

NON RECOURSE FACTORING

ABOUT THE PRODUCT

The purpose of the assignment of receivables on a non-recourse basis is to provide the holder of the claim (the 'Assignor') with funds in advance of the usual payment times, thereby assisting cash flow. With this option, the company sells its portfolio of receivables to the Bank, in return for payment, and the Bank acquires ownership of them.

In line with IAS (International Accounting Standards), the assignment of an account receivable from commercial supplies that is due or overdue for payment is definitive.

For receivables due from Public Authorities, the Assignor must be up-to-date with any tax and social security payments.

WHO IS IT FOR?

Businesses of all sizes, mainly suppliers to public authorities, who want to improve the management of their commercial receivables, improve cash flow, and protect themselves against the risk of insolvency or serious delays of repayment.

Assignments are usually made on a revolving basis (monthly or quarterly), however, ad hoc assignments can also be considered.

ADVANTAGES FOR THE CLIENT

- Outsourcing of the collections process.
- Improved balance sheet ratios.
- Cash flow better adapted to the needs of the company.

COST

The cost of the service is the price of the assignment, which is calculated according to market interest rates and the estimated time of collection. A servicing fee is also payable.

The debtor's rating, and the credit quality of the assignor, may also be taken into account in formulating the cost.

DOCUMENTS REQUIRED FOR DILIGENCE CHECKS

- Company trading certificate, deed of incorporation and bylaws.
- Portfolio containing a list of proposed assignees, and the amounts.

DOCUMENTS REQUIRED FOR APPROVAL

- Last two sets of financial statements, and a statement of the interim financial situation (if available).
- Details of all financial obligations.
- Confirmation that all taxes are up-to-date.
- Copies of underlying supply contracts, tenders and orders.

CONTACTS

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