

FCI

Facilitating Open Account – Receivables Finance

Annual Review 2025

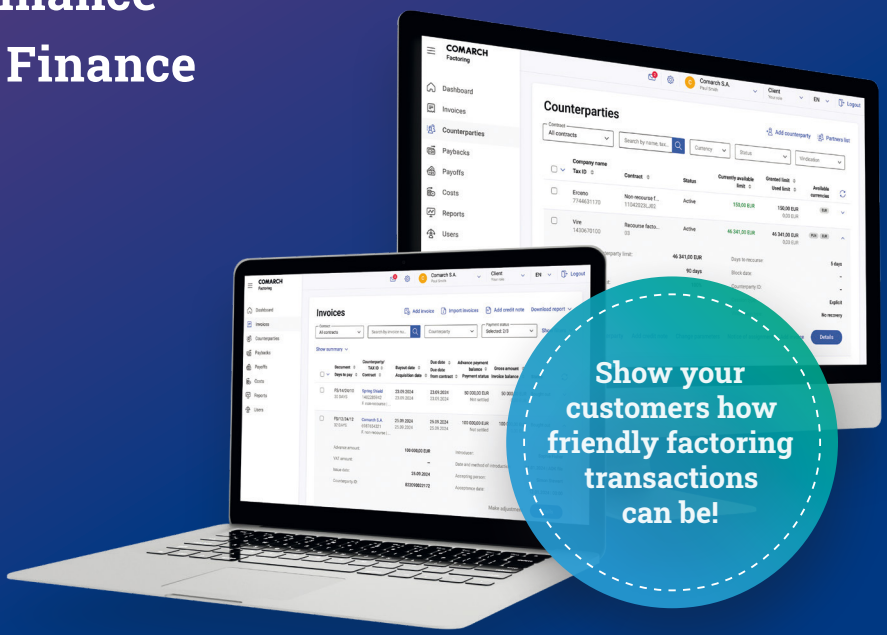
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Annual Review 2025

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FCI is the Global Representative Body for Factoring and Financing of Open Account Domestic and International Trade Receivables. With close to 400 member companies in approximately 90 countries FCI offers a unique network for cooperation in cross-border factoring.

FCI is building bridges:
- **To global business opportunities**
- **To new markets**
- **To new partnerships**
- **To innovative products and services**
- **To know-how and leading expertise**

FCI

Facilitating Open Account – Receivables Finance

Preparing for the Future

Reflecting on the past year, I am filled with pride at the momentum FCI has achieved. The past year has been transformative, with FCI continuing to evolve, expand, and strengthen its role as the global voice for factoring and open-account trade finance. Our community's resilience and energy have driven meaningful progress, and it is with great optimism that I look ahead at FCI's future.



Çagatay Baydar, FCI Chairman

Strengthening Our Organisation from the Inside

The year was marked by significant internal developments. FCI undertook alongside our Secretary General, Neal Harm a strategic reorganisation, forming a Senior Leadership Team, comprising Gert-Jan Baars, Betül Kurtulus, and Aysen Cetintas to reinforce strategic leadership and operational excellence. We also separated Marketing and Events into two distinct, specialised functions, enabling Gwendoline de Viron and Tanya Naysmith to broaden our scope in each area. Additionally, Spyros Tsolis transitioned from his role as Deputy Education Director to Regional Director, further strengthening our regional engagement and member outreach.

These enhancements, announced in late 2024, have already improved FCI's alignment with meeting our members' evolving needs. More importantly, they are future-proofing FCI's ability to anticipate member needs, embrace emerging technologies, and respond swiftly to global market shifts, ensuring we remain at the forefront of the factoring and receivables finance industry.

Expanding Global Reach through Strategic Partnerships

At the same time, FCI expanded its global reach through new partnerships. In 2024, we joined forces with the Financial & International Business Association (FIBA) to promote accounts receivable financing across the Americas, launching initiatives to drive understanding and adoption among financial institutions. We also signed a cooperation agreement with the European Bank for Reconstruction and Development (EBRD), aligning efforts to strengthen the legal and operational frameworks for receivables finance in emerging markets. Additionally, our technology-focused partnership with MonetaGo marked an important milestone, supporting the global rollout of best-practice digital registries to combat invoice fraud and enhance transparency.

Beyond these formal partnerships, FCI continues to collaborate closely with key global institutions such as the African Export-Import Bank (Afreximbank), the International Finance Corporation (IFC), and the Asian Development Bank (ADB). Through joint events, education initiatives, and advocacy efforts, these collaborations amplify our mission to expand factoring and receivables finance globally.

Landscape from Galata Tower to Galata Bridge and Suleymaniye Mosque, Istanbul, Türkiye.



Through these alliances, we are addressing key barriers to growth, expanding access to factoring in underserved regions, and supporting digital transformation initiatives that will define our industry's future. Each collaboration strengthens FCI's leadership in advancing receivables finance worldwide and reaffirms our commitment to driving innovation across the trade finance landscape.

A Record Year of Global Engagement

Perhaps most notably, the past year has been defined by the expansion of our global event programme. Since June 2024, FCI has hosted and co-organised over 20 major events, underscoring our commitment to education, connection, and growth. Highlights included the 56th Annual Meeting in Seoul, the COTFIA 2024 Programme, regional conferences in Prague, Tbilisi, Skopje, Abuja, Tashkent and Copenhagen, and training workshops in Mumbai, Cairo, Istanbul, Harare, and Dhaka. Complemented by our FCIreverse webinar series and the Import-Export Factoring Networking E-vent, which saw over 130 meetings between members over 5 hours, these activities have strengthened FCI's presence, member collaboration and impact across every region.

Beyond sharing knowledge, these events have created opportunities for new business development, fostered stronger collaboration among members, and stimulated innovation throughout our network. They reflect FCI's enduring role as the beating heart of the global factoring community.

Delivering Tangible Value to Our Members

Neal Harm has continued to champion the principle of return on investment for our members, embedding it across all aspects of FCI's activities, from thought leadership and advocacy to education and networking. This sharpened focus on member value has delivered tangible results, with approximately 15 new members joining FCI over the past year.

This renewed energy also supports FCI's broader strategic pillars, including the continued expansion of our education platform and the development of new solutions in Supply Chain Finance. These offer members expanded opportunities for professional development, knowledge-sharing, and business growth. Under Neal's leadership, FCI is not only a network but a true engine for member success and global advancement.

Looking Ahead: Connecting the Global Trade Finance Network

Looking ahead, the theme of FCI's 57th Annual Meeting, *Connecting the Global Trade Finance Network*, perfectly captures our spirit. In an increasingly interconnected world, FCI remains the hub where collaboration, innovation, and opportunity converge to shape our industry's future, and our Annual Meeting from 22–26 June will be where it all comes together.

As we navigate an era of rapid change, new opportunities, and global economic challenges, the importance of strong, connected, and innovative trade finance solutions has never been greater. FCI stands ready to lead our industry forward, united with our members and partners.

As we publish this Annual Review, I sincerely thank our members, partners, and the FCI team for their dedication and trust. I look forward to seeing many of you at our future events and another year of progress, partnership, and shared success.



Factoring Forward: FCI's Global Momentum

FCI started as a small network of five unrelated factoring companies in different Western European countries. Each acted as *a correspondent* for the others, allowing the early players to offer cross-border factoring facilities for exports and imports between a handful of neighbouring European countries. The concept of correspondent factoring, commonly known as the two-factor system, proved so successful that at a 1968 conference in Stockholm, the early players decided to incorporate their network and build an organisation with multiple representations in as many countries as possible. In 1968, the *founders* set a course with this strategic decision, establishing the world's foremost organisation for international factoring.



Neal Harm,
FCI Secretary General

Today, FCI is the global representative body for the factoring, receivables, and supply chain finance Industry. It is a non-profit association based in the Netherlands, with an active network of members located in over 90 countries. FCI's membership now accounts for the majority of global international factoring volumes.

The Global Factoring Market

The global trade of goods increased by 2% in 2024 (UN Trade and Development [UNCTAD]) after falling globally last year and is still not at its peak since coming out of COVID. As FCI has seen over the years, international factoring continues to outpace trade growth as factoring expands into new areas of the world. For this reason, 2024 international factoring volumes show strong double-digit growth of about 12%. This growth comes from a combination of trade growing in specific markets and new markets entering the factoring industry. Details of the countries and regions contributing to this growth can be found later in the ***FCI Expressed in Figures*** section.

Membership

The global success in factoring is mirrored in FCI's membership. The utilisation of FCI's edifactoring.com network has seen increased transactional volumes among members across markets. In 2025, FCI projects it will have the highest number of members qualifying for Full Membership from Associate Membership in a single year. This will be confirmed at the Annual Meeting. This growth is attributed to the member's commitment to the FCI Network and the advocacy and education that FCI provides its members to help them grow.

FCI's Membership composition continues to evolve with a healthy mix of large global banks and non-bank financial institutions, along with the growth of Fintechs and other technology firms within FCI's ecosystem. The technology firms include fraud/risk prevention, digitisation, collateral registries, and alternative finance solutions. Financial institution members are embracing the technology and the thought leadership brought to FCI by these Sponsor and Partner



Members. Events are becoming more engaging across the Membership with these firms, along with related whitepapers and joint interviews with trade-related publications.

Within Fintechs is a group of entities providing receivables marketplaces connected to FCI's network. Small and midsize businesses (SMEs) gain access to working capital by presenting invoices to a receivables marketplace where institutions buy receivables via the real-time marketplace. The concept offers an alternative to traditional factoring as we know it today. The technology has improved significantly, with several new players now emerging, especially across South Asia, and FCI is helping lead the way.

The Strength of FCI

A Global Network

The opportunity of choice in selecting correspondents in a particular country, in combination with strict membership admission criteria and (even more important!) very strictly adhered rules for continued membership, has been the basis for FCI's leading global position. The open-ended structure of FCI is the most effective tool for building international factoring volumes. In the FCI network, a correspondent's selection is based on each member's service quality considerations.

Being a member of FCI brings with it a responsibility and commitment to remain active in the organisation. This strict focus and the unwillingness to compromise on membership criteria and membership rules have helped the organisation become the undisputed leader in network factoring, respected, professional and well-positioned to take full advantage of the six decades of international factoring excellence. Later in the Annual Review is a ***roundtable discussion on Navigating the Two-Factor System*** led by Philippe Gresta, FCI Executive Committee Vice Chair. It highlights the strengths of FCI coming from these six decades and looks at its future direction of FCI.

FCI Academy

FCI offers its member companies the possibility to enrol staff members in a series of FCI Courses and other workshops throughout the year. The FCI Academy has trained over 15,000 individuals over the last decade. FCI endeavours to arrange various forms of on-the-job training for new member companies, either through a comprehensive visit by the Education Director or through internships with foreign FCI correspondents. More details can be found later in the Annual Review in the content article discussing the ***knowledge base within the Academy***.

Legal Framework

The FCI General Rules for International Factoring (GRIF), developed and monitored by the FCI Legal Committee, have become the world's most widely recognised legal framework for international factoring. The GRIF has been the standard for correspondent factoring relationships since its introduction in July 2002. The FCI Legal Committee continuously offers assistance to FCI members in answering questions of a legal nature or relating in particular to the FCI GRIF. A more formal FCI Arbitration process is available for problem resolution between export and import factors, even though most conflicts are settled amicably based on the strong ties between most FCI members.

Communications

The strength of the FCI network is determined not only by geographical presence but also by efficient communication between the individual correspondent factors. Today, 'communication' in FCI stands for a state-of-the-art application of EDI technology: edifactoring.com. Substantial investments

Panoramic view of Oakland Bay Bridge and Financial District Skyline, San Francisco, California, USA.



in the EDI infrastructure have been made over the years, and the FCI Business & IT Solutions Committee has recently launched the latest edition of an upgraded Internet-based communication system capable of meeting the requirements of an e-commerce environment.

2024 Initiatives

Receivables Registries

FCI witnessed an increased interest across a variety of regions and markets in the development of receivables registries. As more and more financial institutions are engaged in providing working capital in the receivables industry, central banks and regulators are focusing on safe and secure tools for them.

For this reason, in the fourth quarter of 2024, FCI and MonetaGo joined forces through an MoU to establish MonetaGo as a partner of FCI for registry technology globally. The two organisations engage in efforts to reach both emerging and developed markets, focusing on educating stakeholders on the efficiencies gained by deploying registries and enabling cross-border and cross-document fraud prevention. The mutual partnership will foster increased collaboration with and support from central banks, regulators, and multilateral development banks as they work to reduce business and economic risk and costs associated with fraud and contribute to reducing the trade finance gap by promoting financial inclusion for SMEs and MSMEs.

Digitalisation and Technology

In recent years, FCI has improved its technology stack to support its members better. Since the launch of edifactoring.com 2.0 in April 2022, the feedback from the members has been positive. This trend in technology is also seen within FCI's ***2024 Global Industry Activity Report (GIAR)***, found later in the Annual Review. Almost 50% of FCI's surveyed population uses and accepts e-invoicing; within that subset, over 60% of the invoices processed were e-invoices.

Digitisation of trade and trade finance is critical to reducing the global trade finance gap. The digitisation of trade starts with a local registry, as noted above. It continues through the real-time status of the invoice and its related trade documents to better support the financial supply chain. Financial institutions can track a transaction from purchase order to shipment to receipt to payment confirmation, all in real-time.

Model Law on Factoring

FCI is part of a working group drafting the Guide to Enactment to the UNIDROIT Model Law on Factoring ('MLF'). The guide's primary audience comprises government officials, central banks, and regulatory bodies. It will provide insights into the Model Law on Factoring's various sections to support drafting local laws for factoring and receivables finance. In 2024, two meetings were held to develop the guide, with a few more planned in 2025. The goal is to release the guide by the fourth quarter of 2025.

