

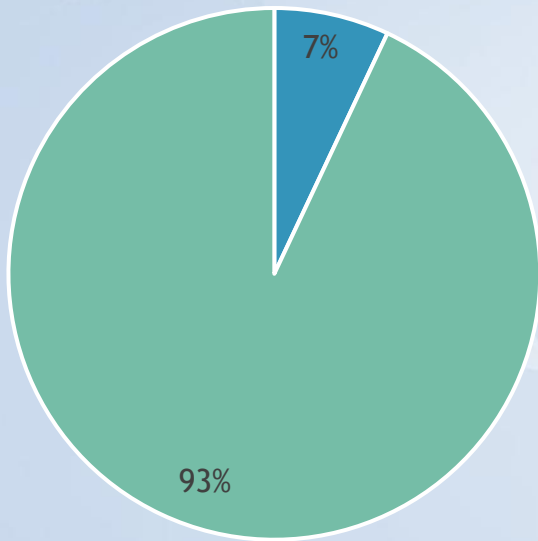
July 2023

FCIB Credit & Collections Survey

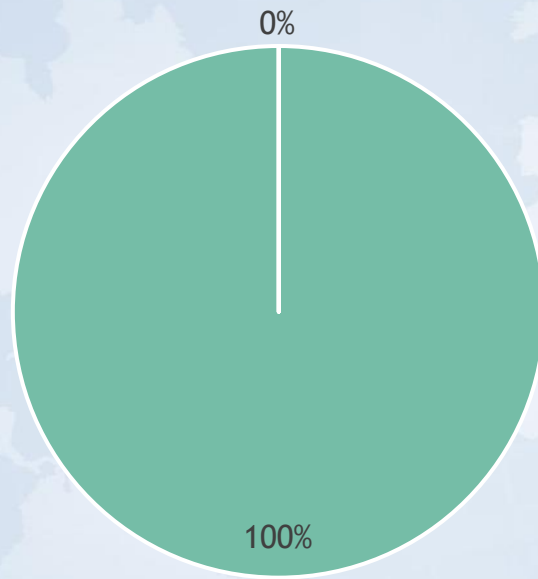
France, India, Japan, South Korea

Are your sales primarily to **new** or **existing** customers?

