stable anchor. Advances in AI, regulatory tech, and digital onboarding platforms signal a transformation underway. FCI continues to shape policy, promote digital trust, and future-proof the ecosystem.

Enjoy the reading!

Gwendoline



ÇAĞATAY BAYDAR
Chairman of FCI

WELCOME FROM ÇAĞATAY BAYDAR Chairman of FCI

Dear Members, Partners and Friends,

As we progress through 2025, I am pleased to reflect on how our network is thriving in an ever-evolving global trade landscape. FCI remains firmly at the forefront of open account finance, providing leadership, support, and opportunity to our members worldwide.

Over the past few months, we have seen this in action across every region. Our events, programmes and initiatives have brought together a broad range of stakeholders, reaffirming the power of collaboration in addressing key industry challenges such as regulatory change, fraud prevention and digital transformation. These engagements have shown that FCI is more than a knowledge platform. It is a vibrant global business network, dedicated to enabling trade, supporting SMEs, and driving sustainable growth. We have also marked notable achievements. The COTFIA programme, organised and offered by FCI, Afreximbank, and the Onsi Sawiris School of Business at The American University in Cairo, was awarded the EFMD Excellence in Practice Silver Award in the 'Professional Development' category, a testament to the impact of our education and training efforts in Africa and beyond.

However, while many great things are happening around us, we must acknowledge the global economy's headwinds. Sanctions and tariffs are expected to present significant challenges to trade finance and supply chain dynamics. In the short term, developed markets will likely experience a decline in trade volumes and finance turnover, which could lead to increased economic uncertainty. The ripple effects of tariffs may influence traditional trading partners and have profound implications for Asian markets, where supply chain interdependencies are particularly strong. As businesses navigate this uncertainty, there is a possibility that longer-term economic consequences may arise, underscoring the importance of adaptable strategies to manage risks. The ongoing nature of this uncertainty could potentially complicate recovery and growth, highlighting the need for proactive discussions on effectively addressing these evolving challenges.

In light of these complexities, a collaborative approach is vital, particularly in developing regions. The engagement of FCI in Africa, the Middle East and Central Asia plays a crucial role in fostering trade flows and emphasises a strong commitment to enhancing regional trade networks. Furthermore, bolstered partnerships with multilateral banks such as the EBRD, IFC, ADB, and Afreximbank reflect a concerted effort to support trade and finance across Central Asia and beyond. Initiatives to strengthen connections and resources in these areas are essential for promoting sustainable economic growth, ensuring that trade can flourish even amid challenging conditions. FCI's commitment to enhancing trade finance is instrumental not only in overcoming current challenges but also in building resilient trade infrastructures that empower economies in developing regions to thrive in a global marketplace.

This year also marks the retirement of a valued colleague, long-time contributor to FCI and a dear

friend, Alberto Wyderka, Regional Director for the Americas. Alberto has played a significant role in the development of our network across the region and has been a familiar and trusted presence to many within our community. We thank him sincerely for his years of service, dedication and commitment to FCI. You can read more about his journey and reflections in his farewell article featured in the Connect section of this newsletter. We look forward to celebrating his retirement together during the Annual Meeting in Rio.

Now, all eyes are on Rio de Janeiro. Our 57th Annual Meeting, from 22 to 26 June, promises to be the year's highlight. This gathering is especially meaningful as it marks the end of my chairmanship term. The theme, "Connecting the Global Trade Finance Network – Be a Part of It," reflects our identity as a community built on trust and cooperation. The programme will offer expert panels, legal and market updates, technology insights and essential networking. It is a unique opportunity to explore new business partnerships and deepen existing ones. Brazil's growing influence in global trade makes it the ideal setting for our discussions. I warmly encourage all members to participate in what will be a truly impactful week for our industry.

I look forward to welcoming you in Rio.

Warm regards,

Çağatay Baydar



FCI

57th

ANNUAL MEETING

Facilitating Open Account – Receivables Finance

22nd - 26th JUNE 2025
RIO DE JANEIRO, BRAZIL

Connecting the Global Trade & Receivables Finance Network - Be a Part of It

Connect with industry colleagues and explore the latest developments in Factoring and Receivables Finance through expert-led presentations, engaging panel discussions, and global statistical updates.

Enjoy unparalleled networking opportunities in the vibrant city of Rio de Janeiro, with incredible sightseeing to close the event. Don't miss this chance to gain insights and build meaningful connections!

Registrations will be closing soon!

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NETWORKING

250+

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ATTENDEES

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4



NEAL HARM
Secretary General

A WORD FROM THE SG

Building Resilience and Increasing Relevance leads to Readiness

A year ago, we were preparing for the Annual Meeting in Seoul. That was the starting point for the restructuring of FCI and preparing it for the future by building long-term resilience. As the cliché states, “Change is never easy.” The FCI team embraced the challenge and worked very successfully through this evolution; it all comes down to *readiness*. Not just readiness in terms of navigating external shocks, from shifting trade flows and geopolitical tensions to tariff disruptions and tightening regulation, but also about embracing market change, deepening our impact, and serving the evolving needs of our members with greater agility and foresight.

The challenge of readiness has resulted in new opportunities for FCI, which has deepened long-standing markets for FCI, such as Great Britain, while we branch out into newer ones, like Nigeria. We are also seeing markets like India aligning its members with each other to drive change for the benefit of reaching the country’s 2030 trade goals. In China, it is about the members reacting to a pivot in the trade flows and building for the future.

Last month, I was in Abuja, Nigeria, with our partners at Afreximbank, hosting the African Regional Conference on “Factoring, Receivables Finance, and Credit Insurance.” It highlighted for me the impact that FCI is having on a market as it shapes its growth in trade finance. During the event, Her Royal Highness Olori Atuwatse III opened the conference and spoke about the critical role of trade finance for SMEs. She commented on her desire to turn “Hope into hard currency”, and she called on all of us in the room to make it happen. She is not asking for help. She is providing it through her non-profit, Elevate Africa. She is taking action and seeking others to join her. This is where FCI can make an impact by leveraging her commitment alongside FCI’s knowledge to bring together regulators, financial institutions, and legislatures...It is about Readiness!

HER
ROYAL
HIGHNESS OLORI
ATUWATSE III
(NIGERIA) DESIRE TO
TURN “HOPE INTO
HARD
CURRENCY”

The emerging markets are not the only places preparing for change; developed markets are equally focused. China, for example, is currently pivoting its approach. This pivot is not a result of recent tariff chaos. The chaos has just highlighted a decades-long move from selling to the developed markets to now selling into emerging markets. For those who are ready, this is an opportunity. Look at Africa. Twenty years ago, North America was the top trading partner across Africa. Today, it is China. South America saw North America as its top trading partner 20 years ago. Today, it is China. Our members must be prepared for these market changes. The FCI network is prepared and ready.

In regions such as the Western Balkans and the subcontinent, FCI has intensified its focus on capacity building, partnering with institutions like the EBRD and ADB to equip regulators, financial institutions, and SMEs with the legal, technical, and practical frameworks necessary for success. These efforts, reflected in high-impact conferences such as the recent events in Skopje and Dhaka, are not isolated initiatives. They are part of a broader shift: to root the FCI model within local markets, adapting it for diverse needs while preserving the principles of trust,

collaboration, and knowledge sharing. It is about readiness!

At the same time, we are seeing how technology is reshaping the fundamentals of our business. Digital platforms are integrating AI into factoring systems to prevent fraud and implement real-time compliance for members. Government bodies are embracing this technology to develop registries that reduce duplicate finance in open account trade. However, digital transformation is not just about new tools but also about mindset. It's about learning from past missteps and taking a better path forward. This is highlighted in the reflective piece on China's factoring evolution, ensuring that mistakes are not repeated but rather turned into shared learning. As quoted by Søren Kierkegaard, "Life can only be understood backwards, but it must be lived forward".

This, too, is where FCI plays a unique role.

Our model is built on the strength of our network but is fuelled by the continued need for knowledge. Whether it is through the FCI Academy, our regulatory advocacy, and thought leadership platforms like the ICC and ADB, we enable members and markets to anticipate future trends by drawing on past experience rather than just reacting to current events.

And in that spirit, the path forward becomes clear.

For readiness as a membership, FCI must double down on education—not only training more professionals in emerging regions but also refining our methods in existing markets. FCI reverse, for example, is a valuable tool in Supply Chain Finance, and FCI must demonstrate to its members how to effectively commercialise this solution. The 4-Corner model brings safety and security to what many refer to as reverse factoring and what I prefer to call Confirmed Receivables. It is factoring in a confirmation on the invoice. It brings safety and soundness to the financial transaction. As domestic financial institutions begin to expand their SCF programs across borders, FCI educates our members on the value of the 4-corner model in implementing a truly global programme for their clients.

As an FCI member, be ready to capitalise on these changes in trade and use the network of FCI. This network remains your most valuable asset through GRIF, edifactoring, and the relationships between members. This year's Annual Meeting in Rio is a celebration of that. It serves as a reminder that even in a fragmented world, connectivity through collaboration and networking remains the most powerful currency.

I encourage you all to join us there, to share, to listen, and to shape the future of factoring and receivables finance together. Staying the course isn't about standing still; it's about maintaining resilience. Staying relevant. Always being ready.

Turn "Hope into hard currency."

