



# FCI

Facilitating Open Account – Receivables Finance

NEWSLETTER / SPECIAL EDITION JULY 2017

CONNECT. EDUCATE. INFLUENCE.

# IN-SIGHT

Connecting and Supporting the Open Account Receivables Finance Industry Worldwide

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# Welcome from Cagatay Baydar

Chairman FCI



ÇAGATAY BAYDAR  
Chairman of FCI

Dear Friends,

Welcome in this special edition of In-Sight dedicated to our latest Annual Meeting in Lima and the Awards!

The Annual Meeting is the only opportunity in the year to meet all your correspondents at one spot. The conference was attended by more than 200 delegates. During the conference a lot of fruitful side-meetings took place, but the conference program was also very interesting. The attendees' feedback was very positive and underlined the quality of the opening speakers Mr. Hernando de Soto, Peruvian economist, and Mr. Juan Carlos Mathews, Vice Minister of MSE and Industry and Ministry of Production. Panel discussions, breakout sessions and plenary presentations covered diverse very interesting subjects such as FINTECH, Credit Insurance, UNCITRAL... The two newly developed projects were presented and discussed: FCIreverse and the Compliance framework. You will find more information on the project in the newsletter and on our website [www.fci.nl](http://www.fci.nl).

The yearly gathering was also the moment to vote for the future of the Chain with the election of the new Executive Committee. I congratulate all my new colleagues from the ExCom and look forward to work with them. The Council also confirmed the selection of Demica as FCI's global supply chain finance platform partner. And last but not least, the best import and export factors of the year 2017 were announced and the last years' improvement of service qualities was highlighted. I congratulate all the awarded companies and their team for their excellent work!

An entire report on this conference is available in the next pages.

Kind regards,

Cagatay Baydar

# Report on FCI Annual Meeting 2017

## Lima, Peru



JOHN BREHCIST  
Advocacy Director

*FCI has just held its Annual Meeting in Lima, Peru; this 49th yearly gathering was a great occasion for members to get together in this dynamic and vibrant city and meet new colleagues and friends, to build new networks and make important business contacts. Here, John Brehcist gives an overview of the event and a flavour of the range of activities and discussions.*

The conference started with a welcome cocktail and dinner on Sunday night.

## Monday

### Opening Addresses

**Peter Mulroy**, FCI Secretary General opened proceedings by welcoming all attendees, highlighting the importance of Peru as a developing global market player and thanking all the Meeting's key sponsors.



**Çagatay Baydar**, FCI Chairman, continued the welcome to the Meeting, sharing with the audience his perceptions of Peru, a country with history, culture and a growing factoring volume. He then focused on FCI's critical role in supporting open account receivables finance for the world; noting the reality of a slowdown in growth in 2016, a result of global trade volume reduction, especially in Asia. But he also noted that elsewhere growth was positive, and for 2017, growth is increasing again. The Union was completed and had successfully incorporated good DNA and best practice; FCI now has close to 400 members in around 90 countries. FCI influence and awareness is increasing. Two key new projects are in process; the SCF project, and a Compliance approach to formalise appropriate policies. And we are also working on a range of other important issues such as credit insurance.

He cautioned that improvement in our network must remain a key priority, as must investment in education, cooperation, compliance, supply chain, fintechs and our URIF project; there are many challenges and opportunities ahead.

Noting that with next year being the 50th anniversary, he observed that our industry is now providing a mainstream financial product.

The Chairman closed his address by offering thanks to all his colleagues in FCI; it was an honour and privilege to work with them.



FOR 2017,  
GROWTH IS  
INCREASING  
AGAIN





## Keynote Speakers

**Juan Carlos Mathews**, Vice Minister of MSE and Industry spoke on the Peruvian economic environment, industry opportunities, vision and prospects and success stories. He noted the country was enjoying the highest growth in Latin America, with a low inflation environment and was now 67th in global competitiveness. However, issues remain; the import vs. export imbalance and a very high proportion of microbusinesses with high mortality rate which challenges growth. He also cited issues in health, science and technology, education and infrastructure. But despite all these headwinds, the country has the second highest country rating (BBB+) behind Chile (A+).

Peru enjoys a wide range of export markets, increasing sector diversity, and sees trends in globalisation, robotics, genetics, demographic segmentation and nano-technology. Accordingly, the government has a focus on innovation, formalisation, digitalisation and productivity.



**Hernando de Soto**, a Peruvian economist who is considered by Time magazine as a leading innovator then took the floor. A key thinker with a global reputation in the importance of business and property rights, he gave the audience a thought provoking presentation on developing documentation rights for disenfranchised demographics using social media.