The purpose of the MLF is to provide an instrument for States that want to introduce a new factoring law or update their existing laws. The MLF was first initiated in 2019 by World Bank representatives who recognised the importance of a standalone MLF, especially for those emerging markets considering factoring in their countries. The working group is focused on a pragmatic yet flexible approach to capture the intricacies of factoring transactions while maintaining legal accuracy in the drafting process to cover a variety of factoring open account arrangements, such as factoring with/without recourse, reverse factoring, non-notifiable factoring, etc. It is emphasised that providing such legal clarities to assist the enactment of the law through the guide would boost investors' confidence and thus promote easier and greater access to credit.

Multilateral Development Banks

FCI continues strengthening and growing its relationships with the Multilateral Development Banks. These are important partnerships as they help FCI touch almost every corner of the world to amplify FCI's voice in the various markets. One such example is the capacity building for the continued emergence of factoring in Africa, which will ultimately benefit SMEs across the continent and buyers across the globe. Afreximbank is FCI's strategic regional partner for programmes such as the award-winning 'Certificate of Trade Finance in Africa' (COTFIA), a one-year highly specialised hybrid education experience orchestrated by FCI, Afreximbank and the Onsi Sawiris School of Business at The American University in Cairo. This and various regional events and workshops have strengthened FCI's network and boosted trade finance across Africa.

2025 and beyond

2025 will be another busy year for FCI, with major conferences and events across all regions of FCI. Members will join the network from across those regions in both existing markets where FCI is already represented and from countries where the market for factoring is still entirely new. New forms of cooperation will be examined, and new educational courses will be offered to employees of member companies as well as those looking to join FCI. Since 1968, FCI has been at the forefront of efforts to promote factoring business in new markets and introduce solutions to facilitating international trade through international factoring and related financial services.

FCI's membership continues to grow, strengthen, and evolve. The Secretariat has also strengthened the internal organisation and processes to meet the organisation's growing needs. FCI members see the Return on Investment that comes from being actively involved and contributing to its success.

FCI Vision Statement & Mission Statement

FCI Vision Statement

FCI's Vision is to be the Global Association for the Open Account Receivables Finance Industry.

FCI Mission Statement

Receivables Finance is the core focus of the association and includes Factoring, Invoice Discounting and other Supply Chain Finance solutions.

FCI is the Global Voice for Open Account Receivables Finance:

- FCI facilitates and promotes International Factoring through a Correspondent Factoring platform.
- FCI actively supports the growth of the Industry and works jointly with policy makers and stakeholders worldwide.
- FCI promotes best Industry practices through education.
- FCI publishes Information & Statistics about the Industry.
- FCI endorses financial stability, the prevention of financial crime and respect for regulatory compliance and conduct.

Stanley Bridge, Alexandria, Egypt.



Navigating the FCI Two-Factor System

As the next FCI Annual Meeting approaches, we organised a discussion with some of our most successful and experienced members about what makes FCI so special, relevant, and competitive in an environment fraught with risks of any nature. Supporting the real economy demands practical answers; that is exactly what comes next.
Enjoy the read!



Philippe Gresta (PG), Head of International Relations, BNP Paribas Factor SA ***(moderator)***

- **PG: Compliance regulations have become an integral part of our daily operations as factors. How important are FCI correspondents in making your cross-border businesses safer? Please mention Know Your Customer (KYC), Anti-Money Laundering (AML), and Know Your Transaction (KYT).**

TH: Conducting KYC overseas is very difficult. Under these circumstances, having an overseas factor conduct KYC for foreign business partners becomes important. A risk-based approach is required to determine the risk of KYC, and it is more important than ever to have a correspondent factor who knows the specific situation of each region and country.

PK: FCI correspondents play a vital role in making cross-border business safer, especially in today's environment of strict compliance regulations. They act as trusted local partners who help us to ensure that KYC, AML, and KYT requirements are met according to local and international standards. Having reliable correspondents reduces the risk of dealing with unknown or non-compliant entities in foreign markets.

From left to right:

- **Antonio Russo (AR),** Head of Compliance and AML, UniCredit Factoring
- **Chenyue Mao (CM),** Managing Director, Wells Fargo Bank
- **Ulf Neumeier (UN),** Managing Director, ABN AMRO Asset Based Finance N.V., Niederlassung Deutschland
- **Perin Karasu (PK),** Sales Director, Yapı Kredi Faktoring A.S.
- **Toshiyuki Hirata (TH),** Deputy General Manager Factoring Department, International Factoring Team, Mizuho Factors, Ltd.

Their due diligence and ongoing monitoring of clients give us confidence in extending credit or services internationally. This collaboration also speeds up the onboarding process while maintaining regulatory integrity. In many cases, the correspondent's local expertise helps us to identify red flags early, protecting all parties involved.

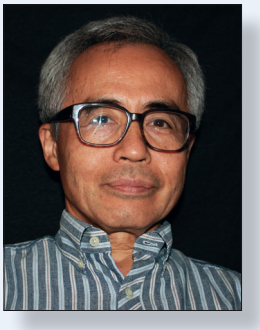
CM: Through its unique structured framework, the international factoring two-factor system makes cross-border transactions much safer and more compliant with local regulations.

- A two-factor system allows the Export Factor (EF) and Import Factor (IF) to underwrite and undertake the risks from both ends. The EF performs KYC on the seller and verifies the transaction's legitimacy, while the IF underwrites the buyer's risk and manages the Accounts Receivable (AR). This role division ensures localised expertise and compliance with local laws.
- EF and IF conduct due diligence, including Bank Secrecy Act (BSA) / AML checks on sellers and buyers. They also conduct mutual KYC to verify that counterparties meet the required standards. This double-assures transactions are thoroughly underwritten, significantly detecting and preventing fraud, money laundering, or terrorist financing, ensuring compliance with international financial regulations.
- EF and IF understand and adhere to their respective local country financial requirements, tax laws, and currency controls.

UN: In today's globalised world, compliance is not just a checklist – it's the backbone of trust and sustainability in cross-border trade. As an IF, we consider every transaction more than numbers; it's a responsibility. Regulations such as KYC, AML, and KYT have become integral to our operations. And in this







landscape, our FCI correspondents are indispensable. KYC and AML compliance would be far more complex without the trust and collaboration that FCI's two-factor system enables. Our correspondents validate buyer and seller data, track unusual patterns (KYT), and alert us to any signs of fraudulent behaviour or regulatory breaches. In short, FCI correspondents aren't just partners – they are the first line of defence in protecting the integrity of international trade.

- **PG: Whether as an Export or Import Factor, do you consider FCI has a competitive advantage in serving your clients? You are all in large banking groups that may have other solutions at hand, so how do you convince your clients to use FCI instead?**

TH: As an EF, overseas branches of the parent bank are overwhelmed with support for Japanese companies operating in the country and transactions with major foreign companies. Moreover, it is beyond question to manage the payment collection of each invoice that requires buyer contact. These features are unique to FCI's IFs.

AR: As EF and IF, we consider FCI a competitive advantage that enhances clients offering. First, FCI provides access to a vast network of correspondents and partners, which can facilitate smoother and safer transactions across borders. This global reach allows Factors to leverage local expertise, ensuring clients receive tailored solutions that are compliant with regional regulations and market practices. In addition, FCI can offer specialised services tailored to the unique needs of exporters and importers. FCI's structure allows for greater flexibility in terms of service delivery and responsiveness to client needs. It can quickly adapt to changes in client requirements or market conditions. This agility can be a significant advantage in meeting the dynamic needs of international trade. Specialisation, flexibility, and agility may make FCI's offerings more appealing and differentiate it from larger banking groups offering a broader range of financial services but lacking focused expertise in factoring and with more bureaucratic processes.
In addition, by utilising FCI's framework, Factors can offer robust risk management solutions. FCI's established procedures for KYC, AML, and Due Diligence on third parties help mitigate risks associated with international trade. Clients are more likely to trust a Factor that prioritises compliance and risk management, making FCI an attractive option compared to other banking solutions that may not provide the same level of assurance.
Finally, FCI provides competitive pricing structures for factoring services, making it an attractive option for clients looking to optimise their cash flow without incurring excessive costs. By demonstrating the cost benefits of using FCI, Factors can effectively persuade clients to choose their services over those of larger banking groups.

CM: FCI is absolutely a competitive advantage to serve our clients – on the import factoring side, we have either middle market banking or corporate investment banking clients looking to either strengthen their relationship with the suppliers overseas by offering longer payment terms or looking for solutions to enhance their cash flow while not impacting their existing credit facilities. Our group has multiple products offering different open-account solutions to our clients. However, Supply Chain Finance (SCF) has entry requirements on the size and scale; typically, it's a challenge for midsized companies to have an SCF programme in place, while import factoring can solve the issue through the FCI two-factor system where FCI provides a global network with close to 400 members across 90 countries.
On the export factoring side, the FCI two-factor system helps the EF shift account debtor risk to counterparty risk and fulfil clients' needs. Midsized companies often do not find it easy to add foreign AR to the eligible borrowing base; however, this becomes a possible solution through the FCI two-factor system.

UN: In a large banking group, we're fortunate to have a full toolbox of financial solutions at our disposal. However, regarding cross-border receivables finance, FCI stands out as a strategic advantage, not just another option.
Why? Because FCI offers something a few other solutions can offer: a global network of trusted partners with deep local knowledge, all working under a common legal framework and standardised operational rules. With FCI, we're not simply mitigating risks but facilitating trust between buyers and sellers in unfamiliar markets. We also emphasise the security and transparency of the two-factor system. Our stakeholders appreciate knowing there's a verified EF vouching for the seller on the other end. That endorsement, combined with our due diligence as an IF, reduces risk and boosts confidence.
In short, FCI enables us to do more than provide reliability—we enable safe, smooth, and smart international trade. That's not just value-added; it's a competitive edge.

- **PG: FCI offers a unified framework based on rules with the General Rules for International Factoring (GRIF) and a common system (Edifactoring). Without this framework, would you be willing to share business with other institutions in countries where your bank is not necessarily active?**

TH: Collaborating with overseas partners without FCI rules (GRIF) or systems (Edifactoring) is a high hurdle, even if it is our overseas base. It becomes even more impossible when dealing with a third-party overseas financial institution.

PR: Without the unified framework provided by FCI (GRIF and the Edifactoring system) sharing business with other institutions in countries where our bank is inactive would be much more challenging. The absence of standardised rules and communication protocols would lead to uncertainty and

increased risk. It would be difficult to ensure consistency in operations and compliance. Trust between institutions would be harder to establish. The framework facilitates transparency, efficiency, and security in transactions. Therefore, we would be hesitant to share business under those conditions. Having a reliable system like FCI's is key to enabling international cooperation and growth.

CM: The answer is no. Without local expertise and legal opinion on conducting cross-border business in a foreign country, we will not be comfortable funding against receivables. Even if our bank is in those jurisdictions and is active in certain activities, we will still not feel comfortable doing business without a unified legal framework (GRIF); it also involves cross-border permissibility requirements. The GRIF benefits cross-border transactions by creating clarity, consistency, and legal certainty.

- It reduces misunderstandings and disputes caused by differences in national laws.
- Clearly outlines the duties of the EF and IF.
- It helps build trust between the EF and IF.
- Credit risk protection is well-defined per the GRIF.
- Dispute resolution procedures are thoroughly stated, which helps with efficiency and minimises legal costs and delays if we are in international trade litigation.
- Sets standards for efficient collection and payment, enhances transparency and predictability.

- **PG: You are all very successful Import or Export Factors. Would you consider your FCI business less safe, just as safe or safer than your own, domestic or direct? How would you rate the profitability of your FCI business?**

TH: Since the company's establishment, there have been no losses in the FCI business. We are convinced that the FCI two-factor model is a safe system. However, since it is necessary to share the profits, we must accept that profitability is less than that of domestic business.

AR: Several factors come into play when evaluating the safety and profitability of FCI business compared to domestic or direct factoring. Let's look separately at each single aspect.
The Safety of FCI Business can be considered comparable to domestic factoring due to the structured framework provided by FCI. The GRIF and Edifactoring system establish clear guidelines and protocols that enhance risk management.
This standardised approach helps mitigate risks associated with cross-border transactions, such as currency fluctuations, political instability, and regulatory differences. Also, the FCI's emphasis on KYC and AML practices ensures that due diligence is rigorously conducted for all parties involved in international transactions.
Other important factors for the safety of this business are the extensive network of FCI correspondents and the collaborative environment fostered by FCI, which can provide access to local expertise and market knowledge, offering insights into the local regulatory landscape and business practices. This framework helps Factors navigate potential challenges, increasing the safety of their cross-border transactions.

Regarding ***profitability, FCI*** opens new revenue streams, allowing Factors to expand its market reach beyond domestic borders and tap into new markets and client bases. While FCI business may involve certain risks associated with international trade, the diversification and the potential for higher returns can make it an attractive proposition. Factors that effectively manage these risks through the FCI framework can achieve favourable profitability levels.
Another relevant factor is the enhanced operational efficiency offered by the Edifactoring system, which streamlines communication and documentation processes, leading to reduced operational costs and improved profitability margins.

PK: Standardised rules and secure communication systems provide a strong framework that reduces risk. Working with FCI members also gives a level of trust and assurance. The two-factor system helps us share risk and provides support in unfamiliar markets.
Profit margins are low due to competitive market conditions and the model's cost-sharing nature. However, as two-factor transactions are sustainable and long-lasting, they become profitable in the long term. On the other hand, domestic factoring operations are generally more profitable, as we can achieve higher margins. We maintain a close relationship with our domestic clients using customised monitoring tools and dedicated platforms. Our teams actively track client performance and conduct regular visits, which allows us to manage risks effectively and strengthen client loyalty. So, while FCI offers security, sustainability and global reach, our domestic business remains a strong contributor to overall profitability.