**DIGITAL
TRANSFORMATION
IS NOT JUST ABOUT
NEW TOOLS BUT
ALSO ABOUT
MINDSET**

**THIS
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THE RELATIONSHIPS
BETWEEN
MEMBERS**



ENHANCE YOUR SKILLS IN THE RECEIVABLES FINANCE INDUSTRY

On behalf of the FCI Education Committee, we are pleased to announce the release of the Third term 2025 series of FCI Academy Online Courses & Certificate Programmes, starting on 2 July 2025. Courses open up for registration include:



FCI CAREER PATH

FCI Members only



INTRODUCTION & FOUNDATION LEVEL COURSES

Open-to-all | 2-3 Months | Available on-demand



SPECIALISED COURSES

Open-to-all | 2-3 Months | Available on-demand



CERTIFICATE PROGRAMMES

Open-to-all | 6-8 Months



SUPPLY CHAIN FINANCE & REVERSE FACTORING COURSE

Open-to-all | 3-4 Months | Available on-demand



CONNECT

13 YEARS OF SERVICE AND 26 IN WHICH FCI WAS PART OF MY LIFE



ALBERTO WYDERKA
Regional Director Americas

In 1999, Jeroen Kohnstann, then Secretary General, whom I believe we should thank today for laying the foundations of FCI's strength, proposed that I run for election to the Executive Committee. I felt truly honoured, yet doubtful whether I could contribute to the organisation. It had been just two years since the bank I worked for, Banco Galicia of Argentina, established its factoring company, a process I was entrusted to lead, and we immediately joined FCI.

Jeroen's vision for the future was to incorporate members from developing regions, where factoring inevitably needed to expand into the Executive Committee. And he didn't hesitate.

So, I was the first Latin American to join the Executive Committee and then the first Latin American Chairman and Vice Chairman, serving in both roles multiple times.

The journey did not stop there. Thirteen years later, Çagatay Baydar, then Chairman of the FCI Executive Committee, of which I remained a member, first had the idea of expanding our organisation through the participation of Regional Directors.

It was then that I decided to begin experimenting with Latin America and the Caribbean, and I was honoured with the proposal to be the first director of that project. The project continued to advance, and five more regions were created over time. In my case, what was initially LA&C became the Americas Region.

It's difficult for me to write my last article for Insight, although I'm proudly retiring from this successful journey at FCI. Looking backwards, many challenges, memories, passions, and, above all, my love for this organisation arise. I can say that I gave it all to serve our community with commitment and loyalty, putting aside personal visibility and prestige to focus on FCI.

That's why I want to discuss how I see the region's future in this article rather than its extensive and important history. I'll leave that for another article if I ever have to write it.

Whoever succeeds me will inherit a vast region with long distances, encompassing over 30 countries, including the Caribbean. Some countries, like the US and Canada, have high development levels, while others are moving at a different pace, which presents many challenges to address and resolve.

I would like to share what I believe are the **key values for expanding our industry**.

Uniformity of legislation is an aspiration, perhaps difficult to achieve, but it should at least be achieved using the basic principles of factoring and SCF. Laws are not uniform, and not all countries have registries.

Chile, Peru, Colombia, Mexico, Brazil, and Argentina are the Latin American countries with quite efficient legislation that facilitates the financing of our industry. The US and Canada have different versions of accounts receivable financing, protected by consistent legislation that secures the activity.

The remaining Latin American countries have less efficient legislation, which is difficult to apply in some cases due to its complexity. This discourages banks from operating heavily in the industry, but for that reason, they do so extremely conservatively, which is entirely logical.

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The challenge for whoever continues to represent FCI in the region, and for FCI itself, is to try to influence regulators. Cooperation with IDB and IDB Invest would undoubtedly facilitate progress toward this objective.

Having a Latin American Federation focused on factoring would leverage the industry, as is the case in Europe, but this requires associations in every country, and we don't have that.

Digitalisation and electronic invoicing have expanded across all countries, although penetration is not absolute. While this facilitates our industry, and with good legislation and records, it would mitigate potential fraud.

It is well known that Human Capital accounts for more than 60% of a country's economic growth.

It is a region with a very high level of professional training. One of the strengths of the region's financial systems lies in having professionals with initiative and creativity. However, ironically, if we focus on the management of accounts receivable financing, the availability of well-trained experts begins to dwindle, especially for the development of international factoring. Where the greatest shortage exists is in the factoring model between FCI correspondents.

In some countries, you could count the professionals experienced in managing our model on one hand.

On the one hand, the challenge lies in getting our members and potential members to dedicate the budget, which isn't that huge, to professionalising their staff and, on the other hand, in adapting our educational models to the demands of today's world. We have a top-level Educational Academy, and I know it's working toward this end, seeking to support the transformation in educational models that today's students require.

Our business model will require the upcoming successor to focus efforts on cooperating with members in various areas that contribute to development and volume growth. Our members remain because they seek to develop a risk-mitigated export financing model, which they can only find by being part of our network, which must be a key focus.

Our region is showing a positive trend in this regard. These are our numbers:

Factoring between Correspondents (2FS) Trend - FCI Model				
2024	2025			
	January	February	March	April
2.14%	7.36%	1.55%	3.95%	1.21%

The challenge lies in countries and members that lack volume, and efforts must be concentrated on them and helped to become operational in factoring between correspondents.

It will be necessary to continue training sales forces, educating clients, and supporting members through client meetings and presentations at Export and Import Chambers.

The region has laid the foundations for an optimistic future. In this next phase, my ambition is to find satisfaction from outside, watching the Region, FCI, and its network grow.

I end by thanking FCI for trusting me to represent it in the region and thus giving me the opportunity to serve our members, prospects, and the industry in general. Thank you very much for believing in me.

CONNECT

NAVIGATING TRADE DYNAMICS: GLOBAL TRADE RELATIONS AND THE IMPACTS OF TARIFF UNCERTAINTY

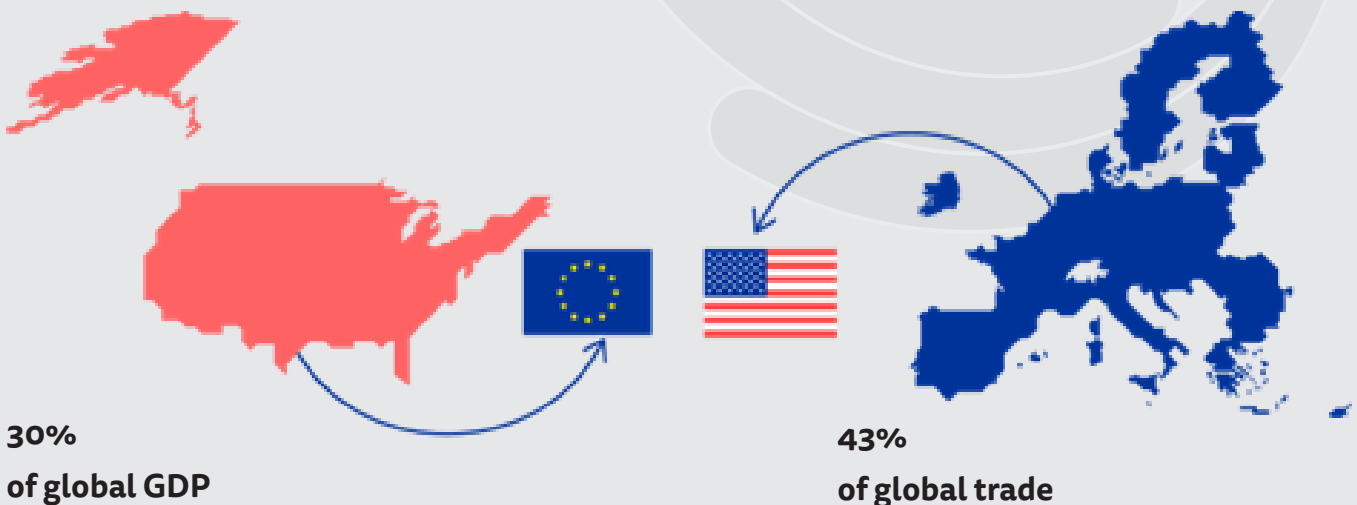


BETÜL KURTULUS
Director of Strategic Marketing
& Business Development

In 2024, the total US goods trade with the European Union was estimated at \$975.9 billion. US goods exports to the EU reached \$370.2 billion, reflecting a modest increase of 0.7% (\$2.6 billion) from 2023.

In contrast, US goods imports from the EU totalled \$605.8 billion, marking a significant rise of 5.1% (\$29.4 billion) compared to the previous year. This resulted in a US goods trade deficit with the EU of \$235.6 billion in 2024, a notable 12.9% increase (\$26.9 billion) over 2023.

Key import categories include machinery, vehicles, electrical machinery, and pharmaceuticals. The transatlantic trade and investment relationship between the EU and the US remains the largest globally, accounting for nearly 30% of global trade in goods and services and 43% of global GDP. In 2023, transatlantic trade in goods and services reached €1.6 trillion, reflecting a robust partnership (Eurostat).



20.6% of EU exports in goods go to the US, followed by the United Kingdom (13.2%), China (8.3%), Switzerland (7.5%), and Türkiye (4.3%).

21.3% of the goods imported into the EU come from China, followed by the US (13.7%), the United Kingdom (6.8%), Switzerland (5.6%), and Türkiye (4%).

In 2024, the top five most-traded product categories accounted for almost half of all traded to the US, both imports and exports.

However, recent tariff developments are causing uncertainty worldwide, particularly impacting trade flows between the US, EU, and Asian markets. Supply chain disruptions from these tariffs can lead to immediate production schedule and inventory management challenges. Businesses anticipating tariffs may adapt by shifting trade routes or altering their sourcing strategies to minimise disruption and control costs. Rising import costs necessitate higher inventory levels, which, in turn, increase working capital requirements.

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As businesses navigate this evolving landscape, many may find it necessary to reassess their operational strategies. Anticipating the impact of tariffs, companies are likely to shift trade routes, seeking alternative suppliers or markets to reduce exposure to affected regions. This may involve diversifying sourcing strategies, such as finding suppliers in countries with lower tariffs or closer geographic proximity, to minimise logistical costs and ensure a steadier supply of goods.