He demonstrated that the importance of documentation of property rights was an essential societal element; the function of assets is to create capital, limited liability and documentation to support trade. This requires common accepted standards, making sure the relationships are accurately reflected and described.

He illustrated the argument through the experience of Peru which had endured an extended and bloody civil war with Shining Path insurgents. The war was won in 1993; an essential element was having clear property rights agreements, leading to common standards of control over title and assets.

He extended the argument to cover more recent events like the Arab Spring uprisings, which he again characterised as being about property rights more than politics. The potential for blockchain applications to standardise is tantalising; as is the potential role for social media to empower those currently excluded from the property rights systems.

## The Year in Review

**Peter Mulroy** Secretary General opened his session on the year in review with a video tracking the astonishing volume and complexity of global shipping traffic highlighting the trade flow routes around the world.

He reflected upon how FCI is the voice of the global receivables finance industry with 400 members in 90 countries; as a result of the union, we have more diversity and a strong team in the Secretariat.

He noted that we have also seen the largest dispute case which has tested our rules like never before; there would be perhaps one case like this per decade!

FCI is developing an Advocacy and Data Committee capability to better advocate and maximise use of the data within / without our Organisation to communicate and interact with legislators with even more impact.

We are also expanding the core of basic activities in networking, legal, education, promotion, compliance, influence and an Innovation Committee is helping drive this change.

Global turnover grew to approaching €2.4 trillion, a CAGR over twenty years of 9%. But like global trade in general, there has been a slowdown in the growth rate in 2016.

Membership is a focus. We have 65 new members mostly in emerging markets, showing the benefit of the Regional Director centre approach. But on the other hand, we have lost 51 and over 70 since the start of the union. Reasons are varied and include some reduced usage of the two-factor system, ex-IFG departures, consolidation, the Russian embargo, financial or strategic reasons. This said, some normalisation is expected from here with enhanced input on after sales support, mentoring, training, and a new KYM approach.

We budgeted for a €400k loss, but this was eventually contained to €100k. For 2017, a loss of €190k is anticipated, but a surge in recent membership should help, with an expected return to profit 2018.

To close, the Secretary General paid tribute to the previous Chairman, offering thanks to Michel Leblanc for his contribution, and as a token of appreciation, presented him with a voucher for a trip to a location of his choice!





## Introduction to Compliance

**Erik Timmermans**, Deputy Secretary General and **Gert Demmink**, Partner in Philip Sidney updated the audience on developments in the critical area of Compliance.

It was decided in Cape Town to create a Committee to focus on increasing accountability by creating a compliance charter to make it easier and safer to operate on the FCI two factor platform. But it is also working in the context of increasing regulation and responsibility in enacting business; FATF/GAFI, The Proliferation and Terrorism Financing requirements, the EU's 4th AML Directive, Sanctions etc.

Needless to say, it is essential for the well-being of the Organisation that these requirements are known, understood and satisfactorily addressed.

There are three key parts to the new FCI Compliance approach. A General Compliance Charter which is based on three core values of honesty, prudence and responsibility with a "speak up" policy; a KYC Framework, which comprises the Wolfsberg AML Questionnaire and FCI's own KYC questionnaire. Attention is also given to the on-boarding procedures for Associate, Affiliate & Sponsor members.

Next steps may include creating a knowledge warehouse on compliance issues and developing an in-house education programme.



## SCF Project Development

**Josep Selles**, FCI Board member and **Steven van der Hooft**, CEO of Capital Chains updated the audience on the Supply Chain Finance project that was unveiled in South Africa.

After an exhaustive RFP programme involving some very capable and impressive candidates, a final selection process identified Demica as the chosen partner to take the project forward.

The programme has been named FCIreverse and the next steps are to develop draft legal agreements, training sessions, a pilot scheme and implementation. Constant feedback will be sought e.g. through a dedicated LinkedIn group.



## Codix Sponsor Presentation

MD **Laurent Tabouelle** of the Conference's Gold Sponsor Codix gave a short presentation on their market leading iMX application, a single software solution with extensive customisation capabilities that is used by around 100 companies in 40 countries.



## SCF Platform Demonstration

**Mark Wreford** CEO of Demica gave a presentation of the system that has been chosen by the SCF Committee to be used in the FCIreverse project. Pricing will be usage based and already InterAmerican Development Bank, Afreximbank and Asia Development Bank are amongst others showing interest.



## Round-table Discussions

A series of parallel workshops followed these presentations on the FCI SCF "FCIreverse" and the Compliance projects, giving attendees the opportunity to raise questions, give observations and feedback to session leaders. Workshop facilitators collated this input and shared in a later plenum session.





