

Reverse Factoring

The target

Large corporations (Debtor Company) with wide and split supplier portfolios wishing to streamline and rationalise the management of their liabilities cycle, contextually building loyalty in their supply chain and permitting their suppliers facilitated credit access.

Description of the Service

The Debtor Company stipulates with UniCredit Factoring a Reverse Factoring agreement permitting it to regulate, usually subject to contractually agreed, exclusive terms and conditions, the payment of receivables claimed from its Suppliers and transferred by them to the Factor.

The Suppliers, on their part, by signing the factoring agreement and adhering to the mentioned Reverse Factoring Agreement, receive the opportunity to access dedicated credit-lines at privileged terms and conditions and also to benefit from the Debtor's credit standing.

Furthermore, at the Assignor's request, UniCredit Factoring may advance the amount for the assigned receivables, usually up to a maximum 80% of the relevant total.

Whenever requested, moreover, UniCredit Factoring may grant to the Debtor a deferral of the original payment terms.

This deferral is a service permitting customers/Debtors to benefit from extended payment deadlines, without charging the relevant financial costs to the Supplier/Assignor.

UniCredit Factoring makes available to the Debtor disposal a web platform and ad hoc solutions for the management of the assignment of the receivable and the information flows, such as, by way of example, those relating to the management of promos, credit-notes, payments via prior notice thus de-materialising the entire process thanks to the digital signing and time-stamping of the documents.

Advantages for the Assignor

- Possibility of obtaining pre-payment of the assignment amount through dedicated credit-lines at privileged terms and conditions, benefitting also from the Debtor's credit standing.
- Optimisation and programming of financial flows thanks to a single credit-line measured so as to finance the total volume of the assigned receivables (in case of maturity transactions).
- Possible assumption by UniCredit Factoring of the risk of Debtors' insolvency (Non-Recourse);
- In case of operations foreseeing payment at maturity of the receivables, whether transferred With-Recourse or Non-Recourse – subject to the debtor's unconditional acknowledgement of such receivables - UniCredit Factoring will grant the assignor the possibility of obtaining payment solver at the maturity date of the receivable.

Advantages for the Debtor

- Uniformity and simplification of the administrative procedures linked to supplier accounting (sole interlocutor for the transmission of information flows, acknowledgements and payments).
- Optimization and programming of treasury and financial flows.
- Possible deferral of own commercial debt, without eroding the limits of the credit-line.
- Possible negotiation and extension of the terms regulating purchases by offering suppliers, through UniCredit Factoring, the opportunity to access the receivable at competitive conditions
- In case of reduced payment terms for the Supplier, thanks to maturity accreditation, the possibility of negotiating trade discounts at advantageous terms and conditions.

Pricing

The "Reverse Factoring" product foresees the following cost items, to be charged to the Debtor:

- factoring fees and interest: relating to the deferral service, prospectively provided by UniCredit Factoring at the Debtor's request;
- accessory expenses: these are various charges to be borne by the Debtor (preliminary investigation, handling, mailing costs etc.).