The rise in import tariffs often increases the cost of goods entering markets, which can significantly impact pricing structures. As businesses feel the pressure of rising costs, they may need to secure higher inventory levels as a buffer against supply chain uncertainties. Such preemptive measures can help avoid production delays and ensure the continuous flow of goods to meet consumer demand. However, maintaining elevated inventory levels also translates into increased working capital requirements, as funds that could be used for other operational expenses become tied up in unsold stock.

Companies may face difficult choices in this environment of heightened costs and disrupted supply chains. They need to weigh the benefits of maintaining higher inventory levels against the additional financial burden. As they adjust their strategies, effective cash flow management becomes crucial. Organisations must prioritise operational efficiency while ensuring they have the liquidity necessary to respond to unexpected challenges, thus reinforcing the importance of responsive and flexible supply chain strategies during these uncertain times.

As producers struggle to adjust their supply chains effectively, they might need to rethink pricing strategies to maintain competitiveness. In the medium term, tariffs could impact consumer and supplier purchasing power, potentially decreasing demand across various sectors. To navigate this complex landscape, companies should explore flexible working capital solutions, such as factoring, supply chain finance, and deep-tier financing.

Factoring allows businesses to convert their receivables into immediate cash flow, ensuring they have the necessary resources to manage day-to-day operations and address unforeseen costs. Additionally, supply chain finance solutions can facilitate better cash flow management by optimising supplier payment terms, enabling them to receive quicker payments while allowing buyers to extend their payables without harming supplier relationships.

Deep-tier financing is another effective approach, as it strengthens the financial stability of suppliers and SMEs within the supply chain. Businesses can support the entire ecosystem and promote resilience amidst global uncertainties by ensuring smaller suppliers access to sustainable working capital.

**PROACTIVE
STRATEGIES AND
INNOVATIVE
WORKING CAPITAL
SOLUTIONS HELP
ORGANISATIONS
OVERCOME CHALLENGES
AND DRIVE
SUSTAINABLE
GROWTH**

In summary, the interplay between global trade relations and tariff uncertainty will be crucial for businesses worldwide. By embracing proactive strategies and innovative working capital solutions, organisations can effectively navigate these challenges and foster sustainable growth in an ever-evolving marketplace.

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CONNECT

NEW PEOPLE, OLD MISTAKES



LIN HUI
Regional Director North East
Asia

On 17 April, I took a high-speed train from Xi'an to Yan'an, the Holy Land of the Chinese Communist Revolution Movement and the Communist capital from 1937 to 1947, to attend an executive seminar organised by the Yangtze River Delta Commercial Factoring Alliance.

In the bright afternoon sunshine, I sat on a bench with the delegates under the shade of a tree as a local lecturer recounted a 1945 discussion in Yan'an between Mao Zedong and a famous scholar, Huang Yanpei, on the "cyclical law of history."

The scholar asked Mao, "What do you think about the fact that China's thousand-year history has been characterised by a constant change of dynasties, with each new dynasty making the same mistakes as the old one and eventually being subverted by the next one?" Mao replied to him that we have found a new way to break out of this cyclical pattern.

Sigmund Freud once said, "History is just new people making old mistakes." As an erudite scholar of history, Mao would perhaps agree with him on this, but obviously, what he wanted his new people to do was to avoid the old mistakes and establish a regime to rewrite history.

Let's pull the perspective back to our factoring. China's factoring market has been developing for over thirty years. It is a natural law that new people come and old people go. Over these thirty years, mistakes, both big and small, were inevitable. For an organisation striving for excellence, tracking and studying the mistakes made during its development is crucial. Sharing and exploring these mistakes within the organisation can prevent new people from making the same mistakes again. Making mistakes is not scary; it is the ability to correct them that matters.

In addition to the internal and the local cases, it is equally important to collect and study cases from other countries. Especially for FCI members in emerging markets, learning from instances that have occurred in advanced markets is another means for newcomers to learn from the old. We have received several requests from our members for this. I believe we need to create a channel to collect cases from around the world so that case studies can become an important part of the FCI's future training content and approach.

MEMBERS
IN EMERGING
MARKETS, LEARNING
FROM INSTANCES THAT
HAVE OCCURRED IN
ADVANCED MARKETS IS
ANOTHER MEANS FOR
NEWCOMERS TO
LEARN FROM
THE OLD

I recently read the book by Salinger, which included a paragraph describing misconduct that occurred in the UK and continental Europe during the 1950s and 1960s:

"In considering their security in these arrangements, the discounters were probably influenced to some extent by a false analogy with the discounting of bills of exchange. The analogy is false because a bill, representing a sum certain in money accepted by the debtor, gives the discounter as a holder in due course the right to payment free from any defence, counter-claim or set-off which the debtor may have against the creditor as drawer of the bill. The situation with an invoice is quite different: many trade debts are the resulting balance of debits for amounts payable by

the debtor for goods and services (represented by invoices) and credits for counter-claims by the debtor (whether or not represented by credit notes) and deductions for discounts and other allowances. An invoice does not tell the whole story..."

Regrettably, what proved wrong decades ago in the UK and continental Europe is now being repeated in China and other emerging Asian markets.

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Let's look at this false analogy in action. It involves the assignment and financing of receivables against individual invoices. Despite following the operational norms of 80% financing and a 20% buffer, these norms are merely formalistic and serve no practical purpose in the event of a dispute or set-off. The factor has no choice but to recover the advance from the client and then return to the following positions.

- Requiring the client to provide other collateral, such as real estate.
- Misinterpreting that commercial disputes are the fatal flaw of factoring or FCI business.
- Shifting to reverse factoring, where the buyer acknowledges his payment when due.

Seriously, none of the above is about real factoring. The discounting mindset has had a profound impact on the trajectory of China's factoring market over the past three decades up to the present day. Mistakes have not been pointed out for analysis and sharing but have been repeated over and over again, while the building of core competencies in factoring has been long neglected.

In a highly competitive environment, bankers have generally adopted a pragmatic approach to the market. Whether factoring or reverse factoring, whatever sells. No core competencies were established, but at least there were cost savings! However, the key question, as that famous scholar asked Mao in Yan'an, is how we can break the old cycle to build a new and better system.

I am not against reverse factoring. What I have repeatedly emphasised is that in the Chinese market, we must return from reverse factoring by treating suppliers in reverse factoring as factoring clients and providing them with real, full-service factoring. Factoring is like life; it can be understood in reverse, but must be lived forward. We need new people and help them learn from other's mistakes because life is too short to make every mistake yourself.

**MISTAKES
HAVE NOT BEEN
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AGAIN**



2025
Term 3

On behalf of the FCI Education Committee, we are pleased to announce the release of the Third Term 2025 series of FCI Academy Online Courses & Certificate Programmes, starting on 3 July 2025, with registrations closing on 26 June.

Courses open for registration include:



FCI CAREER PATH PROGRAMME
FCI Members only



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Open-to-all | 6-8 Months

> ENROL TODAY

13

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SAUDI ARABIA'S ROLE IN SHAPING THE FUTURE OF GLOBAL TRADE FINANCE

In recent years, Saudi Arabia has positioned itself as a key player in the global trade finance landscape. This is largely driven by its Vision 2030 initiative, which aims to reduce reliance on oil and establish the Kingdom as an international economic hub.

This ambitious strategy focuses on developing tourism, technology, and manufacturing sectors, ultimately transforming the economic environment and enhancing trade relations. Recognising the vital role of small and medium-sized enterprises (SMEs) in this diversification effort, which account for 97% of businesses in the MENA region and contribute significantly to employment, the Kingdom prioritises their support.

Recently, we have observed a substantial increase in investments in technology within the financial sector, particularly in software and AI-driven technologies. FCI is dedicated to fostering the entire financial ecosystem and advancing innovation across the industry.

Additionally, we are collaborating with our member ITFC (International Islamic Trade Finance Corporation) to promote a deeper understanding and utilisation of Islamic international factoring within the region.

As FCI, we have proudly participated in the Global Trade Review (GTR) Trade Finance Conference in the Kingdom of Saudi Arabia for the past three years, consistently highlighting our commitment to open-account trade finance. The GTR KSA Conference has become a landmark event, bringing together professionals from local and international financial institutions engaged in Trade and Supply Chain Finance.

FCI's dedicated session generated heightened interest in factoring and other open account trade finance solutions this year. Despite ongoing global trade challenges, these products continue to demonstrate resilience, with factoring in particular showing consistent growth on a global scale. A particularly engaging moment came during the discussion on FCI's Two-Factor system within the four-corner model—emphasising the added value of risk protection through a correspondent factor. The strong interest from attendees highlighted the increasing relevance of structured, secure open account solutions in today's evolving trade landscape.

We are committed to supporting our member banks, governments, and regulators in creating a sound and secure trade finance environment and enhancing working capital financing options for SMEs.





TANYA NAYSMITH
Senior Marketing Officer

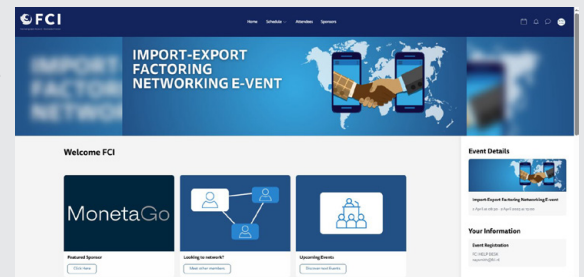
CONNECT

CONNECTING MEMBERS AND ACCELERATING GROWTH AT FCI

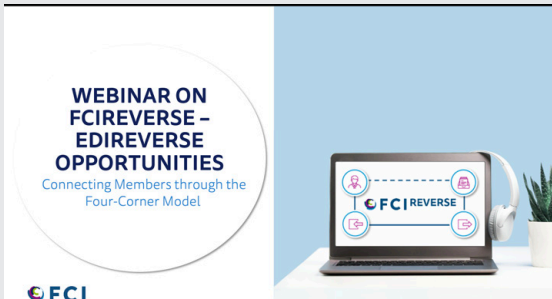
FCI continues to lead the way in creating meaningful engagement opportunities for its members, recently hosting two targeted events designed to deepen connections and empower members with the tools to succeed in a dynamic trade finance landscape.