## Tuesday

### Regional Presentations Asia; EMEA and Americas

**Lee Kheng Leong**, FCI Asia Chapter Director took the audience on a tour of the Asian markets, highlighting the mixed fortunes that have been evident on the last year.

In China, there was a reduction in volume but on the other hand, there are now more than five thousand commercial factors in development. Japan too saw a reduction in volume but Hong Kong grew as did Singapore.

Interest continues to grow in the region's emerging markets and FCI now has over 120 members in Asia with good prospects for volume growth. Market development activity continues with the Foundation Course now available in Chinese, and through extensive meetings and conferences in e.g. Beijing, Tianjin, Manilla, Bangkok, Phnom Penh, Fiji, Jakarta, Mumbai and Singapore!

Two new members were introduced

- Chongqing Rewin Commercial Factoring Co. Ltd. Associate member in SW China who are looking forward to networking with FCI members.
- Core Pacific Group. Associate member that wants to build their international profile.

**Erik Timmermans**, Deputy Secretary General, spoke on Europe and the Middle East. The EU represented around 60% of global turnover at €1.5 trillion, a growth of around 6% on 2015 and representing around 10% of regional GDP. With 173 members, it is a key area for FCI. The Middle East is growing from a small base of ten members with 7.5 billion.

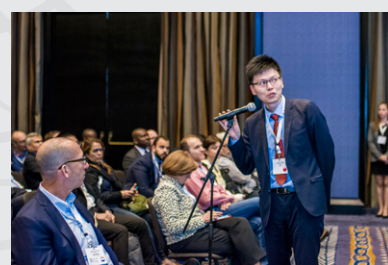
Regional activity is considerable, with the EU lobbying the EU on a range of Industry critical issues, writing position papers and creating influence and awareness development documents like the Whitepaper and Guide to Factoring.

Central and Eastern Europe activities continue to develop knowledge and impact in conjunction with partners like EBRD.

A focus on market development in the Middle East led to a first regional conference that was held in Dubai in November 2016 and a working group on Sharia compliant international factoring.

A new member was introduced:

- Philip Sidney. Sponsor member offering compliance management services.





**Kanayo Awani**, Africa Chapter Chairman, updated the audience on developments in Africa.

Although historically dominated by South Africa, volumes are starting to develop elsewhere on the continent including in Egypt, Morocco, Tunisia, Kenya and Mauritius, with interest developing in a much wider range of countries including Cameroon, Nigeria, Ghana, Gabon, Côte d'Ivoire, Botswana, Zimbabwe, Zambia, Mozambique and Senegal.



However, issues remain in awareness, understanding, infrastructure and legal environments; the challenge is to address these through the use of common standards, for example the Model Law, promotional and developmental workshops and meetings.

A momentum is beginning to build in what could be a major set of new markets.

**Alberto Wyderka**, FCI Latin America Chapter Director shared his knowledge of the South American region. With 28 members in 16 countries, the markets are diverse in development and penetration. His travels have taken him to 12 countries and over eighty meetings, and to delivering a range of training and development events. At present key volume markets are Peru, Brazil and Mexico, but interest is growing across the whole region. Work continues to recruit new members and another eleven are reasonably expected to join within the coming year.



Inter-American Development Bank representative, Diego Cordona, introduced the organisation that is developing domestic business to facilitate International business.



New member introduction was given to:

- Banreservas: Associate member, the largest financial institution in the Dominican Republic
- South American International Bank: Curaçao based Associate Member
- Premium Technology: US Sponsor member offering SCF solutions



# UNCITRAL: Convention on Assignment of Receivables and Model Law on Secured Transactions.

**Ulrich Brink**, of Bette Westenberger Brink and **Jan de Moer** of BNP Paribas Belgium, Chairman FCI Legal Committee, addressed the conference on the UNCITRAL model law on secured transactions and its implications for the Industry.

The Convention and Law on Secured Transactions address many of the key legal issues that affect practical operations within the Industry, for example, assignment being valid between the parties without notification of debtor, the validity of future receivables transfer, invalidity of Ban of Assignment clauses, discharge of debtor by payment to assignee after notification, defences of the debtor, rights of set off and the collection by the factor when the receivable is due.

Prepared with the assistance of FCI, the UN Convention on the Assignment of Receivables in International Trade is also now ready for signing and ratification. It covers international assignments and is based on the same rules as the Model Law.