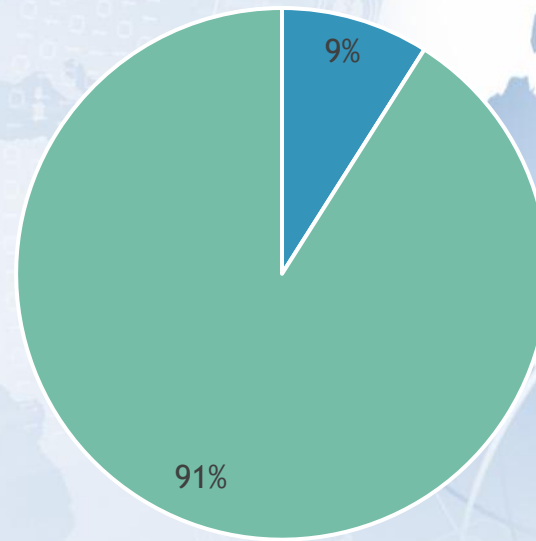
France



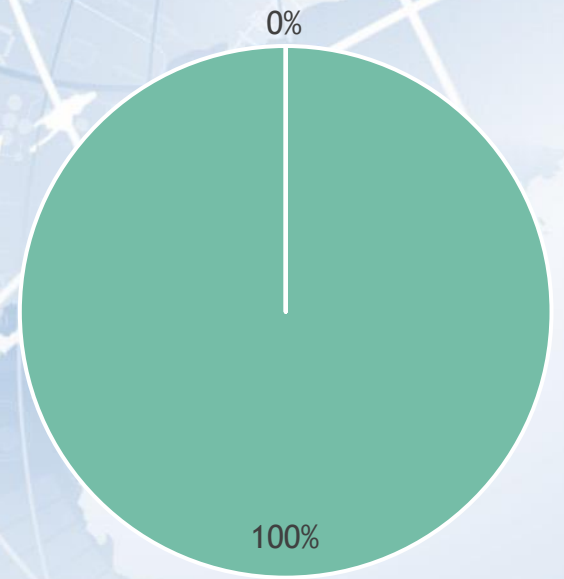
India



Japan

