GSCFF
GLOBAL SUPPLY CHAIN FINANCE FORUM

确保应付账款融资永葆力量

全球供应链金融论坛直面解决关注的问题

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简介

在过去十年中，应付账款融资项目已经成为一种常用的供应链融资方式，即从融资提供方处引入新的投资流动池，从而在整个供应链中创造双赢局面。对买方而言，这意味着付款条件的改善和营运资金的优化；对卖方而言，这意味着资金来源更为丰富，且利率低于大多数中小企业的正常水平。对买卖双方来说，这意味着更安全、更稳定的供应链和更可持续的业务。

这样的安排应为交易双方都带来好处。然而，令人不安的是，我们观察到市场中的某些做法，读到某些情况下的报道并非如此，针对这些项目的目标和结果出现批评之声。

全球供应链金融论坛（GSCFF）聚焦于透明度，在本报告中概述了这些批评意见，并提供了行业观点。全球供应链金融论坛由代表贸易金融市场的主要全球性协会组成，包括金融与贸易银行家协会（BAFT）、国际保理商联合会（FCI）、国际商会（ICC），国际贸易和福费廷协会（ITFA）以及欧洲银行业协会（EBA）。报告重点关注三个关键领域：

1. 对供应商的潜在不利影响，尤其是中小企业以及位于发展中国家和新兴市场的供应商；
2. 财务报告及透明度；
3. 与这些项目相关的潜在信用风险和流动性风险。

1. 究竟什么是应付账款融资？

在解决这些问题之前，关键是要了解什么是应付账款融资，以及它应该如何使用。应付账款融资是供应链金融项下一套解决方案中的一种方法。它可以被定义为“由买方主导的项目，在该项目中，买方供应链中的卖方能够通过应收账款购买获得融资”。[1]因此，如果卖方选择在买方的标准约定条款之前获得付款，则该项目提供了一种选择，即在实际到期日之前收到应收账款（以核准付款的未结清发票来表示）的贴现金额。

在此项目中，供应商的融资成本与买方（通常为投资评级实体）的信贷质量相一致，因此低于小型供应商自行借款的成本。同时，买方于到期日向融资提供方支付应收账款的全部金额。在这种情况下，买方的信誉有助于卖方改善融资条件，并使卖方无需使用自己的授信额度即可获得额外的流动资金。这种融资有助于巩固整个供应链的稳定性和完整性，不仅仅有利于买方和参与的供应商。

欲了解更多信息，参见我们的《应付账款融资---如何助力于全球供应链》[2]

2. 解决关注的问题：对供应商和中小企业的潜在影响

媒体一直在引用中小企业被“胁迫”加入供应链金融项目的例子。这是常见做法吗？全球供应链金融论坛对此有何看法？

中小企业被“胁迫”的观点可谓有些耸人听闻，因为,该问题的提出完全忽视了通过结构良好的应付账款融资项目可以实现的平衡。这种平衡涉及到有助于买方的条款，从而确保整条供应链的健康，同时供应商在可负担的基础上能够迅速获得资金，这有助于解决中小企业的系统性现金流挑战。

值得注意的是，在全球金融危机的最严重时刻，英国、美国和其他司法管辖区考虑鼓励使用应付账款融资项目，以此向国内供应链注入迫切需要的流动性。然而，目前，有人却将同样的技术称为“胁迫”。实际上，滥用此类项目和滥用市场操纵力有时才会导致仗势胁迫行为。

虽然很遗憾存在这种情况，但这并不是一种普遍的做法，而且肯定不是“最佳实务做法”。应付账款融资项目应予以恰当使用，并且，如果使用正确，可以成为企业财务主管和中小企业供应商群体的一种重要融资工具。

卖方习惯于在各种条件下向买方提供货物和服务，通常为从发票日后30天，虽然这并非正式标准。买家可能需要将付款期限延长至45天（或更长），原因多种多样，包括改善自身的营运资金状况或调整生产和销售周期。诸如应付账款融资等供应链金融项目可使供应商短于30天获得付款，在许多情况下，最快为5至10天。

不急需现金的供应商可以选择在原到期日全额收款。在这一点上，我们非常清楚：卖方应该感到，如果收到邀请，他们可以自由选择参加与否，完全不承担任何义务。全球供应链金融论坛强烈鼓励融资提供方在考虑延长期限时遵循习惯做法；例如，如果某一特定行业的付款期限通常为30-60天，则基于120天期限的项目可能需要有明确的理由支持，否则可能被认为超出了该行业的典型参数。孤立地看，这一事实不会造成拟议项目的结构不恰当，但采用这种解决办法的融资提供方和买方可能会招致质询。