## Panel on Credit Insurance

**Peter Mulroy** introduced a panel session including **Francisco Borgonovo**, COFACE, **Jorge Andres Jimenez Carcamo**, Solunion LA (Euler Hermes Group) **Jerry Paulson**, Lockton Companies and **Hans van Schaik**, Atradius Collection.

The panel addressed a series of questions arising in part from a survey to our members on the use of credit insurance. Some highlights were relayed to the members on the outcome of the survey, which showed that over 85% of the respondents use CI globally and 27% state they use CI to offset the concentrated debtor risk under approved payables/reverse factoring programs. The panelist then discussed the state of the CI industry. The panel debated whether CI can enhance the capital efficiency for banks or bank-owned factoring companies and whether FCI should support the development of a CRR eligible credit insurance policy to back Basel compliant factoring arrangements and push for favorable treatment. The panel also discussed the need to develop joint education programs on credit insurance, to help provide a stronger education platform for the factoring community, since they are so reliant on it. There was also a comment about enhancing the statistics between the credit insurance and factoring sector.

## Panel on Evolution of Fintechs and their impact on the Industry

**John Brehcist**, FCI Advocacy Director introduced this panel session on the impact of fintechs by describing some of the patterns of growth and impact that are currently evident; large numbers of entrants, the inevitable rise to the top of a relatively few that attract investment and partnership, followed by integration into mainstream provision. He was joined by **Zain Ali** of D&B, who talked of how fintechs are supporting on-demand, fluid and transparent relationships. **Daniel Huszar** of Efcom then shared his thoughts on the wider process of innovation bringing new thinking to IT solutions and relationships. **Rui Matsuda** of SRM and **Vijay Vashist** of DBS then inspired the audience with experiences of integrating real life fintech solutions to their respective businesses.





## Feedback Sessions

**Adrian Rigby** of HSBC reported back to the plenary audience observations and feedback that had been gathered during the earlier Compliance session.



He reported that there was strong support and appreciation expressed for work done by the committee. It was noted that there had been a significant cultural change in last 18 months, that reputational risk for FCI was better understood, and an expressed desire for more focus on key issues. There was widespread support of the approach.

Turning to FCIreverse, **Josep Selles** of Gedesco advised feedback and suggested there was a need for better understanding of the three and four corner model basics and it was proposed to develop a course to provide this support. Interest in joining a pilot was shown and it was suggested that a survey to identify those interested and then to develop a meeting/webinar process to take forward to implementation.



## Presentations by FCI Technical Committees

### Marketing Committee (MarCom)

**Çagatay Baydar** as Chairman of the Marketing Committee introduced the team and highlighted some of the many successes of their work over the last year. These achievements include the new name and logo implementation, an update to the mentoring programme, a promotion plan for education, a refreshed "In-Sight" newsletter.



In terms of communication, the Committee was involved in conferences in a range of locations and the new website is gaining eight thousand hits per day. There's co-operation with external PR and Industry organisations like BCR, Business Money and GTR Exporta.

Work continues with a whole raft of initiatives; an Ambassador challenge on KYM and product inventory, preparation for the 50th Annual Meeting, product and service development, PR and Media strategies, website optimisation, a new mentor programme, new sources of advertising revenue, new promotion conferences, introduction of a new KYM/CRM system... the list goes on and there's clearly a busy time ahead!

### Business and IT Solutions Committee (ComCom)

**Sevil Dincer**, Chairman of the Committee updated the audience on achievements and plans. She reported that the Committee had finalized the "wish list" and prepared the structure of a number of SCF Edifactoring messages (and was waiting for green light to proceed). It had organised Operational Workshops in Taiwan and China, participated in an Innovation meeting with technical committees' chairmen, reviewed the FAQs, upgraded security protocols and focused on IT Security and continuous monitoring...



Future activities include attention to Edifactoring security improvements; developing, testing and deployment of the updated "wish-list", work on IT Compliance and New Technologies.

## Legal Committee (LegCom)

**Jan van Moer** Chairman of the Legal Committee advised the audience of the ongoing work and achievements of the Committee. After review of a number of sections of the GRIF, the Committee recommends changing only one element, article 26 on Late Payments.



Ongoing work continues on the ICC - URIF project (ICC have agreed to endorse the GRIF), on UNCITRAL & Model Law on Factoring, as well as on Islamic Sharia Law based variations to the GRIF & IFA. Future activities include advice on a preferred legal structure and all related legal issues (liabilities, agreements...) for a Certification Project, and for the new SCF 4-Corner Model, advising on edifactoring.com messages, modifications to Constitution, GRIF & Supplemental Agreements.

