

For a strong future.

# IN-SIGHT

Connecting and Supporting the Commercial Finance Industry Worldwide

## Contents:

### Welcome

Chairman of FCI

2

### Report on the Union

Secretary General and  
Deputy Secretary General

3

### Connect

A few words from the Chapters  
Coming & past events

5

### Educate

E-learning Courses  
Coming seminars

12

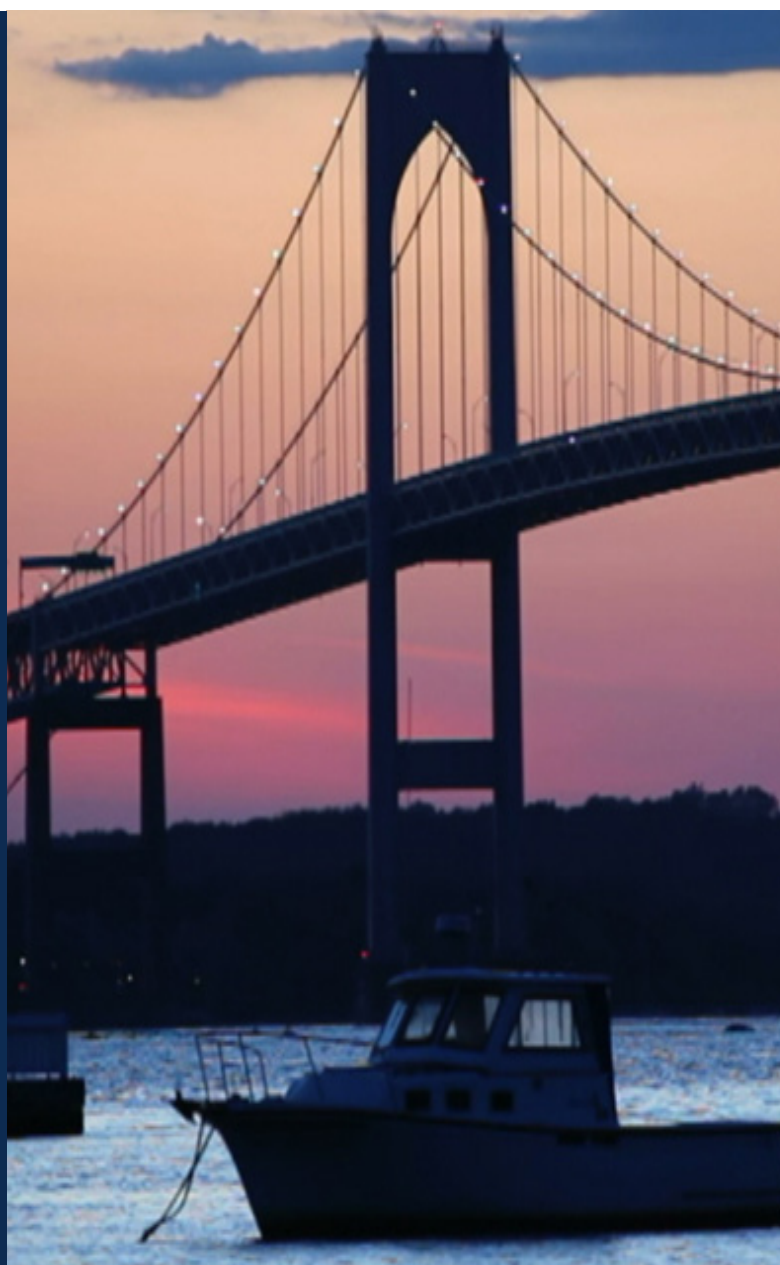
### Influence

EUF White Paper  
Statistics 2015

16

### Obituary

22



# Welcome from Michel Leblanc

Chairman FCI



MICHEL LEBLANC  
Chairman of FCI

## The first welcome note to all of you Members of our new organization since our UNION

Dear Friends,

I am very excited and thrilled to write this first welcome note to all of you Members of our new organization since our UNION took place January 1st, 2016.

Bravo to all the people who worked extremely hard to make this project a success. And also WELCOME to our new friends and colleagues from IFG who unanimously voted for this exciting adventure.

The next coming months will be demanding as we want [to maximize for the benefit of all of our Members](#) the potential of this ONE voice. To this end we will have our first new Executive Committee meeting the first week of March in Miami (Florida). At the same time, the Factoring and Supply Chain Finance World 2016 Convention will take place in Miami under the hospice of the Commercial Finance Association (CFA). And both Executive Committees (FCI+ and CFA) will meet in Miami. The main idea is to maintain good relations with Members of our community (Factoring and Supply Chain Finance) and build bridges among all of us.

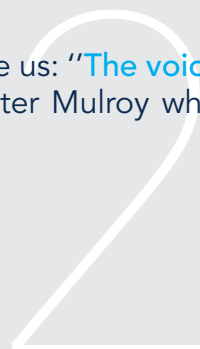
One of our first events since January 1st is the Promotional Conference which took place the first week of February in Tanzania (Dar es Salaam). The Marketing Committee of FCI+ met at Dar es Salaam and the comments received from our Members who were present there, is that this Promotional Conference was probably one of the best, if not [the best of those organized until now](#) with close to 70 attendees. And many other activities are taking place right now and in the next few months. I do encourage you [to visit our website as you will see them all](#).

As said in a previous note, life is not made of just good news. [Life is made of challenges](#) and many are just waiting to be picked up by us. Among them we have to really speed up the started up harmonization of our 2 offices (Amsterdam and Brussels). We have to built this robust and strong image of ONE voice for our industry and make solid representations to regulators and authorities to make sure our VOICE is respected as one of the lead actors involved in the international trade. We have to strengthen our Education programs in order to spread out our knowledge and "savoir faire" around the world.

And probably the most important action is to mix our 2 cultures together to make us: "[The voice of the Invoice!](#)". It is not coming from me but from our Secretary General, Peter Mulroy who expressed very well where we want to go.

Warm regards,

Michel Leblanc



# Report on the Union



PETER MULROY  
Secretary  
General



ERIK TIMMERMANS  
Deputy Secretary  
General

The first two months of the Union FCI + IFG have been quite exciting. On the 1st of January, all activities and Members of IFG were transferred into the legal structure of FCI that now is represented by **more than 400 Members in 90 countries**.

Many meetings and conference calls took place on all levels of the organization these past two months to make sure that the ex-IFG Members were welcomed and integrated in their new association environment. One of the first steps was **to adapt the FCI website** to reflect the new Union and to include information that was previously available on the IFG website. First reactions from Members are very positive regarding the new communication approach, look and feel of the website. We are convinced that you will like this first edition of our new quarterly newsletter as well.

