

# Reverse Factoring

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A clear conflict of interest in business can often occur when the time comes to agreeing the maturity terms of invoices. Suppliers want to receive payment as soon as possible, while customers want to pay as late as possible. Reverse Factoring helps resolve this conflict to mutual satisfaction.

- **Do you want** to extend the maturity of your supplier invoices up to 240 days?
- **Do you need** to release working capital from short-term assets to support the growth of your company?
- **Do you need** suppliers to reduce the price of their products or services?
- **Do you want** to gain more control over the pricing of purchased products and over the financial stability of your suppliers?
- **Do you need** to optimise cash flow?

**Reverse Factoring** is an easy-to-control, fully automated tool for financing invoices confirmed by you. It offers your suppliers the possibility to pay these invoices before their due date up to the level of 100%.

## What is Reverse Factoring?

Reverse Factoring is a Supply Chain Finance technique that supports business cooperation between companies of different size or financial strength.

In the case of conventional factoring, the client – supplier assigns its receivables against its customers and in return obtains immediate payment of its invoices. In the case of Reverse Factoring, one large creditworthy company initiates payments for a number of smaller suppliers.

## Benefits of Reverse Factoring

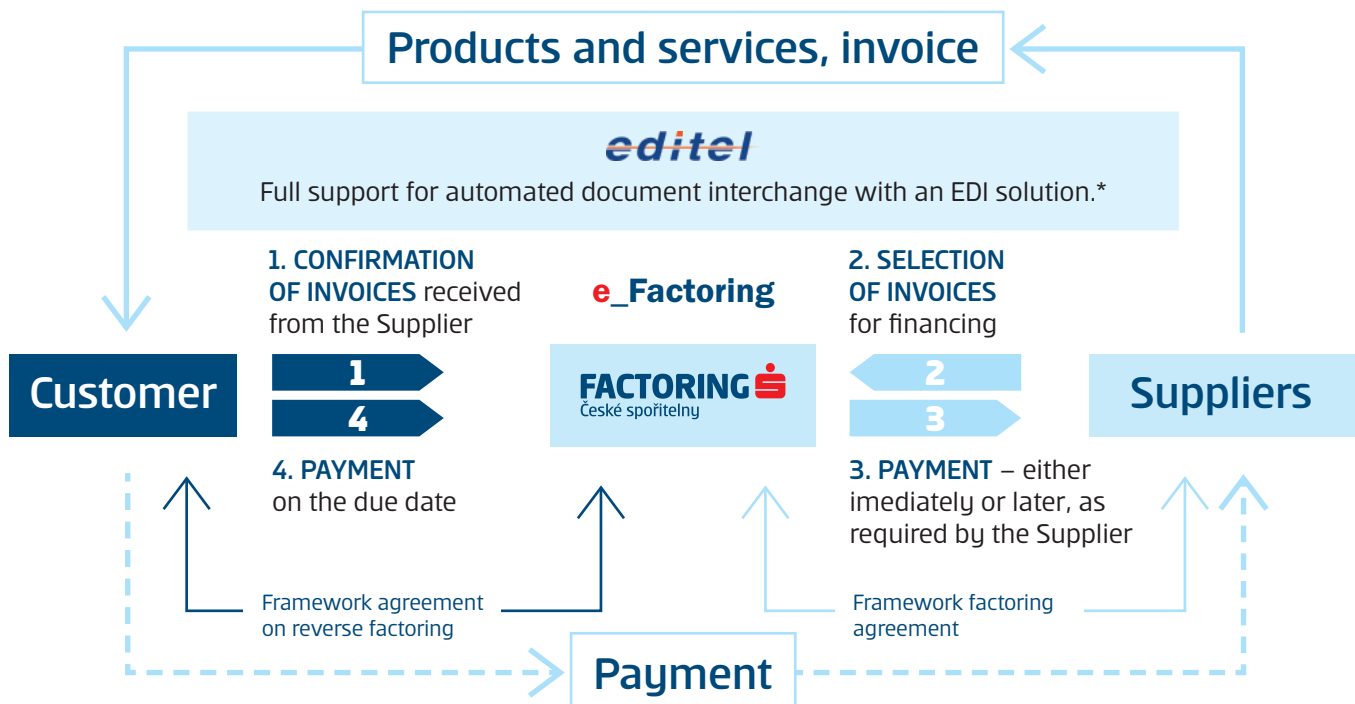
### Benefits for you as the client:

- 1 Improvement in the use of working capital thanks to extension of supplier invoice due dates.
- 2 The option to ask suppliers to defer the due date without negatively impacting their financial situation.
- 3 Additional funds can be secured without increasing bank indebtedness.
- 4 The possibility of using Reverse Factoring to negotiate better prices from suppliers.
- 5 No minimum or maximum amount of supplier invoices for financing.
- 6 Stabilisation of your supplier portfolio.
- 7 Use of eFactoring – an on-line application available 24/7
- 8 *edi*Factoring – a modern, digital factoring service financing with support for EDI – electronic data interchange.

