Trade Payables Financing Policy

Supply Chain Financing

Key Features

- Bank (Financial Institution) is Named the Policyholder
- Nonpayment Coverage on Payables Financing
- Financing of Payables From One or Multiple Suppliers
- Non-Cancelable Limits or Pay-As-You-Go Policy

Options Available

- Up to 90% Coverage

The suppliers are notified by the buyer that the bank will make the payment to them.

Example

In this structure, the buyer is normally the client of the bank.

Benefits to the Buyer

Benefits to buyer can include earning an early payment discount from suppliers and receiving longer term payable financing. The total term must remain within normal credit terms for the product sale.

Benefits of Trade Payables Financing Insurance for Banks

Banks most often use our Trade Payables Financing Insurance policy to insure transactions that might otherwise exceed existing internal country or obligor capacity limitations. A policy can also be used to mitigate risks in foreign markets where the bank has limited experience. This enables a bank to leverage its capacity and avoid referring customers to other banks or miss opportunities to take on new business.