1 全球供应链金融论坛，2016年发布的《供应链金融技术的标准定义》，https://iccwbo.org/content/uploads/sites/3/2017/01/ICC-Standard-Definitions-for-Techniques-of-Supply-Chain-Finance-Global-SCF-Forum-2016.pdf

2 全球供应链金融论坛，《应付账款融资——如何助力于全球供应链》,http://files-eu.clickdimensions.com/iccwboorg-avxnt/files/20200212gscffmessageonpayablesfinance-finalversion.pdf?m=2/12/2020%203:17:25%20PM&_cldee=bGR1YXJ0ZUBpY2N3Ym8udWs%3d&recipientid=contact-296a61d8f797e911a991000d3ab27d56-fad47b3e419b432986b0ecfbfab75e8d&esid=4d6044a3-6d4e-ea11-a812-000d3aba77ea

长期以来，市场操作力问题一直被认为是制定和部署应付账款融资项目的一个挑战。因此，大多数应付账款融资项目都允许供应商在买方不知情的情况下提前获得付款。其目的一直是为贸易伙伴双方提供平衡的利益。

与跟单信用证等其他已经确立的贸易融资形式一样，全球供应链金融论坛和全球贸易金融从业人员们认为，诚信而真诚的互利愿望应该是应付账款融资项目的基础。这些项目的好处应该是不言而喻的。

在实施应付账款融资项目时，某些买方的目的是为自己而非其供应商创造营运资金收益，对此你们是否认同？

应付账款项目的主要目的是在营运资金方面为买卖双方带来双赢。买方按照标准的行业条款进行付款，而卖方可以选择提前或在原定到期日收款。

应付账款融资项目本身很可能是由买方提出的，目的是改善其营运资金周转，但如果卖方/供应商在获得提早收款便利方面看不到好处，则他们不会（也不应）同意参加，那么这种项目就不会起作用。

在正常业务过程中，应付账款融资项目是根据具体行业的标准付款条款进行制定。对于无法且不选择支持的条款，卖方可以选择不贴现其应收账款/发票，或不出售给特定买方。虽然全球供应链金融论坛发现，大多数买方正在制定此类项目，以进一步支持供应商，同时更好地保障自己的供应链和生产线，但供应商被“胁迫”的观点令人深感担忧。

在为供应商提供营运资金方面，大多数项目提供了比透支或公司贷款成本更低的替代项目。

在澳大利亚，小型企业的申诉专员指控大型企业向供应商施压，要求他们加入供应链金融计划，并声称金融中介机构正在利用人工智能从小型企业处榨取超额回报。
你们赞同申诉专员的在这方面的意见吗？

人工智能可用于建立新的、或进一步优化现有的任何一种金融项目。人工智能是评估风险的有力工具，能够使银行和其他服务商确定定价并吸引流动性。是的，人工智能可能会被滥用，全球供应链金融论坛对此予以谴责。如何使用人工智能产生的智能，以及如何最终将其转化为具体措施，需要由特定买方根据自己的商业政策和企业道德来决定。

全球供应链金融论坛谴责与融资提供方所承担风险不匹配的剥削性定价，并反对将人工智能用于此类目的。从这个角度来说，人工智能应该促进和支持融资项目的初始目标：通过吸引新的流动性来源注入供应链条，为买卖双方创造双赢的局面。

最后，值得注意的是，申诉专员在同份报告中也强调了应付账款融资的好处。[3]

付款条件一直是供应链金融项目中一个遭受批评的关键领域，即付款天数增加30天到45天、60天甚至至90天（并且自从新冠肺炎疫情危机后，甚至有180天的案例报道）。为避免此类条款，据说供应商被“鼓励”通过相关融资机构，按照其原始付款条件接受折扣付款。一些政府当局正在考虑减少这种做法。

你们同意减少这种做法是个好主意吗？

一个供应链金融项目要被标记为“应付账款融资”项目，必须遵守某些参数。这通常意味着期限不超过180天（或在特殊情况下为360天）。买方试图延长付款期限的一些案例是对前所未有的新冠肺炎疫情的短期反应，并不能反映整个应付账款融资行业的情况，也不应长期存续。

归根结底，与行业一致的付款条件应当指导项目的结构，认可这些条款将因行业而异，并且，特殊情况或合法的商业约定做法可能会演变，超越常见条款。

一般说来，付款条件是由交易双方协商决定，任何一方都不是被迫接受这些条件的。银行和其他融资提供方将此类讨论交由合同缔约当事方及其财务人员自行决定。

全球供应链金融论坛认为应设立限制强制付款条件的法律规定吗？

许多国家以及欧盟层面已经有了逾期付款的法规。容许的条款因监管规则的主管当局而异。我们的建议是向利益相关方呼吁，并鼓励各参与方协商双方均可接受及受益的公平行业标准条款。