UN: As a highly active and successful IF, we often get asked how our FCI business compares in terms of ***safety and profitability*** to our domestic or direct factoring activities. The short answer? ***We consider our FCI business just as safe.*** Thanks to FCI's structured framework, the business we do with EFs under the GRIF and via Edifactoring is backed by a globally standardised process. And when issues arise, we're not starting from scratch, we have a partner already on the ground, engaged and accountable.
And what about profitability? FCI business has proven to be a profitable segment of our portfolio. While margins can vary by market and deal structure, the value-added nature of cross-border factoring, combined with relatively lower competition in some geographies, allows us to maintain healthy spreads. The reduced credit losses and strong risk-sharing model with EFs result in a resilient, margin-sustaining business line.
So, to put it simply: It helps us serve clients globally, mitigate risks smartly, and build lasting partnerships across borders.

- **PG: Finally, how does FCI help you navigate the many uncertainties in global trade? Do you think you have enough existing or potential partners to find new ways or markets to support your clients and generate sufficient revenue? Any suggestions?**

AR: FCI plays a pivotal role in helping Factors navigate the uncertainties inherent in global trade. First, with the standardised framework provided by the GRIF guidelines. The FCI's emphasis on rigorous risk assessment and management practices, including KYC and AML procedures, reduces the risks associated with fraud, credit defaults, and regulatory violations, which are the most feared in international trade. The extensive network of correspondents and the collaboration fostered by FCI offer valuable local insights into market conditions, cultural nuances, and regulatory requirements, enabling Factors to make informed decisions and adapt their strategies to effectively navigate potential challenges and uncertainties. Finally, the Edifactoring system streamlines communication and documentation processes, reducing the potential for transaction errors and delays. I can certainly confirm that UniCredit Factoring has greatly benefited from participating in the FCI network in terms of expanding its customer base and diversifying into emerging markets, where demand for factoring services is growing without taking excessive and unexpected risks.
To further improve this already substantial role, FCI should:

- Continue to be focused on identifying and entering emerging markets where factoring services are underutilised, conducting market research to understand local needs;
- Identify niche markets that may require specialised factoring services, helping FCI correspondents in developing tailored solutions;
- Further investment in technology is needed to improve the efficiency of factoring processes, such as automating documentation and communication. Using data analytics to gain insights into client behaviour, market trends, and risk factors, helping factors make strategic decisions on their service offerings.

CM: FCI plays a key role in helping businesses navigate global trade uncertainties by offering a trusted network, standardised practices, and two-factor system service to reduce risk and improve efficiency. Unfortunately, currently, we do not have sufficient existing IFs to support our clients' needs; we need more reputable banks globally to offer import factoring.

UN: In a world where global trade is constantly tested by geopolitical tensions, regulatory shifts, and supply chain disruptions, ***certainty is currency.*** And this is exactly where ***FCI gives us a true strategic edge.***

As an IF, we don't just need to know where the risks are - we need tools and partners to manage them proactively.

FCI provides us with exactly that:

- ***A globally connected network*** of vetted, professional correspondents.
- ***A standardised legal and operational framework (GRIF).***
- ***And a proven digital backbone (Edifactoring)*** that keeps transactions flowing securely and efficiently.

When our clients look to new markets, we can say yes faster and more confidently.

Do we have enough partners to grow? Absolutely. The FCI network spans over 90 countries, and it's growing. But more importantly, it's not just about the number of partners but the quality and depth of collaboration. Through FCI, we can unlock ***innovative structures*** like Islamic factoring, often faster than through traditional channels.

Suggestions? I'd say:

- ***Keep investing in digital tools*** that help streamline onboarding and compliance across the network.
- ***Foster deeper regional collaboration***
- Improve data-sharing and benchmarking to detect trade shifts and risks earlier.

To sum it up: ***FCI is not just helping us manage uncertainty – it's helping us turn it into opportunity.*** We not only master change, but we thrive on it.

**PG: In conclusion, more than ever, in stable and unstable circumstances, FCI's two-factor model offers an unequalled combination of safety, operational ease and sustainability. It can benefit the members and the foremost companies, big and small, in virtually any sector. Let's translate these advantages into actual market successes.
Everything is in place!**

Al Ayjah Bridge, Sur, Oman.



2024 Figures

Africa

Africa represents a 1.3% share of the total world factoring volume. Factoring volumes continued to grow in Africa in 2024, with a growth rate of over 5.9% compared to 2023, as the volumes increased to EUR 50.3 billion in 2024 from EUR 47.5 billion in 2023. South Africa continues to dominate the industry, accounting for over 80% of the total volume on the continent, while Morocco saw an almost 50% increase in volumes. Other countries that saw significant volume growth include Egypt (EUR 1.4 billion) and Mauritius (EUR 400 million). The African market is expected to maintain its strong growth trajectory into the foreseeable future. **Lina Iyok**, **Enga Kameni**

Americas

The Americas rank third globally in factoring volume, representing a 6.9% share. North America (NA) maintains a 3% share, similar to 2023, with 28% volume growth (EUR 26 billion). Latin America and the Caribbean (LA&C) show slight growth from 3% to 3.8%. Domestic factoring volumes continue growing, demonstrating factoring's growing use as working capital financing, especially in LA&C.

Focusing on FCI's 'Four Corners International Factoring' (2FS) volumes, Global figures show a slight drop, with the region seeing the smallest decline of -0.61%, or approximately EUR 30 million. The model's total volume in the region was EUR 5.05 billion (4.7% of the total), with NA being a large importer. LA&C imports accounted for 10% of the total volume of our model, reaching EUR 1.53 billion. The volume of invoices traded in the region accounted for approximately 23.3% of the total operated.

In conclusion, the Region experienced positive growth in all the ratios analysed, which is very encouraging. **Alberto Wyderka**

Asia Pacific

In 2024, Asia-Pacific's total volume reached EUR 964 billion, maintaining a 25% global market share threshold, 2.3% higher than the previous year and slightly above the 2.1% global average.

India was the fastest-growing market in the region, up 120% to EUR 38.2 billion.
Mainland China accounts for 70% of the region and retains a 7% growth rate to EUR 679 billion, or 3.9% of GDP.
Singapore and Taiwan are the two markets with the highest GDP share in the region, both at 7.5%. In 2024, Taiwan recorded 33% growth, second only to India.

In 2024, 12 of the WTO's top 30 global trade players are from Asia-Pacific. With FCI's ongoing efforts to standardise the factoring and Supply Chain Finance (SCF) markets, it's reasonable to expect the region to maintain its high growth momentum and refresh its global market share. **Lin Hui**

Central East and South East Europe

Despite the broader slowdown in national economies, 2024 recorded a 4.5% increase, highlighting growth in factoring volumes across the region. This shows rising demand for SCF solutions despite the challenging economic environment. Notably, the share of NBFIs in this growth is expanding as more financial companies and fintechs enter the market. Large corporates in many countries increasingly adopt reverse factoring (payables finance) to strengthen their supplier ecosystems. While adoption remains strongest within multinational-led supply chains, local FIs progressively explore scalable platforms, often collaborating with fintechs. Meanwhile, fintechs continue to expand, offering invoice discounting solutions with faster onboarding and streamlined KYC processes.

Although many CEE and SEE economies are entering a phase of slower growth, SCF solutions, including factoring and payables finance, continue to demonstrate strong resilience.
Spyros Tsolis

European Union

Based on EUF members' findings, total European turnover in 2024 reached EUR 2.479 billion, growing by 0.6%. We expected this modest increase due to the negative dynamic of the EU GDP, the weakness of industrial production, the reduction of the inflation rate, and the conflicts and critical situations globally.

Nevertheless, the European factoring market, with 66%, remains the most important globally. The 2024 penetration rate of factoring over the European GDP was 11%, proving its importance to the economy.
International factoring was stable at 23% of the total turnover. Non-recourse factoring (54%) was still higher than recourse factoring due to clients' need to cover the debtors' risk. Reverse factoring in SCF reached 21% of the European turnover.
EUR 307 billion in funding supports approximately 301,000 European clients, helping to deliver economic development, employment, and business success. **Fausto Galmarini**

Middle East

In 2024, the MENA region emerged as a focal point in global trade dynamics, propelled by recent geopolitical shifts. Unfortunately, data accessibility in the region remains very low, making it challenging to reflect the increase in factoring and receivables finance transactions in the statistics. Countries like the UAE and Saudi Arabia actively diversify their economies through investments in services, smart cities, and technology. MENA shows an equal preference for payables and receivables finance, with government initiatives and digital solutions, like e-invoicing. Regulatory clarity and tech-driven onboarding have made payables finance more accessible, while receivables finance experiences growth despite high competition and margin pressures from lenders. **Betül Kurtulus**

Promotion and Awareness

Africa

FCI partnered with Afreximbank to conduct factoring promotion and awareness campaigns through conferences, workshops, and webinars. Seven awareness and capacity-building programmes were held across Nigeria, Zimbabwe, the Bahamas, Namibia, and Egypt, training over 1,000 delegates and expanding the factoring knowledge base across Africa and the Caribbean. Notably, the Factoring Roundtable held in The Bahamas, alongside Afreximbank's Annual Meetings, marked a historic first for the Bank and helped galvanise stakeholders' interest. To reinforce this momentum, a regional webinar hosted in collaboration with FCI and the Caribbean Association of Banks (CAB) followed in November 2024, further establishing the role of factoring as a development finance tool. **Lina Iyok**, **Enga Kameni**

Americas

Efforts to promote and strengthen awareness of FCI are ongoing. I have visited most countries in the region, meeting with regulators, government agencies, and potential users of our model: Chambers of Exporters and Importers. This is where we should focus our outreach, as our model solves their problems and will drive demand from banks and NBFIs.

I participated in the FELABAN Assembly in Paraguay. It was one of the most important events to strengthen FCI and our network. The forum is important for networking, enabling us to identify potential members, reinforce ties with existing ones, and address current issues in our industry.

Education is a priority in the region, and the FCI Academy offers it. I also provided sessions on strengthening best practices and other key aspects of our Four Corner model. **Alberto Wyderka**

Asia Pacific

In June, the 56th FCI Annual Meeting was held in Seoul, marking the return of this global industry event to Asia since the 2019 Ho Chi Minh City meeting. Mizuho Factors Ltd., Mitsubishi UFJ Factors Ltd., and CTBC received the top three awards for Best Factor of the Year in Asia-Pacific, with Mizuho also securing third place for the Global Factor of the Year Award, setting a benchmark across Asia.

Three Indian members – 360tf, India Factoring and Finance Solutions, and VTX – swept the top three spots in the 2024 Marketing Awards, reflecting the growing dynamism of the Indian factoring market. In February, during the FCI Executive Committee meeting in Mumbai, the International Factoring Summit was held. In November, FCI Academy organised an international factoring and receivables finance seminar in Mumbai, introducing operational skills, risk management strategies, and global best practices in international factoring. **Lin Hui**

Central East and South East Europe

In 2024, FCI maintained a strong footprint across the region, with significant efforts in promotion, awareness, and capacity development. The 2024 CEE & SEE Regional Conference, held in Prague, saw excellent attendance and tackled the industry's most pressing topics, which was complemented by a Workshop on Legal Matters in SCF, part of FCI Academy's capacity-building programme.

Ukraine was also a key area of focus, with efforts aimed at raising awareness within the business community. In an initiative led by USAID and executed by FCI Academy, a series of webinars were delivered to promote factoring and other supply chain finance solutions. This was followed by a second webinar series, targeting trade finance professionals in banks and financial institutions, further reinforcing FCI's commitment to supporting the development of receivables finance. **Spyros Tsolis**

European Union

It is gratifying to see the results of our strong, effective support to the European real economy, particularly SMEs, as Europe's factoring industry represents over two-thirds of global turnover. Our constant action aims to strengthen these key messages with regulators and lawmakers and improve how we provide services for the benefit of all stakeholders.

In March 2024, EUF and FCI jointly organised the EU Factoring and Commercial Finance Summit in Vienna. Almost 150 attendees showed appreciation for the quality of speakers and topics covered. The programme addressed the latest market updates, trends in European payment times, ongoing regulatory frameworks, and promoted the impact of the factoring industry in Europe. **Fausto Galmarini**

Middle East

FCI's activities in the region have been bolstered by the establishment of the committee, which recently completed its first year and has helped facilitate broader discussions on best practices and industry standards. In 2024, we led impactful initiatives in Jordan with JoPACC, focusing on SCF and factoring. We collaborated with EBRD to host conferences for banks, centred on advancing SCF and factoring sectors. Additionally, we hosted training for the Central Bank of Jordan, focusing on capacity building in key financial areas. We initiated educational programmes to increase understanding of Islamic international factoring and SCF. Participation in the GTR MENA and KSA conferences allowed us to connect with industry leaders and stakeholders. During the EBRD Annual Meeting in Yerevan, we organised a specialised factoring conference that attracted significant participation from EBRD TFP members. In December, we partnered with the Uzbekistan Central Bank and IFC to host a seminar that drew nearly all Uzbek banks, highlighting our dedication to fostering collaboration in the region. **Betül Kurtulus**

Legal, Regulatory and Advocacy

Africa

The initiatives undertaken in previous years by Afreximbank and FCI to support regulatory reforms and promote the model factoring law in Africa continue to show success. The Republic of Benin formally adopted the Model Law in May 2024. In Nigeria, the factoring bill underwent the first and second readings. The Bank is working with the Nigerian Senate and House of Representatives, NEXIM, and other stakeholders to organise public hearings with a view to expediting the passage of the bill into law. Afreximbank is working with the African Capacity Building Foundation and the Pan African Parliament to have the law adopted by the African Union at the continental level. These steps represent transformative measures toward creating an enabling environment for SMEs across the continent. **Lina Iyok, Enga Kameni**

Americas

While both domestic and international factoring have been growing and consolidating year after year, legal frameworks vary greatly by country. This situation has remained unchanged over the past three years. Countries like Chile, Colombia, Peru, and Mexico have excellent and consistent legal frameworks, but the rest are uneven.