## Education Committee (EdCom)

**Daniela Bonzanini**, Chairman of the Education Committee shared an update of the work of the team and its future plans. First was the news of the appointment of Spyros Tsolis, recruited as Education Officer to support the growing workload of Education in the larger organisation.



The numbers are impressive; 954 students in 2016, 1100 expected in 2017! Developments include the Foundation course for members / non-members translated into Spanish and Chinese.

Successes include COFIT 2016 for Afrexim Bank, a Risk management seminar and a series of Operational workshops.

Daniela used the example of SPD Bank Bulgaria and Romania to demonstrate the correlation between education take up and operational success.

She then referred to a Benchmarking opportunities analysis report provided by John Brehcist which highlights the strengths and opportunities that FCI has in developing its educational offering.

Upcoming developments include a new marketing and promotion plan, a "Welcome to new members" education package, translation of the Foundation Course into French, new courses on "Introduction to factoring & receivables", "Supply Chain Finance" together with the development of webinars and standard presentations.

Daniela was delighted to announce that HPD (whose donation in 2016 was used to offer 16 African students a course) has again this year contributed, this time €6000 to support emerging market students.



Then followed the announcement and distribution of prizes for the best students in a range of education programme categories:

Intermediate Course on International Factoring:

- 1st Prize: Ms. Meiling CHEN - China Minsheng Bank
- 2nd Prize: Ms. Lisi WU – China Development Bank
- 3rd Prize: Ms. Qiya WANG – China Minsheng Bank



### Advanced Course on International Factoring:

- 1st Prize: Mr. Huacong ZHANG – China Exim Bank
- 2nd Prize: Ms. Chung Yan MAK – ICBC Hong Kong
- 3rd Prize: Ms. Le HAO – Bank of China

### Selling Export Factoring:

- 1st Prize: Ms. Leilei FAN – China Construction Bank
- 2nd Prize: Mr. Dingtang LU– Agricultural Bank of China
- 3rd Prize: Ms. Xue Li ZHUANG – Shanghai Pudong Development Bank



The day finished with a networking dinner in Huaca Pucllana, a great adobe and clay pyramid located in the Miraflores district of central Lima.



## Wednesday

### Plenum Sessions

The third day focused principally on internal decision making by the Members of FCI.

This session also gave the opportunity to celebrate the performance of the most successful members in terms of their operational performance and reputation in the FCI Annual Awards for 2017. There's a separate article in this edition of In-Sight which highlights these providers and their achievements.

The Council Meeting was also the venue of the election of the new Executive Committee for FCI. The outcome of the elections was as follows:

The Chairman is confirmed as Mr Çagatay Baydar, General Manager of TEB Faktoring Turkey.

Two Vice-Chairman: Ms. Sun Jianbo (Deputy General Manager of China Construction Bank, China) and Mr. Uwe Mueller (Managing Director of Deutsche Factoring Bank, Germany)

Members of the Executive Committee: Ms. Joy Zhu (Director International of The CIT Commercial Services, China), Ms. Daniela Bonzanini (Head of International of BANCA IFIS S.p.A, Italy), Mr. Josep Selles (Manager for Factoring and Supply Chain Finance of Gedesco Services Spain), Mr. Julio Nielsen (Senior Vice President International of Penta Financiero, Chile), Mr. Vijay Vashist (Managing Director, Group Head of Open Account Trade, Supply Chain Finance, Trade Risk Distribution of DBS Bank Ltd, Singapore), Mr. Andrew Zbikowski (Advisor to the CEO of ING Commercial Finance Poland), Mr. Panos Papatheodorou (Executive Vice-Chairman and CEO of Laiki Factors & Forfaiters S.A., Greece) and Mr. Tushar Buch (Managing Director and CEO of SBI Global Factors Limited, India)

Dr. Benedict Oramah (President and Chairman of the Board of Director of The African Export-Import Bank, Egypt) is chosen as the Executive Committee representative of the Affiliate Members.

The new Executive Committee will be working with the Secretariat to deliver a strong programme of activities and developments designed to meet FCI's strategic pillars of Connect, Influence and Educate, building on its reputation as the "Voice of the Industry".