原则上，全球供应链金融论坛支持契约自由的观点，即贸易伙伴（卖方和买方）在相互协商和自由选择的基础上签订合同。

3. 解决关注的问题：会计影响

在供应链金融项目方面，评级机构一直在推动对企业财务披露的改革。穆迪最初推动将通过这些项目获得的现金确认为银行债务，但此后态度软化，现在开始提倡企业将供应链金融项目作为流动性的潜在风险予以披露。你们是否同意评级机构关于这些项目确实对流动性构成风险的立场？

我们认为，在买卖双方间交易中已有的财务风险以外，供应链金融项目中产生的负债不会产生额外的财务风险。贷款产品通常含有在负面事件发生时允许暂停的措辞。供应链金融项目如果由财务状况不佳的企业实施，与贷款产品也并无差别。

在开展供应链金融项目前，通过对公司的资产负债表进行深入的信用分析，可以避免负面结果。

3 澳大利亚小企业和家庭企业申诉专员，《供应链金融评论》，https://www.asbfeo.gov.au/sites/default/files/documents/ASBFEO-SCF-position-paper.pdf

鉴于凯瑞里昂公司倒闭前无任何会计信息披露，因此披露仍然是一个突出问题。全球供应链金融论坛如何以确保透明度和对相关风险理解的方式推广供应链金融的使用？

全球供应链金融论坛已开展了大量工作，以推进强有力的行业标准和公认定义，包括发布了《供应链金融技术的标准定义》。[4]此外，全球供应链金融论坛还对该《标准定义》中包含的技术另外制定了系列指导文件。第一份关于应收账款贴现的报告于2019年6月发布。[5] 该系列的下一份指导文件将涵盖应付账款融资，预计将于2020年下半年发布。同样将于今年8月发布的《金融与贸易银行家协会全球贸易行业委员会（GTIC）应付账款融资的准则》将成为这方面另一份强有力的参考文件。[6]

在美国及其他地方，当有人担心供应链金融可能被用来掩盖公司的真实财务状况后，要求买方披露公司的供应链金融使用情况的呼声日益增加。你们是否认为财务报告应该更加透明？

全球供应链金融论坛高度支持透明性，因为它涉及到这些项目的使用。我们认识到需要与会计准则机构协调，为公司财务报表的披露制定适当的参数，但也认识到在决定如何实施它们时可能出现的挑战。

4. 解决关注的问题：项目的风险

在全球供应链金融论坛看来，什么情况下应付账款融资项目给参与方带来的风险高于回报？你们是否认同买方和供应商的风险是不同的，而供应商（通常较小）风险更大的观点？

我们应当切记，主要风险是由融资提供方承担的，特别是与买方的信用有关的风险。如前所述，这可以通过恰当的信贷分析加以管理，在项目存续期，这种权衡通常保持平衡。

正如我们所指出的，流动性来源对供应商帮助极大，利率要优于他们通常可获得的利率水平。供应商规模越小，收益就越大，因为他们自身的资金来源通常更昂贵，并且受限更多。

与传统保理业务相比，反向保理（应付账款融资的一种变形）的集中度风险和一致性风险更高，如果所支持的客户遭受重大信贷压力，这增加了授信减少的可能性。传统保理业务对相关当事方是否因此是风险较小的选择呢？

传统保理和反向保理/应付账款融资项目的主要区别是融资提供方为供应商融资时债务人的集中度风险。在传统的保理业务场景中，融资提供方承担多个债务人（卖方的客户）的组合风险，从而分散风险。如果一个债务人出现财务困难，融资提供方仍将依赖保理项目中的其他债务人持续其业务经营。然而，在反向保理项目

4 全球供应链金融论坛，2016年发布的《供应链金融技术的标准定义》， http://supplychainfinanceforum.org/ICC-Standard-Definitions-for-Techniques-of-Supply-Chain-Finance-Global-SCF-Forum-2016.pdf

5 全球供应链金融论坛，《供应链金融市场实务：应收账款贴现技术》， http://supplychainfinanceforum.org/GSCFF-Receivables-Discounting-Common-Practices.pdf

