

# IN-SIGHT

Connecting and Supporting the Open Account Receivables Finance Industry Worldwide

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# EXECUTIVE SUMMARY



**GWENDOLINE DE VIRON**  
Head of Marketing and  
Communication

Dear Reader,

Welcome to the latest edition of In-Sight!

In this issue, we hear from [FCI's Chair, Ms Daniela Bonzanini](#), as she shares the updates that have taken place within FCI, highlighting the increase of membership, the progress of the Executive Committee in terms of the Strategic Plan. [FCI's Secretary General, Mr Peter Mulroy](#), explores the growth from the first half of the year and highlights how even through the current global economic environment, the most positive trend has been the growth in cross border factoring activity.

In the Connect section of this edition, Mr Nassourou Aminou, Regional Manager for Africa, highlights the latest workshop on [building Factoring capacity in the West African Region](#), hosted by BCEAO Central Bank, Afreximbank and FCI. Ms Betul Kurtulus, Regional Director CEE and SEE and the Middle East, shares an [update on the CEE and SEE region](#). She explains how the Russia/Ukraine war is impacting the region, and how factoring has seen huge growth as more companies look to it for cash flow during challenging times. Regional Manager for the SSEA Region, Mr Thompson Lui, discusses [where South and Southeast Asia is headed in the future](#). He touches on how FCI is in the process of implementing a new category of Members to facilitate and support the platform providers facilitating risk mitigation and international trade financing transactions.

In a follow on from the '[Meet the Directors](#)' segment, we have interviewed our staff and Secretariat so you can get to know them a little more. Read the article and get to know, Ms Monica Martin Blanco (FCI SCF Consultant), Mr Kyle Mota (FCI Director of Administration) and Mr. Ciprian Radu (FCI Manager of Business and IT Solutions). In this edition, we welcome and introduce our [new Associate Members](#); Bank of Jordan, INDOOGOO & Techcombank and our new Sponsor Member; Comarch.. We get to know each of the FCI Technical Committees and their members, in this issue we introduce the [Business and IT Solution Committee](#), otherwise known as 'ComCom'.

In the Education section of this issue, Ms Aysen Cetintas, FCI Education Director, shares news on how FCI is collaborating with Afreximbank and the AUC School of Business to launch the '[Certificate of Trade Finance in Africa](#)' programme, following the signing ceremony at the 54<sup>th</sup> Annual Meeting. FCI Deputy Education Director, Mr Spyros Tsois, gives information on the upcoming [Legal Webinar for the Latin American and Caribbean region](#). This webinar will be hosted in Spanish and will explore the topic of "Contract & Rules: The Key Elements for correct Factoring & Supply Chain Finance Transactions".

In the Influence section of this edition, Ms Luiza Buserska, Corporate Communications Executive at CODIX, explains [how banks in the eurozone will need to develop strategies to account for climate change risks](#). Mr Zhixian Tang, Head of Trade Finance Department at ICBC Seoul Branch, shares his thoughts on the [changing landscape of Trade Finance](#). Finally, we finish off with the '[FCI Spreading its wings](#)' segment, highlighting what the FCI staff have been up to over the last quarter including participation in other organisations' events.

We hope you enjoy the reading!

Gwendoline



**DANIELA BONZANINI**  
Chairwoman of FCI

# **WELCOME FROM DANIELA BONZANINI**

## **Chairwoman of FCI**

Dear Friends and Colleagues,

Welcome to the FCI In-Sight August 2022 edition. Following a highly successful Annual Meeting in Washington DC in June, we were finally able to return to hosting an in-person event for the first time in over three years. We asked our attendees to let us know what they thought about it and if they had any suggestions for the 2023 Annual Meeting, hosted in Marrakesh on 17-21 September. The results showed satisfaction on par with last year and better in other areas, which is an excellent sign. As part of our drive to highlight the unique and sometimes quite creative transactions that our members develop, we launched a new campaign at the Annual Meeting to award the "Best Deal of the Year" conducted on the Edifactoring platform. It's a great way to share successful international business cases.

With the new version of the Edifactoring platform, we have invested heavily to upgrade the platform and increase the level of security for our members. In Phase 2 of the project, we plan to incorporate buyer/ seller onboarding, and the new version will have the possibility to include blockchain security enhancements in the future, based on the creation of nodes within the membership to store data in order to create an enhanced security environment. We feel these investments into the platform will elevate it into the new tech era.

The world is still facing many uncertainties with consequential adverse economic impacts, with credit risk expected to rise in the year's second half. For this reason, the importance of factoring is crucial to support SMEs by improving their awareness and understanding of the product; FCI will continue to maintain close relations with its members and develop more synergies with Development Banks in particular about the program, providing guarantees protecting the default of an IF to pay an EF.

This year we have seen a significant increase in applications: 30 new members have joined FCI, and ten are in the pipeline to become members. This is a true testament to our dedication to the industry through advocacy, education and global network. While the increase is rewarding and a great sign, our Regional Directors and Managers are working on bringing our frozen members back on board and opening up discussions with ex-members who are still active in the industry.

Recently the FCI Academy announced the release of the first educational offering (Introduction to Factoring and Receivables Finance Course) available on-demand, meaning that when you register and pay, you can start immediately. Furthermore, FCI has been involved in developing and reviewing the UNIDROIT Model Law on Factoring. On 8 August, we released a circular to all our members to review and provide feedback. Once again, we urge all members to participate and submit their comments to ensure we represent and share the concerns and suggestions of our members with the UNIDROIT during its next meeting.

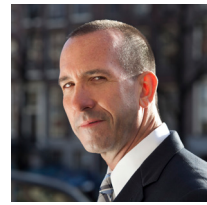
The Executive Committee will continue to work on the strategic plan, and the members will be kept informed about future developments, which will get discussed in the future Executive Committee meeting.

Kind regards,

Daniela

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PETER MULROY  
Secretary General

# A WORD FROM THE SG MID YEAR 2022 REPORT:

## INTERNATIONAL FACTORING EXPERIENCING RECORD GROWTH



### International Factoring

If someone had to describe during our 50th anniversary in June 2018 in Amsterdam that for the next five years, the launch of a major trade war between China and the US, the onslaught of one of the worst pandemics in over a century, and the sound of gunfire and fighting on European soil, I would have told the person they are delusional. But this is the reality for us all. Coupled with this rapid inflationary environment and supply chain bottlenecks, we live in uncertain times. And although factoring typically rides the waves during the economic upheaval, one of the shining stars in this crazy environment has been the explosion in cross-border factoring activity.

Through the first seven months of 2022, total international factoring, as reported by edifactoring, has increased by nearly 34%. This is a staggering turnaround after we experienced a relatively flat period from 2016-2018 and, of course, a significant decline in 2019-2020 due to the trade war and the pandemic.

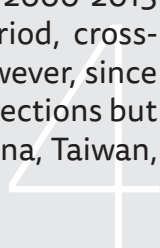
The top ten countries by market share driving this growth YTD 2022 include:

	Country/ territory	% Change
1	Turkey	+35%
2	Spain	+61%
3	Italy	+9%
4	India	+98%
5	Romania	+41%
6	Greece	+25%
7	China	+135%
8	Peru	+134%
9	Singapore	+122%
10	Japan	+106%

In the last In-Sight edition, I also reported that the overall volume for the year 2022 had increased by 15%. Hence if you combine the 1H 2022 with the growth in 2021, this represents a nearly 50% increase since the crash in 2020, which represents a staggering turnaround. That year edifactoring volume had declined by nearly 33%. As a result, the FCI solution is returning to a positive trajectory!