One of the first work streams was **to integrate both secretariats into one organization**. We opened a branch office in Brussels at the former IFG address and have drawn a completely new organizational chart. Three divisions (spread over both secretariats) have been created:

- A **Front Office** which is responsible for new and existing Membership relations and for contacts with prospective Members and all other stakeholders from the industry. The Front Office is organized by Region and will further develop close regional relationships with and between Members through the Chapters.
- A **Middle Office** which is responsible for the key value services FCI offers its Members:
  - The 2-factor Trading Platform supported by edifactoring.com and the GRIF
  - Best in class Education on the Receivables Finance industry
  - Industry Research, Market Intelligence and Advocacy
  - Enriched Communication and Promotion with Members and external partners
- A **Back Office** which is responsible for all general Membership administration and organizes the practical aspects of events and meetings all over the world.

**Many meetings and conference calls took place on all levels of the organization these past two months to make sure that the ex-IFG Members were welcomed and integrated in their new association environment.**



# REPORT ON THE UNION

During the first Executive Committee of the expanded FCI association in early March in Miami, the **final organization and governance structure of FCI** will be decided. But since the world doesn't stop turning, we have during the months of January and February already organized successful events in Brussels (see the article on the EU Summit) and in Tanzania (see the article on the Promotion Conference). The Marketing, Education & Supply Chain Committees also held their first joint meetings, during which of course the new strategy for FCI+IFG was discussed at length.

For the near future and when all organizational matters are set and done, we will focus on the **development of FCI with a wide range of events and initiatives**. We also plan to involve an **enlarged group of FCI Ambassadors** into the process. And we will cap this exciting year off with our upcoming **Annual Meeting in Cape Town** in October. We announced recently that our keynote speaker will be the former President of the Republic of South Africa, F.W. de Klerk, who helped transition the government from apartheid into a democratic system, and who together with Nelson Mandela won the Nobel Peace Prize. His speech theme will be on transformation, a topic we are all too familiar with at this time in FCI's evolution!

We thank all FCI Members, staff and committee Members for their enthusiastic co-operation during this transition. We can assure you, the best is yet to come!

Peter and Erik



## THANK YOU DORIT, WELCOME NURIT!

Dorit Ganor and her husband have been contemplating returning to their home country of Israel for some time, and decided to move forward. We thank Dorit for her contributions to FCI during this transitional period of FCI's history and wish her success in her future endeavors! We welcome Nurit Libster as Dorit's interim replacement. Nurit worked in administration for several companies such as Mondy, Nilit, Talmon Trading. She worked in her home country Israel and in the Netherlands, where she relocated in 2012.





LEE KHENG LEONG  
Asian Chapter Director

# CONNECT

## A few words from the Chapters Asian Chapter

### Building bridges in Asia

FCI does not operate in a vacuum. To be a successful international organization promoting global trade, we have to build alliances with other like-minded organizations in this region. Towards this end, the Asia Chapter has also started to **establish alliances with organizations which promote trade, factoring or open account transactions**.

This initiative has resulted in the following collaborations:

#### International Finance Corporation (IFC)

Through IFC we participated in the APEC's Finance Minister process conference on Reforming the APEC financial infrastructure in Manila in November last year. This conference was attended by more than 300 delegates and was graced by the Philippine Finance Secretary, Mr Hon. Cesar V Purisma. This conference also saw the launch of the Financial Infrastructure Development Network (FIDN). The aim of FIDN is to promote alternative financing for MSME and also to develop non-bank financial institution NBFI. This is good news for the factoring industry as factoring is an alternative to banking facilities and independent factoring companies are NBFI. To support FIDN, many subcommittees were formed and **FCI is represented in the secured financing subcommittee**. We hope this will give us the forum to increase influence of FCI in APEC through FIDN.

Following our successful participation in the Manila conference, IFC invited us to jointly organize two events in **Ho Chi Minh City in May** this year. The first event is the export factoring promotion conference. The target audience is mainly Vietnamese exporters. We hope this will generate more interest in export factoring in Vietnam, which will also have a positive effect on the rest of the Indo China.

The conference will be followed by a workshop on factoring for the banks and financial institutions in Vietnam. IFC recognizes the need for orderly development of factoring in Vietnam as this will prevent a meltdown of factoring companies which happened during ASEAN during the last Asia financial crisis.

More information on the conference: <https://fci.nl/en/event/export-factoring--enabling-vietnamese-exporters-to-tap-on-the-potential-of-tpp-and-aec/3452>

**IFC INVITED  
US TO JOINTLY  
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MINH CITY IN MAY  
THIS YEAR**

**To be a successful international organization promoting global trade, we have to build alliances with other like-minded organizations in this region**



# CONNECT

## ICC in Bangladesh

Riding on the good work laid by FCI with ICC of Bangladesh, we continue to work with them. As a result, ICC of Bangladesh has invited us for **two day events in Bangladesh to promote international factoring there**. The first day is a workshop on international factoring and the target audience are the banks and financial institutions. The second day is the seminar on international factoring for exporters. Both events are likely to attract about 200 participants. These two events will be held in Dhaka on 24 and 25 February.



## CFEC China

The mushrooming of commercial factoring companies in China has resulted in more than 2,000 independent factoring companies in China. In order to help ensure an orderly growth of factoring in China, we have been working with CFEC, an organization which conducts courses on factoring and holds seminars as well as training on factoring. Whilst CFEC focuses on domestic factoring, it has also helped us to market our foundation course on international factoring. Apart from this we have **also participated in one of their workshops** in Hong Kong in November. We will be participating in more CFEC workshops and seminars in the future.

## IBF Singapore

We also recognized the importance of getting our courses accredited by a reputable training institute. Towards this end, we managed to get the **foundation course on international factoring for non Members to be accredited by IBF Singapore**. Through the accreditation, students not only get the FCI certificate but are also certified by IBF Singapore. Besides, students will also get a subsidy of 50% of the course fee under the Singapore Government's Financial Training Scheme.

We hope this will lead to more accreditations by other Asian institutions in future.

## EBRD

Through our close collaboration with EBRD, we will be organizing a **workshop on international factoring and EBRD's trade finance product** in Ulaanbaatar in Mongolia in April. The target audience of this workshop are banks and financial institutions in Mongolia. As factoring is new in Mongolia, the workshop will raise the awareness of factoring in Mongolia, which will help to extend our network into Mongolia.