6 金融与贸易银行家协会, https://www.baft.org/

中，风险集中在单一债务人（称为“核心企业买方”）。在这些项目中，债务人通常是投资级信用，压降融资项目的可能性减少。

此外，由于反向保理/供应链金融项目相关的量化风险较低，而且能够根据核心企业买方的资产负债表将低融资成本传递给卖方，因此融资成本低于透支或贷款。相比之下，传统保理由于通常保留对卖方的某种追索权而成本更高，因此风险更大。显然，卖方在利用融资提供方对买方的信用分析专长。如果融资提供方选择减少买方授信，不再从卖方处购买应收账款，卖方将因不再收到贴现请求而被迫中止该项目。

一些报纸报道称，由于新冠肺炎疫情，供应链金融的使用增多，这给系统带来了额外风险，因为银行随时可以通知取消授信额度。全球供应链金融论坛认为这是一种合法的风险吗？

供应链金融，尤其是应付账款融资，通常是一种长期的业务解决项目，与业务伙伴之间长期稳定的关系相吻合。银行提供的授信额度往往会反映这些商业伙伴的融资需求。如果像新冠肺炎疫情这样的情形需要更多的授信，银行将竭尽全力满足增量需求。

当然，迅速撤销授信额度将会适得其反，也不合时宜，这会给买卖双方带来更多困难。我们的期望是，银行会努力帮助他们的客户和卖方在这些关键时刻生存下来。事实上，据我们所知，已有很多授信额度被延长、买方拥有更长付款时间的情况。这是一种极为重要的（如果是短期的）提供财务救济方方式，无疑受到寻求克服当前危机方法的企业财务主管们的欢迎。

结语

滥用应付账款融资及供应商被迫接受不利条款的报道令全球供应链金融论坛极为担忧，然而我们的理解是，这些事件仍是孤立和罕见的。我们相信，虽然它们吸引了大量的媒体报道，但并不代表在相互支持的供应链中大多数买卖双方如何使用应付账款融资项目的情况。

如果正确实施，应付账款融资明显是买方和卖方优化其营运资金并加强彼此关系的一种方式。我们的目标是确保在所有行业和地区都能正确实施这一点。

我们相信，培养对供应链金融的理解、对其益处以及如何根据标准市场实务最佳地使用的更多理解，对实现这一目标至关重要。虽然自《供应链金融技术的标准定义》2016年发布以来，我们已在这方面取得了重大进展，但我们认为还必须做更多的工作。

为此，我们计划继续发布有关供应链金融技术的进一步指南，以帮助教育和指导银行、金融科技、买方和供应商实施最佳实务做法。

支持中小企业是全球供应链金融论坛及其所有参与机构的首要任务。国际商会于2020年3月发起“拯救我们的中小企业”活动，这只是该行业坚定不移地致力于确保中小企业获得所需资金的一个例子，而中小企业每一天都在为每一处的每个人服务。

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国际商会是100多个国家的4500多万家公司的机构代表。国际商会的核心使命是让企业能够每一天为每一处的每个人服务。 www.iccwbo.org

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ICC CHINA INTERNATIONAL CHAMBER OF COMMERCE The world business organization 国际商会中国国家委员会

GSCFF
GLOBAL SUPPLY CHAIN FINANCE FORUM

关于全球供应链金融论坛

全球供应链金融论坛成立于2014年，旨在为供应链金融（SCF）制定、发布和支持一套受到普遍认可的标准市场定义。该论坛由金融与贸易银行家协会（BAFT）、国际保理商联合会（FCI）、国际商会（ICC）、国际贸易和福费廷协会（ITFA）以及欧洲银行业协会（EBA）组成。这个行业协会利用集体的力量来帮助供应链金融的目标客户，促使所使用的各种术语和技术都能明确而统一。全球供应链金融论坛的主要目标是通过在全行业确立供应链金融的一致性和标准化理解，从而支持供应链金融的可持续发展。其次，全球供应链金融论坛为加大目标受众对其定义及好处的了解而不断努力，尤其是在监管方面。论坛对供应链金融所有相关事项的主要市场发展进行监测并作出反应，同时面向金融机构、非金融机构融资提供方、会计师事务所、投资者、评级机构、监管机构和与供应链金融有着利益牵连的企业进行开放。

GSCFF
GLOBAL SUPPLY CHAIN FINANCE FORUM

ENSURING PAYABLES FINANCE REMAINS A FORCE FOR GOOD

The Global Supply Chain Finance Forum addresses the concerns head-on

ICC INTERNATIONAL CHAMBER OF COMMERCE
The world business organization

BAFT

FCI
Facilitating Open Account – Receivables Finance

ITFA
International Trade & Forfaiting Association

ABE EBA
EURO BANKING ASSOCIATION

ENSURING PAYABLES FINANCE REMAINS A FORCE FOR GOOD

The Global Supply Chain Finance Forum addresses the concerns head-on

INTRODUCTION

Over the past decade, payables finance programmes have become a popular means of financing supply chains—bringing in new pools of investment liquidity from financiers to generate win-win benefits throughout the supply chain. For the buyer, this means improved payment terms and working capital optimisation, for the seller this means alternative sources of funding and at lower rates than most small and medium-sized enterprises (SMEs) can normally access. For both, it means more secure and stable supply chains and more sustainable business.

