



GLOBAL SUPPLY CHAIN FINANCE FORUM

Press Release

10 November 2020

Global Supply Chain Finance Forum issues payables finance guidance to drive further clarity on terms and techniques

- Supply chain finance is one of the fastest growing trade finance products, yet inconsistent terminology remains a hindrance.
- *Market Practices in Supply Chain Finance: Payables Finance Technique* is the second in a series of guidance documents set to further encourage industry-wide adoption of uniform terms and techniques.

The Global Supply Chain Finance Forum (GSCFF) – an initiative comprising the International Chamber of Commerce (ICC) Finance for Development Banking Commission, BAFT (Bankers Association for Finance and Trade), the Euro Banking Association (EBA), Factors Chain International (FCI) and the International Trade and Forfeiting Association (ITFA) – has released a new guidance document on payables finance, to aid financial institutions, accounting firms, rating agencies and regulators in gaining clarity and consistency on the various terms and techniques.

While uptake and feedback on the 2016 *Standard Definitions for Techniques of Supply Chain Finance* has been positive, much work is still required to further align terminology across the complex ecosystem of stakeholders involved in international supply chains.

As part of this drive for clarity, the second *Market Practices in Supply Chain Finance* publication focuses on payables finance – a technique and form of receivables purchase, flexibly applied, in which sellers of goods and services sell individual or multiple receivables (represented by outstanding invoices) to a finance provider at a discount. In turn, the guidance document takes a wider look at this important technique and provides a comprehensive overview on how payables finance can be used in practice.

“When all parties use similar techniques and terminology, it makes for a streamlined and efficient process,” said **Christian Hausherr, European Product Head of Supply Chain Finance at Deutsche Bank and Chair of the GSCFF**. “Our hope is that this report will lead to an industry-wide, uniform adoption of the payables finance technique.”

The publication represents a go-to resource that finance providers can refer to for guidance on common market practices in risk management, documentation and operational handling for payables finance transactions.

The GSCFF will continue issuing additional guidance and whitepapers related to supply chain finance as needed.

To view *Market Practices in Supply Chain Finance: Payables Finance Technique*, please visit supplychainfinanceforum.org.

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About the Global Supply Chain Finance Forum

The Global Supply Chain Finance Forum was established in January 2014, as an initiative of these industry associations to address what has been recognised as a need to develop, publish and champion a set of commonly agreed standard market definitions for Supply Chain Finance and for SCF-related techniques.

<http://supplychainfinanceforum.org/>

About the International Chamber of Commerce (ICC)

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