But as they say, you must know where you came from before you can look ahead. FCI had nearly 3-years of challenges during this crisis period after a nearly 15-year growth spurt from 2000-2015 of astronomical proportion. During this recent period, cross-

border factoring grew in market share from 3% of global factoring to over 20%. However, since then, it has been a bumpy road. The protraction was coming from several different directions but mainly stemming from a decline in volume from three of five primary countries: China, Taiwan, and Singapore as seen in the chart on the next page:



Country/ Territory	Exports 2019	Exports 2020	Exports 2021	5-Year CAGR
CHINA	529,196,114	244,910,860	262,643,867	-29.6%
HONG KONG	302,877,475	347,183,597	403,163,517	+15.2%
TAIWAN	4,051,644,903	1,723,060,738	1,796,646,558	-33.4%
SINGAPORE	1,024,700,335	353,474,328	324,996,515	-43.7%
TURKEY	1,929,952,056	1,571,295,636	2,138,731,277	+5.3%

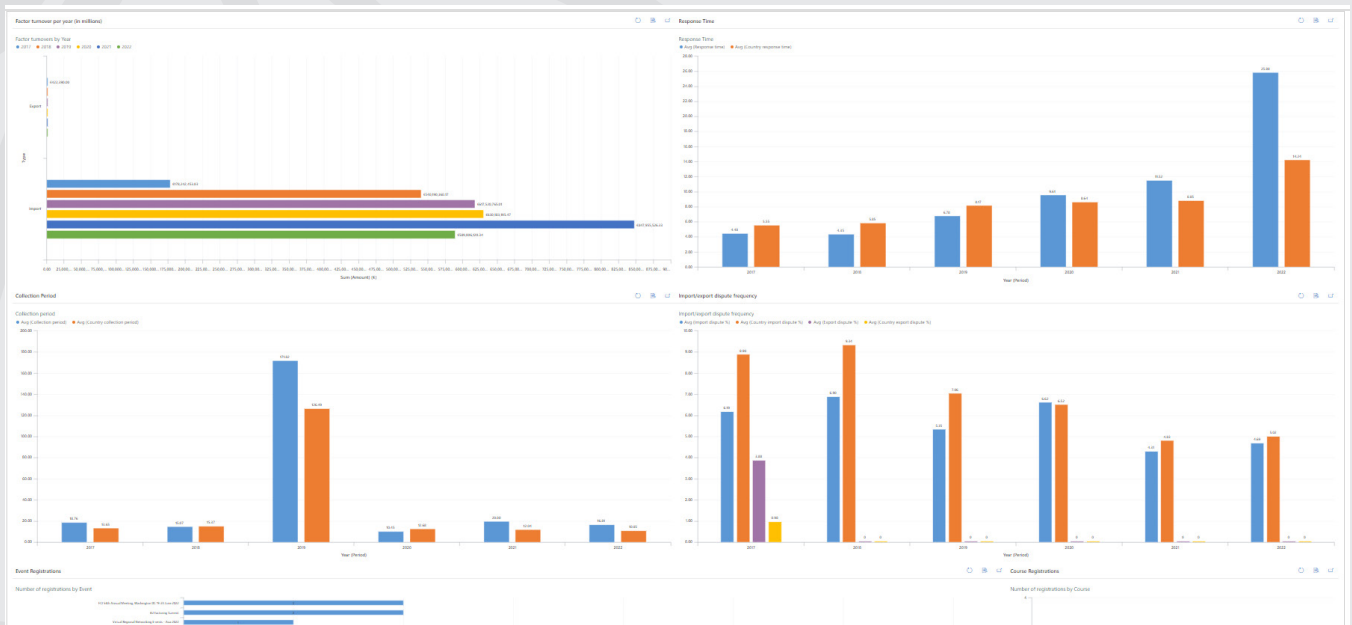
Table in EUROS Millions

The reasons for this decline can be summarized by looking individually at these primary markets:

- Singapore declined over the past three years stemming from the loss of a large concentration. However, in 2022, we have already seen a 112% increase in export factoring volume, a sign that the business is returning to its typical growth trajectory.
- China also showed a decline during these two difficult years but we report that China began its rebound in 2021 with a 7% increase, and in 2022 they have witnessed a 135% growth rate in export volume, which is being contributed by a wide variety of members.
- Taiwan was the most impacted in the period, but like China has witnessed a strong rebound in 2021, of +4.2%. The volume is flat for the year in 2022 compared to the same period last year.
- Turkey went through a challenging period before the pandemic, but turned things around nicely during this crisis period with a positive 3-year CAGR of +5.3%, And if you look at the volume since 2020, we have seen a substantial change in trajectory, increasing in 2021 by 36% and in 2022 by 35% YTD, influenced in part by the strong rebound in the EU economy and the devaluation of the Turkish lira. This has catapulted Turkey into the number one position globally as the largest export factoring market today.
- Hong Kong has also seen a strong growth trajectory over the 3-year period. Overall, export factoring grew by 15.2% during this 3-year period on a CAGR basis.

In summary, EDI volume for 2021 and YTD 2022 leave us with a much more optimistic picture for the future of the two-factor business.





One of the following projects we are working on is creating a rating system for our membership. In line with the 2-year strategic plan announced last year by our Chairman, we must look at how we can improve overall member service quality. One of the areas we have highlighted stemming from the recent deployment of FCI's CRM platform is the possibility of generating a member rating system based on the criteria reported within the member card, which would include:

- International factoring volume (up/down)
- Credit Response (compared to country average)
- Average Collection Days (compared to Country average)
- Education (based on level of commitment and performance)
- Event attendance (based on level of commitment)
- Member Annual Ratings



We also recently announced the publication of a new book entitled [Understanding the General Rules for International Factoring: A Comprehensive Guide](#) by Yuce Uyanik. This publication is the first such attempt on the subject of international factoring from a practical and legal perspective, providing all readers with an interest in the subject to better appreciate the risks and challenges posed, but more importantly proving the reader an appreciation of how the GRIF supports an industry that today is over €3.1 Trillion in size. This Guide is not an end-all solution but a must-read for those providing their clients with cross-border receivables finance services.

## Conclusion

The EDI statistics have historically been a good indicator of what is happening in cross-border factoring. The data indicates that international factoring, with a nearly 50% growth rate reported since 2020, is the fastest growing segment in our industry today. Of course, many challenges appear on the horizon, but factoring does exceptionally well in volatile times. With the boom in investment in trade and in the economy in general, coupled with the significant investment in the deployment of edifactoring 2.0 including the projects that we have announced to enhance service quality and risk education, as well as the on-boarding of a record new number of members this year as reported by our Chairman, we anticipate bright skies ahead.

THE  
EDIFACTORING  
STATISTICS HAVE  
HISTORICALLY BEEN A  
GOOD INDICATOR OF  
WHAT IS HAPPENING  
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FACTURING



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Progress overview of the  
biggest and most  
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Regional updates



Global factoring statistics  
- Both Qualitative and  
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# CONNECT

## BUILDING FACTORING CAPACITY IN THE WEST AFRICAN REGION



NASSOUROU AMINOU  
Regional Manager Africa

From 30 to 31 August 2022, a training webinar on factoring for the West African Economic and Monetary Union (UEMOA) region is organized by the BCEAO Central Bank, Afreximbank and FCI.

Following the uniform law on factoring adoption by the central bank for the eight States of West Africa BCEAO in December 2020 and the Republic of Congo, which did the same in Central Africa in December 2021. Factoring has experienced significant development over the past two years in the West, Central and East Africa regions.

Afreximbank, BCEAO and FCI renewed an initiative launched in 2021, which aims to strengthen the technical capacities of banks and microfinance in Factoring by organizing a workshop in a webinar format from 30 to 31 August 2022. This is a continuation of the international seminar, organized from 13 to 15 July 2021, under the theme: "Factoring and Financing of receivables in Africa" which had welcomed more than 900 participants across Africa.