Import-Export Factoring Networking E-vent

This virtual event, held in April, brought together members from across the globe for a day of structured one-on-one bilateral meetings focused on fostering new partnerships in import and export factoring. With over five hours dedicated to matchmaking sessions, members connected directly with relevant counterparts to discuss business opportunities. Powered by FCI's Cvent platform, the experience was seamless, offering video conferencing, chat, and scheduling features that maximised each participant's time and potential. Events like this reinforce FCI's role as a catalyst for cross-border business development, enabling members to expand their reach in the global factoring marketplace.



Webinar on FCIREVERSE – EDIREVERSE Opportunities



As a follow-up to last year's FCIREVERSE webinar series, this latest edition focused on helping members better promote and commercialise the FCIREVERSE solution embedded within the Edifactoring 2.0 platform. With a unique marketing-oriented approach, the session explored how to effectively position reverse factoring solutions, identify the right client segments, and communicate a compelling value proposition.

Participants also received a practical demo, highlighting how easily FCIREVERSE can be deployed with built-in functionality ready for immediate use. While sales strategy took centre stage, essential technical components, such as EDIREVERSE messaging within the four-corner model, were also covered to ensure a well-rounded understanding.

These events underscore FCI's commitment to fostering a collaborative and knowledge-sharing environment. By connecting members and equipping them with both strategic insights and practical tools, FCI continues to strengthen its network, helping members not only keep pace but also lead in the ever-evolving world of receivables finance.

CONNECT

EMPOWERING AFRICA'S FINANCIAL FUTURE

On 26–27 May 2025, FCI and Afreximbank, with the support of the International Credit Insurance & Surety Association (ICISA), hosted the African Regional Conference on Factoring, Receivables Finance and Credit Insurance in Abuja, Nigeria. The two-day event brought together over 200 industry leaders, regulators, insurers, and development finance institutions from across the continent, united by a shared commitment to unlocking Africa's trade finance potential through capacity building, collaboration, and innovation.

From the opening remarks to the closing reflections, the conference served as a powerful reminder of the transformative role that receivables finance and credit insurance can play in deepening financial inclusion, supporting SME development, and driving intra-African trade.

A Royal Call for Inclusive Growth

A highlight of the opening day was the speech delivered by Her Majesty, Olori Atuwatsé III, Queen Consort of the Warri Kingdom. With poise and purpose, she addressed the need to empower Africa's entrepreneurs, particularly women and youth, through financial inclusion and access to working capital. Her Majesty spoke passionately about turning "hope into hard currency", a phrase that encapsulated the spirit of the conference: the transformation of vision into economic reality through targeted financial solutions. Her remarks resonated deeply with delegates, reinforcing the importance of inclusive trade finance as a key tool for achieving long-term prosperity.

The programme also featured goodwill remarks and an official welcome statement from senior representatives of Nigeria's legislative and central banking institutions, setting the tone for the conference by underscoring national support for expanding access to trade finance solutions across the region.

Building Capacity through Knowledge and Networks

The agenda was rich with technical sessions and strategic panels addressing key themes: the legal and regulatory frameworks supporting factoring in Africa, the role of credit insurance in securing trade, innovative risk mitigation tools, and the use of technology in expanding access to finance. Participants gained practical insights into navigating the complexities of the African trade environment, and the sessions highlighted successful models from both within and outside the continent.

Notably, the collaboration between FCI, Afreximbank, and ICISA was showcased not only in content but also in approach, demonstrating a joint commitment to long-term capacity building. The conference featured a workshop dedicated to credit insurance, co-led by ICISA. This provided practical guidance on underwriting practices, claims processes, and the symbiotic relationship between factoring and credit insurance, helping demystify a key component of trade risk management for many African institutions.



The Power of Partnerships

Throughout the conference, speakers emphasised the importance of stronger partnerships among banks, insurers, fintechs, regulators, and DFIs. Afreximbank's Executive Vice President, Kanayo Awani, outlined the Bank's commitment to scaling factoring across Africa, including through its Factoring Working Group and support for national legislation. FCI Secretary-General, Neal Harm, highlighted the expanding network of African members and the critical role of the FCI Academy in equipping professionals with globally recognised skills. Meanwhile, ICISA's Executive Director, Richard Wulff, underlined the association's continued support in helping the credit insurance market mature and respond to local needs.



Panel discussions explored challenges in cross-border trade, including the limitations of local legal infrastructure, fragmented data systems, and insufficient awareness of available risk-sharing mechanisms. Yet optimism prevailed, with several African NBFIs sharing success stories and growth strategies that prove the sector's potential.

Looking Ahead

The African Regional Conference concluded with a renewed sense of purpose: to scale factoring and receivables finance across the continent not just as financial tools but as catalysts for resilience, entrepreneurship, and regional integration. The conference affirmed that meaningful impact will come from sustained collaboration, linking policy with practice and global standards with local realities.



For those who could not attend, this event was a landmark in FCI's efforts to grow factoring in Africa. It demonstrated that when partners like Afreximbank, ICISA, and FCI come together, tangible progress can be made in developing local markets, empowering SMEs, and building the trade finance ecosystem Africa deserves.



**AFRICAN REGIONAL CONFERENCE ON FACTORING, RECEIVABLES
FINANCE & CREDIT INSURANCE**
BRIDGING GAPS, ENHANCING TRADE & EMPOWERING SMES THROUGH INNOVATIVE FACTORING & RECEIVABLES
FINANCE SOLUTIONS
26-27 May 2025 | Abuja, Nigeria

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REFLECTIONS FROM THE 10TH EUROPEAN FACTORING SUMMIT – WHAT YOU MISSED IN COPENHAGEN



GWENDOLINE DE VIRON
Head of Event Management

The 10th European Factoring Summit, held on 10–11 April 2025 in Copenhagen, was rich in insights, data, and strategic discussion. Organised by the EUF and FCI, the event brought together industry leaders, regulatory experts, and tech innovators from across Europe to reflect on trends, tackle pressing challenges, and explore future developments in the factoring sector.

The Summit opened with a thorough presentation of the Danish factoring market, which, though small, with only six players, accounts for 99% of the national volume. With annual turnover stabilising around DKK 144 billion in 2024, the sector has shown resilience despite global uncertainties. This resilience is anchored in Denmark's highly digitalised business environment, where system integration, AI, and robotics are already mainstream in factoring operations.

A major highlight was the statistical overview presented by EUF's Economic Committee. In 2024, factoring turnover in the EU surpassed €2.48 trillion, reaffirming its strong correlation with GDP growth across member states.

Looking at risk outlook in the changing worlds, interestingly, asset-based lending (ABL) gained traction amid persistent interest rate volatility, indicating a growing demand for liquidity solutions that improve financial resilience.

On the legal side, the updated EUF Legal Study 2024 offers vital comparative insights from twenty-seven EU and six benchmark non-EU jurisdictions – essential reading for firms operating or expanding cross-border.

The EUF technical committees updated the audience on the matters they concentrated on last year and are going to pay attention next year. It included a focus on new EBA guidelines and upcoming prudential requirements under CRD6/CRR3 will demand more granular risk assessments from financial institutions, albeit with proportionality rules easing the burden for smaller players. Still, data collection and ESG rating methodologies remain challenging, particularly for SMEs.

Risk management and fraud prevention featured prominently on the agenda, especially against the backdrop of rising insolvency rates in Europe. Presentations highlighted AI-based invoice verification and smarter sampling techniques to mitigate factoring fraud risk—practical solutions for today's economic climate.

Digitisation was another core theme, with operational software providers showcasing tools that deliver measurable gains in client satisfaction, productivity, and fraud detection—supporting the sector's transition to more agile and sustainable finance.

The panel on technology explored how digital technology is transforming trade and commercial finance. Experts from banking, tech, and consultancy share real-world insights on adoption speed, risk management, and whether digital tools are really improving SME access to finance.

Day two of the 10th European Factoring Summit in Copenhagen started with Dr. Cinzia Alcidi presenting the latest data from the EU Payment Observatory, revealing a marked deterioration in

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payment performance across the EU. SMEs remain most vulnerable, with late payments negatively impacting investment capacity, sustainability goals, and access to finance.

A session on Anti-Money Laundering (AML) by Salvatore Marrone introduced the EU's new AML package and the AML Authority (AMLA), clarifying its relevance for factoring, particularly in undisclosed transactions.

The Supply Chain Finance (SCF) panel, moderated by Betül Kurtulus, featured experts from academia, industry, and insurance. Luca Gelsomino, Luis Augusto, and Antoine de Chabot explored market fragmentation and the need for regulatory clarity and ESG integration. Vincent McCue emphasised the role of trade credit insurance in mitigating tariff-related risks. ESG regulations, reporting standards, and supplier challenges in reverse factoring programs were discussed, with panellists underlining the importance of harmonisation, data collection, and collaboration to drive transparency and resilience across SCF ecosystems.

A highlight of the day was the panel on international and export factoring, moderated by Neal Harm. Alexandros Kontopoulos shared Greece's rise in global export factoring and stressed the value of import factors in dispute resolution. Magdalena Wessel explained the legal complexities of invoice finance across jurisdictions. The discussion covered the operational value of debt verification and confirmation, as well as the need for local legal insight in cross-border transactions.

Carmen Ciciriello presented advances in VIDA and e-invoicing, showing how digitisation supports payment efficiency.

The day concluded with FCI Chairman Çagatay Baydar's closing remarks, reinforcing the importance of innovation, legal certainty, and industry-wide collaboration for the future of European factoring.

In short, this year's Summit was not to be missed. From evolving regulations to digital disruption, every session underlined the same message: the future of factoring belongs to those ready to adapt, collaborate and innovate.