Such an arrangement should create benefits on both sides of the transaction. However, it is concerning to observe certain practices in the market and to read reports that this may not be the case in some instances, with criticisms emerging regarding these programmes: both their objectives and their outcomes.

With the focus on transparency, the Global Supply Chain Finance Forum (GSCFF)—made up of the major global associations representing the trade finance market: BAFT (Bankers' Association for Finance and Trade), FCI (previously known as Factors Chain International), the International Chamber of Commerce (ICC), the International Trade and Forfaiting Association (ITFA) and the Euro Banking Association (EBA)—outlines the criticisms within this report and provides the industry's perspective.

The report focuses on three key areas of concern:

1. Potential adverse impact on suppliers—especially SMEs—and notably those based in developing and emerging markets;
2. Financial reporting and transparency;
3. Potential credit and liquidity risks associated with these programmes.

1. What exactly is payables finance?

Before addressing the concerns, it is crucial to understand what payables finance is, and how it should be used. Payables finance is one tool in a suite of solutions falling under the umbrella of supply chain finance (SCF). It can be defined as "a buyer-led programme within which sellers in the buyer's supply chain are able to access finance by means of receivables purchase".[1] As such, if the seller elects to be paid earlier than the buyer's standard terms of engagement, the programme provides the option of receiving the discounted value of the receivables (represented by outstanding invoices approved for payment) prior to the actual due date.

The cost to the supplier of financing under such a programme is aligned with the credit quality of the buyer (usually an investment grade-rated entity) and is therefore lower than the cost at which the small supplier could borrow on their own. The buyer, meanwhile, pays the total value of the receivable to the financier on the due date. In this context, the buyer's creditworthiness assists the seller with improved financing conditions and access to additional liquidity without use of their own credit lines. Such financing helps to underpin the stability and integrity of the entire supply chain, benefitting not just the buyer and participating supplier.

For more information, see our factsheet "*Payables finance—how it helps global supply chains*".[2]

2. Addressing the concerns: potential impact on suppliers and SMEs

The media have been quoting instances of SMEs reportedly being "bullied" into joining SCF programmes. Is this common practice? And what is the GSCFF's view on this?

The notion of SMEs being "bullied" could be characterised as somewhat sensationalist, in as much as the presentation of the issue completely ignores the balance that can be achieved through well-structured payables finance programmes. This balance involves terms that help the buyer and therefore assures the health of the overall supply chain, combined with prompt access to funds for the supplier on an affordable basis, which helps address the systemic SME cashflow challenge.

It is notable that at the peak of the Global Financial Crisis, the UK, the US and other jurisdictions considered encouraging the use of payables finance programmes as a way to pump urgently-needed liquidity into domestic supply chains—yet, currently, that same technique is presented by some as "bullying". In reality, it is the abuse of such programmes and the abuse of market power that can sometimes lead to a bullying dynamic.

While such instances regrettably exist, this is not a widespread practice and it is most certainly not "best practice". Payables finance programmes should be used appropriately and, when they are, can become an important financing tool for corporate treasurers and the SME supplier community.

Sellers are accustomed to supplying goods and services to their buyers on various terms, with 30 days from invoice date being common, albeit not a formal standard. Buyers may need to increase payment terms to, say, 45 days (or more) for a variety of reasons, including improving their own working capital position or aligning the production and sales cycles. SCF programmes such as payables finance allow suppliers to be paid before 30 days—in many cases as quickly as five to 10 days.

Suppliers that are not in urgent need of cash can opt to receive payment in full on the original due date. We are very clear on this point: sellers should feel as though they can freely elect to participate or not, when invited, with absolutely no obligation. The GSCFF strongly encourages finance providers

1 GSCFF, "2016 Standard Definitions for Techniques of Supply Chain Finance", https://iccwbo.org/content/uploads/sites/3/2017/01/ICC-Standard-Definitions-for-Techniques-of-Supply-Chain-Finance-Global-SCF-Forum-2016.pdf

2 GSCFF, "Payables finance—how it helps global supply chains", http://files-eu.clickdimensions.com/iccwboorg-avxnt/files/20200212gscffmessageonpayablesfinance-finalversion.pdf?m=2/12/2020%203:17:25%20PM&_cldee=bGR1YXJ0ZUBpY2N3Ym8udWs%3d&recipientid=contact-296a61d8f797e911a991000d3ab27d56-fad47b3e419b432986b0ecfbfab75e8d&esid=4d6044a3-6d4e-ea11-a812-000d3aba77ea

to follow accepted practice in considering extensions of terms; if a given sector is characterised by payment terms in the range of 30-60 days, for example, a programme based on 120-day terms might need to be supported by clear rationale, or may be deemed outside of the typical parameters for that industry sector. That fact in isolation would not make the proposed programme structure inappropriate, but financiers and buyers deploying such solutions may attract queries.