This workshop exclusively targets more than 150 banks and microfinance, Central Banks in the West African region and other African countries and nearly 300 people will be expected. This workshop will cover issues relating to the factoring activity, legal and regulatory aspects, back-office organization, and pricing. This training is organized around presentations and case studies, followed by exchanges and discussion panels with African and European banks to share their experience and those of the region.

The aim is to give these institutions effective tools for setting up this activity and better organization visibility and operational management of factoring within an entity. And it will help to understand and respond to all the concerns of the latter and their expectations to draw the best practices from the industry. This will make it possible to differentiate between factoring and the classic banking products which are the best known in the different markets, such as overdraft, invoice discounting or invoice advance.

This type of action is part of the initiatives launched by Afreximbank and FCI to raise awareness and promote factoring in Africa. It should be noted that these initiatives will continue in the coming months and years, probably through the adoption of legislation by other countries such as Nigeria, Kenya, and the DRC. The Afreximbank annual seminar on Trade Finance and Factoring will be organized from 3 to 6 October 2022, in Kampala (Uganda) and countries such as Egypt, DRC and Morocco, where FCI will hold its 55th annual meeting in September 2023 in Marrakech (Morocco).

We expect a significant impact on the development of factoring, the economic and financial environment, and intra-African trade by 2026.

TO  
GIVE THESE  
INSTITUTIONS  
EFFECTIVE TOOLS FOR  
SETTING UP FACTORING  
ACTIVITY AND BETTER  
ORGANIZATION VISIBILITY  
AND OPERATIONAL  
MANAGEMENT OF  
FACTORING





# FCI 55<sup>TH</sup> ANNUAL MEETING

*marrakesh 2023*



## SAVE THE DATE

**17<sup>TH</sup> - 21<sup>ST</sup> SEPTEMBER 2023**

MÖVENPICK HOTEL MANSOUR EDDAHBI  
PALAIS DES CONGRÈS | MARRAKESH

The Annual Meeting is a great opportunity to network and discuss current issues within the Factoring, Supply Chain Finance and Receivables Finance Industry.

The Meeting will feature insightful presentations by international industry pioneers, in-depth panel discussions on a range of topics by leading industry professionals, and both global & regional statistic updates.



# FCI

Facilitating Open Account – Receivables Finance

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## UPDATE FROM CEE & SEE



BETÜL KURTULUS  
Regional Director CEE and  
SEE and the Middle East

The GDP growth in the first quarter in the CEE region was around 2.4%, making CEE the region leader in EMEA. We see the central banks in the region increasing the interest rates, but they probably won't hike in line with the rise in inflation. Despite the Russia/Ukraine war, the forecasts say a relatively high GDP growth this year and next. However, real GDP growth was weak during 2H21, and the start of the war has created expectations of a poor outcome in 2022 too.

The official forecast from World Bank, OECD, and IMF is between 2% and 3% growth this year, with the Russia/Ukraine war frequently presented as a reason. I want to point out that many countries in the region have been affected differently. And likewise, while some countries may take action more quickly, in others, the effects of war and the interruption of trade with the region's two largest economies in terms of energy and food seem to last longer. Still, relative to other countries in the CEE, Romania is least exposed to Russia. Other countries in CEE are trying to lower their dependence on Russia, especially in terms of energy. Global inflation is high, with a

**FCI'S  
INTERNATIONAL  
FACTORING  
PLATFORM RECORDED  
A RECORD GROWTH  
RATE OF OVER 30%  
FOR THE FIRST  
HALF OF 2022**

sizeable demand-led component and supply constraints most recently triggered by the Russia/Ukraine war. Most central banks – are focused on inflation control, and containing inflation will mean financial conditions continue to tighten. In such an environment with financing costs rising and the availability of capital being reduced, the demand for Factoring is increasing.

We witnessed the reports that the factoring industry continues to demonstrate robust growth in 2022. FCI's international factoring platform recorded a record growth rate of over 30% for the first half of 2022.

Unfortunately, in many countries, Factoring is still not fully recognized as a good alternative for the financial needs of SMEs and corporates. Banks are becoming aware of the low-risk profile of Factoring, but the market penetration is still low in many of the CEE and SEE regions. Although the economic indicators are different, unfortunately, it is possible to say the same thing for the Middle East. Some countries invested in the infrastructure of digital transformation of the banking and factoring industry. We see very successful developments in Turkey and Poland. It triggers the other countries in this region, especially in digital solutions provided by the government-owned systems.

Factoring in the developed economies is undergoing massive improvement and automation due to new financial technologies and digitalization developments. This transformation has reduced the risk ratios of the factoring and receivables financing sector. In addition, the prevalence of e-invoice, the development of registration systems over e-invoice, and the fact that payment systems work with artificial intelligence also reduce the NPL rate in the sector.

In many countries, we see that the legal infrastructure of the digital transformation has started to be completed. In addition, the digital era enables the automation of all steps of factoring services and speeds up financing. With the tailwind brought by these developments, the high inflation, and the interest rate hikes in the region, we will see significant increases in factoring volume.

As FCI, we have planned an intensive conference program to support these developments in developing countries in the year's second half. We will organize joint conferences with the EBRD on developing open account finance and factoring in Central Asia, Uzbekistan, Georgia, and



# CONNECT

Moldova. As a result, we see a developing factoring infrastructure in all three countries and a banking system that supports the development of Factoring.

We support all financial institutions' financial ecosystem in all CEE/SEE and ME regions with tailor-made educational programs and promotional conferences. In addition, we continue to work on issues such as establishing the legal infrastructure, understanding, and using Factoring as an alternative product by companies, establishing and supporting associations, and supporting the legal infrastructure through joint efforts with the EBRD. Apart from the EBRD, ICC, IFC world bank, and ADB are the investment banks we collaborate with. The goal is to support the financial and the real sectors for a healthy financial ecosystem.



Facilitating Open Account – Receivables Finance

IN PARTNERSHIP WITH



European Bank  
for Reconstruction and Development

## RESILIENCE & DEVELOPMENTS OF FACTORING IN CEE & SEE REGIONS



Istanbul, Turkey



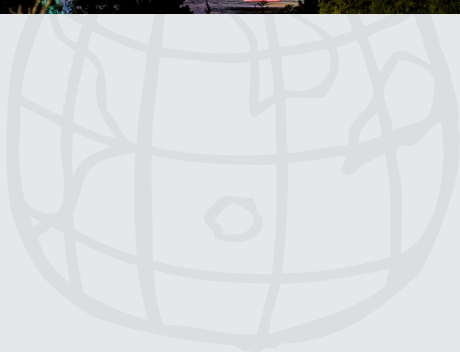
23 September 2022



Invite only

This event will offer EBRD TFP members and local FCI members the opportunity to meet, network and discuss the latest developments in the region.

This event is by invite only, to find out if you qualify, email [fci@fci.nl](mailto:fci@fci.nl)



# CONNECT

## WHERE ARE WE HEADING IN SOUTH AND SOUTHEAST ASIA?



THOMPSON LUI  
Regional Manager SSEA

During our 54th annual meeting (past June in Washington DC), there was a special arrangement for seven technology/solutions providers (mostly non-members) to present their visions and capabilities to our advisory committee members. Prior to their attendance in DC, lots of preparatory work was required because most of these participants joined FCI's events for the first time, challenges including unifying presenting formats, VISA applications, continuous rescheduling of presenting sequence due to altered arrival expectations, e.t.c. One may ask why going through all these hassles in great length, including traveling over 12,000kms and over 24 hours in connecting flights, to gain a 15-minutes face time?

The leadership roles of FCI in the trade receivables and risk mitigation industry need no repeating here, for they are recognized globally. Many of these presenters probably represent some of the best in their industries, starting from emerging markets in South and Southeast Asia; their main activity is facilitating platforms so that exporters/importers can seek financiers to fund their transactions. The industry may quickly identify their role first as invoice discounters, but they are not, for they do not fund transactions themselves; that is not their intent to do so. From exporters' perspective, they are no different from discounters to FIs, banks, investors, and financiers; they are both professional service providers and business originators.