I have worked with associations, encouraging them to insist that regulators and authorities create or improve the legal framework. Yet results often fall short, as these associations are made up only of NBFIs or have few members, lacking the necessary relevance for regulators or legislative authorities to promote law. It is necessary to continue insisting, working, and taking advantage of every opportunity to meet with these authorities. The same applies to registries; very few countries have them, and we know that this is vital for a healthy factoring industry. **Alberto Wyderka**

Asia Pacific

China's National Financial Regulatory Administration (NFRA) has issued a five-year development blueprint for the banking and insurance sectors, emphasising the financial services' role in supporting the real economy and focusing on five key areas: technology finance, green finance, inclusive finance, pension finance, and digital finance. This demonstrates that the Chinese government has noted the adverse consequences of financial services detaching from the real economy over the past decade and is addressing this issue. This is a significant policy boost for developing China's factoring market in the next five years. FCI members in China should strengthen collaboration and innovation, leverage the FCI model's advantages in inclusive finance and digital finance, and make it a key driver in implementing the national financial strategy.
In 2024, the Vietnamese government enacted the new Credit Institutions Law. Accordingly, the State Bank of Vietnam also issued Circular No. 20/2024/TT-NHNN, establishing regulations for factoring services and other related services provided by financial institutions and foreign bank branches. This is a milestone for Vietnam's factoring market development. Vietnam is poised to become a vibrant new FCI network hub in Asia. **Lin Hui**

Central East and South East Europe

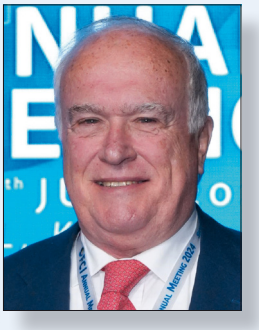
The region is divided broadly between EU member states and non-EU member states, resulting in distinct legal frameworks and differing impacts on SCF product development.
In EU member states, Fausto Galmarini explains the situation in the next section.

In non-EU countries, factoring regulatory frameworks are often unclear, outdated, or, in some cases, absent. While domestic factoring transactions rely on general civil and commercial laws, cross-border factoring carries higher risks due to weaker legal protections. Here, FCI's Two-Factor System provides a strong and reliable legal structure for international factoring transactions. Additionally, judicial risks are higher, as courts may not consistently recognise factoring agreements, especially in insolvency scenarios.

Nevertheless, important opportunities exist. Countries currently negotiating EU accession – including Serbia, Montenegro, Albania, and North Macedonia – are progressively required to align their civil, financial, and commercial laws with EU standards, including those governing receivables finance. FCI, working with international institutions such as the EBRD, IFC, and World Bank, plays an active role in supporting these countries' efforts to modernise their legal environments and foster greater adoption of factoring and SCF. **Spyros Tsolis**









- **Lina Iyok**, Senior Manager, Trade Finance and Correspondent Banking, Afreximbank
- **Enga Kameni,** Head, Banking Legal Services, Afreximbank
- **Alberto Wyderka**, FCI Regional Director Americas
- **Lin Hui**, FCI Regional Director Asia Pacific

European Union

In 2024, the European Factoring industry faced multiple challenges: the CSDD directive that requires all businesses to manage the operation's environmental and social impacts along their entire value, the ongoing EU-wide implementation of Basel III/CRR3 (including DOD), the ongoing works on AML/CFT legislative package with the set up of a new European Authority (AMLA), the e-invoicing and VAT in the digital age (VIDA) and last but not least the new Late Payment Regulation (LPR) that should replace the current LPD.

The DoD remains a key industry issue. Last year, EUF met the EBA twice, including a February roundtable on two credit risk mandates, DoD and credit insurance, assigned by the EU Commission. After our presentation with some data on the impact of DoD with several false positive cases of technical past due, the EBA, for the first time in nine years of discussions, expressed openness to evaluate our DoD revision proposals, but underlined the need to implement our data for corroboration. EUF worked to collect the necessary data. Only five countries (Italy, Germany. France, Spain and Austria) contributed to the data collection. Finally, the EUF drafted a paper on "the case of revising the EBA DoD guidelines on purchased receivables" and sent it to the Regulator. The paper highlighted that 90-day past-due in factoring does not indicate actual default, as over 98% of the past-due receivables are paid. Furthermore, many debtors in technical default are financially sound businesses with good external ratings.
In the September meeting, EBA finally became aware of the DoD issue in factoring and assured us it would support one of our proposals to its board: extending the technical past due from 30 to 90 days. Based on our estimations, this would reduce the technical past due by at least 50%. The work is in progress, with a consultation paper on the revision expected by the end of June, and the final approval is expected before December 2025.

During the last meeting, we asked the EBA staff if EUF could request a specific treatment for capital requirements in factoring in line with its lower risk level than bank loans. They replied positively but underlined that we must gather further data at the European level and not only from a few countries. In the recent EUF Council, we raised awareness among all the EUF members to make any effort to provide the necessary data because the reduction of capital requirements is to benefit not only Banks or Financial Institutions under a standardised rating model but also Banks under IRB model in relation to the introduction of the output floor of 72.50% in 2027.

As far as the new LPR, which enforces the payment of invoices related to supplies within 30 days, EUF believes many businesses will be in financial trouble if they do not respect the new term due to the duration of their monetary cycle, which is usually longer than 30 days. For this reason, the EUF proposed to the EU Commission some amendments to the regulation, asking for more flexibility and the removal of unfair clauses in supply contracts, like the ban of assignment. **Fausto Galmarini**

Middle East

Many GCC countries are actively harmonising regulations to facilitate cross-border trade and finance, establishing consistent guidelines for factoring and SCF practices. Regulatory bodies in the UAE and Saudi Arabia are introducing initiatives to support SMEs, including easier access to financing, such as receivables and payables finance, and reduced documentation requirements. These adjustments will ensure better traceability, more controlled data management, and fraud prevention while also making SME financing more digital and accessible. Furthermore, regulators need to translate digital advancements into actionable laws and regulations. Together, these developments aim to create a more robust framework for receivables and payables finance, bolstering growth and supporting economic diversification efforts across the GCC.

In Central Asia, significant developments are underway. In Georgia, a new factoring law is expected to be passed by Parliament, with serious efforts to establish an invoice registry centre as a follow-up to the legislation. Uzbekistan is advancing its regulatory framework, including the development of a national supply chain platform backed by its central bank, successfully promoting factoring and supply chain financing programmes. Both countries benefit from the support of multilateral banks in these initiatives, underscoring the region's commitment to enhancing its financial infrastructure. **Betül Kurtulus**







- **Spyros Tsolis**, FCI Regional Director CEE & SEE
- **Betül Kurtulus**, FCI Director of Strategic Marketing & Business Development
- **Fausto Galmarini**, Chair EUF

Challenges

Africa

Despite the growth in factoring volumes, several challenges remain, including:

1. Insufficient knowledge about the product,
2. Education, skills, and experience in the factoring industry.
3. Absence of a conducive legal and regulatory environment.
4. Stringent capital requirements.
5. Challenging economic environment and access to working capital in some countries.
6. Inflation, high-interest rates, high cost of lending and perfection of securities.
7. Difficulties in obtaining reliable credit information and credit insurance coverage in some countries and with certain buyers.
8. IT systems and software to manage factoring transactions effectively.
9. Long and costly implementation of factoring business processes.
10. Cultural and language barriers for international factoring.

Lina Iyok, **Enga Kameni**

Americas

When it comes to challenges, in a region like the Americas, comprised of 35 sovereign countries, including the Caribbean, we find them of all kinds, depending on how we look at them. In some ways, there are common denominators: open account sales, the absence of legislation in some countries that encourages banks to finance with adequate tools, working capital requirements, concern about the risks an exporter must assume, and more. There are countries where legislation has taken an adequate and solid shape. Electronic invoicing is practically established in many countries and is here to stay. In others, it is advancing gradually, but it is progressing. What still needs to be expanded to reduce risk is the creation of registries, as in Chile, Peru, Colombia, and Mexico.

Education, business dissemination, teaching good practices, expanding the network, cooperating with associations and regulators, joining forces with multilateral entities (IDB and IDB Invest, for example) and even directly engaging with end users is what we can do. We can find ways to adapt our model to the needs of exporters and importers and to gain the trust of banks, thanks to our robust platform, and 57 years of successful experience. We must challenge ourselves and be who lead the open account financing industry.

Despite these challenges, obstacles, and threats, our international factoring model between correspondents must continue to grow and become the lowest-risk alternative for export financing and an economical purchasing tool for importers. However, this objective faces an obstacle that puts it at risk: the quality of service. And truly, the greatest challenge lies at our management and supervisory levels. **Alberto Wyderka**

Asia Pacific

Macroeconomic Environment Since 2020, COVID-19, the Russia-Ukraine war, and the tariff war have continuously strained globalisation, sharply increasing the risks of disruptions in supply chains and cash flow for businesses. Global trade volumes are declining, economic growth is slowing, and the momentum for the Asian factoring market is facing headwinds.

Involution and fragmentation With its well-developed manufacturing sector, Asia has great potential for factoring. However, the current over-reliance on the anchor buyer-led SCF model has led to a high degree of homogenisation, intense price competition and lower overall profitability. Banks, factoring companies and fintech companies are keen to set up their own SCF platforms, while traditional bill discounts and letters of credit still exist in the Asia market on a relatively large scale.

Regulatory compliance Regulatory frameworks vary across countries, and differing regulations in areas such as cross-border data transfers, anti-money laundering, and KYC requirements pose challenges for cross-border factoring and increase operational costs. **Lin Hui**

Central East and South East Europe

Despite the promising growth trajectory, several structural challenges continue to hinder the development of factoring and SCF across the region. Awareness among SMEs, particularly in non-EU CEE & SEE countries and rural areas, remains low. Many SMEs outside major urban centres are unfamiliar with alternative working capital solutions. Regulatory inconsistency across the region, especially regarding the enforcement of receivables assignment, poses legal risks. Debtor consent requirements, notification formalities, and varying judicial interpretations – particularly in insolvency – create uncertainty, discouraging transactions or increasing costs. Banking sector conservatism remains a barrier. Factoring is often perceived as a niche, high-risk product rather than a mainstream SME financing tool, resulting in limited marketing, minimal investment, and slow development – especially among smaller banks. Access to affordable credit insurance also restricts market potential. Finally, despite progress with e-invoicing initiatives, digital infrastructure among SMEs remains uneven. Many still rely on manual processes, and some public-sector clients have yet to adopt electronic invoicing, limiting scalability and efficiency fully.

Overcoming these obstacles requires coordinated action from regulators, financial institutions, industry bodies, and development partners. FCI is committed to leading these efforts. **Spyros Tsolis**

European Union

Regarding the review of the Late Payment Directive (LPD) and the introduction of the LPR, the EUF sent a position paper to the EU Commission, underlining that the directive of 2011 has not led to a decrease in late payments, especially in the public sector, as public administration debtors are still paying late. The new LPR with the obligation to pay within 30 days will probably lead to a greater need of funding and the SMEs have not the capability to face it. Forms of financing like factoring are not part of the problem but rather a solution to the late payments issue. Limiting or even prohibiting 'bans on assignments' would most likely increase use of factoring in the EU. In 2024, we met some representatives of the EU Parliament to explain what factoring can do for the SMEs to face late payment and ask them to support our amendment to LPR to remove the ban of assignment from the supply contract.

Regarding the CRR review, it is very difficult to introduce new elements in the compromise text of the European Parliament and of the Council of the European Union. **Fausto Galmarini**

Middle East

The GCC and Central Asia regions are navigating a complex landscape of challenges from both internal and external factors. Recent geopolitical tensions and new tariffs have heightened trade barriers, leading to increased operational costs and uncertainties in supply chains. In Central Asia, regulatory complexities pose additional hurdles for businesses seeking to adapt to emerging financing structures, including factoring and SCF.

In the GCC, while sustainability and diversification efforts are underway, political uncertainties and a reliance on oil revenues create economic volatility.

Despite these challenges, there are signs of resilience; businesses are increasingly focused on adapting to new economic realities and regulatory frameworks. However, as conditions evolve. As these regions work toward greater financial integration and stability, addressing these challenges will be crucial for fostering a robust and sustainable future. **Betül Kurtulus**



Outlook 2025

Africa

With various awareness and capacity building activities, including tailor-made workshops for Banks in Zimbabwe, we have seen an increase in factoring activities and financing requests, particularly from Egypt, Zimbabwe and the Republic of Congo. The African market is expected to continue its strong growth trajectory, supported by interventions from Afreximbank and its partners to promote factoring on the continent, coupled with the launch of the Supply Chain Finance platform/initiative by Afreximbank. **Lina Iyok**, **Enga Kameni**

Americas

The challenges, obstacles, and shortcomings will not halt the growth of our industry, as the core of our industry: accounts receivables, will continue to grow. If economies grow, trade grows, whether domestic or international, and our industry will grow.

However, when discussing perspectives, I cannot ignore the disruptions caused by President Trump's new tariff policy at the time of this writing. I believe the last chapter has not yet been written, and the measure varies and changes constantly. The impact on countries changes almost continuously depending on the tariff level established. What is clear is that the US-China trade relationship is severely affected.