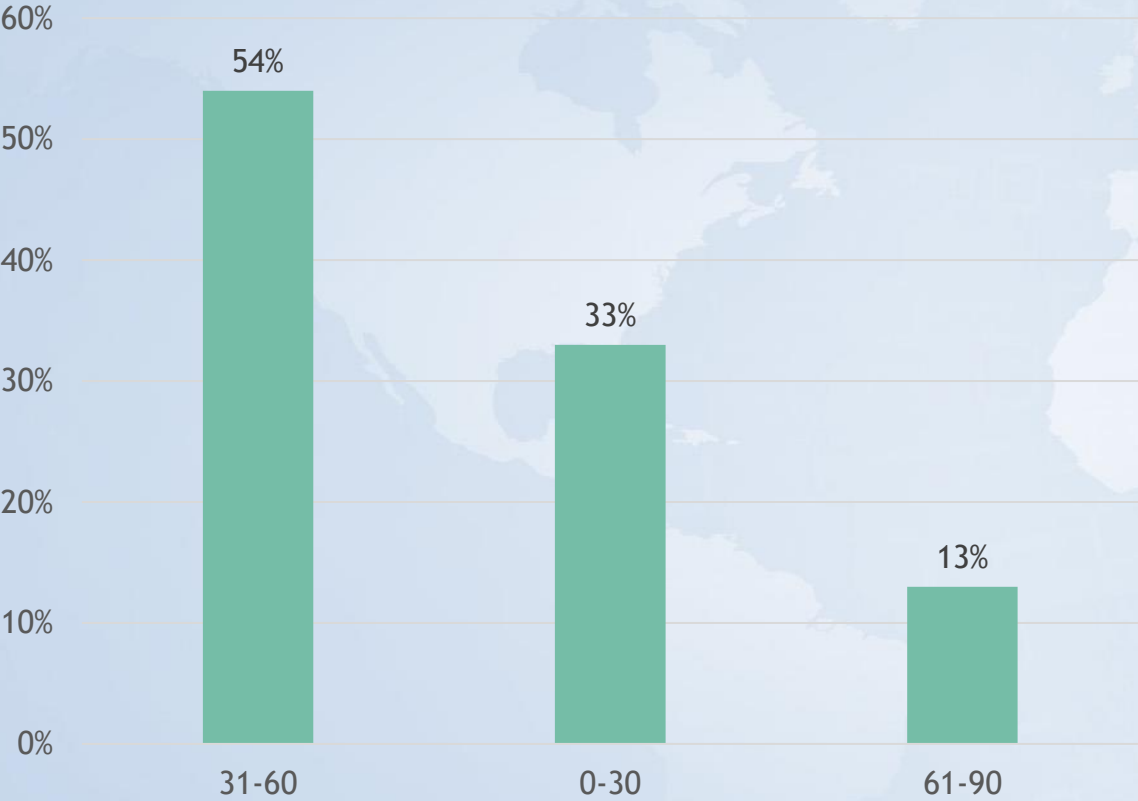


South Korea

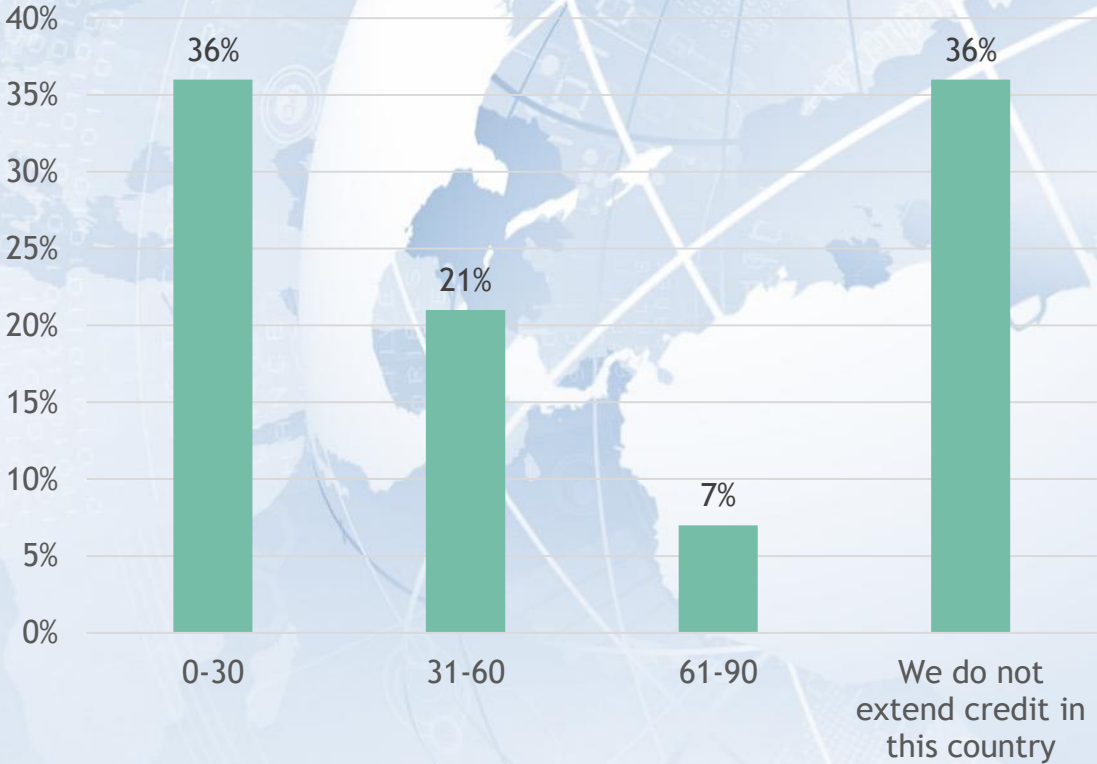


On average, what payment terms are you granting?