By now, you have already painted a picture of where this will happen for platform providers facilitating risk mitigation and international trade financing transactions sit together. Wait, this is not where it ends but where things start to get interesting. Since they do not fit right into any of our existing member categories now, FCI is working on creating a new one to work with them towards common goals. By the time you search for my following insight end of 2022, we may likely have a few new members from this arena. By then, I will likely have the means to share with you where we are heading and why and how we can work together to create more values.

Most consider these Fintechs rise suddenly with blessings of technologies like internet 2.0, B2B, cloud storage and blockchain e.t.c, think again. Whilst all these elements all play a role in contributing to their success stories, leadership from regulatory and monetary authorities started drafting these development paths years ago. India is an excellent example of the above, where

INDIA:  
RBI ISSUED  
LICENSES  
ALLOWING  
FINTECHS TO BUILD  
RECEIVABLES  
EXCHANGE  
PLATFORMS

RBI issued licenses allowing Fintechs to build receivables exchange platforms so international (export or domestic) trade can be funded more easily. Search IFSCA adding RBI, SEBI and IRDA, and you get ideas connecting the dots. At least, it made me picture what would happen in the next decade. The southbound move I mentioned in my previous articles makes this year the perfect time to explore partnerships and identify areas to cooperate within this direction. As an industry body, FCI is keen and equipped to work hand in hand with regulatory bodies like IFSCA providing professional advice in areas where possible.

Last but not least, I am glad to share with you that south and southeast Asia has added three new members in the past three months. We have MonetaGo Asia Private Limited from Singapore, Vietnam Technological and Commercial JS Bank from Vietnam, and PT Fundo Sukses Bersama (INDOOGOO) from Indonesia. Congratulations and welcome to the FCI family.

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# On the way, we will always be your safeguard

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[www.ccb.com](http://www.ccb.com)





# CONNECT

## MEET THE FCI STAFF

*In this series of Staffs Interviews, we have asked our member of the team to answer a few questions so you can get to know them a little better. In this newsletter, we speak with Ms. Monica Martin Blanco, Mr. Kyle Mota and Mr. Ciprian Radu. Stay tuned to read about other staff in the subsequent editions.*

### **Ms Monica Martin Blanco, FCI's SCF Consultant**

#### **What got you started and interested in the industry?**

I entered Santander Bank to cover maternity leave whilst finishing my Law degree. When I learned about the product that allowed creativity and very technical challenges, it got me.

#### **Do you feel enough is being done to get youth involved in this industry?**

After the supply chain challenges of the past years more and more young people are choosing Supply Chain Management as a degree. That will have a very positive impact on the industry as they will have very deep knowledge that will merge with traditional experience, which will make a big difference.

#### **What has been your biggest highlight in your career?**

The design and start-up of FCIreverse. Taking all the knowledge from 25+ years of experience into a relevant worldwide solution is everyone's dream.

#### **What are your thoughts on Supply Chain Finance becoming so trendy?**

I believe that we all have learned that Supply Chains are essential and that we should have a holistic view. I am thrilled about the upcoming changes that will reshape the industry and the world in a multipolar decision centre.

#### **You have a table of 5 for dinner, who would you invite, passed or living?**

I would invite one person per time period and discuss what is really important for humankind: Socrates, Ziryab, Moctezuma, Rosa Parks, and Nelson Mandela.

#### **What was your first car?**

An old Fiat Uno, it was sturdy, reliant and took me all over Europe with almost no gas.

#### **What song best sums you up?**

The Waterboys' The Whole of the Moon too. The idea of a human's amazing ability to perceive the grand scheme of things and consequently aspire to lofty goals is my driving force.



## Mr Kyle Mota, FCI Director of Administration

### What has been your biggest highlight in your career?

There have been many highlights in my career. Perhaps, that's why I am here as a Director of Administration and Finance for this global association. But it has been incredibly rewarding to be appointed the new Compliance Officer. I had to put into practice something that I only knew from the study books and become the leading coordinator in the enhancement of the association's policies and guidelines. It was challenging to break the barriers and make these changes, but I am glad that I had the support of our Secretary General, Mr Peter Mulroy, the Chairman, Ms Bonzanini, and our Secretariat assistants. We are in a different environment where strict legal guidelines became the armament for security in all business practices, shifting globalization to protectionism. The rules have changed within and in all manners between partners and members. Undoubtedly I am very proud to have built fantastic legal teamwork, with whom I have engaged with experts in various fields to secure the best business practice of this association by elevating good ethical conduct among our staff and associates, expanding our duties not only administratively but also technologically. We still have a long way to go, but I am fully committed and honoured to this role. It is a dedication and commitment to the association's best interest of the association, its members and our board executives.



### How do you help FCI make an impact in the industry?

My support for FCI goes not only to our members but primarily to the Board and Secretariat. My role as Director of Administration and Finance provides the necessary assistance in coordinating the operations of the association and ensuring consistent services to our members. Our members and executives must get proper transparency in our financial activities, a seemingly system operation, the management of our member's administration, and strict compliance procedures and guidelines. As we see further restrict rules in the era of digitalization, secure due diligence according to legal parameters, it is vital to ensure the outstanding business relationship between our members within the association and, more importantly, the continuous support to our Regional and Educational Directors by maintaining this association as a global leader in Factoring and Receivable Finances.

### What does your day look like generally?

I start my day by having a quick review and following up on urgent outstanding subjects, checking individual cases with the Secretariat and preparing the necessary notes to share with the Secretary General and, if needed, with the board. Then, I shift all my focus to handling financial matters, legal and compliance cases, and assisting my designated team.

### What keeps you motivated?

Various things keep me motivated. A positive encircle makes things much easier to keep ongoing. I am very anxious, so I need to complete and achieve things. I am quite competitive. But competitive and a team player.

### What song best sums you up?

"Livin' On The Edge" by Aerosmith

# CONNECT

<Continued from page 15

## Mr Ciprian Radu, FCI's Manager of Business and IT Solutions

### What got you started in the industry?

On a winter day of February 2003, a phone call from a friend told me that they had an open position as a beginner with no previous experience required in a mystery to me factoring department at a multinational bank in Romania. I had only an IT background rooted in passion and a bachelor's degree in economic cybernetics. Hearing at the job interview that new software was implemented in the department, I felt it might be interesting to be part of this due to my curious nature. Since day one, I've worked for 16 years on the operational side of factoring. Due to the ongoing challenges that operational factoring presents, I was hooked and had the chance to develop further my IT skills creating a fusion between my day-to-day tasks and IT.



### How have you seen FCI's new Edifactoring 2.0 platform help FCI Members?

Being an operational user with a decent experience in the former version, I've tried to infuse as much as possible all those features and elements I wished I had in the previous version but were not available. If the interaction with the new platform reduces the amount of time in finding required data for day-to-day business work but also provides a safe work environment, then Edifactoring 2.0 will certainly help FCI Members. With this in mind, a multitude of quality-of-life improvements only possible with the new framework was made available to generate a much more user-friendly experience and safe work environment than it was in the past for the users. If I have to pick only one element, this will be the development introduced as a complete novelty in the Edifactoring 2.0 platform, the Message by Ledger feature. This development wanted to offer a quick way to generate an Edifactoring structural message based on the existing data bringing something completely new and ultimately opening a new path in the possibilities of the new platform. This new platform is also far more manageable in terms of fine-tuning and updates delivery, and this is going to provide help in the long run and ultimately make users happy. I believe that this is only the start, and in the future new things will start to be available in Edifactoring 2.0 platform.