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 366 members! We still have a lot of prospects that will soon join FCI.

ALCHEMIST

AFFILIATE

SERBIA

Alchemist Faktor is a factoring company founded in 2016, dedicated to supporting entrepreneurs and businesses in improving their liquidity, optimizing cash flow, and achieving sustainable growth.

Our mission is to provide fast, reliable, and innovative financial solutions tailored to the specific needs of each client. By fostering long-term partnerships built on trust, transparency, and efficiency, we have established ourselves as a dependable ally in overcoming financial challenges. Driven by our vision to become the most recommended factoring company in the region, we continuously invest in the education of our team and stay aligned with global best practices and trends in the factoring industry. With a team of experienced professionals, we are committed not only to providing financial support, but also to contributing to the long-term success of our clients through personalized service and expert guidance.

Thanks to years of experience, dedication, and a client-centered approach, Alchemist Faktor has become one of the leading factoring companies in Serbia. The satisfaction and loyalty of our clients remain the strongest proof of the quality of our services. Find out more about Alchemist Faktor by visiting their website [here](#).



DIGITAL SUPPLY CHAIN FINANCE SOLUTIONS

SPONSOR

USA

Founded in 2001, Premium Technology is a global leader in supply chain finance software, empowering financial institutions and their corporate clients to modernize, scale, and optimize their working capital programs. Headquartered in Jersey City with a strong presence across Asia, the Middle East, and beyond, we work with top-tier banks and regional financial institutions to transform outdated manual processes into agile, digital ecosystems.

Our flagship award winning platform, FinShare, is distinguished by its comprehensive product coverage, full-cycle automation, and adaptability to client-specific requirements. With more than 50,000 corporate users in over 100 countries, FinShare processes over 50 million transactions monthly, supporting a wide range of supply chain finance structures through a secure, intuitive, and scalable interface.

A unique advantage of FinShare is its ability to support FCI's 4-Corner Model for cross-border factoring. The system is used by both the import factor and export factor, providing secure, real-time data sharing, receivables matching, and funding workflow coordination. This ensures seamless collaboration across jurisdictions and increases trust and transparency in international trade finance. Find out more about Premium Technology by visiting their website [here](#).

We wish all our new members lots of success!



Facilitating Open Account – Receivables Finance

16th CEE & SEE Regional Conference on Factoring



7-8 October 2025



Sofia, Bulgaria

The 16th CEE & SEE Regional Conference on Factoring & SCF, hosted by FCI, will take place on 7-8 October 2025 in Sofia, Bulgaria. The conference will allow participants to network in person and discuss the region's latest developments in factoring and supply chain finance.

This conference is not just another event on the calendar; it is the premier gathering for anyone involved in the factoring industry across the CEE and SEE regions. Whether you are a seasoned professional or new to the field, this event offers valuable learning and networking opportunities that are simply unmissable.

FCI Academy Masterclass

On the morning of the 7th, FCI Academy will host a Masterclass for all attendees of this conference. More details on this will be provided soon.

To find out more,
simply scan the QR
code or visit fci.nl



EDUCATE



AYSEN ÇETINTAS
Education Director

PAVING THE WAY FOR GREATER ACCESS TO TRADE FINANCE – TBILISI REGIONAL CONFERENCE

"Navigating Trade Finance: Building Awareness for Accessibility"

13–14 March 2025, Tbilisi, Georgia

The Wyndham Grand Hotel in Tbilisi hosted a landmark gathering of trade finance professionals from across the Caucasus and Central Asia for the Regional Trade Finance and Factoring Conference, held from 13 to 14 March 2025. Co-organised by the European Bank for Reconstruction and Development (EBRD), ICC Georgia, and FCI, the conference provided a vital platform for advancing accessibility, innovation, and regulatory progress in trade finance.

Under the theme "Navigating Trade Finance: Building Awareness for Accessibility," the event convened senior representatives from regional and international banks, legal experts, and industry leaders to examine the challenges and opportunities in domestic and cross-border trade finance.

Designed to foster meaningful dialogue, the conference unpacked critical issues around accessibility in trade finance, macroeconomic trends, and the evolving role of factoring as a strategic financing tool. Participants also explored technological innovations, legal frameworks, and regional case studies that shape the current and future state of trade finance.

"This event marks a critical step in our collective efforts to bridge gaps in financing accessibility for businesses, particularly SMEs," said Mr. Çagatay Baydar, Chairman of FCI and TEB Faktoring, Turkey, during his keynote address.

The conference opened with welcome remarks from Alkis Drakinos (EBRD), Fady Asly (ICC Georgia), and Çagatay Baydar (FCI). The morning sessions laid the groundwork with insights into the regional macroeconomic landscape and trade flows.

Key highlights include:

- Panel discussions on trade flows, macroeconomic outlooks, and access barriers to trade finance.
- In-depth presentations and success stories on factoring and supply chain finance by FCI



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leadership and industry pioneers.

- Legal and regulatory insights on factoring operations and upcoming draft laws affecting the industry.
- Expert-led sessions on fraud prevention, technology adoption, and receivables finance solutions.

Over 30 speakers and moderators from leading banks and institutions, including TBC Bank, Commerzbank AG, National Bank of Greece Factors, and Tam Finans, will provide hands-on knowledge and diverse perspectives.

The second day was dedicated to regulatory and legal frameworks, starting with a comparison of credit risk assessment for factoring vs. loans in developed markets. This was followed by:

- A deep dive into legal and regulatory aspects of factoring operations.
- A session on EBRD's Supply Chain Finance initiatives.
- A panel on the potential impact of Georgia's draft law on factoring, moderated by EBRD.

The final segment explored best practices and legislative insights from developed markets, with legal experts Christian Faber and Deniz Gungor providing valuable international perspectives.

Conclusions and Outcomes

The event successfully fostered dialogue between regional banks, regulators, and international finance experts.

Stakeholders gained practical tools and an understanding of the legal aspects to support the growth of factoring and supply chain finance across emerging markets.

It reinforced the role of technology, cross-border collaboration, and regulatory clarity in improving financial accessibility.



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WESTERN BALKANS: A PROMISING REGION FOR THE GROWTH OF FACTORING & SCF



SPYROS TSOLIS
Regional Director

On 29 April 2025, FCI, in collaboration with the EBRD's Trade Facilitation Programme and Legal Transition Team, hosted a highly impactful event in Skopje, North Macedonia. The conference convened over 80 participants, including industry professionals, regulators, and policymakers, to explore the opportunities and challenges surrounding the development of open account trade solutions, focusing on factoring and other supply chain finance (SCF) products.

In addition to a strong local presence, the event attracted delegates from across the region, including Kosovo, Serbia, Montenegro, Bulgaria, Romania, Greece, Albania, and Turkey! This diverse participation contributed to rich discussions and fruitful networking.

The agenda was structured around four key thematic areas:

- **Macroeconomic Developments:** Exploring the regional economic landscape and its influence on factoring and SCF solutions uptake.
- **Regional Trends & Success Stories:** Highlight successful initiatives, followed by a dynamic panel discussion on growth opportunities emphasising SME financing.
- **Legal Reforms:** Presenting the UNIDROIT Model Law and examining the evolving legal frameworks across the region.
- **Digitalisation in Factoring:** Offering a comprehensive look at digital transformation from multiple perspectives—user experience, regulatory advancement, and risk management.

A common theme echoed throughout the sessions was the untapped potential for growth in the Western Balkans. The appetite for investment in supply chain finance solutions is growing, with many banks and financial institutions offering factoring services and seeking a more consistent legal environment to scale further. Simultaneously, SMEs across the region are increasingly searching for liquidity and credit risk mitigation tools to support their expansion—regionally and internationally.



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The EBRD's Trade Facilitation Programme and Legal Transition Team are pivotal in addressing regulatory challenges and supporting stakeholders in building a solid foundation for market development.

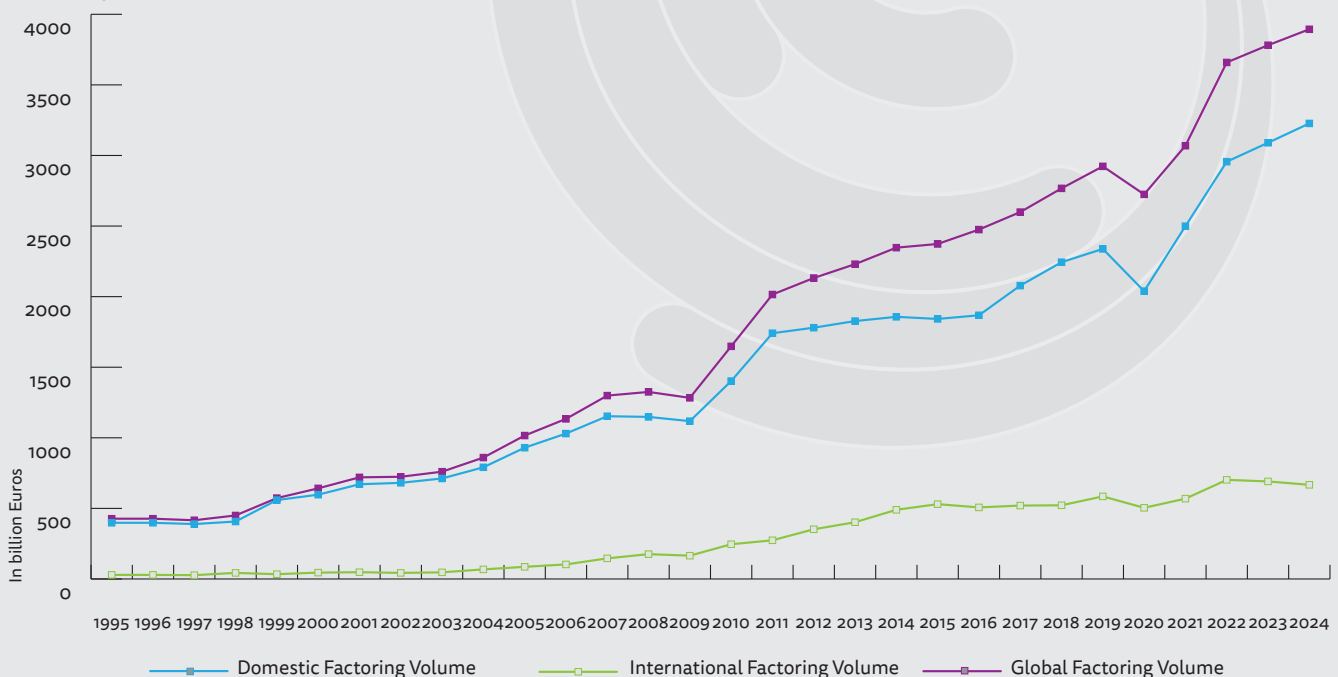
FCI already enjoys a strong presence in the Western Balkans, with two members in North Macedonia, six in Serbia, three in Kosovo, and one in Bosnia & Herzegovina. Nevertheless, the event made it clear that a significant demand exists for deeper engagement, education, and collaboration with FCI in the region.