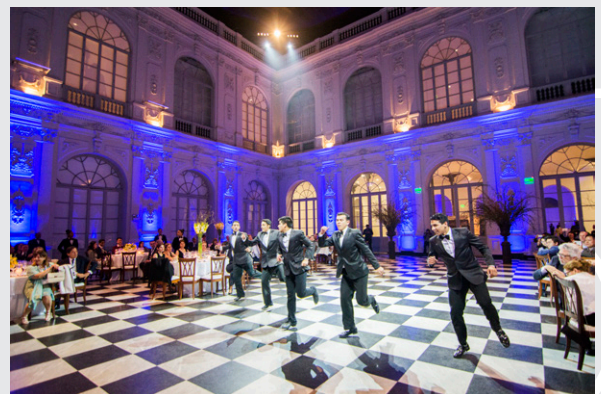
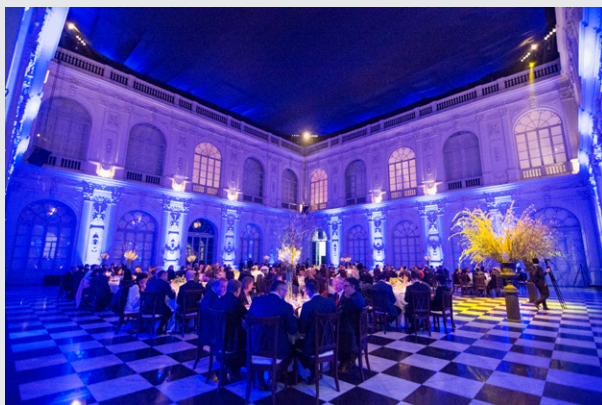
## Thursday

The last day of the conference was dedicated to networking with visit of Lima. The two groups were driven to Lima downtown around the main square, then visited the Santo Domingo church and the XVIIth century Monastery. The Larco Museum, a private collection of treasures from Old Peru, was also visited during the morning.

The groups reunited for lunch at Hacienda Mamacoma and could enjoy a show of the Peruvian Paso horse.

In the afternoon, we discovered the Pachacamac archaeological site, one of the most renowned pilgrimage zones in Pre-Inca times.

In the evening, LIMA museum was branded FCI. In this amazing building, attendees could discover the collection and enjoy the typical Peruvian songs and dances. The museum was a perfect place to finish the successful conference.





## Summary

This was an exciting, intensive and productive meeting, featuring an in-depth and highly successful programme involving some 250 participants in interactive presentations, discussions and debate on the latest developments and trends in the Global Factoring Industry. It was the forum to discuss, discover and plan for the future of the Factoring and Receivables Finance Industry. It was well received by participants who are now looking forward to the next Annual Meeting in Amsterdam in 2018, which will not only address the issues of the day for the Industry, but will also celebrate the success of 50 years of FCI.



## FCI Annual Awards

The 49th Annual FCI Meeting in Lima was the venue for the Annual FCI Awards ceremony, celebrating the success of the crème de la crème of Factoring service providers. Always an exciting and highly anticipated session of the Annual Meeting, this year was no exception, with Members excitedly awaiting the outcome of the FCI annual Awards for 2016!

The first category was for 2016 FCI **Import Factor of the Year Award**. This measures correspondent import factors on a range of criteria:

- Business Acceptance Level
- Service Quality
- Communications Quality
- Import Business Volume
- Number of Correspondents

To win therefore, the candidate has to excel in every area. This year's winner and runners up were:

1. Deutsche Factoring Bank with a score of 99.67%
2. CIT Group 99.46%
3. ABN Amro Germany 98.48%

Congratulations to **Deutsche Factoring Bank** whose profile you can see on page 20 of this edition.



The next category was for 2016 **FCI Export Factor of the Year Award**. As before, this measures on a set of key criteria:

- Business Quality
- Volume Realised
- Communications Quality
- Export Business Volume
- Number of Correspondents

As before, excellence in all areas is needed to win. This year's winners and runner up were:

1. Garanti Factoring and TEB Faktoring, **joint** winners each with a score of 100%
2. Yapi Kredi Faktoring 99.02%
3. Eurobank Factors 97.10%

Congratulations to **Garanti Factoring** and **TEB Faktoring**, whose profiles you can see on pages 21 and 22 of this edition.





The following category for the **Best Overall Performance as Import Factor and Export Factor** in 2016 was again based on performance against a set of criteria. This year's winner and runners up were:

1. BNP Paribas Factor with a score of 93.96%
2. Mediocredito IT 93.18%
3. Mizuho Factors Ltd 92.45%

Well done to **BNP Paribas Factor** whose profile you can see on page 19 of this edition.



The next award was for the **Best Service Quality Improvement since Last Year as Export Factor**, recognising the member showing the greatest level of service enhancement. This year's winner was:

1. Deutsche Bank, Netherlands rising from 54.83% to 72.4%

Congratulations to **Deutsche Bank**, Netherlands!