I don't think it's wrong to assume that trade flows will change, but this will take time. However, as this turbulence evolves, our model will remain relevant and is likely to become a more frequently used tool. Changing a trade destination involves the challenge of unfamiliar risks for exporters, and we propose a model that mitigates these risks like no other.
Alberto Wyderka

Asia Pacific

Reconfiguration of supply chains Global supply chain configurations and trade flows are undergoing dramatic changes. Trade between emerging markets and intra-regional trade will rise significantly. Therefore, in addition to existing traffic with established markets, we should particularly highlight cross-border factoring collaborations within the Asian region and with other emerging markets. In Asia, it is extremely valuable to boost the supply of import factoring.
Digital Transformation The essence of risk management in factoring lies in managing and analysing data to identify risks and intervene in advance. As we have already seen, digital transformation, including e-invoicing, blockchain, and artificial intelligence, is empowering factoring with a market-disrupting force. We are seeing a few shining dots within our FCI network, which will gradually combine into stronger light and energy, making the entire FCI network a driving force for convergence across the industry and spreading this energy to global businesses.
Reform will be the keynote word for 2025. **Lin Hui**

Central East and South East Europe

The outlook for factoring and SCF in Central, Eastern, and South-Eastern Europe (CEE & SEE) is highly positive, driven by structural changes in finance, trade, and sustainability.

While the region's macroeconomic outlook is cautiously optimistic, growth remains uneven. EU member states are showing moderate recovery, supported by structural funds and stronger export performance, while some non-EU economies face inflationary pressures and political volatility. Geopolitical risks, including regional tensions and the ongoing effects of the war in Ukraine, continue to create uncertainty but also drive nearshoring and supply chain diversification, offering new trade opportunities for CEE & SEE countries.
Institutions like the EBRD, EIB, and local development banks are expanding their role in SME finance, channelling more resources into capacity building and co-financing initiatives, including factoring and SCF.

Persistent supply chain disruptions and nearshoring trends are boosting demand for flexible working capital solutions. Meanwhile, the green transition is creating new opportunities for ESG-linked SCF as corporates seek to decarbonise their supply chains.

Digitalisation – through e-invoicing, real-time payments, and blockchain platforms – will further accelerate market expansion, offering factoring providers new tools to automate, scale, and fight fraud. **Spyros Tsolis**

European Union

Regarding the perspectives of factoring business in year 2025, despite the reduction foreseen in the interest rate for the dropping of inflation, EUF doesn't expect a significant growth in turnover due to the moderate recovery of the EU GDP and the difficult situation in some strategic industrial sector. All the European economies must face a complex scenario for the conflicts between Ukraine and Russia, the critical situation in the Middle East, and last but not least, the trade war threatened by the United States.
The EUF has three main issues to solve: the first is the DOD because the rule generates many "false positive" errors. After the two meetings with the EBA we are confident, our proposal of an extension of the technical past due from 30 to 90 days will be approved within the end of the year 2025.

The second issue is connected to the new LPR that requires the debtors to pay the invoices within 30 days. EUF is confident that in the final draft of the regulation there will be the prohibition of ban of assignment as factoring is a solution for late payment.

The third issue is the lack of data at the European level, which remains our main weakness. To achieve the strategic goal of securing specific treatment for factoring to reduce the current

absorption of capital more than its low level of risk, we must make every effort to collect all the data EBA needs.

Data collection will also be crucial for other topics in the EBA roadmap regarding the implementation of CRD/CRR. We refer to the RTS to calculate the risk-weighted exposure for the dilution risk of purchased receivables.

We rely on the cooperation of our members and their clients to collect the necessary data to obtain a representative and exhaustive sample to submit to the Authority. EBA is now aware that factoring is less risky than bank loans but needs evidence with robust data to change the rules.

EUF has done and will continue to do everything to protect the factoring industry, given its importance in developing the real economy. **Fausto Galmarini**

Middle East

The 2025 economic outlook for the MENA region is promising, with a robust SCF market poised for significant growth. The region is expected to benefit from an increasing focus on both payables and receivables finance, reflecting a balanced approach that highlights the importance of both sectors in enhancing liquidity and facilitating trade. Government-backed initiatives and advancements in digital trade solutions are likely to continue improving access to financing, fostering a more inclusive financial environment.

In Central Asia, ongoing regulatory reforms are expected to attract investment and enhance the stability of the factoring and SCF sectors. As countries in the region adopt more supportive frameworks and embrace technological integration, businesses are anticipated to gain better access to financial resources. This positive momentum, coupled with efforts to diversify economies and improve trade relations, suggests a favourable outlook for both MENA and Central Asia in 2025, paving the way for greater economic resilience and growth in an evolving global marketplace. **Betül Kurtulus**

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Decrease cost.
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Leveraging Factoring and SCF to sustain SME operations amid economic uncertainty

During periods of economic uncertainty, marked by inflation, disrupted supply chains, rising interest rates, and declining consumer confidence, *small and medium-sized enterprises (SMEs)* often face the greatest financial strain. Limited access to credit, stretched cash flow, and a heightened risk of default can quickly erode business resilience. However, *factoring* and *supply chain finance (SCF)* have emerged as lifelines, enabling SMEs to survive and grow during turbulent times.



Aysen Çetintas,
FCI Education Director

Both solutions address the core challenge of *liquidity*, an issue that becomes even more critical during economic downturns.

Benefits for SMEs in Turbulent Times

- **Improved Cash Flow and Liquidity**

SMEs often wait 30, 60, or even 90 days to receive payment from customers. Factoring and SCF accelerate cash flow by turning receivables into immediate working capital.

- **Non-Debt Working Capital**

Unlike bank loans or overdrafts, factoring and SCF are *off-balance-sheet* solutions that do not increase a company's debt burden, which is critical when credit may be harder to obtain or more expensive.

- **Stronger Supplier-Buyer Relationships**

SCF strengthens relationships by aligning incentives. Buyers support their suppliers' liquidity while securing a stable supply, and suppliers benefit from predictable payments.

- **Credit Risk Mitigation**

With factoring, the factor often assumes the buyer's credit risk (in non-recourse factoring), shielding SMEs from bad debt, which is vital during economic stress when buyer defaults increase.

- **Access to Capital Without Collateral**

Many SMEs lack the hard assets or long credit history required for traditional loans. Factoring and SCF are based on the buyer's creditworthiness, not the SME's.

In uncertain economic climates, SMES' agility and survival depend on timely access to working capital. Factoring and supply chain finance provide just that, flexible, scalable, and often digital-first solutions that empower small businesses to maintain operations, invest in growth, and protect jobs.

As economies worldwide continue to navigate volatility, expanding access to these financial tools is not just smart policy; it's essential for building resilient supply chains and inclusive growth.

Arrábida Bridge, River Douro, Porto, Portugal.



Real-World Example – Türkiye

Factoring and supply chain finance provided essential financial lifelines to Turkish exporters in times of crisis by delivering liquidity, reducing credit risk, and enabling better cash flow management. These tools complemented government support mechanisms and helped maintain export continuity, which is critical for Türkiye's economy

Factoring and SCF have played a crucial role in supporting Turkish exporters during periods of economic crisis, such as the 2001 financial crisis, the 2008 global recession, and more recently, during the COVID-19 pandemic, the ongoing currency and inflation volatility since 2018. Here's how these financial tools helped:

Liquidity Support Amid Tight Credit Conditions

Turkish exporters often face difficulty accessing traditional bank credit during crises due to increased risk aversion and higher interest rates. Factoring and SCF helped by:

- **Factoring:** Providing immediate cash by selling receivables, allowing exporters to maintain working capital without waiting 30-90 days for payment from foreign buyers.
- **SCF (e.g., reverse factoring):** This allows suppliers to receive early payments based on the buyer's credit rating, reducing dependency on costly loans.

✔ *Impact: Kept production and export flows going despite domestic credit constraints.*

Risk Mitigation in Volatile Environments

Non-payment risk increases in economic or currency instability (e.g., Turkish lira depreciation). Factoring, especially non-recourse factoring, offers:

- **Credit risk protection:** If the buyer defaults, the factor assumes the loss (in non-recourse agreements).
- **Export factoring** covers political and commercial risks in cross-border transactions, which is especially valuable when dealing with emerging or unstable markets.

✔ *Impact: Reduced exporters' exposure to buyer insolvency and FX-related payment delays.*

Improved Cash Flow Planning and Inventory Management

SCF solutions helped exporters align their payment terms with the cash conversion cycle:

- **Dynamic discounting and early payment programmes** allowed exporters to manage cash flow with more flexibility.
- **Inventory finance** options enabled companies to manage stockpiles without tying up capital.

✔ *Impact: Allowed businesses to forecast cash needs better and avoid disruptions in supply or delivery.*

Supporting SME Exporters

Small and medium-sized exporters, which comprise a significant portion of Turkish exports, are often the most vulnerable in a crisis. Factoring companies (including non-bank factors) stepped in by:

- Offering fast-track credit assessment processes.
- Serving clients with limited collateral or short credit histories.
- Providing multi-currency solutions to cope with FX exposure.

✔ *Impact: Enabled SME exporters to continue operations and grow during downturns.*

Facilitating International Trade

FCI supported Turkish exporters by:

- Connecting them with factors in buyer countries for smoother collections and dispute resolution.
- Enhancing credibility in international markets through confirmed receivables financing.

✔ *Impact: Bolstered trust and trade continuity during periods of global trade slowdown.*

During the COVID-19 crisis, Turkish exporters faced declining orders and longer payment cycles. Factoring volumes increased significantly, particularly export factoring, as firms sought to maintain liquidity and hedge against buyer default risk. The Turkish Factoring Association reported an uptick in SME usage of factoring during 2020–2021.

FCI Academy
Learn from the Global Leaders of Receivables Finance

If you are interested in learning more about factoring and SCF, visit FCI Academy via https://fci.nl/en/academy

2024 Global Industry Activity Report

Introduction

No FCI Annual Review is complete without a deep analysis of the industry, which the Global Industry Annual Report (GIAR) provides to our dear readers. Once again, it is time to reveal the 2024 outcome, as reported by our dedicated members.



**Ciprian Radu,
FCI Business and
IT Solutions Manager**

For the new readers, a short introduction is needed. This report originates from 2009 and includes data derived from the material captured within the FCI survey, which the members have kindly completed. Members from across the world provide FCI with a unique vantage point, sending their insights to FCI and offering a glimpse into their internal data points. The GIAR's scope is to provide a unique analysis of our industry from two different angles: the first being the quantitative and numerical aspects of the global industry, and the other being the usage of a wide range of qualitative elements, which provides an opportunity to assess the general sentiments and opinions of its key participants.

Quantitative Analysis

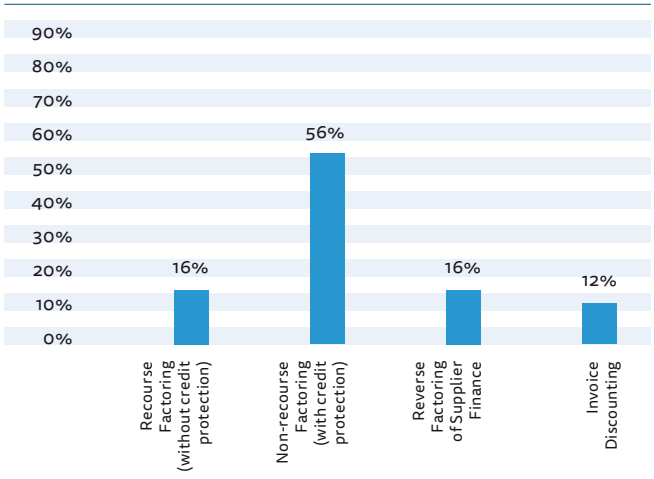
In 2024, as in previous years, I am sorry to report that the basis of our analysis does not incorporate all data. So, as a disclaimer, this report is the closest to reality that can be generated based on the figures we have received to date (approximately a 50% response rate from our members, up from the previous year's 46% response rate). Although the collection percentage is better, the data provided on some topics, especially in the quantitative analysis section, were scarce and, as a consequence, made it difficult to corroborate everything and ultimately to provide a more realistic picture of the global factoring industry.

As in previous years, the principal challenge for the survey continues to be that, in many countries, the infrastructure and capability to collect and analyse data varies dramatically. So, the level of detail the individual markets provide remains highly variable. One of the real challenges for the Receivables Finance (RF) industry is to help people everywhere better understand the importance, value, and power of information to support our public policy/advocacy discussions with governments and central banks globally; hence, the value in collating key and accurate data at the country level. Whilst some countries (usually, but certainly not exclusively the established developed markets) have sophisticated centralised methods for collating market information, others have little provision. Hence, we rely upon the best estimates from experts within these markets.

Enough with the disclaimers! So, here we are, the findings of the 2024 GIAR Report…

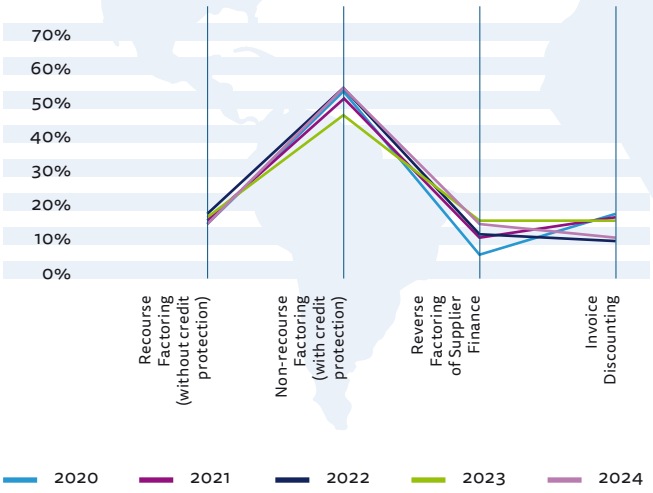
Product analysis: Similar to the 2024 report, we will continue to present how volumes are split by product based on the data we received from our members. Since each member provides different products related to their market, this cannot be denoted as a marker for a specific country.

Product Distribution GIAR 2024



For 2024, we have determined the following product levels: As a comparison with 2023, 2024 shows a bounce back in the use of non-recourse factoring to the percentage of 2022, with 56% (48% in 2023). At least for our members, the non-recourse factoring service remained constant at a high level throughout the years as a means for risk mitigation and off-balance sheet treatment. Traditional non-recourse and Reverse Factoring (also a non-recourse product) have a combined figure of 68% of the total (65% in 2023), while Recourse and Invoice Discounting reached a combined total of 32% (35% in 2023). All these constant values present each year on the product distribution seem to place a conservative light on the factoring industry.