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FCI RELEASE 2024 WORLD INDUSTRY STATISTICS SHOWING THE FACTORING MARKET REMAINS STABLE

In 2024, the global factoring industry maintained a stable performance, with results revealing a total turnover of €3,894 billion, compared to €3,791 billion in 2023. This represents an increase of 2.7%, indicating consolidation after three years of strong post-pandemic recovery. At a 2.7% increase, factoring continues to outpace global product sales volumes, which saw a 1% increase in 2024.



The modest increase in the factoring market underscores its stability amid a year marked by significant global challenges, including geopolitical conflicts, high interest rates, and persistent inflation. While many sectors faced volatility, factoring continued to provide essential liquidity and risk mitigation for businesses worldwide, particularly SMEs navigating uncertain economic conditions.

Factoring has demonstrated consistent growth over the past two decades, with a compounded annual growth rate of 7.8%. Its role in supporting open account trade and providing working capital solutions has become increasingly vital, especially during economic uncertainty.

Europe

Europe retained its position as the dominant market, accounting for approximately €2,600 billion in 2024, or 66.7% of global turnover. The region experienced a modest growth of 1.8% over 2023. Some markets experienced robust growth, such as Moldova (+122%), North Macedonia (+63%), Georgia (+51%), Türkiye (+36%), and Latvia (+25%), reflecting increased adoption of receivables finance and a rebound in economic activity. Conversely, others, such as Ukraine and the Netherlands, saw minor contractions, indicating ongoing post-pandemic market settling or

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ongoing conflicts.

Asia-Pacific

Asia-Pacific accounted for €964 billion, representing 24.8% of the global total. The region grew by 2.4%, reinforcing its position as the second-largest market after Europe. China remains the global leader by individual country, recording €679 billion in turnover. Other key markets include Japan, India, Singapore, and Hong Kong, with mixed results reflecting regional economic variation.

Americas

The Americas collectively contributed €271 billion, marking a significant 14.5% year-on-year increase. South and Central America saw continued expansion with a rise of 5.8%, supported by growing demand in countries like Brazil, Chile, and Mexico. North America rebounded strongly after previous declines, seeing a 28% increase, with the US and Canada posting improved performances.

Africa

Africa's market reached €50 billion, showing a healthy growth rate of 5.9% over 2023. South Africa continues to lead the continent, alongside emerging activity in Nigeria, Egypt, and Morocco.

Middle East

The Middle East recorded €8 billion, representing a -13.9% decline from 2023. This contraction is partly attributed to ongoing regional geopolitical tensions, with some countries seeing a significant drop in factoring volume. Broader economic uncertainty also contributed to the subdued performance.

Neal Harm, FCI's Secretary General, remarked: *"The 2024 statistics reinforce factoring's role as a resilient and indispensable financial tool for companies worldwide. Despite a year of uncertainty, factoring's growth compared to the industries it finances shows a clear sign of its critical function in facilitating open account trade. FCI remains committed to innovation, education, and advocacy to empower the global trade finance ecosystem further."*

FCI extends its gratitude to members and partners who contributed to this year's data and remains committed to supporting the transparent growth of the global receivables finance industry.

Explore the full set of statistics by clicking [here](#).



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THE FUTURE IS INTEGRATED

Strategic Technology Priorities in a Shifting Trade Environment



WILLY BURKHARDT
Finwave

In today's rapidly evolving global trade ecosystem, banks and financial institutions engaged in factoring and supply chain finance (SCF) face unprecedented change.

Digital transformation, client expectations, regulatory complexity, and the volatility of global supply chains are reshaping the playing field. Incremental change is no longer sufficient. Banks and financial institutions must rethink how they deliver, manage, and scale their working capital solutions, starting with the underlying technology.

What's needed is a transition from fragmented, legacy systems to composable, intelligent platforms that enable agility, transparency, and resilience. For institutions aiming to remain relevant in a market increasingly dominated by embedded finance, fintech-native competition, and digitally enabled corporates, this transformation shifts from optional to becoming existential.

This shift is being driven by three strategic imperatives: intelligent automation of credit and risk management, seamless orchestration of client journeys, and embedded regulatory compliance across the entire lifecycle.

Rethinking Credit and Risk at Scale – Intelligent Automation

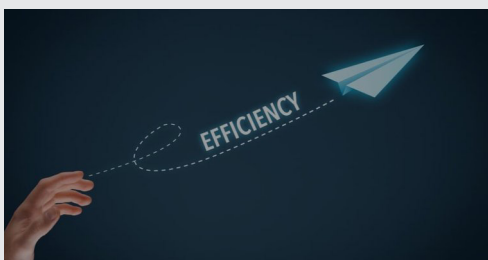


One of the most pressing challenges for banks in the factoring and SCF space is managing credit and risk in real-time. Traditional underwriting methods, often manual, document-heavy, and disconnected from external data sources, are no longer fit for purpose.

Modern platforms offer intelligent credit evaluation suites that automate pre-screening, scoring, and approval workflows. These systems integrate with credit bureaus, trade data providers, and internal models to assess eligibility and risk across corporate hierarchies and business groups.

Beyond origination, AI-powered monitoring tools track client portfolios continuously, flagging potential deterioration early and enabling proactive intervention. This evolution from static credit files to dynamic, data-driven monitoring is critical for mitigating risk and optimising capital use, especially during macroeconomic uncertainty.

Seamless Client Journey – Deliver Experience and Efficiency



Corporate clients now expect the same digital experience they receive from their consumer banks.

Long onboarding times, opaque document requests, and fragmented interactions are less tolerated by sophisticated supply chain players. Banks must respond with seamless, intuitive, and end-to-end client journeys.

Best-in-class technology platforms offer digital onboarding modules that incorporate document acquisition, KYC checks, real-time validation, and digital

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contract signing. These modules are fully integrated with back-office systems, enabling straight-through processing and reducing clients' time to cash.

Moreover, customer portals tailored to assignors and debtors provide real-time visibility into credit availability, transaction status, and reporting—with embedded compliance and multilingual support for international operations.

For banks seeking to differentiate themselves in a crowded market, client experience is quickly becoming as important as product pricing or credit terms.

Compliance by Design – Navigate Complex Regulatory Landscape

The regulatory terrain for factoring and supply chain finance is intensifying across jurisdictions, demanding both breadth and precision in compliance capabilities. Disclosures regarding financial, credit, KYC/AML, ESG, and Central Bank reporting and other operational burdens continue to grow. Managing this complexity requires more than spreadsheets and manual controls.



Forward-looking institutions are adopting platforms that embed regulatory compliance into core processes, including real-time calculation engines, predictive impairment modelling, and automated feeds to supervisory systems. More advanced solutions simulate regulatory scenarios, helping banks assess the impact of changes before they occur.

Crucially, these platforms must be modular, allowing compliance engines to be updated or scaled across jurisdictions without rewriting the entire system — essential for banks with international ambitions or multiple operating entities.

A Strategic Technology Blueprint for Resilient Growth

In sum, modernising factoring and SCF is not simply about upgrading IT; it's about aligning technology with strategic intent. Whether the goal is to grow market share, improve operational efficiency, mitigate risk, or enable geographic expansion, the path forward requires intelligent, API-driven, cloud-capable solutions that combine front-end client experience with back-end regulatory rigour.



For banks and financial institutions seeking to future-proof their working capital offerings, now is the time to act decisively. The tools exist, and the urgency is clear. The institutions that act today will ensure that they remain competitive and will define the next era of factoring, SCF, and trade finance.

In conclusion, Finwave's platform equips banks and financial institutions with a modular, cloud-native solution that unifies credit evaluation, digital onboarding, portfolio monitoring, and embedded compliance. With AI tools and seamless integration across core systems, banks and factors can operate with agility, scalability, and regulatory confidence—key to becoming truly future-proof in today's evolving trade finance landscape.

Learn more about Finwave and their work by visiting their website [here](#).

INFLUENCE

DIGITALLY ENABLING THE FACTORING AND SUPPLY CHAIN FINANCE REVOLUTION FOR FINANCIAL INSTITUTIONS IN AFRICA



PHIL BOYAL
Oracle

In 2018, the AfCFTA created the world's largest free trade area, bringing together fifty-five countries and eight regional economic communities. The aim is to boost intra-African trade by 50% and grow Africa's economy to US\$29 trillion by 2050. Much of the focus is on enabling SMEs and MSMEs to access funding and tools to trade in Africa for the first time, particularly through digitalisation.