More information on the workshop: <https://fci.nl/en/event/international-factoring-and-tfp-workshop-mongolia/3451>

## More works going forward

This is the beginning of our work in Asia. We will continue to look for reputable organizations to establish alliances so as **to further enhance the image of FCI and promote international factoring in this region**.



ALBERTO WYDERKA  
Latin American Chapter  
Director

# CONNECT Latin American Chapter

The recent union between FCI and IFG, was received by LA Members with great satisfaction. In addition to achieving “**one sole factoring and invoice discounting voice**” in the world, the union was also seen among all of them as **the gate for more business opportunities**. I have not received any comment or remark against the union from any of the FCI members; on the contrary, from their viewpoint it was highly welcome. And what has also been interesting to see is the same positive reaction from visited prospect members.

Not only the upcoming business trips to the region will include visits to prospects and current members (as I generally do), but also a special stopover to our “IFG” members to give them a special welcome and to listen to their needs and provide them with all the necessary support in their first steps into the new FCI + IFG community.

During 2016, the main actions will be focused on:

- To achieve at least 3 **new members** in all LA countries as a necessary way for industry growth
- Helping members and mainly new members in their **training** (Education) until they can achieve the basics to start working in the two factor system and other factoring forms.
- Contribute and complement with marketing actions in order to make **members grow their factoring business in their own markets**.

All these actions will be part and harmonized within the business travel program. I believe that this is part of the mission of FCI+IFG.

**The recent union between FCI and IFG, was received by LA Members with great satisfaction. ...from their viewpoint it was highly welcome. And what has also been interesting to see is the same positive reaction from visited prospect members.**



# CONNECT



On 27 and 28 January 2016 in Brussel, the **Factoring and Commercial Finance Industry met for its Second Annual Summit** aimed at working together and developing common solutions to support the real economies in Europe.

The conference started with a dinner at Brasserie Horta where John Gielen, EUF Chairman, welcomed the participants to this Summit providing the opportunity for those who deliver and those who regulate to share understanding and develop opportunities.

The gathering of principal stakeholders including regulators, lawmakers and industry providers featured presentations about updates on Factoring in Europe and panel discussions on evolutions and EU regulations. **Erik van der Plaats from the European Commission** was the keynote speaker. He updated the audience on the "State of the EU and EU Commission Program & Objectives", with a particular focus on bank regulations.

The program also included the launch of the **EU's White Paper Report on the Industry**, which for the first time provides hard evidence of the low Loss Given Default nature of Factoring and Commercial Finance and highlights its role as a unique "win win" in finance, providing users with high levels of funding and providers with high levels of security.

Peter Mulroy, Secretary General of FCI noted that "This Industry is universally important; Europe is the largest hub of a global business network, accounting for over 60% of a €2.35 Trillion turnover. With the enlarged FCI now representing around four hundred providers in over ninety countries, together we are delighted to see the role of this type of funding continue to grow."



## Let's discover some testimonials from participants:

Raymond van der Loos, Atradius Collections: *"Excellent networking event"*

Patrick de Villepin, BNP Paribas Factor: *"A good update on the industry issues"*

Jesper Daugaard Faurby, Atradius Credit Insurance: *"Great networking and valuable information"*

Anonymous: *"One of the must-attend conferences of IFG&FCI. Don't miss!"*

Hans van Schaik, Atradius Collections: *"Great event to exchange views, ideas and opinions about receivables finance"*

Anonymous: *"A great vehicle for bringing regulators, providers and users together"*

Françoise Palle-Guillabert, ASF: *"A very useful exchange of views sharing challenges and opportunities for factoring"*





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

# CONNECT



**Factoring Promotion Conference,  
Dar es Salaam, Tanzania, 1-2 February 2016**

On 1 and 2 February, FCI's African Chapter and the FCI's Marketing Committee in cooperation with Afreximbank organized a **Factoring Promotion conference in Dar es Salaam**, Tanzania. Seventy participants came from Africa to discover how to set up factoring activities.

The **Deputy Governor of the Bank of Tanzania, Mr Lila H. Mkila**, opened the conference stating that factoring had the potential to place African exporters at near equal footing with other players in global markets. African businesses should capitalize on the advantages offered by factoring as an alternative trade finance instrument in order to trade more competitively.

The conference was featuring presentations by experts on the **benefits and risks, mechanics and legal aspects of factoring** and includes a session on the second day dedicated to **case studies**.

The importance of developing best practices in both domestic and international factoring as well as the importance of factoring as a tool to finance SMEs, particularly at a time when global economic growth was slowing down was stressed by Peter Mulroy, FCI's Secretary General.



Constance MACHARIA, E-NNOVATIVE CAPITAL, Kenya:

*"Bringing together the players in factoring business created a fantastic platform to start active engagement, especially with regards to legal aspects"*

Peter VAN DER KROGT, FINANCIAL ACCESS, Netherlands:

*"Cooperation and merge of FCI and IFG already shows its benefit. FCI business model is refreshing."*



# CONNECT

Kanayo Awani, Director of Afreximbank's Trade Finance and Branches Department and Chairperson of FCI's Africa Chapter, speaking through Teddy Ngidjol, a manager in her department, said that this thinking was behind Afreximbank's continuing **emphasis on the promotion of factoring**. She said that Afreximbank also saw the promotion of factoring as a way to support African small and medium enterprises (SMEs) to become indirect exporters in supply chains.

The conference was a great success and a lot of questions were raised while other participants shared with their peers their own experience. The feedback from participants was very positive!

Let's discover some testimonials from participants:

Ismail Adam, BANK OF GHANA, Ghana: *"Excellent programme: an eye opener to the role of Factors in building bridge finance to business"*

Anonymous: *"Gotten a full insight in factoring, I came to the conference with absolutely no knowledge, however I am now fully aware of how factoring works and what an integrate part it plays especially for SMEs"*

Anonymous: *"Good enhance of the Union in Africa"*

Anonymous: *"The panelists knew factoring very well. This was the opportunity for me to know more about factoring in Africa"*

Anonymous: *"The conference was enlightening because that was my first conference on factoring. Looks like a good business to get involved in but a lot of local/national laws don't seem to provide for factoring a legal regime almost not existing except for few countries."*

Musa Kitoi, Tanzania: *"I am delighted to have been offered the opportunity to attend the conference. All type expertise was in the conference. Thank you"*

Adam Philip, BARCLAYS TANZANIA: *"This has been invaluable conference to would-be factors, beneficiaries and players in factoring in Tanzania"*





# Coming events

As part of FCI's role as one voice of the Industry, we organize conferences, workshops and seminars to allow our Members but also non-Members to learn more about Factoring and to be able to network with peers. The previous pages gave a feedback on the last events we organized. Here you will find the upcoming ones. The testimonials you read about the two last conferences are a good window of what you can expect from our events.