France

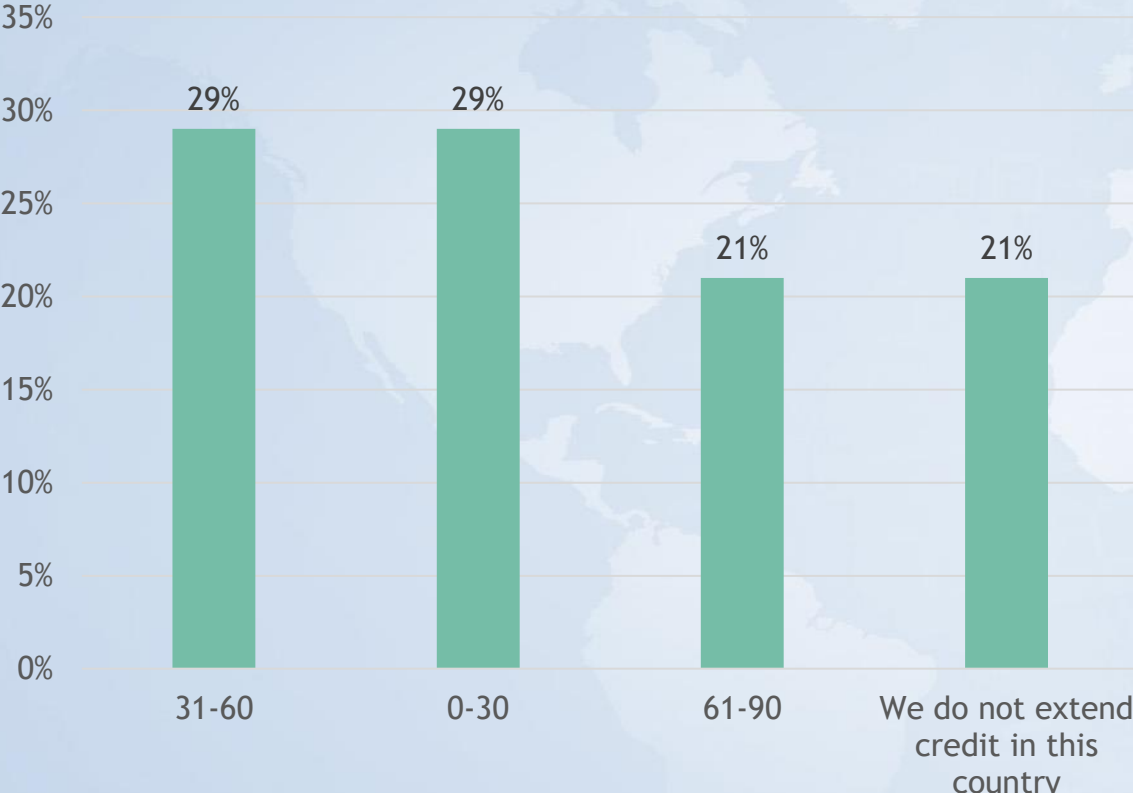


India

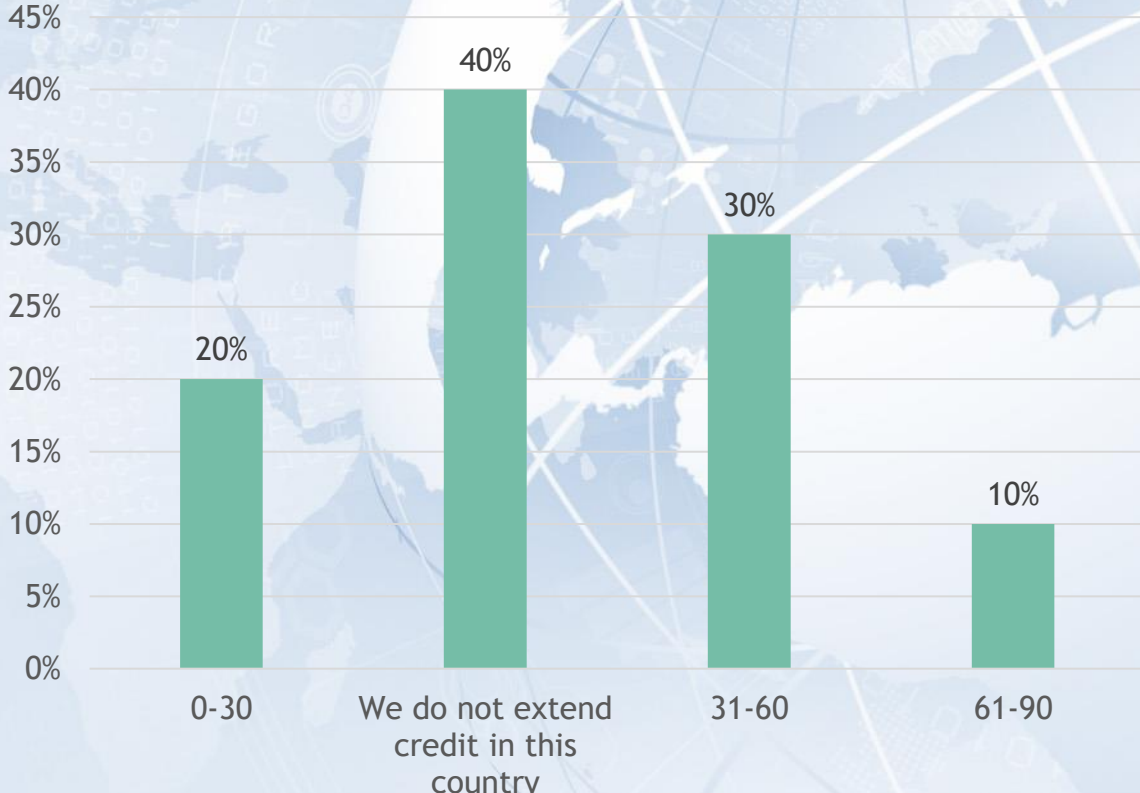


On average, what payment terms are you granting?