One of the key enablers is the use of Factoring and other Supply Chain Finance (SCF) solutions, which help businesses sell their accounts receivable at a discount and gain immediate cash flow benefits. Yet, seven years later, Africa still represents just 1% (~\$47bn) of the global Factoring volume, with only 50 out of 850 African commercial banks registered with FCI. South Africa accounts for 90% of this volume. The encouraging news is that these figures are projected to grow to \$100bn and involve 100+ banks by 2030, but this still represents only a tiny fraction of the potential opportunity.

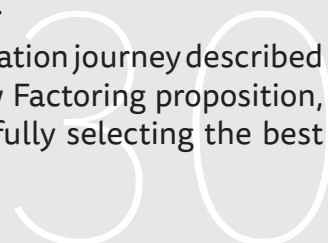
The IFC and World Bank conducted studies in six countries (Morocco, Côte d'Ivoire, Kenya, Nigeria, Uganda and Mozambique), proving SCF's potential to resolve working capital issues for SMEs and Corporate companies in different economic sectors and value chains. Several noteworthy endeavours are underway by organisations such as FCI, Afreximbank, and other DFIs, providing grassroots-level training, working with Central Banks to adopt Factoring Regulations, and capacity building at the balance sheet level.

Central Banks from different countries are gradually regulating the adoption of Factoring law, e.g. Cameroon and Egypt in 2014 and 2019, respectively. Others are following suit, such as the Central Banks of West African countries (BCEAO, covering Côte d'Ivoire, Togo, Benin, Burkina-Faso, Niger, and Mali) in 2020 and Congo in 2021. In Egypt, the number of factoring companies increased from 5 to over 35. Many banks are engaged in Factoring operations and activities in Cameroon, Senegal, Ghana, Ivory Coast and Congo. In Nigeria and Kenya, awareness and capacity around factoring and SCF are growing, and movement on regulations is progressing with the key stakeholders of different countries.

**AWARENESS
AND CAPACITY
AROUND FACTORING
AND SCF ARE GROWING,
& MOVEMENT ON
REGULATIONS IS
PROGRESSING WITH THE
KEY STAKEHOLDERS OF
DIFFERENT
COUNTRIES**

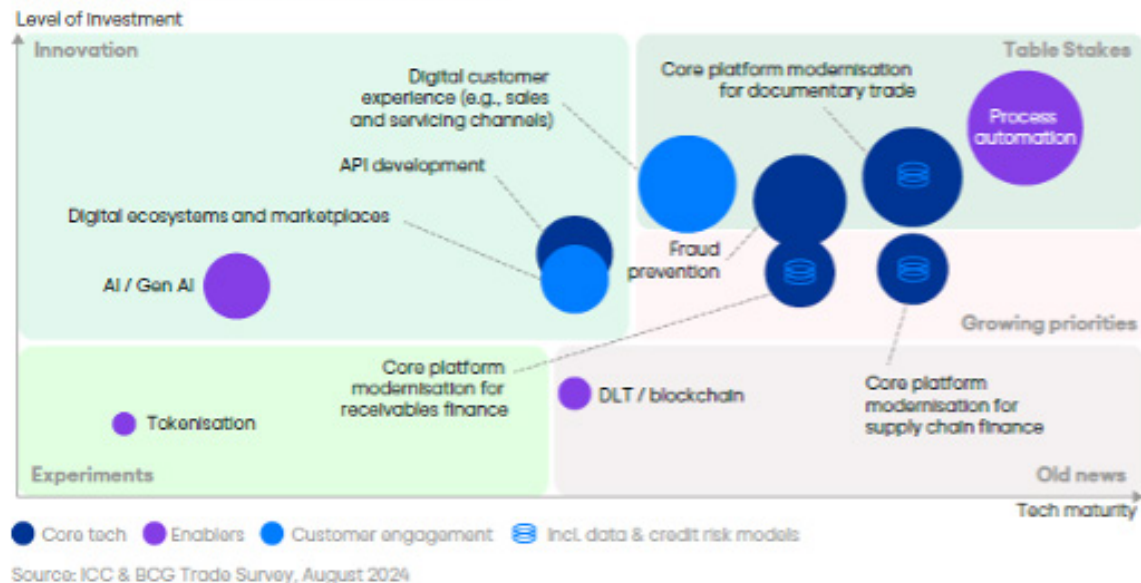
However, with these building blocks in place, banks must move beyond manual processes and adopt digital solutions to build meaningful volumes. These solutions empower customers to transact more easily with banks and enable banks to automate and process transactions faster, in greater volume and with lesser risk, further into the supply chain.

Banks are at differing points in the digitisation journey described below. However, when setting up a new Factoring proposition, banks can tick off many boxes by carefully selecting the best solution for their needs.



Keeping up with a rapidly evolving technological and digital landscape

Figure 7
Key trends in tech and digital investment



What should banks seek in terms of a Digitalised Solution?

The first and most important requirement is a vendor offering a scalable solution that can grow with the bank. This means allowing banks to start operations with domestic factoring and reverse factoring and scale up using embedded toolkits to encompass the full range of SCF solutions, including Invoice Discounting, Dynamic Discounting, Dealer financing, Purchase Order financing, and other Supplier and Buyer-Led Finance Programs.

In addition, the solution should be natively digital front-to-back, from the onboarding process and customer experience channel (via internet or mobile-based, or embedded through Open APIs into ERP and TMS systems for more sophisticated customers) through transaction processing, process orchestration and transaction management, using Microservices and Fine Grain API's, to the ability to create and configure solutions on a low/no code basis using a Configuration Toolkit sitting outside of a tightly coupled core banking. Intuitive dashboards for customers and banks, with analytics, complete the picture.

Factoring and SCF align seamlessly with native SaaS delivery, which means that banks can consume on an OPEX basis and grow over time as required, eliminating the need for a significant Capex outlay when starting from scratch. This allows fast deployment and ease of maintenance.

Banks should also consider working with vendors that offer pre-integrated added-value solutions, including Global Hash Registries, which offer risk-mitigation collateral/invoice registry solutions. The application embeds contextual AI, Natural Language Processing, Machine Learning, and Digital Assistant features to enhance the customer experience and augment Relationship Banker effectiveness.

Oracle Financial Services

Oracle is partnering with FCI, Afreximbank, key business consultants in the Factoring world, and value-added vendors to assist banks in embracing this new technology.

Find out more [HERE](#).

INFLUENCE

FACTORING FINANCE: A SOLID ANCHOR IN ECONOMIC STORMS



ROSANNE DOYLE
Solifi

With the factoring finance market valued at \$3,877 billion in 2024 and projected to grow at a CAGR of 7.8% to \$5,239 billion by 2028, this sector undeniably represents a cornerstone of the wider working capital industry.

Dating back to the Middle Ages, factoring originated when merchants and traders used accounts receivable as collateral for loans. It wasn't until the 18th century that textile merchants introduced accounts receivable as a means to generate cash flow.

Over time, this practice gained widespread adoption, and in the 20th century, commercial companies began specialising in the purchase of accounts receivables.

The global factoring industry continued to grow and expand through the centuries, with no signs of slowing down.

So, why has factoring succeeded in navigating numerous economic waves over the centuries?

Factoring has become a trusted and essential practice across many industries. Where other sectors face challenges during taxing economic downturns, factoring enables companies to capitalise on opportunities arising from market instability. When banks are less likely or unwilling to take on risky accounts, this creates opportunities for other lenders, factors, and ABL specialists who understand the value that can be extracted in lending against accounts receivable and inventory. They are experts in managing risk and providing borrowers with maximum liquidity.

From a customer's perspective, banks continue to tighten their underwriting conditions, rates are rising, and the cost of money is high, with the threat of a recession looming. This means that factoring remains an accessible and affordable option for customers who do not qualify for traditional finance products.

If banks are steering away from riskier business, why do factors embrace it?

Factors use their internal evaluation processes and metrics to determine if a business meets the criteria for financing, ultimately making the decision based on the value of the receivables rather than the creditworthiness of the business. As a result, factors can lend money in situations where a traditional lender would not. Even so, they must still be concerned with minimising their risk.

At the core of this operation should be a reliable platform that streamlines the factor's processes, enabling efficient vendor management, multi-data-point import, and workflow automation. In addition, software platforms that utilise APIs allow applications to share data by connecting disparate systems, enabling real-time, meaningful insight gathering.

What's at the heart of the success of factoring finance?

Historically, factoring referred to invoice financing, which includes accounts receivables. Over the years, the emergence and growing use of inventory factoring has become apparent. Inventory factoring refers to the ability of the factor to generate revenue by acquiring inventories and reselling them.

The expansion of 'traditional' factoring to include inventory factoring has resulted in an

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opportunity for customers to diversify their portfolios, thus minimising risk and increasing growth.

Additionally, inventory factoring enables lenders to strengthen their relationships with customers by allowing them to finance different types of collateral. In an unpredictable economic climate, factors can further reinforce this relationship, becoming true partners with their customers.

Whether it is leasing, dealer finance, or wholesale finance, an experienced asset finance partner is the game changer for factors, as they can tap into a wealth of knowledge and expertise that allows factors to capitalise on their processes and offer financing with no additional software purchases, modules, or costs.

So what's the catch?

Like all financial products, factoring is exposed to the same risks triggered by fraudulent activity. As factors operate in precarious situations, it is crucially important that they remain vigilant and can quickly identify threats which could minimise their profits and add increased risk.

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The most dangerous type of fraud is not the isolated, large-scale, high-value incidents but rather the frequent, small-value incidents that often go unnoticed, allowing the often desperate borrower to accumulate significant fraudulent value levels over time.

Customers may not always make the right decision when under financial stress. Therefore, the right technology can significantly reduce risk and improve the factor's ability to track customer behaviour by analysing and providing real-time insights to help determine whether a particular instance or behaviour is a concerning trend or just a poorly made decision.

This is where modern factoring software plays a vital role in helping factors navigate risk efficiently. Through automation and data analysis, suspicious activity in account receivables can be detected in real-time, enabling factors to act upon fraudulent invoices, verification discrepancies, and payment fraud.