Following this came the **Best Service Quality Improvement since Last Year as Import Factor**, similarly recognising the member showing the greatest level of service enhancement. This year's winner was:

1. UBI Factor, Italy rising from 73.63% to 84.38%

Well done to **UBI Factor, Italy!**

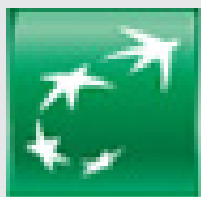
Last and not least came the award for **Quality Consistency over the Past Five Years**. This year's winner was:

1. Mizuho Factors, Japan with an average performance of 94.4% over the last five years.

Congratulations to **Mizuho Factors** for another excellent performance, whose profile you can see on page 23 of this edition!

Well done to all winners and runners up, and to those companies that came very close to these levels of performance. Look at the winners' profiles in the next few pages of this version of In-Sight; we can learn from them about how they achieve these levels of performance.





# BNP PARIBAS FACTOR

## Best Overall Performance as Import Factor and Export Factor

BNP Paribas Factor France is a fully-owned subsidiary of BNP Paribas founded in 1994 that supports clients not only in France, but also all over the world thanks to a wide product range, BNP Paribas' unique footprint and its FCI membership.

Operating under the umbrella of BNP Paribas Factoring, it also shares best practices and expertise with its sister companies across Europe. Fostering internal cooperation for the benefit of our common clients is an integral part of our mission. Our sister companies are all strong players in their respective markets and make BNP Paribas Factoring a European leader.

BNP Paribas Factor France offers a unique product range relevant to all segments of the market, from start-ups to multinationals. Whether through traditional factoring or highly sophisticated programs, every client enjoys a customized solution and personalized relationship management.

FCI has always been an essential component of our international offer. Belonging to FCI offered us the opportunity to serve Export clients in an ever-increasing number of countries. Over time, the expertise, human and IT resources built for our clients were offered to FCI members in the form of a totally revamped Import Factoring offer that helped us to become one of the largest players in the world, with a 2016 turnover of over EUR 1.4 billion.

Our commitment to FCI shows in systematic attendance to Annual Meetings, participation in committees, correspondent visits, personalized communications and tailor-made solutions. Of course, access to the global cross-border factoring market is a key motivation, but at least equally important is the safety provided by FCI's legal, technical and recently implemented compliance framework.

BNP Paribas Factor France is thus a proud member of FCI, open in mind and in business, and deeply grateful to our partners for voting us Export-Import Factor of the Year in 2014, 2015 and 2017.

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# Deutsche Factoring Bank

## Import Factor of the Year

### ABOUT

- Deutsche Factoring Bank is founded 1971
- Range of Activities:
  1. Domestic Factoring
  2. Export Factoring
  3. Import Factoring
- Employees: 162
- CET1 capital: € 135.7 m
- Total turnover 2016: € 15.5 bn Rating DFB AA- (outlook: stable)
- Rating Shareholder: AA2 (stable Moody's)
- Full member of FCI: since 1969

### PRODUCTS / SERVICES

- Non-Recourse, Recourse (collection-only), Non- Notification, Fast-Cash
- Flexible collection service incl. invoice verification upon request
- Advance payment facilities to FCI Export Factoring correspondents.

### EDIFACTORING

- Streamlined operational processes via EDIFactoring system
- EDIFactoring completely integrated into our Factoring software (Mainframe User)
- Highly automated payment allocation process

### CORE COMPETENCIES

- Professional and experienced International staff who has successfully passed the FCI diploma
- Fast credit limit decisions backed by two credit-insurance companies
- Experienced mentor for FCI mentees

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**EQUAL FIRST**

## Export Factor of the Year

Garanti Factoring, established in 1990 is one of the first factoring companies and, is a subsidiary of Garanti Bank, the second largest private bank in Turkey. With a focus on trade and receivable finance, Garanti Factoring provides full factoring service through credit protection, collection and financing solutions in domestic, and export – import factoring.

Garanti Factoring enjoys a strong shareholder structure with 81,84 % Garanti Bank's shares, that has a strong brand equity and a vast local distribution channel being a subsidiary of Garanti Bank with approximately 70 billion EUR assets and an extensive network of about 1000 branches located nationwide. Accompanied by the recent changing hands of share, one of the world's biggest banks of Spanish BBVA became the largest shareholder of the bank with 49.85 %. BBVA serves in 35 countries by 8860 branches with 134.792 employees and has more than 732 billion EUR total assets.

Garanti Factoring is one of the largest factoring companies in the sector in terms of asset size and turnover; the leading export factor with almost 35% market share and the largest import factor with relatively high 48% market share.