### What is your favourite movie?

If I remember correctly, when I was 10 years old, on my usual summer trip with the family to the sea, I found a Science Fiction almanac forgotten in a hotel drawer. It was love at first sight. I was fascinated by the stories depicted inside, and since that moment, I was always attracted to these imaginary worlds and how the future might be. There are many Sci-Fi titles that I've enjoyed, and one I would like to mention is Interstellar, directed by Christopher Nolan. In this movie, I've seen the human frailty and strength alongside a sense of love, hope and sacrifice that ultimately describes us when we are all found in impending doom. I've sensed a good balance between human and scientific elements.

### What is your favourite song?

I am a rock music listener at the base. I like many rock artists, but to keep it short, I will resume and mention one of them, Pink Floyd. To name a favourite from their discography is hard, but one special song would be "Learning to fly". Also, a special mention is Queensryche's song "Silent lucidity".

**We want to thank Monica, Kyle and Ciprian for letting us get to know him a little more.**



# CONNECT

## NEW MEMBERS

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

Since the last newsletter, the FCI family grew with the following Members. Today FCI counts 394 members! We still have a lot of prospects that will soon join FCI.



**ASSOCIATE**

JORDAN

Bank of Jordan is a national financial institution with a rich history and long legacy. It is one of the first banks to be established in Jordan and bore the country's namesake, becoming the people's bank and working to serve them and meet their banking needs. Today, Bank of Jordan is one of the best local commercial banks in terms of solvency ratios, returns, credit facilities, and deposits and assets, with a capital of JD 200 million, as of the 31st of December of 2021.

Lines of Business:

Bank of Jordan is one of the largest operating banks in Jordan, offering a diverse and comprehensive range of banking products and services that meet the various needs of customers with a high-quality level of service across Retail, Commercial & Corporate Banking supported with Financial Institutions, Treasury & Transaction Banking business units.

The bank provides its banking services through advanced distribution channels and a modern service environment, represented by its numerous branches which cover various regions of the Kingdom and the Palestinian markets, in addition to a set of state of the art electronic and digital channels & services that the bank provides to its customers.

To find out more about Bank of Joardan, visit [www.bankofjordan.com.jo](http://www.bankofjordan.com.jo)

**COMARCH**

**SPONSOR**

POLAND

Comarch was founded in 1993 in Kraków, Poland and it's been listed on the Warsaw Stock Exchange since 1999. It's one of the biggest IT companies in Europe and carries out projects for the leading Polish and global brands in the most important sectors of the economy, including among other things telecommunications, finance, banking, insurance, trade and services, infrastructure, public administration, industry, healthcare, and in the sector of small and medium-sized enterprises.

**A Reputable Provider of Factoring Software**

With products such as Comarch Cloud Factoring and Comarch Factoring Platform, it provides bank and factoring institution customers with an accessible and functional receivables financing

# CONNECT

experience that is scalable to the current requirements of their business.

Comarch Factoring Platform is a cloud-based solution that lets factors and their customers manage and control a full lifecycle of receivables. Comarch Factoring integrates a dedicated tool for customer service, an advanced settlement engine, and multichannel access to factoring services.

Comarch Cloud Factoring is a platform for debtors and creditors using microservices and it is available in the cloud. The modularity of the system allows banks and factors to easily adjust the solution to customer needs. Thanks to supporting end-to-end processes, the cost and workload of a factoring company are kept to a minimum.

With solutions offered by Comarch Factors' customers can manage the entire life cycle of an invoice without unnecessary paperwork. Transparent and simplified reports make the handling of the factoring agreement simple and intuitive.

Click [here](#) to discover factoring services offered by Comarch.



**ASSOCIATE**

INDONESIA

INDOOGOO is Indonesia's First Export Receivables and Supply Chain Management Platform (Powered by PT. Fundo Sukses Bersama). Launched in early 2022 by PT. Fundo Sukses Bersama, a leading fintech company headquartered in Jakarta, INDOOGOO ([www.indoogoo.id](http://www.indoogoo.id)) is Indonesia's first and fastest growing one-stop fintech platform to finance export receivables.

Built upon a rich range of fintech modules encompassing over 30 years of passion, knowledge, and experience in supply chain as well as both finance and the banking industry, INDOOGOO provides a combined solution for international finance that no other fintech platform or financial institution can currently conceptualize, build, and offer with the necessary due diligence, bringing together all parties in a trusted ecosystem.

INDOOGOO unique framework consists of a wide range of innovative fintech solutions that unite in harmony to create Indonesia's first business ecosystem platform enabling collaboration and bringing together all members of the import/export community in a combined and trusted ecosystem through innovative international financing and export receivable finance services.

INDOOGOO connects local and international SMEs to the global financial system and offers efficient capabilities for Export Partners, Importer Partners, Financiers, as well as Financial Institutions and Back Office operations.

The strategy of INDOOGOO platform ecosystem aligns with the mission of its company to pioneer the establishment of transformational fintech products and services for enterprises, MSMEs, and the local communities across the ASEAN markets by bringing innovation and bolster the economy. As a result, INDOOGOO aims to assist and elevate Indonesia's trade export ecosystem by converting export receivables into cashflow for businesses to grow in a sustainable manner.

Supported by an experienced and knowledgeable team, risk management controls, end-to-end networks, and supportive ecosystem platform, alongside the massive growth of Indonesia's export trade sector, INDOOGOO is positioned to become the number one choice for financing export receivables in Indonesia and across the region, in support to all Members and Business Partners.

**TECHCOMBANK**



**ASSOCIATE**

VIETNAM

Techcombank was established in 1993, as Vietnam began its transition from a centrally-planned to more market-oriented economy. Today, Techcombank has evolved to be one of the largest joint stock banks in Vietnam, and a leading bank in Asia – under a mission to lead the digital transformation of the financial industry, enabling individuals, businesses and corporations to progress and thrive sustainably.

Techcombank pursues a proven customer-centric strategy in providing a broad range of banking solutions and services to nearly 10 million retail and corporate customers in Vietnam. With the vision of 'Change banking, change lives. Uplifting everyone to reach their full potential', the bank is committed to continuously bringing greater values to customers and shareholders, focusing on pioneering solutions to meet their needs.

Techcombank has a nationwide geographic coverage reaching to over 300 branches and 50 business centers, including all industrial zones. This helps the bank to be very close to its clients and in understanding their business needs, supporting international and domestic trade and structure trade finance solutions for them. Techcombank is the leading bank in Trade finance and ranked 1st among Joint Stock Commercial Banks in terms of transaction value and volume of import LC.

Techcombank provides diversified Trade finance products, from traditional banking services like Letter of credit, Documentary collection, Negotiation, Factoring to structured trade solutions, helping clients unlock their working capital needs and strengths in their corebusiness areas. The clients have the ease of ether physically drop their request or electronically sending the application request.

Click [here to discover](#) more about Techcombank

We wish them lots of success!

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

## BECOME A MEMBER

Banks and Factoring companies offering receivables finance to their clients should consider the advantages of an FCI Membership



CONNECT



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To find out more, visit [fci.nl/become-member](https://fci.nl/become-member) or scan the QR code

# CONNECT

## MEET WITH FCI'S TECHNICAL COMMITTEES

*FCI Executive Committee has appointed Technical Committees to work on specific topics. The Technical Committees are composed of a Chairman that reports to the Executive Committee and 3 to 5 members. The members of the Committees represents their companies that are members of FCI.*

*In this new series, we will present Technical Committees members. We want to thank them for the work they are doing for FCI.*

### Business and IT Solution Committee (ComCom)



**Ms. Sevil DINCER, Chairwoman**

TEB Faktoring, Turkey

Sevil Dincer is Assistant General Manager at TEB Faktoring A.S.. She has been the Chairwoman of the Business and IT Solution Committee since 2014. Recently she was part of the development and launch of EDIFACTORING 2.0 project. She has worked in the factoring industry for more than 20 years.