The next Education events will be detailed on page 14 in the article from Aysen Çetintas, our Education Director.

As you have seen in the report from our Asian Chapter Director, Lee Kheng Leong, on 14 April, FCI in cooperation with EBRD is organising an International Factoring and TFP Workshop. The program of the workshop is set up as an introduction to International Factoring. Topics will cover overviews of the Asian Factoring market, risk and benefits aspects, legal aspects, cross-border Factoring, Factoring in USA and introduction to EBRD and TFP.

After this workshop, in cooperation with IFC, the FCI Marketing Committee organises a Factoring Promotion conference in Ho Chi Minh City, Vietnam. See more details page 5.

Early June, the Central East European Chapter organizes its yearly gathering in Prague. This regional event, focuses on a regional view on Factoring. It offers attendees a unique opportunity, not only to discuss the current state of the industry, new challenges and products & markets development, but also to network with players from the same region.

On the next page, you will find a synopsis of our next Annual Meeting, Cape Town, South Africa, 23 - 28 October.

## Summary of our next events:

Type	Name	When	Where
Education	Legal Training on GRIF More info: <a href="https://fci.nl/en/event/legal-training-on-grif-kunming/3317">https://fci.nl/en/event/legal-training-on-grif-kunming/3317</a>	6 - 8 April	Kunming, China
Education	Legal Seminar on GRIF More info: <a href="https://fci.nl/en/event/legal-seminar-on-grif-singapore/3372">https://fci.nl/en/event/legal-seminar-on-grif-singapore/3372</a>	11 - 12 April	Singapore
Promotion	International Factoring and TFP Workshop More info: <a href="https://fci.nl/en/event/international-factoring-and-tfp-workshop-mongolia/3451">https://fci.nl/en/event/international-factoring-and-tfp-workshop-mongolia/3451</a>	14 April	Ulaanbaatar, Mongolia
Promotion	Export Factoring - enabling Vietnamese exporters to tap on the potential of TPP and AEC More info: <a href="https://fci.nl/en/event/export-factoring-enabling-vietnamese-exporters-to-tap-on-the-potential-of-tpp-and-aec/3452">https://fci.nl/en/event/export-factoring-enabling-vietnamese-exporters-to-tap-on-the-potential-of-tpp-and-aec/3452</a>	9 May	Ho Chi Minh City, Vietnam
Education	Operational Workshop on International Factoring and EDIFactoring More info: <a href="https://fci.nl/en/event/operational-workshop-on-international-factoring-and-edifactoring.com/3464">https://fci.nl/en/event/operational-workshop-on-international-factoring-and-edifactoring.com/3464</a>	11 - 13 May	Vienna, Austria
Regional	Regional Conference on Factoring in CEE (Central East Europe)	2-3 June	Prague, Czech-Republic
Conference	FCI Annual Meeting More info: <a href="https://fci.nl/en/event/fci-48th-annual-meeting-cape-town/2151">https://fci.nl/en/event/fci-48th-annual-meeting-cape-town/2151</a>	23 - 28 October	Cape Town, South Africa

# CONNECT

## Annual Meeting – October 2016



JACQUELINE WOLDE  
YOHANNES  
Director of Administration

The first combined annual meeting after the union of FCI and IFG will take place in Cape Town, South Africa, from Sunday 23 October till Saturday 29 October.

The FCI annual meeting starts on **Sunday evening 23rd to finish on Friday night 28th**. This allows attendees to benefit fully from the networking opportunities during an entire week. Delegates will come from **all over the world**, including **key industry players** as well as **service providers** who **all share the same passion about the importance of Receivables Financing**. If there is one conference you need to attend this year, it has to be this one!

Early April, we will send you the finalized details of the conference and registrations will be open through the website. The program will be very interesting with presentations and panel discussions with key players of the industry; you have probably seen last week's "save the date" message, announcing the **keynote speaker, Mr. F.W. de Klerk, former President of South Africa** and, together with Mr. Nelson Mandela, winner of the Nobel Peace Prize. All social activities during the annual meeting are open for all delegates, including sponsors, observers, potential new members, in order to maximize the networking opportunities. And on top of that we offer an interesting spouses' program for accompanying persons.

Some practical details: FCI has made a block booking for the guest rooms in the Westin Hotel in Cape Town. In the registration form, you will have among other mandatory fields to fill in hotel requirements to allow FCI to do the booking for you. FCI has always emphasized the importance of this networking event, and we feel that staying in the same conference hotel, facilitates setting up appointments.

### 5 reasons not to miss the FCI Annual Meeting in Cape Town:

- It will be the **First Annual Meeting since the Union** of FCI and IFG with important news to share and discussions to have!
- The conference program will be second to none: **built by Industry professionals for Industry professionals**.
- Attendees will come from all over the world : it is a **unique opportunity to meet in a few days with most of your business relations** in FCI
- You will **build and improve your business relations** to develop cross-border business, as import/export factor or as service provider in cross border deals.
- Come and listen to the **Nobel Peace Prize winner Mr F. W. de Klerk** (former President of South Africa)

We look forward to welcoming you in Cape Town!

Jacqueline

12



# EDUCATE FCI Education Programme

**2016 promises to be another busy and successful year for the FCI Education Programme, with new and exciting topics being added to the seminars and to the e-learning courses.**

## Wealth of Knowledge

48 years of knowledge and experience that has culminated into a key, "USP (Unique Selling Point)", which has already supported the development of thousands of factoring professionals within our Membership and from prospective Members, providing everything from knowledge of basic factoring skills to technical disciplines to supporting new products and creating opportunities for our Members and non-Members to foster learning within their own business environment.

## Importance of the Service Quality

Our aim is to give our Members and the prospective Members the know-how for offering their clients a truly professional factoring service with a superior level of service quality.

In 2015, about 800 students participated in 9 different distance learning courses and more than 300 delegates attended different FCI seminars, workshops and educational events in three continents.

Today FCI offers 9 e-learning courses and seminars/workshops on 8 different topics.