Japan



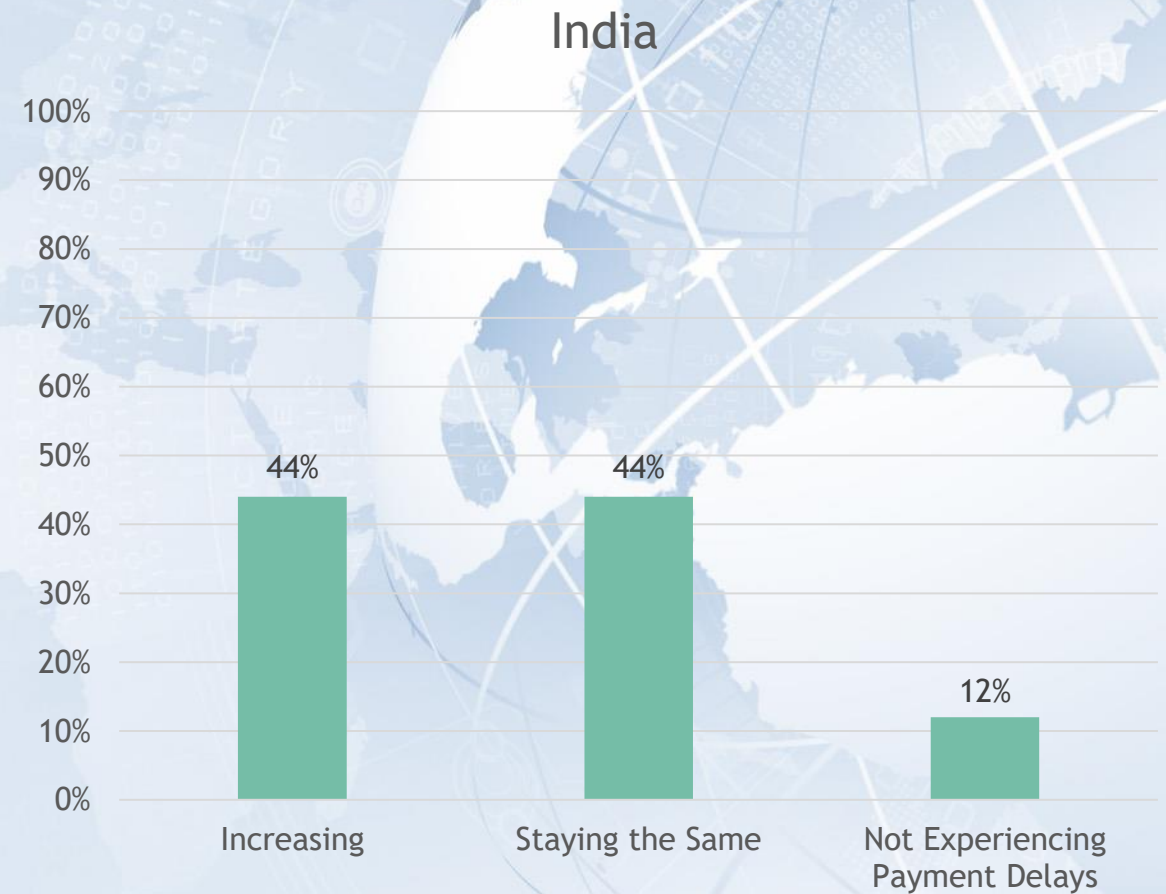
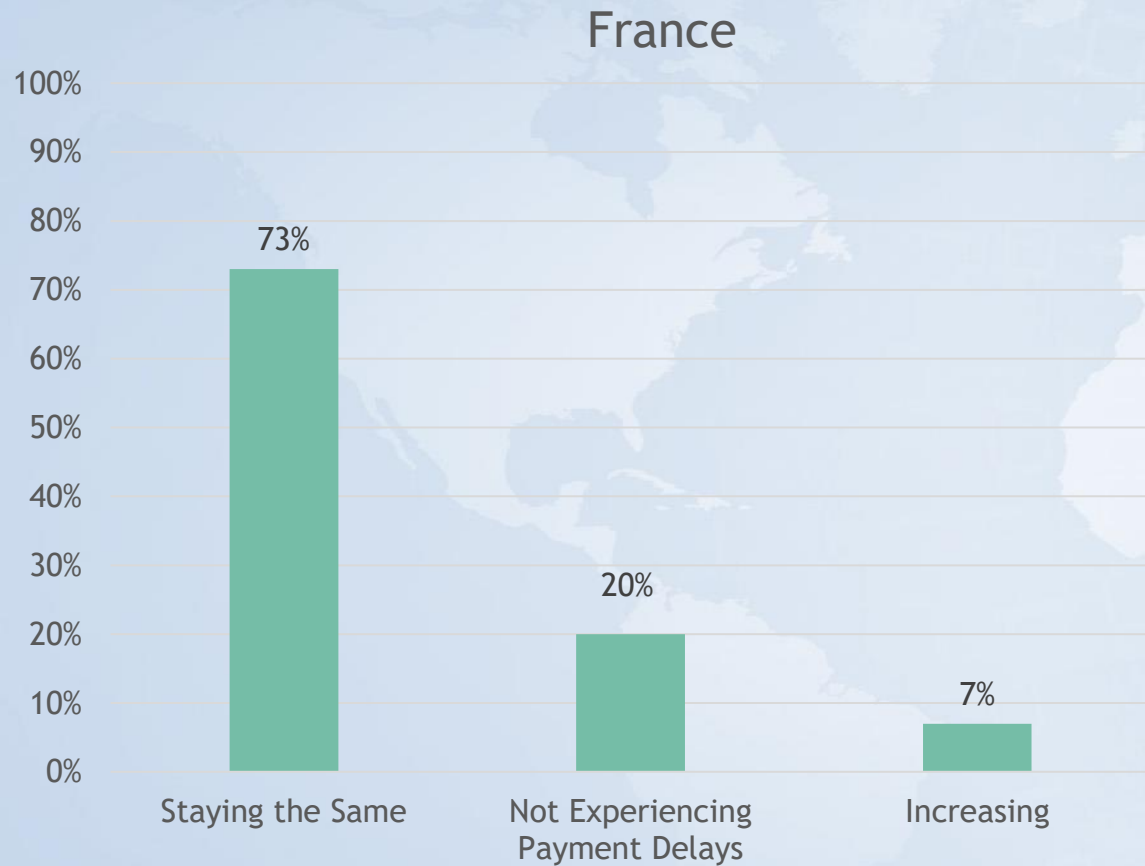
South Korea