**Mr. Henrik PETERSEN**

Nordea Finans, Denmark

Henrik Petersen has been in the Receivables Finance world since more than 10 years. He is working for Nordea Finance as Global Development Manager, Receivables Finance. Henrik has been member of the Business and IT Solution Committee since 2019.



**Ms. Claudia REALE**

Banca Ifis, Italy

Claudia Reale is the International Manager at Banca IFIS S.p.A. She has been working in the factoring business for more than 20 years. Claudia joined the Business and IT Solution Committee in 2021.

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**Mr. Bent SMIDT**

BNP Paribas Factor, Denmark

Bent Smidt has been working in the factoring area for more than 35 years. He is specialised in factoring, edifactoring, web automation and Excel VBA programming. He is currently Manager IT and Business Support for BNP Paribas Factor A/S. He has been part of the Business and IT Solution Committee since 1999.



**Mr. Joanthan CROFT (observer)**

Société Générale, France

Jonathan started his IT career in 1991 with a European consultancy firm working in the banking & finance sector. 1996 marked his first factoring experience with solution integrations & Y2K migrations. Over the last 31 years he has played major IT roles across Europe from development & infrastructure to architecture & strategy with a strong business mindset. In February 2017 Jonathan joined Société Générale as CIO heading up the Business & Information Solutions Directorate & Executive Committee member. Jonathan is an observer to the Business and IT Solution Committee since 2022.

Over the years the Committee has been responsible for the various information exchange formats, from the original paper standardised reporting through the FACT system to edifactoring.com, the FCI communication platform since 2002 and recently the EDIFACTORING 2.0.

This Web EDI system is based on central processing and reporting, message validation and mail boxing which has the overall purpose of supporting the two-factor business of FCI members.

In summary, this committee has one main task: make the FCI members' wishes regarding the communication on cross-border factoring become reality.

But do not let the initial statement mislead you! The COMCOM is not just a team of dedicated technicians developing tools to improve our members' performance, but also a research centre continuously exploring new ideas and products to the same purpose.

*In the next edition of In-Sight we will present the members of another Technical Committee. Stay tuned!*



# EDUCATE

## FCI COLLABORATES WITH AFREXIMBANK AND THE AUC SCHOOL OF BUSINESS TO LAUNCH THE CERTIFICATE OF TRADE FINANCE IN AFRICA PROGRAMME



AYSEN ÇETINTAS  
Education Director

African Export-Import Bank (Afreximbank) entered into a Memorandum of Understanding (MoU) with FCI (Global Association for Factoring and Receivables Finance) and the American University in Cairo (AUC) to deliver the Certificate of Trade Finance in Africa (COTFIA) programme.

The MoU was signed on 21 June 2022 in Washington DC, USA, on the sidelines of the 54th Annual Meeting of FCI, between Professor Benedict Oramah, President and Chairman of the Board of Directors of Afreximbank and Mrs Daniela Bonzanini, Chairperson of FCI.

The COTFIA programme has been carefully designed to build the capacity of industry players, improving their understanding of the various aspects involved in African trade and international commerce, including import and export business, trade finance, supply chain finance, factoring, invoice discounting and asset-based lending.

In addition, the programme provides insights on the new trends in trade finance while equipping participants with the skills required to support the continent in effectively implementing the African Continental Free Trade Area (AfCFTA) and understanding its favourable implication for improving intra-African trade. The program is designed to shed light on the abundant unexplored opportunities in Africa. Within this experiential learning track, driven trade professionals practice organizing and streamlining an economic landscape that is resilient, agile and progressive to make use of these opportunities.

The collaboration between Afreximbank, FCI and AUC to develop the COTFIA programme builds on the Certificate of International Trade Finance (COFIT) programme, delivered since 2016 to over 70 participants in partnership with the University of Malta with the financial support of Afreximbank.

Speaking during the signing ceremony, Afreximbank President Professor Benedict Oramah declared that with the entry into force of the AfCFTA, it was important to give the programme a new lease of life.

"The successful implementation of the AfCFTA requires, among other things, that factoring be developed rapidly in Africa. With the entry into force of the AfCFTA, it was, therefore, important to first domesticate the programme to make it more accessible to African trade finance professionals. An African institution hosting a COTFIA programme is important in achieving this goal. Afreximbank thanks the AUC for its voluntary commitment and is delighted to have its expertise on board. We also thank FCI for its continued support and commitment to the development of factoring in Africa," said Professor Oramah.

Mrs Daniela Bonzanini, Chairperson of FCI, added, "COTFIA is a fascinating project. It is a step

# EDUCATE

forward to spread the knowledge of factoring and create better awareness. We all know that education is key to our industry to make it grow, in particular, in emerging countries. In Africa, there is such a big potential to develop the Factoring Industry. We are honoured to be part of this project with Afreximbank and the American University in Cairo.”

“At its core, the new joint certificate is designed to contribute to boosting pan-African trade, which is a strategic direction currently being adopted by many countries in our continent,” said Mr Mohamed Abdelsalam, AUC School of Business Executive Education Director.

The COTFIA 2022 programme is delivered in a hybrid format with four online modules, two in-person modules at the AUC campus in Cairo, Egypt, and a final online module asynchronously. The programme brochure is available [here](#).



# EDUCATE

## LEGAL WEBINAR FOR THE LATIN AMERICAN & CARIBBEAN REGION:

**"Contract & Rules: the Key Elements for correct Factoring & Supply Chain Finance Transactions"**

**28-29 September 2022**



SPYROS TSOLIS

Deputy Education Director

Latin America & the Caribbean region is one of the most promising regions for Factoring & Supply Chain Finance. Volumes follow a standard growth trend, both in domestic & cross-border transactions, following the regional trade patterns. Moreover, it is an encouraging and auspicious fact that many banks are realizing the benefits of these services and include Factoring & Supply Chain Finance in their portfolios.

FCI & FCI Academy supports this effort at all levels, including education. One of the most important and, as they proved to be, highly successful tools are webinars. We started in 2019 with a generic webinar on Factoring, 2020 was Risk, and 2021 was Sales & Business Development. This year, considering the demand of the local members, we decided, with the support of our Legal Committee and under the direction of Mr Alberto Wyderka, FCI Regional Director Americas, to organize a Legal Webinar, to be held online on 28 & 29 September 2022.

This new training topic will address the critical legal issues in Factoring & Supply Chain Finance, covering essential matters that are present during the process of initiating & monitoring a factoring/reverse factoring transaction.

What we aim for is to support the local members and the factoring community in the region to:

- Understand the various components of a factoring agreement and the basis for securing the factor's interests.
- Learn about the FCI Two-Factor legal framework (GRIF), a secured operations environment for cross-border factoring transactions.
- Understand the legal challenges in Supply Chain Finance and learn how FCIreverse, FCI's new business line, can support business growth.

The above topics will be presented by seasoned industry experts, with most sessions in Spanish.

Sharing views and expressing opinions is at the heart of any such event. As such, a panel discussion will complement the above topics, focusing on the challenges faced in the regions and presenting best practices.

We are confident that this webinar will significantly impact the factoring community in the region, like the previous ones.

More information: <https://fci.nl/en/event/fci-academy-legal-webinar-seminario-web-legal-de-la-academia-de-la-fci>

**COVERING  
ESSENTIAL  
MATTERS THAT ARE  
PRESENT DURING THE  
PROCESS OF INITIATING  
& MONITORING A  
FACTORING/REVERSE  
FACTORING  
TRANSACTION**



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# INTRODUCING THE FIRST ON-DEMAND COURSE...