### Benefits for your suppliers:

- 1 Flexibility – suppliers can opt for financing from the date you confirm your invoices in the eFactoring internet application up to seven days before the due date – all without any restrictions in terms, amounts or currencies.
- 2 Active cash flow management thanks to immediate financing of receivables after confirmation of your payment liability.
- 3 The option to accept your requirements for due date deferral and gain a more stable position with your suppliers.
- 4 Lower costs for financing receivables based on your creditworthiness.
- 5 Coverage for the risk of your insolvency in the case of non-recourse factoring.
- 6 Off-balance-sheet form of financing improves supplier's working capital ratio.
- 7 Ongoing information about the state of receivables in eFactoring – an on-line application available 24/7.

## How does Reverse Factoring work?



\* A means of communication between you, Factoring České spořitelny and your suppliers thanks to a strategic partnership between our company and EDITEL CZ s.r.o

### Forms of Reverse Factoring

- **non-recourse** (i.e., without recourse against the supplier), where Factoring České spořitelny provides a guarantee in the agreed scope for a client's (customer's) inability or reluctance to pay.
- **recourse** (i.e., with recourse against the supplier), where Factoring České spořitelny does not guarantee payment of the assigned receivable, meaning that it can be returned to the supplier in full in the case of non-payment of the receivable by the client (customer).

### Who is Reverse Factoring suitable for?

- medium and large companies
- manufacturing and trading companies that regularly buy goods or services from several suppliers
- supply chains that practice open account payment and deferred maturity terms

### What are the expenses?

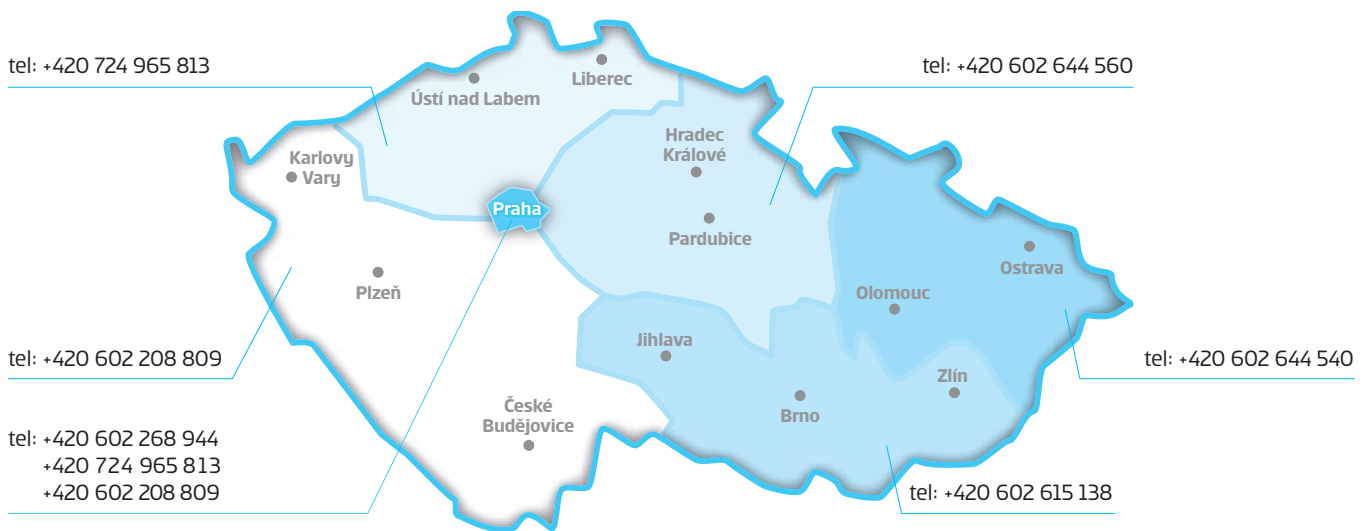
Fees are always determined individually in consideration of the risk and administrative burden of the business scenario and planned turnover via Factoring České spořitelny. Unless agreed otherwise, the fee for using Reverse Factoring is paid by the supplier.

### How do we start?

- **inform us about your supplier portfolio** proposed for Reverse Factoring and provide detailed information about your supply chain relationships
- **we will evaluate your information and propose a corresponding form of cooperation** in an indicative offer
- **after signing the contracts with you and your selected suppliers, you will be trained** and receive complete support to get the best use out of Reverse Factoring

# Contact us

**Factoring České spořitelny** has a network of regional sales managers throughout the Czech Republic. Our staff is ready to discuss the terms and conditions of possible cooperation with you and will make themselves available at the time and place best suited to you. You can find the names of current sales managers at: [www.factoringcs.cz](http://www.factoringcs.cz).



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You can obtain information about our international factoring services in Slovakia, Austria, Croatia, Hungary and Romania from the international factoring department by calling the telephone number: **+420 956 770 750**.



Facilitating Open Account – Receivables Finance

Member of Factors Chain International

## Regional Corporate Centres

We would be happy to provide you with more information about factoring at the Regional Corporate Centres of Česká spořitelna in the following cities:

Brno, České Budějovice, Hradec Králové, Jihlava, Liberec, Olomouc, Ostrava, Pardubice, Plzeň, Praha, Ústí nad Labem, Zlín.

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