The question of market power has long been understood as a challenge in developing and deploying payables finance programmes. Most payables finance programmes are therefore structured in a manner that allows suppliers to avail themselves of early payment without this being made visible to the buyer. The intent has always been to provide balanced benefits to both trading partners.

As with other established forms of trade financing, such as Documentary Letters of Credit, the GSCFF and the global community of trade finance practitioners consider that good faith and a genuine desire to do business to mutual benefit should underpin payables finance programmes. The benefits of the programmes should speak for themselves.

Would you agree that some buyers' intentions when implementing payables programmes are to generate a working capital benefit for themselves, not for their suppliers?

The primary aim of a payables programmes is to generate a win-win for buyer and seller in terms of working capital benefits. Buyers pay on standard industry terms and sellers can choose to receive payment early, or at the original maturity.

The payables finance programme itself may well be initiated by the buyer in order to improve its working capital cycle, but such programmes would not work if the seller/supplier did not also see a benefit in accessing early payment facilities—otherwise they would not (and should not) agree to participate.

A payables finance programme is put in place in the ordinary course of business under standard industry-specific payment terms. A seller has the choice not to discount their receivables/invoices or not to sell to a specific buyer on terms that they cannot and do not choose to support. The notion of suppliers being "bullied" is deeply concerning, although the GSCFF observes that most buyers are establishing such programmes to further support their suppliers and, at the same time, better secure their own supply chains and production lines.

In terms of generating working capital for the supplier, most programmes offer a less costly alternative than overdrafts or corporate loans.

In Australia, the ombudsman for small businesses has accused large corporates of pressuring suppliers to join SCF programmes and claimed financial intermediaries are using artificial intelligence (AI) to extract excessive returns from smaller firms. Do you agree with the ombudsman in this respect?

AI can be utilised to set up new, or further optimise existing, financial programmes of any kind. AI is a powerful tool for evaluating risk, enabling banks and other providers to establish pricing and attract liquidity. Yes, it can be misused, which the GSCFF condemns. How the intelligence generated from AI is used and how it is ultimately translated into concrete measures is something a particular buyer needs to decide according to their own business policy and corporate ethics.

The GSCFF condemns exploitative pricing that is not warranted by the risk the financing provider is taking and is against using AI for such purposes. From this perspective, AI should promote and support the original objectives of the programmes: to generate win-win scenarios for both buyer and seller by attracting new sources of liquidity into supply chains.

Finally, it is worth noting that the ombudsman also highlighted the benefits of payables finance in the same report.[3]

Payment terms have been a key area of criticism for SCF programmes—with days payable increasing 30 to 45, 60 or even 90 days (and since the COVID-19 crisis, there have even been instances reported of 180 days). To avoid such terms, it is said that suppliers are "encouraged" to accept a discounted payment on their original terms via a related financing organisation. Some authorities are considering curtailing this practice.
Do you agree that curtailing such practices would be a good idea?

In order for a SCF programme to be labelled a "payables finance" programme, certain parameters must be respected. This generally means that tenors do not exceed 180 days (or 360 days on an exceptional basis). A number of the cases in which buyers have attempted to lengthen payment terms are short-term reactions to the unprecedented COVID-19 situation and are not reflective of the payables finance industry as a whole, nor should they continue in the longer-term.

Ultimately, industry-aligned payment terms ought to guide the structuring of programmes, acknowledging that those terms vary by sector, and that exceptional circumstances—or legitimate, commercially-agreed practice—can evolve, that is beyond the more common terms.

Generally, payment terms are subject to negotiation between the trading parties in which neither party is pressured into accepting them. Banks and other finance providers leave such discussions to the discretion of the contracting parties and their accountants.

Does the GSCFF believe there should be a legal requirement in place restricting enforced payment terms?

Late payment legislation already exists in many countries and at a European Union level. Permissible terms vary with the competent authorities policing the rules. Our recommendation is to appeal to the stakeholders and motivate parties to negotiate fair industry standard terms that are acceptable and beneficial for both sides.