FCI and Two-Factor business is the area which we have been especially focusing for the last 5 years and as a result we have reached 1,2 billion turnover which makes us the 3rd biggest export factoring company and we have been awarded as "Export Factor of The Year 2017" third year in a row.

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**TEB FAKTORİNG**  
BNP PARIBAS JOINT VENTURE

**EQUAL FIRST**

## Export Factor of the Year

- We are proud to say that we have been awarded as the "Best Export Factor of the Year" in 49th Annual Meeting of FCI in Lima, Peru with the excellent score of 100%, as Joint Winners with Garanti Faktoring. TEB Faktoring has been awarded this prestigious award for six times in the last 8 years, for which we are grateful to all our colleagues we have been doing business with in the past years and present.
- This year also has been a special year as TEB Faktoring General Manager Mr. Çagatay BAYDAR has been elected the Chairman of FCI for the second time and he remains as the only Turkish FCI Chairman elected.
- Additionally TEB Faktoring Assistant General Manager Ms. Sevil DINCER remained as the Chairman of Business & IT Solutions Committee (COMCOM).
- As of the 2016 figures of the factoring sector in Turkey; we have represented 27% of the market with over EUR 1,4 bn turnover. Also, in 2016 our total export factoring turnover through FCI has been EUR 700 mn.

### MARKET

specifics

- **REGULATION**

Market highly regulated by the Banking Regulation and Supervision Agency (BRSA).

- **SPLIT FACTORING**

Split Factoring is usual. TEB Faktoring does not requires to take the whole sales ledger.

- **ADDITIONAL SECURITIES**

Additional Securities Personal Guarantee of Shareholders, Corporate Guarantee, Bond and rarely Mortgage and L/G or L/C of the mother company for Multi Local clients can be taken.

- **CLIENT BANK ACCOUNT**

Bank accounts can be assigned, it's preferable but not must to have TEB account.

- **PAYMENT INSTRUMENTS**

Post-dated Cheques and promissory notes are commonly used.

### LEGAL

framework

- Factoring transactions should comply with the relevant provisions of Turkish Obligations and Tort Law, which was substantially amended in 2012 .Additionally, in 2012 a new "Factoring, Leasing and Consumer Financing Law" has been enacted for the sector for the first time.
- Turkish Factoring companies are strictly following the regulation of MASAK and are fulfilling the requirements in the scope of prevention of laundering proceeds of crime and terrorist financing.

### PRODUCT

specifics

- **DISCLOSED / UNDISCLOSED**

Mainly disclosed in export business. Undisclosed programs are also practiced among large corporates.

- **RECOURSE / NON-RECOURSE**

Both recourse and non-recourse programs are offered.

- **EXPORT / IMPORT**

Export business mainly via FCI network. Import factoring is not common. Eximbank covered export facility for countries out of FCI coverage.

- **CREDIT COVER %**

In international factoring 100%. In domestic factoring no insurance for the time being.

- **ON-LINE APPLICATIONS**

Applicable for domestic business. Additionally On- line monitoring is available for Export Factoring.

- **EXPECTED ANNUAL**

Turnover No limit is applicable.



# Export Factor of the Year

Mizuho Factors, Limited is...

- the only company in the world that has received the "consistency overall performance as Export-Factor and Import-Factor in the last five years" award for 8 consecutive years
- and the company that has received the "Export and Import Factor of the Year" award 4 times in the past 10 years.

## What lies behind this recognition?

We are always doing our very best to provide high-quality services for our clients and correspondent factors while adhering to the following five points:

1. **Take the high road by steadily taking the proper course of action**
  - We do what we need to do on a routine basis.
2. **Respond faster than our counterparts expect**
  - Respond quickly! The slightest difference in speed will determine the winner and the loser.
3. **Think for oneself**
  - Each employee thinks for themselves and comes up with unique ideas; the ideas are then discussed with everyone before putting them into action.
4. **Discuss**
  - Assert one's ideas without hesitation, and discuss them with others.
5. **Take on challenges by stepping out of one's zone and jumping at opportunities** (Every member has a sense of ownership)

These five items are the guidelines for action of Mizuho Factors, Limited. All of our employees engage in business operations by constantly referring to them as the basis of their conduct.

As business operations increasingly become border-less and globalization advances relentlessly onward, factoring companies have significant missions and expectations they need to accomplish and their responsibilities will undoubtedly expand more than ever.

By serving as the oil that boosts the power of the global economic engine and taking pride in our role in the reflux of global commercial distribution on a smooth and permanent basis, Mizuho Factors, Limited hopes to continue to play a part in this, together with other FCI members.





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