### Proficiency Courses

Foundation Course on Factoring for Members <ul style="list-style-type: none"><li>• An overview of factoring</li><li>• FCI (Factors Chain International)</li><li>• Seller selection &amp; acquisition</li><li>• Managing the seller</li></ul>	Seller Selection and Control <ul style="list-style-type: none"><li>• Seller selection</li><li>• Seller control</li><li>• Monitoring the seller risk</li><li>• Fraud detection &amp; prevention</li></ul>
Foundation Course on Factoring for non-Members <ul style="list-style-type: none"><li>• Factoring Worldwide and FCI</li><li>• An Overview of Factoring</li><li>• Selection &amp; Onboarding of the Seller</li><li>• Processes &amp; Management of the Seller</li></ul>	Dispute Prevention and Handling <ul style="list-style-type: none"><li>• What is a dispute in factoring</li><li>• Causes of disputes</li><li>• Impact of a dispute</li><li>• How to avoid disputes</li><li>• FCI dispute procedure</li></ul>
Buyer Risk Control <ul style="list-style-type: none"><li>• Buyer risk control &amp; finance</li><li>• Buyer risk control &amp; credit cover</li><li>• Buyer risk assessment</li><li>• Monitoring the buyer risk</li></ul>	Legal <ul style="list-style-type: none"><li>• Legal framework of FCI</li><li>• FCI constitution</li><li>• General rules of international factoring</li><li>• Rules of arbitration</li><li>• Edifactoring.com rules</li></ul>

### Diploma Courses

Intermediate Course on Int'l Factoring <ul style="list-style-type: none"><li>• Principles of the two-factor system</li><li>• Operating rules &amp; basic legal rules of the two-factor system</li><li>• Best business practices in operations</li><li>• Use of edifactoring.com and EDI rules</li></ul>
Advanced Course on Int'l Factoring <ul style="list-style-type: none"><li>• Seller selection &amp; control</li><li>• Buyer risk control</li><li>• Dispute prevention &amp; handling</li><li>• FCI legal framework</li><li>• Purchase order management</li><li>• Invoice verification</li></ul>

# EDUCATE

## Selling Factoring

- International factoring business explained: functions, products, seller education
- Seller selection
- How to sell export factoring
- Marketing export factoring
- Basic operating rules and legal rules of the two-factor system as needed to explain how FCI export factoring works.

## FCI CAREER PLAN

*How about linking the Foundation Course together with the Intermediate and Advanced Courses to create the, "FCI Career Plan", a cohesive three stage development process which supports your staff from a first stage as, "Career Entrants" through to "Seasoned Professionals".*

## Seminars:

- Marketing and Sales
- Client Selection and Control
- Risk Management in Factoring
- Fraud Detection and Prevention
- Buyer Risk Control and Dispute Prevention & Handling
- Legal-General Rules on International Factoring
- International Pathway with FCI
- Operations and edifactoring.com

Ultimately our aim is to make education a sharing process; the Education Committee regularly meet students and their managers in order to gain invaluable feedback on course suitability and content and the information which helps us to determine the seminars we organise.

Experience tells us that there is a direct correlation between service quality, sustainable volume growth and education. Winners of the prestigious awards, "Export Factor of the Year" and, "Import Factor of the Year", are Members who year after year, enrol students to the education program. Knowledge, accuracy, and efficiency, delivered in a timely and professional manner are the main attributes we all seek from our partners so, it is equally important that we ensure that we can reciprocate fully and maintain the competitive spirit of FCI to the highest standards possible!

Details about all FCI courses and seminars/workshops can be found on FCI website <https://fci.nl/en/education/index>.

OUR AIM IS TO MAKE  
EDUCATION A SHARING PROCESS





**AYSEN CETINTAS**  
Education Director

## Our next seminars...

### **LEGAL Training on GRIF Kunming**

6-8 April 2016, Kunming, China

The FCI Education Committee and the FCI Legal Committee have developed a new training: "Legal Issues", with a special focus on everything there is to know about the General Rules of International Factoring (GRIF). The format for this training will combine plenum presentations with smaller group discussions and Q&A sessions with practical examples and genuine cases.

The Training will focus primarily on the GRIF, the background of certain articles, the implications for day-to-day business and the delicate balance in keeping the GRIF an acceptable document for both the group of Export Factors and the group of Import Factors.

More information on <https://fci.nl/en/event/legal-seminar-on-grif-singapore/3372>

### **Legal Seminar on GRIF Singapore**

11-12 April 2016, Singapore

With a special focus on everything there is to know about the General Rules of International Factoring (GRIF). The format for this Seminar will combine plenum presentations with smaller group discussions and Q&A sessions with practical examples and genuine cases. The Seminar will focus primarily on the GRIF, the background of certain articles, the implications for day-to-day business and the delicate balance in keeping the GRIF an acceptable document for both the group of Export Factors and the group of Import Factors.

More information on <https://fci.nl/en/event/legal-seminar-on-grif-singapore/3372>

### **Operational Workshop on International Factoring and edifactoring.com**

11-13 May 2016, Vienna, Austria

In May FCI will be holding a two and a half day workshop about two-factor operations and edifactoring.com in Vienna.

The first half day will be a must attend event for all new members of FCI with a special focus on edifactoring.com operations and security while the following two days will be dedicated to two-factor work process.

This brand new interactive training shows how to handle the FCI two-factor business both as Export and Import Factors with a special focus on the FCI edifactoring.com messages, business rules and on the operational process of one cross-border factoring transaction.

Some of the topics to be covered in the programme are: EF and IF relations, assignment, documentation, invoicing, PUA, invoice verification, risk aspects, KYC, collection, disputes, operational challenges and many more.

More information on <https://fci.nl/en/event/operational-workshop-on-international-factoring-and-edifactoring.com/3464>

## Joint meeting with FCI Members and non-Members in Lisbon, 11 February 2016

In February the FCI Education Committee held the second meeting of the 2015-2016 working term in Lisbon, Portugal. This visit gave us the opportunity to organise a highly successful **joint meeting with the Members and potential Members of FCI** in Portugal under one roof. After the presentations delivered by the Education Committee Members, the discussion focused on the value of education, integration of the ex-IFG education programme, e-learning courses, seminars/workshops, manuals and ongoing projects. During the meeting we received very positive feedback, invaluable input and suggestions which will certainly help FCI to improve the education facilities. We are thankful to our Members in Portugal for their participation in the joint meeting.

The meeting was supported by the Associação Portuguesa de Leasing, Factoring e Renting (ALF) and kindly hosted by Millenium bcp.







JOHN BREHCIST  
EUF Coordinator

# EUF WHITE PAPER

During the Second EU Factoring and Commercial Finance Summit (see report on page 7), the EUF's White Paper Report on the Industry was launched, which for the **first time provides hard evidence of the low Loss Given Default nature of Factoring and Commercial Finance** and highlights its role as a **unique "win win" in finance**, providing users with high levels of funding and providers with high levels of security.