Product Distribution GIAR 5 Years



The above graph shows the last five years of product distribution. Of course, it does not reflect all countries. The relative proportions in individual countries continue to vary, and the individual figures will reflect the local market conditions, as well as the legal and regulatory environments; this chart shows what a 'typical' country distribution looks like. It should be noted that, for example, many countries do not yet record any reverse factoring-type business.

Again, we see that Reverse Factoring (also referred to in certain markets as Supply Chain Finance/Confirming/Payables Finance) continue to be for our members an important product, showing a market share of 16% (17% in 2023, 13% in 2022). The significant increase in market share belies the growth story of this important and relatively new means of receivables finance. As reported by our members, many consumers continue to increase their purchases from large big box' retailers or via large e-commerce platforms, which are users of reverse factoring in many developed economies. As many of these larger, investment-rated corporate buyers have developed SCF programmes to offer their vendors, more and more FCI members have moved into this space. Again, it is to be mentioned that FCI members only capture a small percentage of the total reverse factoring market globally.

Industry Dynamics

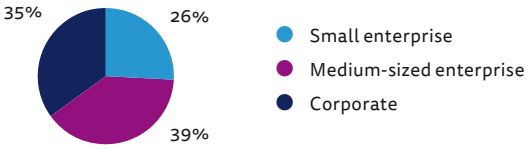
Here you can see how the business has evolved from year to year:
2024 maintained the 2023 single-digit growth rate with 2.7% (3.6% in 2023, 18.3% in 2022). I must share that this value could be higher if we consider that, for some of the countries' estimates, we replicated the last known value since we don't have data successfully collected. Most likely, those marketplaces should have become more mature and, therefore with a better turnover, hence my comment. Nonetheless, GDP penetration for the industry maintained its level of penetration around 4%, a decrease compared to what we had witnessed in previous years (4.27% in 2023, 4.09% in 2022). Europe maintained its previous GDP penetration rate for the industry of 10%, the highest in comparison to all other regions, considering that the industry is quite mature. We used current estimates for 2024 GDP data, the source being IMF datasets available online.

Due to insufficient data provided within the collected data, the usual figures we presented in this section made it difficult to present a meaningful outcome. Hoping that we will have a better outcome for next year's report, these values remained for the figures part:

- The number of companies active in the Factoring Industry that serve the global pool of clients and debtors is estimated to be around 4,451 (4,244 reported in 2023, 4,199 reported in 2022).

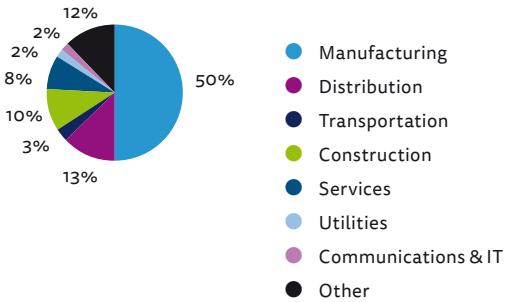
- A look into our member's figures representing their clients' portfolios shows that it mainly consists of SMEs, close to 65% (73% in 2023, 64% in 2022 and 70% in 2021), as shown below:

Total Number of Active Sellers 2024



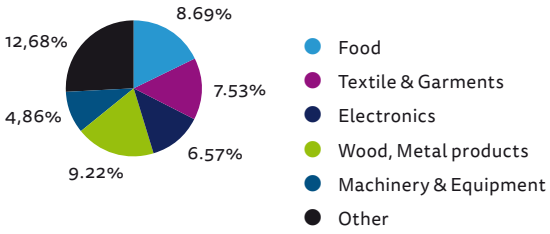
- The members' portfolio represents the breakdown of the types of industries. Again, it seems that the Industry has its weighting towards Manufacturers and Distributors, as shown in the picture below, highlighting the FCI members' feedback. Of course, this cannot be denoted as a marker for a specific country.

Average of Industries Type of Sellers in Members Portfolio 2024



Using the magnifying glass to highlight the impressive Manufacturing figure of 50% (the previous year 48%), we can see the following granular distribution by sub-types:

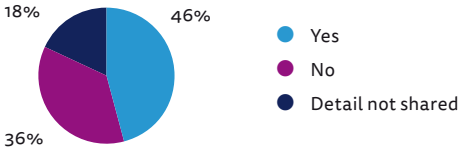
Manufacturing by Type 2024



For 2024, we again have a very high-level view of the distribution of the type of Factoring Companies active in the Receivables Finance Industry like in past years. This data derives from our members' views, as they typically represent the Top 5 Members by market within their countries. Where the figures are available, the top five concentration ratio (CR5) was reported as 86% of the market (85% in 2023, 81% in 2022, 83% in 2021). Bank divisions appear to have decreased their share to 41% (51% in 2023, 49% in 2022, 46% in 2021), bank owned subsidiaries increased compared to last year 30% (23% in 2023, 23% in 2022, 27% in 2021) whilst Independents increased by 4 points from previous year to 15% (11% in 2023, 9% in 2022, 10% in 2021). Again, as reported last year, the domination of commercial banks at the expense of independents continues their strong trend in the industry.

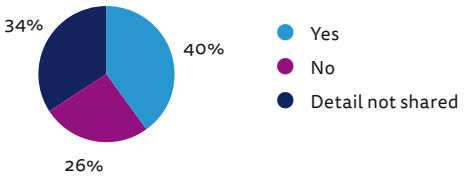
This is the fourth year since we started to collect data about the E-invoicing business (invoices that are issued, transmitted, received, processed, and stored electronically). We have 46% (47% in 2023, 48% in 2022, 44% in 2021) of the population confirming that they use and accept this type of invoicing. Within the 46%, where our responders shared granular data, an average of 61% (66% in 2023, 2022 and 2021) of the total invoices processed were considered E-invoices. The same consideration as in the past report can be maintained where I stated that I can only assume that digital/e-invoices will fully replace traditional paper-based invoices in the near future.

E-invoice among Respondents 2024



The novelty topic for last year, the percentage of the buyer's portfolio that is covered by an insurance company, for 2024 shows 40% (45% in 2023) of our members using an insurance company to cover their buyers, with an average of 44% (42% in 2023) of the buyers being under an insurance company.

Members that use Credit Insurance Coverage for Buyers 2024



Panorama view of Bangkok City skyline and Bhumibol Bridge, Thailand.

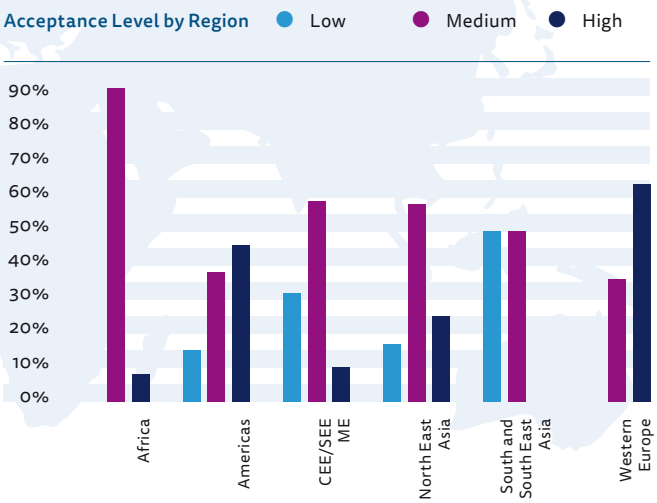


Qualitative Analysis

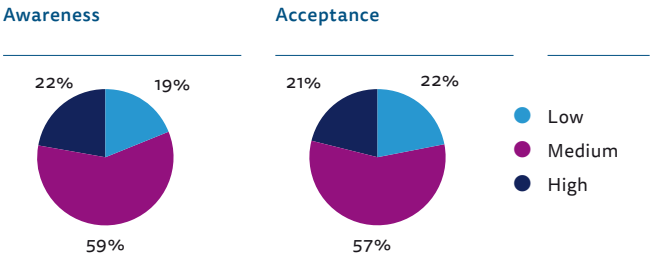
One of the aspects that makes the GIAR survey unique is that it provides an ongoing record and analysis of the perceptions within the Industry on a wide range of topics and trends, including their potential effect on the Industry and their future development. Each year we ask respondents to give their view on the status and direction of the Industry in their own country. Our sample data for this analysis includes members' views from 56 countries/territories (46 countries/territories in 2023, 51 countries/territories in 2022) that responded to the FCI survey.

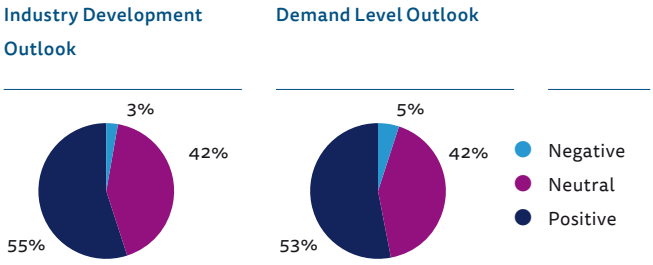
The first and key element to consider is *Factoring Awareness & Acceptance*. This query aims to reflect the respondents' view on how they perceive the awareness and acceptance within their own country.

For the year 2024, compared to 2023, there is still room for a considerable opportunity to build and develop on past successes within the Industry. For Awareness, the 'High' position for 2024 decreased to 22% from 28%, with 6 points shared equally on the expense of the 'Medium' position (56% for 2023) to the current 59% and 'Low' position (16% in 2023) to current 19%. On the Acceptance of the product, we see a drop to last year's figure at 21% (22% in 2023), and the same for medium to 57% from 58% recorded in 2023. The low position gained 2 points and reached 22% (20% in 2023).

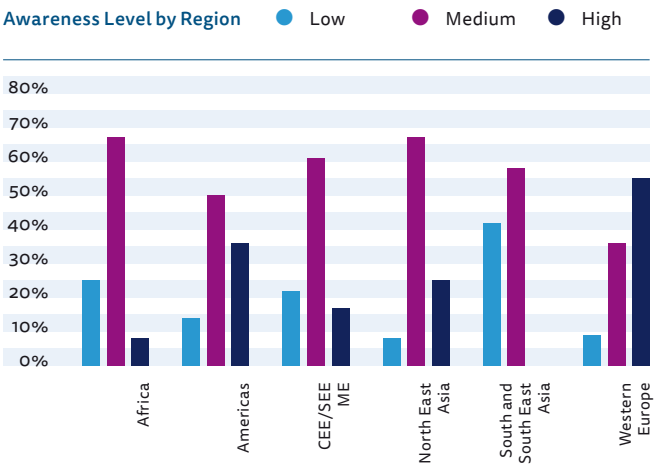


The trust in *industry resilience* is fully confirmed by the responses. Respondents continue to demonstrate a high level of confidence and optimism that the Industry has the capacity to continue to support businesses with an important role in supporting SMEs and the real economy on a global scale. In 2024, the trust in development outlook had an optimistic level of 55%, with a slight decline from 56%. Negative remained constant at 3%. For the question "Would factoring still be considered a demanded product?" confidence remains steady at 53%, matching our previous report. Our most pessimistic respondents on this topic are now at 5%; in 2023, we had 8%. Neutral position gained points on each question.

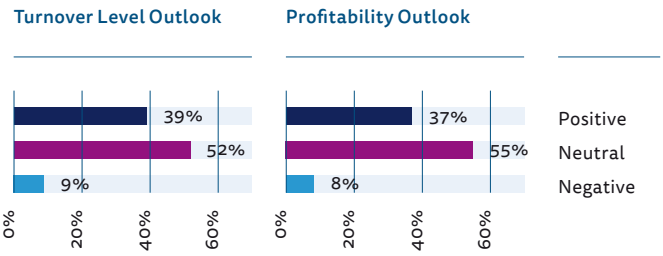




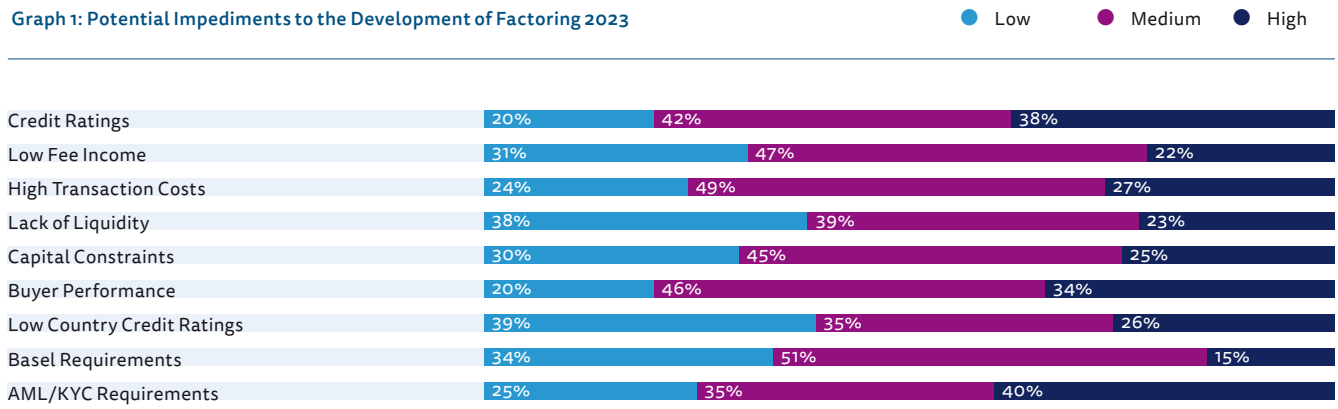
In a broader view, by region, shown below is the Awareness and Acceptance view:



Pessimism for Turnover decreased to 9% in 2024 (12% in 2023), while the 39% positive (42% in 2023) view for Turnover level, paired with a 37% positive (35% in 2023) profitability, we can conclude that confidence in the product is still strong but with a more pragmatic view shown by the increase in the neutral views, especially in parallel with the small single-digit increase in factoring Turnover of 2024 versus 2023.