*REGISTER & START TODAY*

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Non-Members Only



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[fci.nl/academy](https://fci.nl/academy)

# INFLUENCE

## BANKS IN THE EUROZONE WILL NEED TO DEVELOP STRATEGIES TO ACCOUNT FOR CLIMATE CHANGE RISKS



LUIZA BUSERSKA  
Corporate Communications  
Executive at CODIX

*It is increasingly clear that financial institutions urgently need to augment their efforts to measure and manage climate risks.*

Europe has been gripped by an unusual drought in recent months, with record high temperatures in many places, putting many countries' energy systems to the test. Experts cannot estimate how this will affect the preparations of the EU countries for the winter, which are under the sign of reduced natural gas supplies from Russia.

Against this background, however, most banks in the Eurozone do not include climate change risks in their internal models and stress testing frameworks. These are the results of the first study of the European Central Bank (ECB) on the subject.

Banks have already tightened their lending standards for loans to businesses and households amid growing uncertainty, rising inflation, and the gas crisis. At the same time, the demand for corporate loans has continued to grow, driven mainly by working capital financing needs.

This conservatism trend will intensify in the next quarter as banks' tolerance for risk-taking is decreasing. Amid the deepening conflict in Ukraine, which has soured sentiment and pushed the EU closer to recession, banks are becoming increasingly fastidious in approving loans, which could further fuel the economic downturn. That will also amplify banks' offering of receivables finance/SCF/factoring due to tighter control on the exposure and flexibility for their clients. Similar to 2008-2010, we can expect again that the demand for alternative and powerful instruments such as factoring will increase as a consequence of the tightening of bank lending.

At the same time, "euro area banks must urgently step up efforts to measure and manage climate risk, closing the current data gaps and adopting good practices that are already present in the sector," said Andrea Enria, Chair of the ECB's Supervisory Board.

A total of 104 banks took part in the ECB's first-ever stress test, providing information across three categories, including performance under different scenarios, exposure to carbon dioxide-emitting sectors and their climate-related stress testing capabilities.

On the latter criterion, nearly 60% of banks still do not have the necessary test framework in place, with most participants not including climate in their credit risk models and only 20% considering climate risks as a variable in loan approvals.

At the same time, 41 banks are placed under direct supervision to ensure proportionality with smaller financial institutions in pursuance of Principle 7 of the Single Supervisory Mechanism. The application of this Principle facilitates the efficient allocation of limited supervisory resources. Accordingly, the intensity of supervision varies across credit institutions, with a stronger focus on the largest and more complex banking groups—the larger the institution, the stricter the control over it.

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# INFLUENCE

MOST  
BANKS WILL  
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TESTING FRAMEWORKS,  
DATA AVAILABILITY, AND  
TECHNIQUES FOR  
BUILDING ROBUST  
MODELS

The data also indicate that credit and market losses may reach around 70 billion euros on average for the 41 banks in question this year. The climate risk stress test the ECB performs requires banks to project losses in extreme weather events and under transition scenarios with different time horizons. Findings show that banks' vulnerability to a drought and heat scenario is highly dependent on sectoral activities and the geographical location of their exposures. The impact of this risk materializes through a decrease in sectoral productivity (e.g., in agriculture and construction activities) and an increase in loan losses in the affected areas. Similarly, in the flood risk scenario, real estate collateral, underlying mortgages, and corporate loans are expected to suffer, particularly in the most affected locations.

The reason for the anticipated losses is that many banks do not appear to have clearly defined long-term strategies for credit allocation policies which reflect the various transition paths. Banks should strengthen their long-term strategic planning, e.g. green transition plans and goals. To do so, they will need to find credit risk management mechanisms that cover all existing requirements.

Most banks will need to improve their governance structure for stress testing frameworks, data availability, and techniques for building robust models. Regulatory requirements are intensifying, and financial institutions must adapt to these changes. Fortunately, modern technology can be beneficial in this regard and greatly facilitate this inevitable transition to a green economy. Digitization is mandatory, and its internal implementation by building its resources or with external solid suppliers can help banks achieve it.

The question is: ***"To what extent are banks open to such a transformation and how will they ensure their compliance with all regulations and the good management of climate and environmental risks in the financial sphere, in line with the European Green Deal"***. It is increasingly imperative that financial organizations make strategic decisions about their modernization to help them adapt to the constantly changing environment.

This article was published by BCR: TRF News, July 2022.





# INFLUENCE

## THE CHANGING LANDSCAPE OF TRADE FINANCE



ZHIXIAN TANG  
Head of Trade Finance  
Department, ICBC Seoul  
Branch

### *How has trade finance evolved for banks in the Asia-Pacific region in recent years?*

It is a subject of great interest to banks, including those in the Asia-Pacific region, regarding how trade finance has evolved over the years. With 55% of global trade finance transactions concentrated in Asia-Pacific, it has represented a strategic and fundamental segment of the commercial banking business for Asian banks. But today, trade finance itself is also in a phase of transition between old and new paradigms. Various iterations of strategies, solutions or products are emerging. For instance, Structured Trade Finance integrates with Derivatives, Inclusive Trade Finance oriented to SMEs, Green Trade Finance, and Digitalized Supply Chain Finance. Banks have seen that a multi-level trade finance framework is being constructed. Among them, supply chain finance is becoming the main thread and deserves close attention.

Nevertheless, the growth of the trade finance business has also seen a phenomenon of being diluted by working capital loans in the region in recent years. The reason is that it is often the concern of these banks to strike a balance between risk and profitability in the short term, but this is not a good thing. Trade finance clients must provide more collateral to meet the bank's credit requirements. The result will not only increase the cost of transactions but also weaken the efficiency of trade and supply chain performance, which needs to be taken into account by the banks at the high level of strategic development.

The core issue that trade finance must solve is to provide liquidity and risk mitigation support to the trade businesses to make trade more convenient and their supply chain more efficient.

### *The impact of supply chain finance on banks' trade finance business*

Supply chain finance has recently received much attention among Chinese banks and has become a hotspot in trade finance. Based on the overall group of upstream and downstream businesses in the supply chain, supply chain finance provides and optimizes the management of liquidity and security for supply chain businesses by integrating their processes and transaction data from procurement to payment and from order to cash. It not only enables banks to manage risks better and achieve good economic returns but also provides supply chain businesses with the appropriate support to ensure the efficient operation of their supply chain. Banks need to address the core issues of trade finance, and supply chain finance is creating a new phase of bank trade finance in the digital era.

However, as far as the overall development of supply chain finance is concerned, it is still at the primary stage of the reverse factoring model, which is to provide receivable financing to the suppliers with payment commitments from the anchor buyers. On this basis, the Chinese banks have also evolved to provide deep-tier financing, i.e., further transferring the credit of anchor buyers to its multi-level upstream suppliers. These supply chain finance practices have, to a certain extent, broadened the path for banks to provide trade finance to SMEs and improved the

TRADE  
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MITIGATION SUPPORT TO  
THE TRADE BUSINESSES  
TO MAKE TRADE MORE  
CONVENIENT AND THEIR  
SUPPLY CHAIN MORE  
EFFICIENT.



# INFLUENCE

situation where working capital loans crowd out trade finance.

The reverse factoring-based supply chain finance model originated from large enterprises and did not stand precisely on the SME's perspective to address their supply chain problems. Therefore, the further development of supply chain finance must have two prongs. In addition to the one for large enterprises, there must be another for SMEs. While carrying out reverse factoring, banks must combine the practice of conventional factoring. Banks need to do well in supply chain factoring, including reverse factoring and conventional factoring. Of course, in addition to solving the core needs of liquidity and security, a series of value-added financial services, such as cash management, e-banking, wealth management and some other customized services, can be added to the outreach of supply chain finance in the future to further enhance the stickiness to the business customers.