I was there at the launch as the Report's author and introduced the picture of the state of the European Industry which could be shared with users, providers, regulators and lawmakers.

The full report can be now seen on the EUF website at [www.euf.eu.com](http://www.euf.eu.com). The paper combines the work which is done on a regular basis by the EUF's Economics and Statistics Committee and a ground breaking survey which involved 80 factoring providers across European markets.

The sample sizes for the various questions asked in the survey are large and the answers therefore realistically reflect the whole Industry.

The research has both **reinforced some well-known** and **understood truths about the Industry**; it also demonstrated **some new understandings**.

Anecdotally, it had been well understood that usage of factoring is focused in the key economic sectors of **Manufacturing, Service and Distribution**. The responses reinforce this – **nearly three quarters of turnover and advances are in these three sectors**. And by any of the three measures of client numbers, turnover and advances, Manufacturing is shown to be the single largest sector supported.

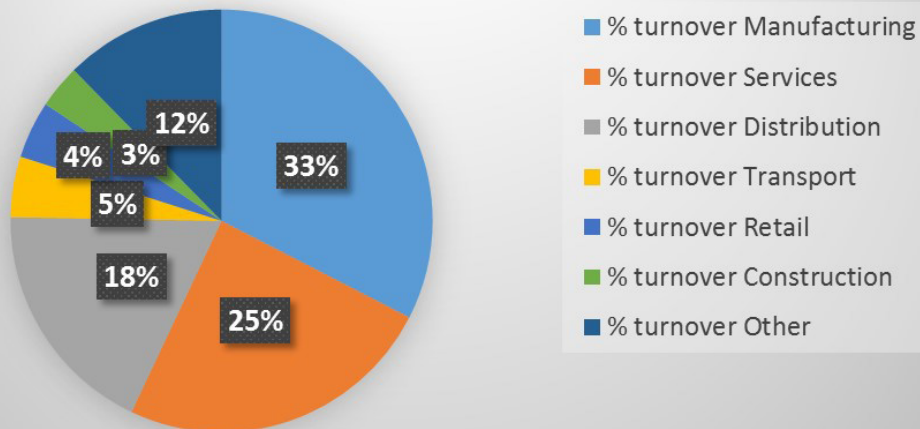
Perhaps unsurprisingly, the survey highlights that Manufacturing penetration is highest in Germany and Distribution in the Netherlands!

**LOW  
LOSS GIVEN  
DEFAULT NATURE  
OF FACTORING AND  
COMMERCIAL  
FINANCE**

17

# INFLUENCE

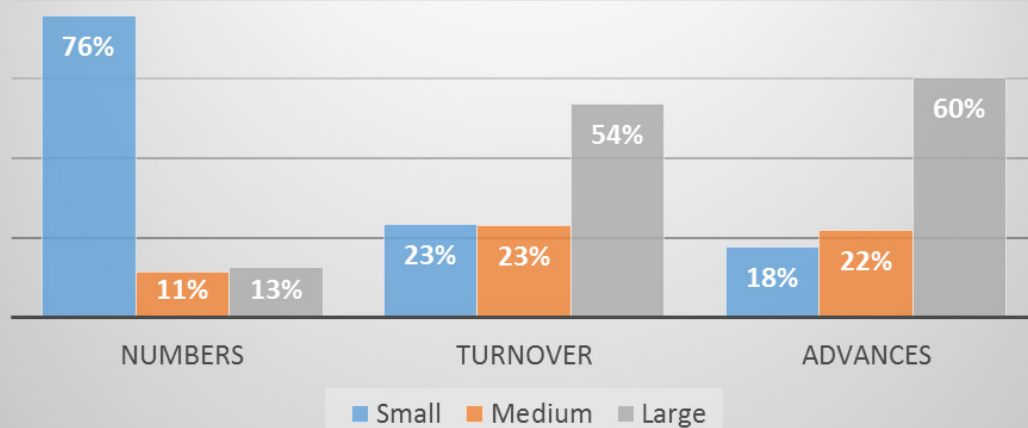
## Client Sector Distribution by % of Client Turnover



Historically FCF has very much been perceived as an SME oriented funding solution and while the survey certainly confirms that by number SME users predominate, it also shows that by turnover, Large scale users are the approximate equivalent of both Small and Medium sized combined.

By advances, Large Companies dominate the stage taking 60% of the volume. The implication of this is that, contrary to previously held perceptions, FCF is a funding vehicle for businesses of all sizes. Indeed, according to Eurostat over 99% of businesses in Europe are SMEs; by implication this means that the sector penetration of FCF is actually higher in the Large Corporate population than it is within SMEs.

## Comparison of Clients by Company Size



# INFLUENCE

The most dramatic findings though are in the area of losses. The Industry has always contended that it is a low loss given default (LGD) solution, but never before has it had the evidence to back up the claim.

A large sample of respondents demonstrate that not only are the **losses very low in absolute terms, they are three to four times lower in comparison to other comparable forms of lending** in the EU. So for the first time the survey confirms that the solution is an LGD source of finance, providing safe secure funding in an environment where the focus on financial risk is becoming increasingly important.

	Bank loan impairment rates: Low Risk Countries	Bank loan impairment rates: High Risk Countries	Overall EU Bank loan impairment rates:	Sample FCF impairment Rates: Low risk countries:	Sample FCF impairment Rates: High risk countries:	Overall EUF Sample FCF Impairment Rates:
2012	0.46%*	2.12%*	1.22%^			
2013	0.40%*	1.72%*	0.96%^			
2014	0.32%*	1.60%*		0.09%	0.43%	0.26%
2015 h1	0.19%*	1.20%*				

\*<https://www.ecb.europa.eu/pub/pdf/other/financialstabilityreview201511.en.pdf?24cc5509b94b997f161b841fa57d5eca> page 70, chart 3.6 SNL Financial