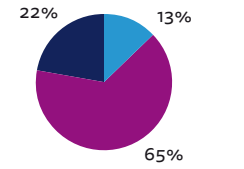


Graph 1: Potential Impediments to the Development of Factoring 2023

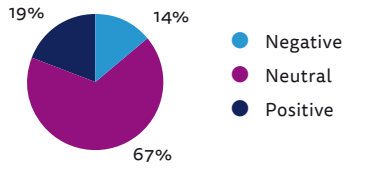


On the risk management front, responses to the questions in terms of their outlook for client and debtor risk in their markets show a boost of confidence in relation to Client/Debtor risk, having a positive view with a combined total of 41% (22% from clients coupled with 19% from debtors) while in 2023, this total was 36% (19% from clients coupled with 17% from debtors) mirrored by a total negative view of 27% (13% from clients coupled with 14% from debtors) while in 2023 this total was 38% (19% from clients coupled with 19% from debtors).

Client Risk Outlook



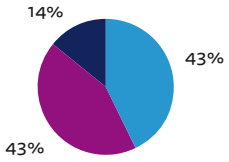
Debtor Risk Outlook



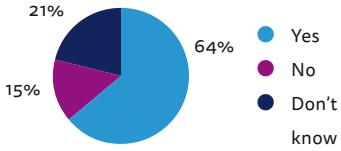
We also looked at a number of variables impacting factoring. Almost each of the impediments compared to 2023 presented variations. AML/KYC showed a 'High' level with a 39% position as an impediment to the industry (41% in 2023). Higher transactional costs are now viewed at 27% rather than 28% in 2023. Credit ratings also slightly increased from 35% in 2023 to 38% in 2024. Also, liquidity showed that 23% see it now as a high impediment rather than 24% in 2023. *(Graph 1)*

Moving forward towards the last part of our survey, we can spot changes in the views of members relating to the shortfall of factoring in a negative way. 43% of our respondents see a shortfall, compared to 45% in 2023. Trade protectionism fears increased from 61% in 2023 to 64%. While we keep mentioning past experiences like the US-China trade war or Brexit finalisation that might have left some scars and lessons learned, and with the war in the east part of Europe, another added reason might be from the recent changes that took place in the political administrations, having in mind that 2024 was an Election year in Europe and the United States. An extra comment in support of my earlier latter part of the listing would be that our data is collected in the first part of 2025, so it is possible that the received responses might be affected by the ongoing events.

Shortfall of Factoring to fund International Business?



Could Protectionism widen any Trade Finance Gap even more?



Conclusion

Looking at the timeline, 2022 was a great year for factoring with impressive growth signs; 2023 presented a more moderate and toned-down picture, focused on prudence, while 2024 showed a continuation of the previous year's prudence with some signs of hope. I believe that 2024 confirmed that factoring is still on a growing path (moderate one) and also a viable solution, especially during challenging times. This endurance was tested in the past and will definitely be tested for sure in 2025, considering the tumultuous start generated by the US swift change in its attitude with a focus into its trade deficits and tariffs towards its trade partners. This has generated some waves in the financial world and some looming trade wars to re-ignite. Meanwhile, things might have toned down to a more stable environment, but some shocks were felt, and the actual outcome is still to be understood. Time will certainly tell.

In conclusion, we would like to thank all country respondents for their hard work in gathering this data on behalf of their countries and sharing it with us year after year.
We could never do this without you!
Thank you!

FCI Expressed in Figures

For the calendar year 2024, the number of members who contributed to the FCI Survey was slightly above 50% (47% in 2023), and their total volume amounted to EUR 1,529 billion (EUR 1,517 billion in 2023). Therefore, all data hereafter relates exclusively to these actual figures.

Comparing the data with 2023 figures, we observed in 2024 a stagnation of the positive trends in Domestic factoring, while for International, we noted a recovery with a double-digit increase (around 12%). For Domestic factoring, 2024 showed mixed trends, with remarkable results in Non-recourse, Non-notification and Islamic factoring and a double-digit decrease for Invoice Discounting and Recourse. Reverse kept its level with a similar turnover as in the previous year. For International, shared turnover for Export and Import were the only figures that presented positive values. Export Invoice discounting reported a double-digit decrease.

Domestic factoring's share of the total volume maintained a high value, similar to that of last year, and stayed around **82%** (84% in 2023), of which 12% accounts for recourse factoring, 49% for non-recourse, 11% for invoice discounting, 19% for reverse, 5% for collection only, and 4% for non-notification.

Grouped **Export factoring** and **Direct export invoice discounting** show an increase from last year, accounting for **15%** of the total (13% in 2023). The export factoring volume that relates to the two-factor business remained close to the 2023 value, with approximately 6% of the total, while Direct Export is 94%. Invoice Discounting recorded a 36% YOY decrease in 2024, while Direct Export recorded a 53% YOY increase.

Import factoring accounted for **2%** of the total, where 55% represents two-factor business.

Reverse factoring accounts for the remaining **1%**.

The following chart shows the actual contributions received from the Members, along with their 2024 countries estimates. From a currency perspective, while in 2023, the US dollar view showed a better outcome, for 2024, with the weakening of the US dollar, the same picture viewed in US Dollar currency shows a completely opposite outcome, with very few values on the positive side.

Accumulative Turnover Figures for All FCI Members Compared to Worldwide Factoring Turnover — in millions of EUR

	2018	2019	2020	2021	2022	2023	2024	Variation 2023/2024
Invoice Discounting	266,606	263,236	189,095	192,244	119,309	204,240	137,116	-32.9%
Recourse Factoring	245,583	191,167	143,882	138,914	169,747	180,598	158,578	-12.2%
Non-Recourse Factoring	482,885	474,564	494,366	554,512	552,369	550,115	617,010	12.2%
Collections	57,185	53,693	49,954	53,106	56,685	58,724	59,193	0.8%
Non-Notification Factoring				17,621	48,789	42,934	52,536	22.4%
Reverse	89,482	139,358	76,305	151,344	171,238	240,963	235,140	-2.4%
Islamic Factoring		0	81	145	147	25	59	132.9%
Total Domestic Factoring FCI	**1,141,741**	**1,122,019**	**953,682**	**1,107,887**	**1,118,285**	**1,277,599**	**1,259,632**	**-1.4%**
Export Factoring	211,195	216,721	158,990	139,332	188,672	142,844	192,082	34.3%
Import Factoring	31,719	28,464	18,095	21,753	27,168	21,402	23,381	9.2%
Export Invoice Discounting	59,569	47,467	33,717	49,574	39,615	57,536	36,858	-35.9%
Reverse	7,638	6,075	6,446	6,185	15,322	17,891	16,582	-7.3%
Total International Factoring FCI	**310,120**	**298,727**	**217,249**	**216,844**	**270,777**	**239,673**	**268,904**	**12.2%**
Grand Total FCI	**1,451,861**	**1,420,746**	**1,170,931**	**1,324,731**	**1,389,062**	**1,517,272**	**1,528,536**	**0.7%**
World Domestic Factoring	2,244,214	2,375,406	2,206,000	2,496,438	2,956,642	3,094,945	3,227,306	4.3%
World International Factoring	522,852	541,699	520,728	597,268	702,562	696,509	667,325	-4.2%
World Total	**2,767,067**	**2,917,105**	**2,726,728**	**3,093,706**	**3,659,204**	**3,791,455**	**3,894,631**	**2.7%**

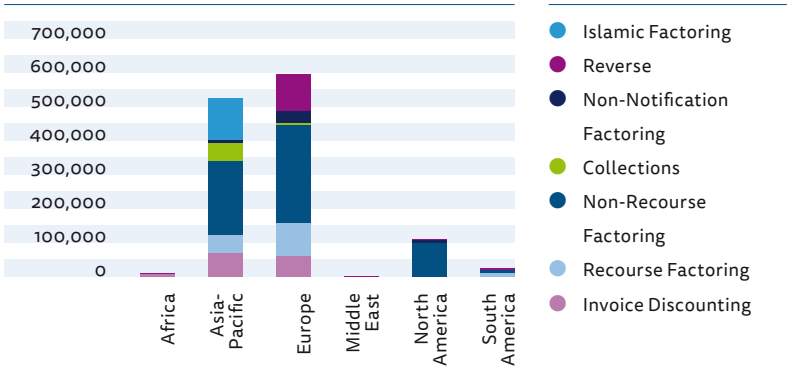
in millions of USD

World Total	**3,172,165**	**3,266,866**	**3,353,875**	**3,503,623**	**3,917,178**	**4,188,420**	**4,052,753**	**-3.2%**

All contributions by continent to FCI Members' domestic volume show **Europe** at the top by far, with **47%** (58% in 2023). In Europe, Non-Recourse volume accounts for 49% of the total (40% in 2023), Recourse volume 16% (15% in 2023), whilst Invoice Discounting volume shows 10% (20% in 2023) and Reverse volume at 18% (19% in 2023). **Asia Pacific** accounts for **41%** (35% in 2023), **Americas** for **11%** (6% in 2023) and **Africa and Middle East** with a total of **1%**, keeping the same ratio as it was in 2023, fills the picture for Domestic volume.

FCI Members Domestic Volume 2024

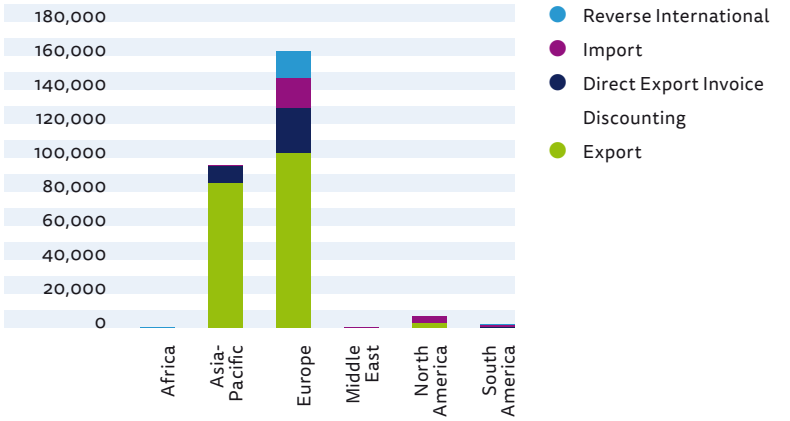
in millions of EUR



When breaking down the FCI Members International Factoring (Export and Import) volume by continent, **Europe** registered a slight decrease, accounting for **60%** of the total (61% in 2023). **Asia Pacific** shows an increase, with **36%** of the total (34% in 2023). The **Americas** accounted for a slight decrease, with one point from the previous year reaching **3%**, whilst **Africa and the Middle East** combined represented less than **1%**, maintaining their previous position from 2023.

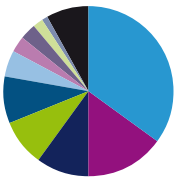
FCI Members International Volume 2024

in millions of EUR



When breaking down the volume of FCI Member Countries/Territories on Domestic volume, the "Top Ten" add up to 92% of the total volume, having China in first position with 35%, followed by Spain with 16%, Italy with 10%, France (9%), United States (8%), Japan (5%), Poland and Germany with 3% each, Greece (2%) and ending with Türkiye (1%).

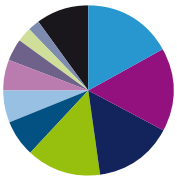
Share of 2024 FCI Domestic Factoring Volume



China	35%	Poland	3%
Spain	15%	Germany	3%
Italy	10%	Greece	2%
France	9%	Türkiye	1%
United States	9%	Rest	8%
Japan	5%		

When breaking down the volume of FCI Member Countries/Territories International Factoring volume, we find the "Top Ten" adding up to 90% of the total volume, having Germany in the first position with 17%, followed by Taiwan with 16%, Spain with 15%, Italy (14%), Singapore (7%), China and Hong Kong with 6% each, Poland (4%), France (3%) and ending with Austria (2%).

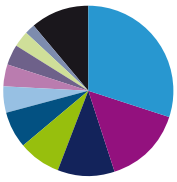
Share of 2024 FCI International Factoring Volume



Germany	17%	Hong Kong	6%
Taiwan	16%	Poland	4%
Spain	15%	France	3%
Italy	14%	Austria	2%
Singapore	7%	Rest	10%
China	6%		

The volume of the "Top Ten" FCI Members' Total Factoring volume by Country/Territory accounts for 90% of the total, China leading the way with 30%, followed by Spain with 15%, Italy with 11%, France (8%), United States (7%), Germany (5%), Japan and Taiwan with 4% each, Poland (3%) and ending with Singapore (2%).