In principal, the GSCFF supports the notion of freedom of contract in which trading partners (sellers and buyers) enter into contracts based on mutual agreement and free choice.

3. Addressing the concerns: accounting implications

With respect to SCF programmes, ratings agencies have been pushing for reforms to companies' financial disclosures. Originally pushing for cash received via the programmes to be recognised as bank debt, Moody's has since softened its approach, advocating now for corporates to disclose SCF programmes as a potential risk to liquidity. Would you agree with the rating agencies' position that these programmes do represent a risk to liquidity?

In our view, the liabilities arising from SCF programmes do not create additional financial risk above and beyond those that already exist in trade between a buyer and a seller. Loan facilities usually contain wording that allow them to be suspended when negative events occur. A SCF programme, if undertaken by a corporate in poor financial condition, is no different.

Negative outcomes can be avoided by implementing strong credit analysis of a corporate's balance sheet before engaging in a SCF programme.

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3 Australian Small Business and Family Enterprise Ombudsman, "Supply Chain Finance Review", https://www.asbfeo.gov.au/sites/default/files/documents/ASBFEO-SCF-position-paper.pdf

Given that there was no disclosure in the accounts of Carillion plc before its collapse, disclosure remains a prominent issue. What is the GSCFF doing to promote the use of SCF in a manner that ensures transparency and understanding of the risks involved?

The GSCFF has undertaken extensive work to promote strong industry standards as well as agreed definitions, including the release of the Standard Definitions for Techniques of Supply Chain Finance.[4] In addition, the GSCFF has been working on a series of additional guidance documents for the techniques included in the Standard Definitions. The first report, on receivables discounting, was published in June 2019.[5] The next guidance paper in the series will cover payables finance and is expected to be released in the second half of 2020. The BAFT Global Trade Industry Council (GTIC) Payables Finance Principles document, also to be released this August, will prove another strong reference document in this respect.[6]

In the US and elsewhere, calls are growing for buyers to disclose their use of SCF in company filings after concerns it can be used to obscure a company's true financial position. Do you believe there should be more transparency with respect to financial reporting?

The GSCFF is highly supportive of transparency as it relates to the usage of these programmes. We recognise the need to develop proper parameters for disclosure in corporates' financial statements in coordination with accounting standards bodies—but also recognize the challenges that may arise in deciding how to implement these.

4. Addressing the concerns: risk of programmes

At what point, in the view of the GSCFF, does a payables finance programme become more risky than rewarding for those involved? And do you agree that the risk is different for the buyer and supplier, with more risk to the (usually smaller) supplier?

It should be remembered that the main risks are taken by the finance providers, particularly with regards to the buyer's creditworthiness. This can be managed by appropriate credit analysis, as previously mentioned, with the trade-off generally remaining in equilibrium for the duration of the programme.

Suppliers are greatly helped by the source of liquidity which, as we have pointed out, is available at better rates than they would normally be able to obtain. The smaller the supplier, the greater the benefit as their sources of finance are generally more expensive and more constrained.

The greater risk concentration and alignment with reverse factoring (a variant of payables finance) compared to conventional factoring increases the likelihood that the facility may be curtailed if the sponsoring customer suffers material credit stress. Is conventional factoring therefore a less risky option for parties involved?

The primary difference between a traditional and reverse factoring/payables finance programme is the concentration risk of a debtor when a financier funds suppliers. In a traditional factoring scenario, the finance provider takes the risk of a portfolio of debtors (customers of the seller)—thereby diversifying the risk. If one debtor experiences financial difficulty, the finance provider will still have other debtors under the factoring programme to rely on for the continued viability

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4 GSCFF, "2016 Standard Definitions for Techniques of Supply Chain Finance", http://supplychainfinanceforum.org/ICC-Standard-Definitions-for-Techniques-of-Supply-Chain-Finance-Global-SCF-Forum-2016.pdf

5 GSCFF, "Receivables Discounting Technique - Market Practices in Supply Chain Finance", http://supplychainfinanceforum.org/GSCFF-Receivables-Discounting-Common-Practices.pdf

6 BAFT, https://www.baft.org/

of its business. In a reverse factoring programme, however, the risk is concentrated on one debtor (referred to as the "anchor buyer"). In these programmes, the debtor is normally an investment-grade credit, and the likelihood of curtailment of the programme is diminished.

Also, due to the low quantitative risk associated with reverse factoring/SCF programmes—and the ability to pass on the low cost of finance to the sellers based on the strength of the balance sheet of the anchor buyer—the cost of finance is lower than that of an overdraft or loan. By contrast, the cost of traditional factoring is higher as there is normally some recourse back to the seller, hence the risk is greater. Clearly, the seller is leveraging the credit analysis expertise of the finance provider on the buyer. If a finance provider opts to reduce the buyer facility and no longer purchases the receivables from the seller, the seller would be forced to discontinue the program as they would no longer receive requests to discount.

