

## TradeSecure from EFCIS

### Why you can say YES to high risk commercial transactions

If you've had to say NO to potential business from a new or existing customer because you couldn't give, or improve on the requested credit limits, TradeSecure could enable you to say YES in the future.

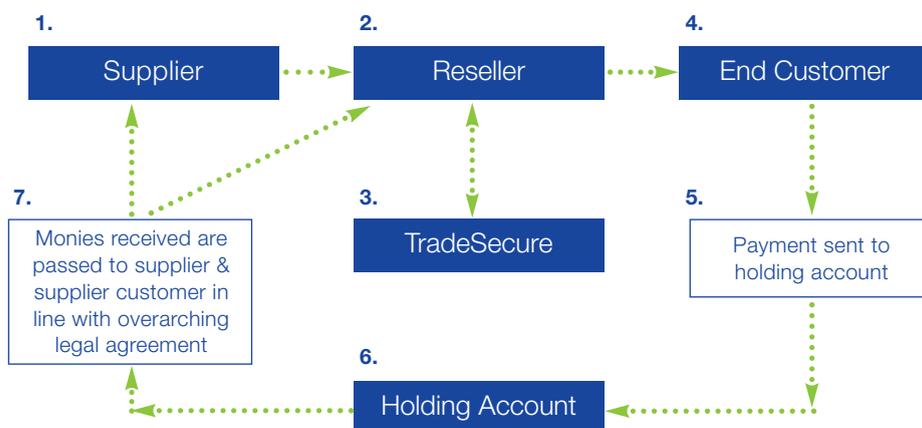
Developed by EFCIS, one of the UK's leading independent Trade Credit Insurance Brokers, TradeSecure is a unique product that enables suppliers to enter into contracts that would otherwise have fallen outside of the risk parameters permitted by their Corporate Governance or in-house credit risk policies.

We know from working with clients over many years, that whilst they want to grow this cannot be achieved at the expense of trading with high risk customers or accepting high risk transactions from otherwise valued customers.

Unfortunately existing approaches to resolving these challenges have, until now, comprised of complex financial products and costly legal drafting.

#### TradeSecure works in your favour

Competitive cost, speed and ease of use underpin this innovative product. It's a powerful tool for senior credit control managers, finance directors and sales directors because it enables trade (without any undue delays) at a fixed competitive fee.



**TradeSecure** - Competitive cost, speed, and ease of use underpin this product.

## Key Questions & Answers

Here are the most frequently asked questions about TradeSecure. Contact us to discuss how your organisation could benefit from this genuinely ground breaking product that is only available from EFCIS.

#### What is TradeSecure?

TradeSecure provides an analytical assessment of a trading risk by calculating the likelihood of payment default and then recommends the steps that are required to increase payment certainty - significantly.

We start the process by reviewing documents such as terms and conditions of sale (between reseller and end customer), purchase order, financial strength of the end customer, historic trading relationship and type of product or service in order to risk score the transaction(s) - not just the financials of the reseller. This risk score will be shared with you the supplier to ensure alignment to your in-house risk criteria and approval to supply.

Both the supplier and the reseller sign the TradeSecure overarching legal agreement which includes instructions for the end user to pay the total amount due into a nominated holding bank account.

#### Why do I need TradeSecure?

Let's say you've been asked to supply an existing customer or, a new customer with a value of goods or services that is not supported by their financial strength but, their end customer has a strong financial position.

You may decide not to supply and so will not benefit from the sales volume and profit.

With TradeSecure the end customer's positive risk rating is leveraged for the benefit of your customer, the reseller so that the transaction(s) can take place.

**Key Questions & Answers *continued...*****What happens if my customer becomes insolvent prior to receipt of the amount due?**

The legal framework (TradeSecure overarching legal agreement) provides safeguards. Firstly, your Retention of Title is passed on via the reseller, to the end customer with Title vesting with the reseller for the shortest possible time. Secondly, the reseller only ever has title to their margin and not the entire transaction proceeds which are never paid into their bank account. The end customer continues to have an obligation to pay the total contract value to the TradeSecure holding account and you have legal title to your portion. This provides robust protection and reduced risk from subsequent claims from an insolvency practitioner if your customer, the reseller becomes insolvent.

**Who pays me and when?**

Payment by the end customer is made into a holding account held by a strong financial institution acceptable to all parties. On receipt the funds are paid within 48 hours on a confidential basis to both you and the reseller in accordance with the terms of the TradeSecure overarching master agreement.

**How much does TradeSecure cost?**

A maximum fee of 0.48% of the invoice value for transactions up to a transactional value of £5 million subject to a minimum fee of £2,500.

Transactions above £5 million are quoted on a case by case basis with the fee typically less than 0.48%.

The fee can be included within the cost of goods or services making it cost neutral to you the supplier.

**How does it work in conjunction with Trade Credit Insurance?**

TradeSecure works alongside Trade Credit Insurance providing a solution where full cover is not available.

To ensure there is no conflict of interest you may need to obtain an agreement from your underwriter to exclude the transaction from the scope of the policy. Let us help you secure this agreement at no charge.

**What information is needed to consider the risk?**

We simply require the name of all interested parties, description of goods or services to be provided, terms of the contract and value.

**What guarantees do I have that I will be paid?**

There is no guarantee of payment, however TradeSecure significantly reduces the risk of payment default by ensuring that any factors that can adversely affect non-payment are minimised.

**What about confidentiality and Data Protection?**

Commercial confidentiality and non-disclosure is part of the TradeSecure legal agreement.

**I have a fixed and floating charge/ or a debenture on book debts. How does this work in conjunction with TradeSecure?**

We would obtain a standard waiver from the debenture holder for the transaction. If this is not available we will obtain agreement from you the supplier to proceed on this basis.

## What are the key benefits of TradeSecure?

**For your Credit Manager**

- ▼ Likely to reduce 'days sales outstanding' and improve cash collection
- ▼ Reduces the potential for disputes raised by the buyer
- ▼ Helps educate the middleman on credit and risk management
- ▼ Reduces the risks attached to buyer insolvency
- ▼ Improves relations with the sales department

**For your Sales Director**

- ▼ Enables trading with riskier customers
- ▼ Reduces the risk of losing customers to competitors
- ▼ Facilitates 'Pay When Paid' Terms
- ▼ Enables selling to smaller customers
- ▼ Confidence to enter into larger contracts

**For your Finance Director**

- ▼ Improved certainty in budgeting
- ▼ Increased profitable sales
- ▼ Improved cash flow
- ▼ Assists Corporate Governance with enhanced knowledge of customer
- ▼ Improved quality of risk
- ▼ Potential for funding these contracts

**For your Customer, the Reseller**

- ▼ Secures the contract
- ▼ Credibility through proven ability to deliver on larger contracts
- ▼ External expertise to vet the contract for its viability
- ▼ Collection and dispute resolution
- ▼ Confidentiality

**EFCIS also offer a collection intervention service in the event of non-payment on the due date.**



## Maximising the profit from your sales ledger

**For more information contact:**

The Office, Mill House Farm, Mill Street, Hastingwood, Essex CM17 9JF  
E: enquiries@efcis.com T: +44 (0)1279 437662 F: +44 (0)7092 015845



EFCIS Limited is the sole UK member of the **International Credit Brokers Alliance** with a local presence in over 30 countries