Share of 2024 FCI Factoring Volume



China	30%	Japan	4%
Spain	15%	Taiwan	4%
Italy	11%	Poland	3%
France	8%	Singapore	2%
United States	7%	Rest	11%
Germany	5%		

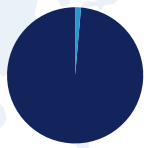
Factoring Turnover by Country/Territory in 2024

in millions of EUR

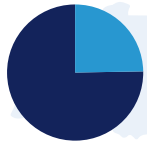
● EUF ● FCI estimate

Country/Territory	Domestic (*)	International(*)	Total	Companies(*)
Africa				
Botswana	28	9	37	19
Cameroon	300	–	300	2
Congo, Republic of the	32	–	32	2
Egypt	1,270	140	1,410	32
Kenya	5	1	6	4
● Mauritius	300	100	400	6
● Morocco	4,681	319	5,000	7
Senegal	119	–	119	3
South Africa	42,490	138	42,628	110
Tunisia	324	7	331	5
Uganda	8	–	8	2
Total Africa	**49,557**	**714**	**50,271**	**192**
Asia Pacific				
China	632,000	47,000	679,000	2,000
Hong Kong	8,748	23,328	32,076	9
India	36,500	1,700	38,200	10
Indonesia	321	137	458	60
● Japan	65,000	600	65,600	5
Korea	16,387	9,217	25,604	21
Mongolia	44	–	44	2
New Zealand	35	–	35	1
Singapore	25,000	35,000	60,000	66
● Sri Lanka	20	200	220	1
● Taiwan	13,355	44,000	57,355	20
● Thailand	4,564	20	4,584	10
● Vietnam	900	350	1,250	8
Total Asia-Pacific	**802,874**	**161,552**	**964,426**	**2,213**
Europe				
Armenia	80	20	100	5
● Austria	15,755	20,489	36,244	4
Azerbaijan	106	6	112	1
Belarus	455	240	695	14
● Belgium	138,610	–	138,610	5
Bosnia Herzegovina	69	–	69	4
Bulgaria	4,200	3,100	7,300	8
● Croatia	1,100	400	1,500	10
Cyprus	4,066	933	4,999	6
● Czech Republic	8,511	3,274	11,785	6
● Denmark	10,395	9,077	19,472	9
Estonia	3,900	–	3,900	11
Finland	28,000	–	28,000	5
● France	270,257	161,124	431,381	12
Georgia	268	7	275	4
● Germany	276,000	122,000	398,000	180
● Greece	23,685	3,500	27,185	8
Hungary	14,332	1,506	15,838	20
Ireland	28,617	–	28,617	6
● Italy	223,157	75,381	298,538	30
Kosovo	30	–	30	3

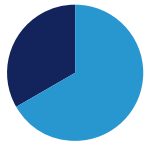
Total Factoring Volume



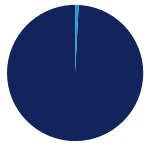
Africa 1.29%



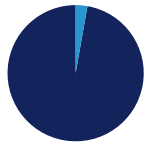
Asia-Pacific 24.76%



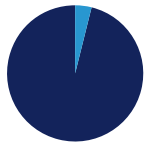
Europe 66.77%



Middle East 0.21%



North America 3.05%



South America 3.92%

** Some figures used in the table might be data from previous years where the information received by the members lacked*

Factoring Turnover by Country/Territory in 2024

in millions of EUR

● EUF ● FCI estimate

Country/Territory	Domestic (*)	International(*)	Total	Companies(*)
Latvia	574	430	1,004	8
● Lithuania	5,100	100	5,200	12
Malta	696	–	696	3
● Moldova	10	10	20	7
● Netherlands	157,039	–	157,039	5
North Macedonia	35	27	62	5
● Norway	26,965	–	26,965	4
● Poland	93,846	16,387	110,233	23
● Portugal	39,874	5,820	45,694	14
Romania	8,221	1,135	9,356	14
Russia	78,299	–	78,299	34
● Serbia	2,150	100	2,250	31
Slovakia	2,010	1,076	3,086	5
Slovenia	1,200	1,500	2,700	27
● Spain	233,252	33,400	266,652	24
Sweden	21,473	–	21,473	15
Switzerland	2,620	87	2,707	5
Türkiye	33,232	2,883	36,115	59
Ukraine	122	–	122	16
● United Kingdom	350,955	27,023	377,978	58
Total Europe	**2,109,266**	**491,035**	**2,600,301**	**720**
Middle East				
Israel	2,500	400	2,900	8
Lebanon	83	–	83	3
Oman	93	–	93	4
UAE	3,500	1,500	5,000	4
Total Middle East	**6,176**	**1,900**	**8,076**	**19**
North America				
● Canada	1,850	1,400	3,250	5
● USA	110,000	5,500	115,500	250
Total North America	**111,850**	**6,900**	**118,750**	**255**
South America				
Argentina	5,200	30	5,230	8
Brazil	31,102	160	31,262	600
Chile	38,500	3,000	41,500	200
Colombia	7,960	350	8,310	15
Costa Rica	1,150	–	1,150	6
Dominican Republic	13	9	22	30
Guatemala	160	–	160	15
● Honduras	100	–	100	10
● Mexico	30,210	1,200	31,410	20
Peru	32,928	455	33,383	146
● Uruguay	260	20	280	2
Total South America	**147,583**	**5,224**	**152,807**	**1,052**
Grand Total	**3,227,306**	**667,325**	**3,894,631**	**4,451**



Octávio Frias de Oliveira Bridge across the Pinheiros River, São Paulo, Brazil.

Total Factoring Volume by Country/Territory in the Last 7 Years

in millions of EUR

● EUF ● FCI estimate

	2018	2019	2020	2021	2022	2023	2024	Var 2023/2024
Africa								
Botswana	–	–	180	180	180	37	37	0.0%
Cameroon	–	–	–	–	–	300	300	0.0%
Congo, Republic of the	–	–	–	–	–	30	32	6.7%
Egypt	517	589	604	1,153	1,181	1,287	1,410	9.6%
Kenya	–	–	–	6	6	6	6	0.0%
● Mauritius	227	230	203	250	144	325	400	23.1%
● Morocco	2,532	2,532	2,532	2,532	2,532	2,350	5,000	112.8%
Senegal	–	–	–	–	–	119	119	0.0%
South Africa	18,582	20,873	21,465	27,905	37,393	42,628	42,628	0.0%
Tunisia	316	338	258	311	378	392	331	-15.6%
Uganda	–	–	–	8	8	8	8	0.0%
Total Africa	**22,174**	**24,562**	**25,242**	**32,345**	**41,822**	**47,481**	**50,270**	**5.9%**
Asia Pacific								
Australia	54,330	54,330	54,330	54,330	54,330	54,330	0	-100.0%
China	411,573	403,504	433,162	469,575	576,885	634,574	679,000	7.0%
Hong Kong	53,500	48,150	45,743	44,000	45,000	35,920	32,076	-10.7%
India	4,532	5,089	3,562	8,600	15,771	17,378	38,200	119.8%
Indonesia	–	458	458	458	458	458	458	0.0%
● Japan	49,348	49,446	51,225	58,666	57,277	60,622	65,600	8.2%
Korea	25,645	26,927	25,604	25,604	25,604	25,604	25,604	0.0%
Malaysia	4,459	4,459	4,459	4,459	4,459	4,459	0	-100.0%
Mongolia	–	–	–	–	44	44	44	0.0%
New Zealand	–	35	35	35	35	35	35	0.0%
Singapore	44,000	39,600	29,034	29,034	44,000	60,000	60,000	0.0%
● Sri Lanka	–	200	200	200	200	200	220	10.0%
● Taiwan	41,198	48,419	42,500	49,000	50,000	43,000	57,355	33.4%
● Thailand	5,877	5,877	5,877	6,105	6,105	4,310	4,584	6.4%
● Vietnam	1,100	1,100	904	1,030	1,144	1,144	1,250	9.3%
Total Asia Pacific	**695,562**	**687,594**	**697,093**	**751,096**	**881,312**	**942,078**	**964,426**	**2.4%**
Europe								
Armenia	135	150	160	160	164	95	100	5.3%
● Austria	24,107	27,220	26,762	30,459	35,884	36,463	36,244	-0.6%
Azerbaijan	–	112	112	112	112	112	112	0.0%
Belarus	380	570	610	754	636	695	695	0.0%
● Belgium	76,340	84,819	81,716	99,368	124,166	135,734	138,610	2.1%
Bosnia Herzegovina	–	91	50	69	69	69	69	0.0%
Bulgaria	3,211	3,532	3,300	5,100	7,599	6,885	7,300	6.0%
● Croatia	1,094	1,140	1,132	1,230	1,365	1,415	1,500	6.0%
Cyprus	3,585	3,181	2,940	3,200	4,807	4,775	4,999	4.7%
● Czech Republic	6,778	7,240	6,990	9,224	11,857	11,668	11,785	1.0%
● Denmark	18,637	18,838	18,695	21,910	25,532	19,494	19,472	-0.1%
Estonia	3,600	3,900	3,900	3,900	3,900	3,900	3,900	0.0%
Finland	25,800	28,000	28,000	28,000	28,000	28,000	28,000	0.0%
● France	320,409	349,714	323,567	364,900	421,500	426,600	431,381	1.1%
Georgia	28	137	152	185	247	182	275	51.1%
● Germany	244,300	275,491	275,000	309,400	372,923	384,444	398,000	3.5%
● Greece	14,635	15,045	14,430	17,656	23,507	24,690	27,185	10.1%
Hungary	6,911	8,550	8,820	10,671	12,053	13,824	15,838	14.6%
Ireland	26,294	28,617	28,617	28,617	28,617	28,617	28,617	0.0%
● Italy	247,430	263,364	234,842	258,350	296,106	298,678	298,538	0.0%

Total Factoring Volume by Country/Territory in the Last 7 Years

in millions of EUR

● EUF ● FCI estimate

	2018	2019	2020	2021	2022	2023	2024	Var 2023/2024
Kosovo	–	–	30	30	30	30	30	0.0%
Latvia	784	805	815	823	920	802	1,004	25.2%
● Lithuania	3,660	3,400	2,700	3,300	5,500	5,160	5,200	0.8%
Luxembourg	339	339	339	339	339	339	0	-100.0%
Malta	554	696	696	696	696	696	696	0.0%
● Moldova	4	5	5	3	5	9	20	122.2%
● Netherlands	98,368	112,148	113,758	131,940	163,663	168,528	157,039	-6.8%
North Macedonia	–	–	23	25	25	38	62	63.2%
● Norway	25,923	26,441	25,235	28,105	30,914	26,173	26,965	3.0%
● Poland	56,474	66,141	62,864	78,950	98,201	103,489	110,233	6.5%
● Portugal	31,757	33,800	31,468	34,487	42,078	44,193	45,694	3.4%
● Romania	5,007	4,854	5,023	5,990	7,847	8,660	9,356	8.0%
Russia	43,840	45,125	42,302	68,684	82,600	78,299	78,299	0.0%
● Serbia	650	883	930	1,080	1,690	2,100	2,250	7.1%
Slovakia	2,521	2,032	1,604	2,263	2,914	2,914	3,086	5.9%
Slovenia	1,400	2,000	1,750	2,000	2,190	2,500	2,700	8.0%
● Spain	166,391	185,559	182,264	199,364	257,636	270,393	266,652	-1.4%
Sweden	19,822	20,625	20,625	21,473	21,473	21,473	21,473	0.0%
Switzerland	593	593	593	593	2,707	2,707	2,707	0.0%
Türkiye	26,894	21,857	18,966	15,944	24,094	26,650	36,115	35.5%
Ukraine	295	258	258	258	592	592	122	-79.4%
● United Kingdom	320,193	328,966	272,677	328,429	353,539	363,182	377,978	4.1%
Total Europe	**1,829,143**	**1,976,239**	**1,844,721**	**2,118,041**	**2,498,697**	**2,555,266**	**2,600,301**	**1.8%**
Middle East								
Israel	2,665	2,734	3,748	4,000	4,200	4,200	2,900	-31.0%
Lebanon	675	675	675	83	83	83	83	0.0%
Oman	–	93	93	93	93	93	93	0.0%
UAE	5,500	6,435	5,000	5,000	5,000	5,000	5,000	0.0%
Total Middle East	**8,840**	**9,937**	**9,516**	**9,176**	**9,376**	**9,376**	**8,076**	**-13.9%**
North America								
● Canada	2,280	2,985	2,448	2,700	3,100	3,100	3,250	4.8%
● USA	87,821	83,757	64,150	94,300	100,800	89,700	115,500	28.8%
Total North America	**90,101**	**86,742**	**66,598**	**97,000**	**103,900**	**92,800**	**118,750**	**28.0%**
South America								
Argentina	3,064	4,133	2,662	3,502	4,114	2,360	5,230	121.6%
Brazil	47,281	46,711	18,850	20,998	26,679	30,948	31,262	1.0%
Chile	26,500	33,600	27,000	29,400	41,000	42,000	41,500	-1.2%
Colombia	7,142	7,667	5,525	6,241	8,260	8,310	8,310	0.0%
Costa Rica	–	–	836	900	900	1,441	1,150	-20.2%
Dominican Republic	302	337	253	276	276	276	22	-92.0%
Guatemala	282	300	300	300	300	160	160	0.0%
● Honduras	67	75	52	52	80	80	100	25.0%
● Mexico	24,477	25,200	14,361	16,994	34,179	35,500	31,410	-11.5%
Peru	12,023	13,905	13,657	7,270	8,194	23,161	33,383	44.1%
● Uruguay	110	103	63	115	115	217	280	28.9%
Total South America	**121,248**	**132,031**	**83,559**	**86,048**	**124,097**	**144,453**	**152,807**	**5.8%**
Total World EUR	**2,767,068**	**2,917,105**	**2,726,728**	**3,093,706**	**3,659,204**	**3,791,455**	**3,894,631**	**2.7%**
Total World USD	**3,172,165**	**3,266,866**	**3,353,875**	**3,503,623**	**3,917,178**	**4,188,420**	**4,052,753**	**-3.2%**



On 22-26 June 2025, FCI's 57th Annual Meeting took place in Rio de Janeiro, Brazil. The cover shows the moon rising over Juscelino Kubitschek Bridge across Lake Paranoá, Brasilia, Brazil. (Photo: © Marcos / Adobe Stock Images)

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FCI Office
Keizersgracht 559
1017 DR Amsterdam
The Netherlands
Telephone +31 20 627 03 06

E-mail: fci@fci.nl
www.fci.nl

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FCI Office
Keizersgracht 559
1017 DR Amsterdam
The Netherlands
Telephone +31 20 627 03 06

E-mail: fci@fci.nl
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