Some newspapers have reported that increased use of supply chain finance due to COVID-19 brings additional risk to the system—as these are simply credit lines that banks can withdraw at a moment's notice. Does the GSCFF believe this to be a legitimate risk?

SCF in general, and payables finance in particular, is a long-term business solution that corresponds to stable and long-standing relationships between business partners. Credit lines provided by banks will usually reflect the financial need of these business partners. If a situation like COVID-19 calls for more credit, banks will do their best to satisfy incremental demand.

Certainly, it would be counter-productive and inappropriate to swiftly withdraw credit lines—creating more distress for both the buyer and the seller. Our expectation is that banks will attempt to help their clients and their sellers to survive in these critical times. Indeed, we understand there have been a number of cases where credit lines have been extended and buyers were given extra time to pay. This is a very important, if short-term, way to provide financial relief and is, no doubt, welcomed by corporate treasurers looking for ways to overcome the current crisis.

CONCLUSION

Misuse of payables finance and reports of suppliers being forced into accepting unfavourable terms are extremely worrying for the GSCFF—yet our understanding is that these incidents remain isolated and uncommon. We believe that, while they have attracted significant media coverage, they are not representative of how payables finance programmes are used by the majority of buyers and sellers in mutually supportive supply chains.

If correctly implemented, it is clear that payables finance is a means for buyers and sellers to optimise their working capital and strengthen their relationships with each other. It is our goal to ensure that this is correctly implemented across all industries and geographies.

We believe that fostering increased understanding of SCF, its benefits and how it can be best used it in line with standard market practice is crucial to achieving this goal. While we have made significant strides in this respect since the launch of the Standard Definitions for Techniques of Supply Chain Finance in 2016, we accept that more must be done.

To this end, we plan to continue to release further guides on SCF techniques, to help educate and guide best practice by banks, fintechs, buyers and suppliers.

Supporting SMEs is at the very top of the agenda for the GSCFF, and all of its participating institutions. The launch of ICC's "Save our SMEs" campaign in March 2020 is just one example of the industry's unwavering commitment to ensuring SMEs receive the funding they need, and that business works for everyone, everywhere, every day.

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International Chamber of Commerce

The International Chamber of Commerce (ICC) is the institutional representative of more than 45 million companies in over 100 countries. ICC's core mission is to make business work for everyone, every day, everywhere. www.iccwbo.org

BAFT

BAFT is the leading international transaction banking association, providing advocacy, thought leadership, education and training, and a global forum for its members in the areas of trade finance, payments, compliance, and regulations. www.baft.org/

ITFA

The International Trade and Forfaiting Association, ITFA, is the worldwide trade association for companies, financial institutions and intermediaries engaged in global trade, forfaiting, supply chain and receivables financing. https://itfa.org/

FCI

FCI is the global representative body for factoring and financing of open account domestic and international trade receivables, with close to 400 member companies in 90 countries. www.fci.nl

OPUS Advisory Services Inc.

OPUS Advisory Services International Inc. is a Canadian consultancy established in 2001, focused on international business, trade and investment, including trade finance and supply chain finance. www.opus-advisory.com/

EBA

The Euro Banking Association (EBA) is a practitioners' body for banks and other service providers supporting a pan-European vision for payments. www.abe-eba.eu/

GSCFF

GLOBAL SUPPLY CHAIN FINANCE FORUM

ABOUT THE GLOBAL SUPPLY CHAIN FINANCE FORUM

The Global Supply Chain Finance Forum was established in 2014 to develop, publish and champion a set of commonly agreed standard market definitions for Supply Chain Finance (SCF). Comprised of trade bodies BAFT (Bankers' Association for Finance and Trade), FCI, the International Chamber of Commerce (ICC), the International Trade and Forfaiting Association (ITFA) and the Euro Banking Association (EBA) the industry consortium leverages its collective footprint to aid the target audience of SCF in gaining clarity and consistency on the various terms and techniques used. The main objective of GSCFF is to support the sustainable growth of supply chain finance by establishing consistency and a standardized understanding of SCF across the industry. Subsequently, the GSCFF strives towards acknowledgement of its definitions and their benefits by its target audience, in specific on the regulatory side. The Forum monitors and reacts to major market developments in all relevant matters for Supply Chain Finance. It is open to financial institutions, non-FI Finance providers, accounting firms, investors, rating agencies, regulators and corporates who have a stake in supply chain finance.