## *The most critical factors driving breakthroughs in bank trade finance*

Looking ahead to the next five to ten years, it's crucial to drive the digital transformation of trade finance because the path to developing supply chain finance is inevitably going digital. Banks have already witnessed in the practices of some banks that supply chain finance connects anchor businesses with thousands of SMEs spanning industries. The characteristics of the transactions are often high in frequency and strong in concurrency, which is almost impossible without powerful digital means of support. In comparison, digital technologies will revolutionize the bank's internal risk control system by filtering large amounts of data, which helps reveal a quantitative picture of the business and makes real-time risk monitoring a reality. At the same time, the efficiency improvement through digital services enriches the customers' experience and also boosts their digital development in the supply chain. Banks are seeing more companies introducing technologies such as 5G networks, the Internet of Things, e.t.c., which will enable more significant improvements in both the efficiency and performance of the supply chain.

This is an innovation of trade finance ecology. On the other, driving this innovation is the digital transformation of the supply chain and trade finance. The digital transformation of trade finance is superficially about technology and products. However, the essence lies in the transformation, which requires all relevant lines of banks to change from concept to process in all dimensions. Same as the digital transformation of any business, it requires a conceptual consensus internally, starting from the corporate strategy level.

It still has lots of ground to make up. The key to a breakthrough in trade finance is digitalization, and achieving digital transformation requires creating a culture fit for transformation. The digital transformation of the supply chain requires synergy among supply chain companies, and the digitalization of trade finance is not the transformation of one bank but requires the joint efforts of a group of banks to achieve it.



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# INFLUENCE

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

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

### JUNE 2022

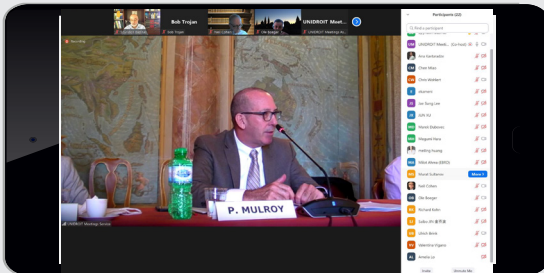
#### Berne Union Spring Meeting

FCI participated in the Berne Union Spring Meeting with Ms. Betül Kurtulus, Regional Director, and Mr. Cagatay Baydar, Vice Chair. Insurance and international factoring are two intertwined products. Most of the Eximbanks working specially to support exports do not undertake the financing side of the transactions that they support.

In this sense, the two products work together. Eximbank and insurance companies that are members of FCI generally offer both products to exporters and importers. During the Spring meeting of Berne Union both FCI's 2021 figures were presented and the working principles of the two products were discussed.



#### UNIDROIT Model Law on Factoring Working Group Meeting 5



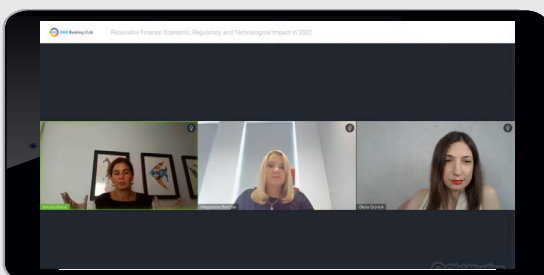
FCI Secretary General, Mr. Peter Mulroy, and fellow industry leaders participated in the 5th session of the Working Group to develop a model Law on Factoring as they assisted the UNIDROIT Secretariat with the drafting of some provisions implementing the decisions during the session. The model law to facilitate the financing of receivable is expected to be adopted in 2023.

#### Islamic Development Bank (IsDB)'s 2022 Annual Meeting

On 3-4 June, Regional Director, Ms. Betül Kurtulus and Executive Committee Member, Ms. Doaa Hafez, attended the Islamic Development Bank (IsDB)'s 2022 Annual Meeting in Egypt. 57 Ministers attended this meeting and discussed industry-shifting topics. Doaa and Betul met with Ms. Rania A. Al-Mashat, Egypt's Minister of International Cooperation, Mr. Eng. Hani Salem Sonbol, CEO at International Islamic Trade Finance Corporation (ITFC), Dr. Benedict Okey Oramah, President and Chairman of the Board at African Export-Import Bank (Afreximbank) and many more.



### JULY 2022



#### Receivable Finance: Economic, Regulatory, and Technological Impact in 2022

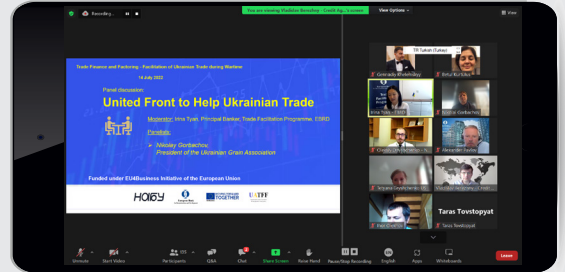
On 7 July, FCI's Regional Director for the CEE, SEE & Middle East regions, Ms. Betül Kurtulus, participated in this webinar hosted by SME Banking Club which explored the Economic, Regulatory, and Technological Impact on the Receivables Finance Industry in 2022. She

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was joined by Ms. Magdalena Ciechomska-Barczak, Vice-President of the Management Board, CFO & COO at ING Commercial Finance Polska (Poland) while Ms. Olena Gryniuk, CEE Regional Director at SME Banking Club (Poland), moderated the webinar.

## Trade Finance & Factoring – Facilitation of Ukrainian Trade during Wartime

On 14 July, FCI Regional Director Ms. Betül Kurtulus and Education Director Ms. Aysen Cetintas participated in the webinar on “Trade Finance and Factoring - Facilitation of Ukrainian Trade during Wartime” hosted by EBRD. The webinar was moderated by Mr. Vladyslav Berezhnyi, Director of Trade and Structured Finance Department, Credit Agricole Ukraine, and included various highly respected international trade professionals. The webinar focussed on the trade finance and factoring market in Ukraine during the war, how the regulator and other stakeholders support the trade during war times and what tools are available to continue trade amid the current situation in Ukraine. Over 170 attendees participated in and listened to insightful discussions on the factoring industry, its development, legal infrastructure, and developments in digital solutions.



## AUGUST 2022

### Trade Finance Talks by Trade Finance Global

In the latest issue of Trade Finance Talks by Trade Finance Global, FCI's Secretary General, Mr. Peter Mulroy explains that back in 2019, FCI formed a working group called “Receivables as an Investable Asset Class” (RIAC) to debate the role FCI can play in supporting the creation of Receivables Finance marketplaces. He also explored other related topics including: the new players in factoring; History of exchanges; The Nacional Financiera, SNC; Technologies driving the evolution of the capital markets and more. Mr. Mulroy also participated in an insightful podcast with Mr. Deepesh Patel, Editor at Trade Finance Global, on why the factoring industry is experiencing a boom. The podcast aimed to share understandings on how trade receivables can help solve the liquidity crunch caused by supply chain disruption.



### Afreximbank Webinar on Factoring as an Innovative Solution for SME's Financing

On 18 August, our Regional Director for Africa, Mr. Nassourou Aminou, spoke at the Afreximbank Webinar. The webinar focussed on raising awareness of companies and SMEs to a new tool for financing trade receivables and working capital needs. Mr. Aminou shared his insights on Factoring as an Innovative

Solution for SME's Financing during his session. Speakers in this webinar included; Mr. Faman Toure, FEWACCI President, Ms. Janice Costa, Head of Partnerships at RX Africa & Amb. Aminou Akadiri, AfBC/FEWACCI Executive Director.

### FELAFAC Congress

On 11-12 August, FCI Regional Director for the Americas, Mr. Alberto Wyderka, attended the 5th Latin American Congress of Factoring of FELAFAC which was held in the city of Lima. This traditional event of the Latin American Federation of Factoring was spread across two days and featured the participation of local authorities and prominent exponents of the industry, who delivered their vision and shared their experiences to contribute to the development of this important tool within the region.





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