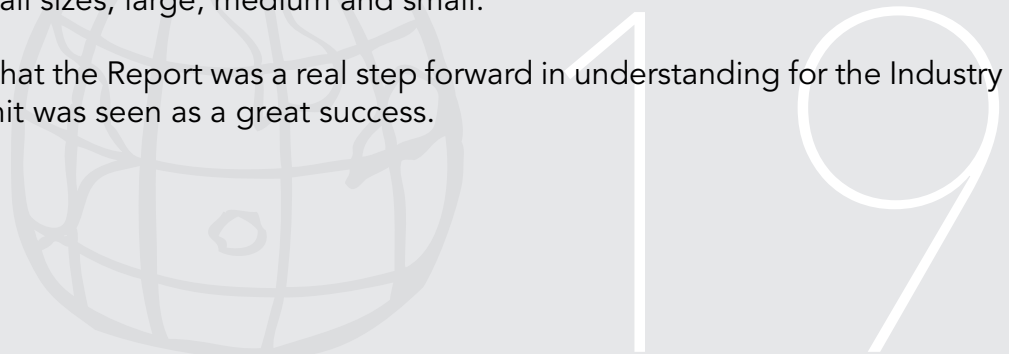
^ <https://www.ecb.europa.eu/stats/money/consolidated/html/index.en.html> (reference period end 2013/2012, impairment loans and receivables including FL as a % of total loans and receivables including FL)

From a provider's view this implies a portfolio based capital allocation approach should favour this form of funding whilst from a regulator's perspective this implies it offers a lower risk and should accordingly be associated with a lower risk weighting and a lower cost of capital.

The survey very much reinforces the EUF's view that the European Factoring and Commercial Finance (FCF) Industry is **a continuing success story, providing working capital to support real businesses in the real economy in Europe, creating funding, employment and growth opportunities.**

It demonstrates clearly, both from the perspectives of existing and the new research that the industry is growing rapidly and is now supporting businesses that have a combined turnover that represents 10% of EU GDP. In doing so it provides funding of €170Bn to around 164,000 European businesses of all sizes, large, medium and small.

Attendees commented that the Report was a real step forward in understanding for the Industry and the Factoring Summit was seen as a great success.





**HARRY BILETTA**  
Director Planning and  
Development

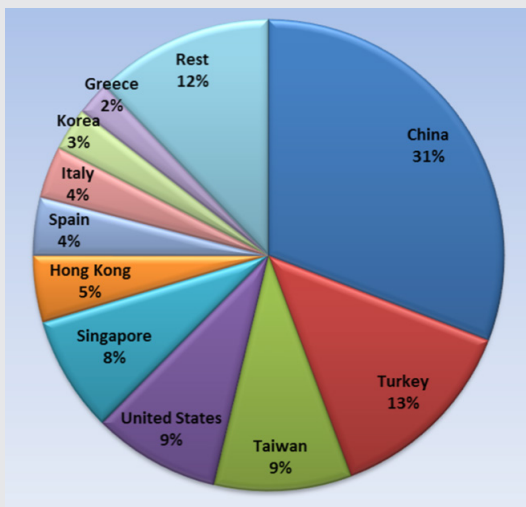
# STATISTICS 2015

One of the many positive aspects of the union of the two associations was that we would have a **much larger source of data to collect** and the **volumes of our members would represent a good share of the world factoring volume**. Our hope was to circulate here the global figures for 2015, but unfortunately we are still far from having received sufficient feedback from the members to the market survey (just over 60% of replies received so far) in spite of the fact that the deadline was a fortnight ago.

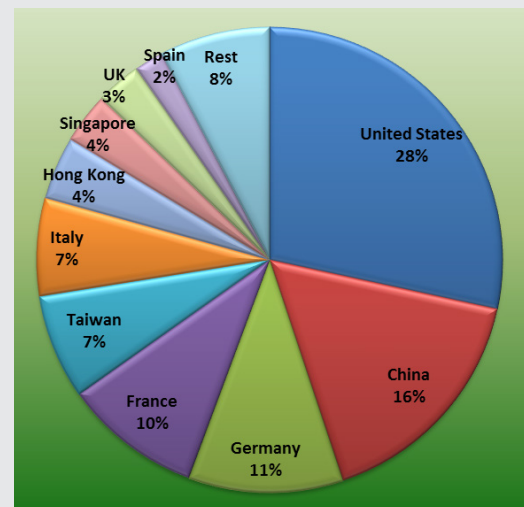
In consideration of the implications of the Competition rules released by a number of authorities worldwide in 2014 the circulation of figures among our members is far from satisfactory.

In an attempt to make use of what we have available, we have prepared some graphs which we hope may be of some interest for our members.

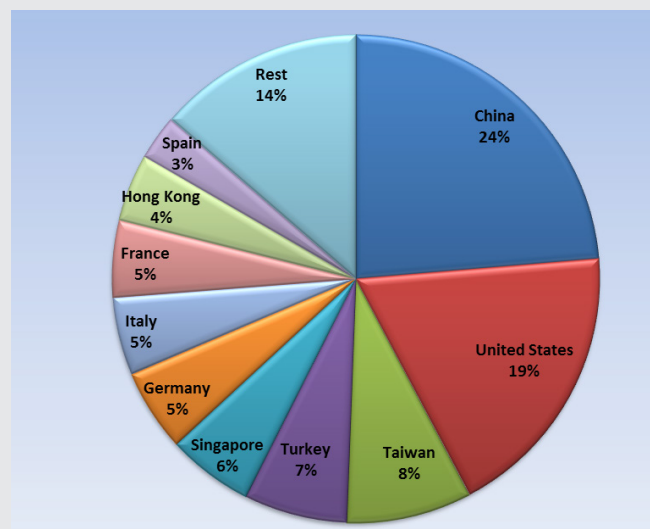
**Share of FCI+ifg  
Two-Factor Exports**