A trusted factoring software solution enables factors to remain in control and manage their risk efficiently by establishing various criteria and leveraging the system to automatically calculate and approve or reject transactions, generate comprehensive and customised reporting, and receive real-time notifications and alerts. APIs can manage multiple data sources to provide a holistic overview of the factors, ensuring that the overall risk remains within acceptable levels.

In conclusion, factoring will continue to be a growth area in 2025 and beyond, which will see customers looking to factoring as a way to provide needed cash and liquidity in their organisations.

Factors must seize this market opportunity. This can be supported through a secure and scalable software solution that improves process efficiency and manages and minimises portfolio risk.

Learn more about Solifi and their work by visiting their website [here](#).

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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.

MARCH 2025

7 March | Mexico | Member Visit

Alberto Wyderka visited Bancomext in Mexico, continuing his strong collaboration with the institution in his role supporting FCI members across the Americas. The meeting featured an engaging and insightful exchange, reflecting Alberto's deep expertise in the field. It also reinforced FCI's valued relationship with Bancomext and opened the door for future cooperation on upcoming projects.



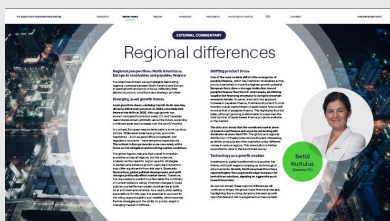
10 March | Sri Lanka | ADB SCFTP Supply Chain Finance Training



Aysen Cetintas participated in the Supply Chain Finance Training held in Colombo, where she shared her expertise on factoring and its contribution to strengthening financial supply chains. The workshop, organised by the ADB Trade & Supply Chain Finance Programme and its partners, provided an excellent platform for knowledge exchange and capacity building in the region.

19 March | Honduras | Member Visit

Alberto Wyderka recently delivered a presentation to more than 70 team members from Banco Atlántida in Honduras, engaging with their sales, international, and operations departments. The session focused on strengthening understanding of factoring and receivables finance, reflecting FCI's ongoing efforts to support financial institutions across the Americas. The visit provided a valuable opportunity to share insights and reinforce collaboration in open account trade finance.



28 March | Publication | 2025 FIS Supply Chain Finance Benchmark Report (formerly DEMICA)

Betül Kurtulus was featured in the 2025 FIS Supply Chain Finance Benchmark Report (formerly Demica), contributing her insights on regional dynamics in the trade finance landscape. In her article, "Regional Perspectives: North America vs. Europe in Receivables and Payables Finance," published on page 12, she examined contrasting trends between the two markets. Betül highlighted North America's focus on receivables finance and innovation, while Europe's growth leaned toward payables finance and strategic adaptation to economic pressures. She also emphasised the role of technology as a key enabler across both regions. Read more [here](#).

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APRIL 2025

17 April | China | Senior Executives Seminar of the Yangtze River Delta Commercial Factoring Alliance

On 17 April, Lin Hui attended the final day of the Senior Executives Seminar of the Yangtze River Delta Commercial Factoring Alliance, held in Yan'an and organised by the Jiangsu and Shanghai Commercial Factoring Associations. In this historically significant setting, Lin delivered a presentation on the relevance and necessity of the FCI model for China's factoring market. Her remarks emphasised the importance of connecting the domestic industry with global practices, particularly as the sector stands at a strategic crossroads in its development.

28 April | Türkiye | Member Meeting

During a recent visit to Istanbul, Çagatay Baydar met with the Enterprise Georgia – Invest in Georgia team for a productive discussion on strengthening trade finance in Georgia. The meeting focused on the importance of supportive legal frameworks, infrastructure development, and financial literacy. Both parties explored ways to enhance the trade finance ecosystem in the region, reinforcing FCI's commitment to fostering sustainable growth through collaboration and capacity-building.



30 April | Online | COTFIA Information Webinar

Neal Harm spoke at an exclusive webinar highlighting the Certificate of Trade Finance in Africa (COTFIA) Programme. The session provided an in-depth look at how the programme equips trade professionals to navigate Africa's evolving trade landscape. Attendees were introduced to the course structure and key modules, met expert lecturers, and participated in a live Q&A session that fostered direct engagement and insight into the programme's real-world impact.

MAY 2025

5-7 May | Italy | Asian Development Bank (ADB) Annual Meeting

On the third day of the Asian Development Bank (ADB) Annual Meeting, Çagatay Baydar and Betül Kurtulus participated in a series of dynamic discussions centred on enhancing ADB's strategy and driving development effectiveness. Key topics included digital transformation, innovation, and the evolving role of financial institutions in supporting sustainable growth. The event also featured a dedicated meeting between FCI and ADB's Steven Beck, along with multiple networking sessions that reinforced ongoing collaboration. The exchanges paved the way for new ideas and deeper engagement in advancing shared development goals across the region.



7-8 May | Italy | Member Meeting

FCI recently hosted a memorable happy hour in Milan, bringing together Italian members, trade finance professionals, long-standing partners, new faces, and members of the FCI team. The evening served as a celebration of shared progress in open account

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trade finance, fostering deeper connections and a strong sense of community. With meaningful conversations and a welcoming atmosphere, the event highlighted the value of collaboration across the network. Special thanks go to Factorit S.p.A., Gianpiero Bertoli, Fabrizio Schiatti, and Mario Torchia for their generous hospitality.

9 May | Türkiye | Member Meeting



Çagatay Baydar and Betül Kurtulus met with the Association of Financial Institutions and Pinnacle, alongside fellow FCI members, for a focused discussion on funding opportunities within trade finance. The meeting included productive bilateral exchanges and explored potential avenues for collaboration on financial alternatives. The session marked a positive step forward in strengthening partnerships and advancing innovative solutions across the financial sector.

12 May | United Kingdom | ICC UK Optimising Supply Chain Finance: Unlocking safe, secure, affordable solutions

Neal Harm opened the Supply Chain Finance: Unlocking Safe, Secure, Affordable Solutions conference on 12 May at Citi's London offices with a compelling keynote. He provided a timely overview of the current business environment for supply chain finance, highlighting FCI's four-corner model. His remarks illustrated how this model effectively connects exporters, importers, and their financial institutions to create secure, tax-efficient, and accessible financing solutions, addressing key challenges such as compliance, currency risk, and liquidity gaps in global trade.

13 May | United Kingdom | Transforming Trade Finance Conference



FCI, in collaboration with EBRD TFP and ITFA, co-hosted a high-level conference during the EBRD TFP Day on 13 May 2025 in London. The event featured a keynote from JP Morgan and expert panels on the Four-Corner Model, Digital Negotiable Instruments, and securing supply chains in emerging markets. With strong representation from banks, fintechs, and legal experts, the event offered practical insights and fostered valuable networking among trade finance professionals.

13 May | United Kingdom | EBRD TFP Annual Meeting

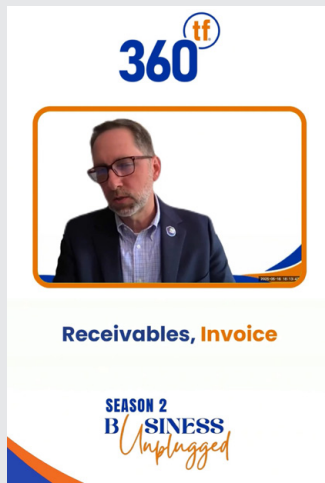
On 13 May, Neal Harm represented FCI at the 2025 TFP Information Session & Awards Ceremony during the EBRD Annual Meeting in London. He spoke on the panel "Unlocking Trade Potential: How Factoring & Supply Chain Finance Empower Companies in Emerging and Developing Markets," alongside representatives from EBRD's SME Finance & Development team, Commerzbank, and TAM Finans Faktoring. The session explored the role of factoring and supply chain finance in boosting access to finance and driving growth for companies across developing markets, with Neal highlighting FCI's impact and initiatives in these regions.



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14 May | United Kingdom | Digitisation Meeting

FCI recently joined HSBC, the Asian Development Bank (ADB), and the International Chamber of Commerce (ICC) in a collaborative effort to advance the digitisation of trade finance processes. The discussions focused on bridging the trade finance gap for SMEs by supporting the adoption of the ICC's Key Trade Documents and Data Elements (KTDDE) framework, which aims to reduce administrative burdens and enhance data interoperability. FCI also reinforced its commitment to promoting long-term data aggregation to support transaction-based lending and improve SME access to finance. The collaboration highlighted the need for legal reform aligned with the Model Law on Electronic Transferable Records (MLETR), with FCI pledging to work closely with governments and stakeholders to drive digital transformation across the trade ecosystem.



16 May | Online | 360tf Business Unplugged Season 2, Episode 3

Neal Harm participated in Season 2, Episode 3 of 360tf's Business Unplugged series, joining Ganesh Nalawade for a virtual discussion titled "Receivables Reimagined: Building Resilience Through Factoring and Alternative Finance". The session examined the evolving role of factoring in enhancing liquidity, reducing credit risk, and supporting the growth of SMEs through inclusive finance. Neal shared insights on the potential of receivables finance in both emerging and international markets, the strategic shifts needed to scale adoption, and the importance of alternative finance tools in strengthening supply chain resilience.

21-22 May | United Kingdom | BCR Receivables Finance International 2025 (RFI25)

Çagatay Baydar and Neal Harm represented FCI at the 25th edition of RFI25. Held at Clifford Chance, the event brought together global leaders in receivables finance to explore the theme "Business as Usual to Change as Usual," reflecting the sector's transition toward continuous innovation. Neal presented FCI's preliminary global factoring statistics, offering valuable insights into market trends, while both Çagatay and Neal engaged in panel discussions throughout the event.



Stay tuned to know more about all our activities, follow us on [LinkedIn](#) or [Facebook](#).



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