**Share of FCI+ifg  
Two-Factor Imports**



**Share of FCI+ifg  
Two-Factor Business**

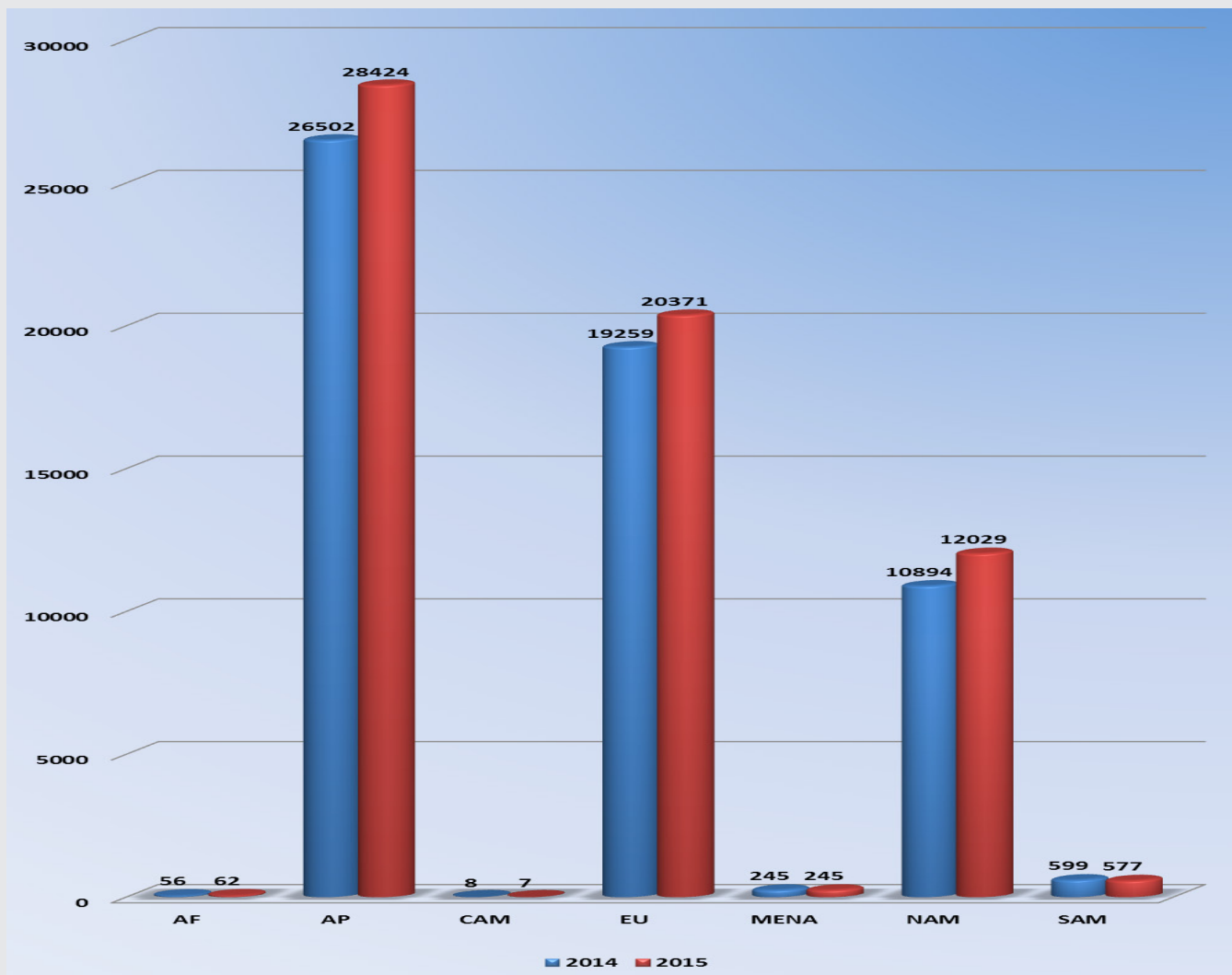




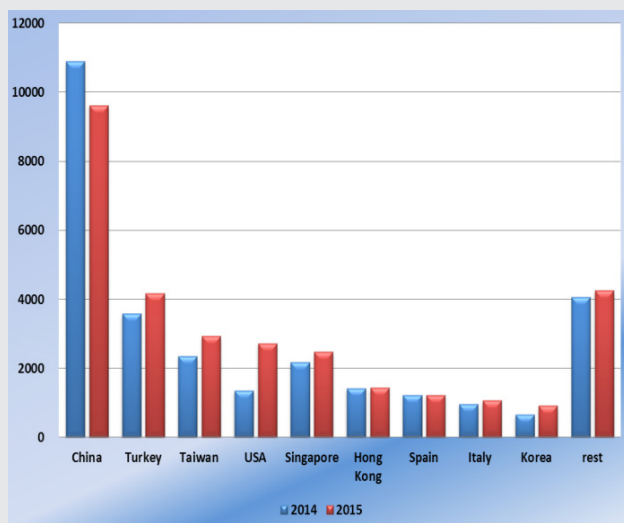
# INFLUENCE

## Comparison 2014-2015 (FCI ONLY)

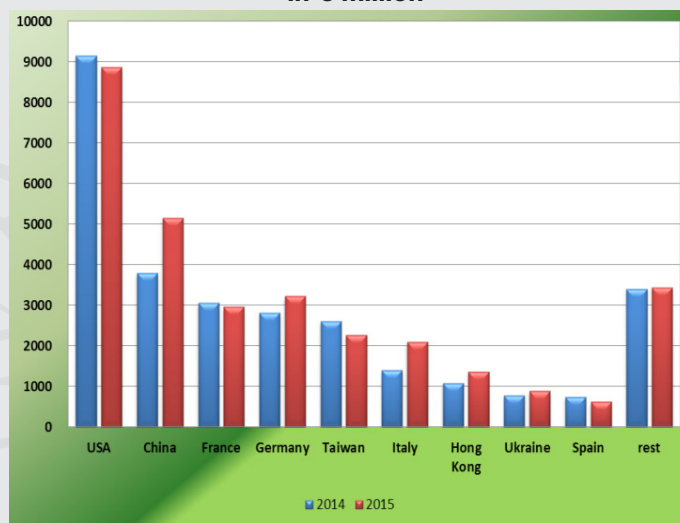
Total FCI Two-Factor Business  
in € million



FCI Two-Factor Import volumes  
in € million



FCI Two-Factor Export volumes  
in € million



# OBITUARY

THURSDAY FEBRUARY 4, 2016

## **Glenys Rose Marie Hitzig** (née Hargreaves)



Annual Meeting San Francisco 2011

Glenys passed away February 3, 2016 after a courageous battle with cancer. She was born in 1936 at Newport, South Wales to Joseph and Esther Hargreaves. The family moved to Plymouth, Devon shortly thereafter. With her father away at war, she survived the blitz even though her house was totally destroyed by a Luftwaffe bomb (she and her mother were away shopping at the time). The copper-haired beauty immigrated to Canada in 1959 and, in 1961 started a five year career as a flight attendant with a major airline. She was the devoted wife of Ken for 54 years. Glenys was the cherished mother of Simon (Gayle) and Rupert (Laura) of Toronto, and Jeremy (Stephanie) of New York. She was Nana to nine grandchildren, Noah, Matthew, Rhys, Liam, Griffin, Ridley, Eve, Quentin and Cameron.

Glenys is also survived by her family in the U.K.; her sister, Hilary; her nephew, Ben (Nicky); and her niece, Heidi (Joe); and children, Isobel and Freya. She leaves many dear friends and bridge partners.

Friends and family are invited to attend a reception in fond remembrance in the spring at a date to be determined.



Annual Meeting San Francisco 2011



Annual Meeting Athens 2013





For a strong future.

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