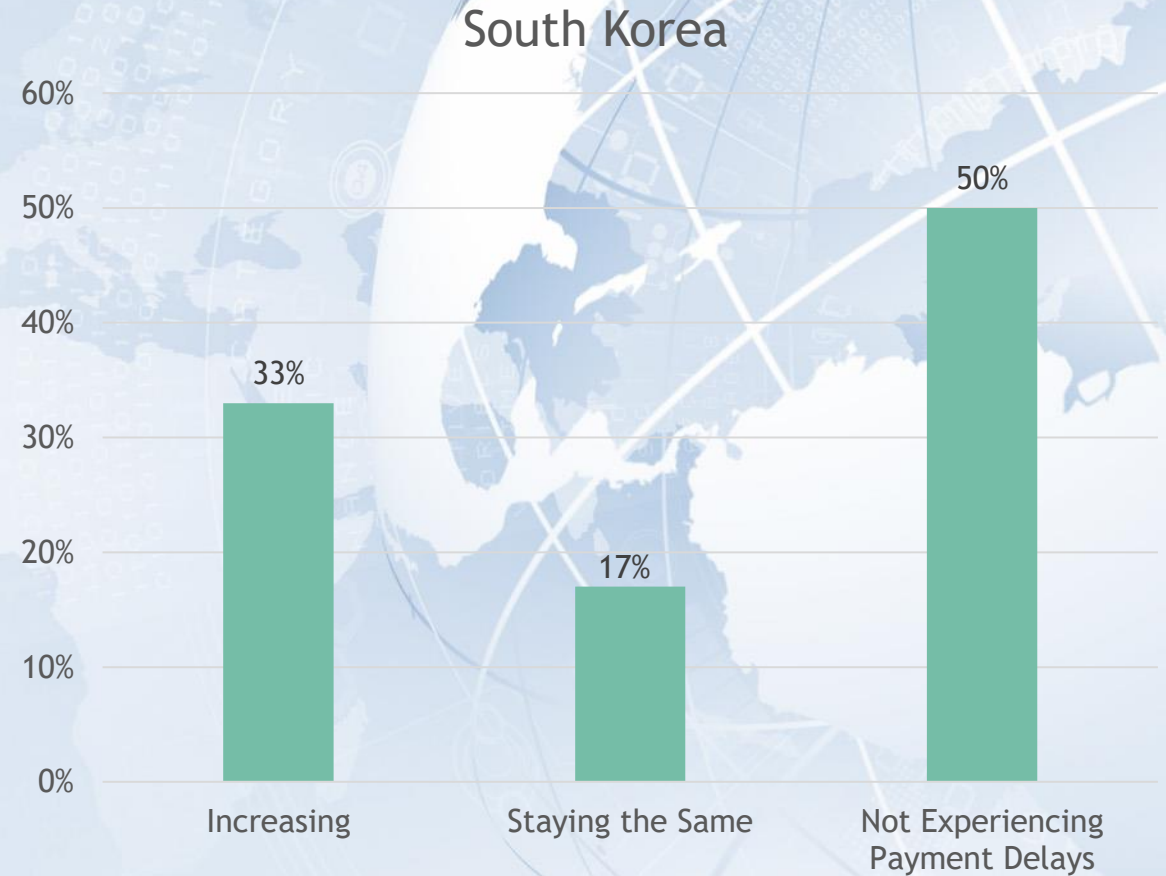
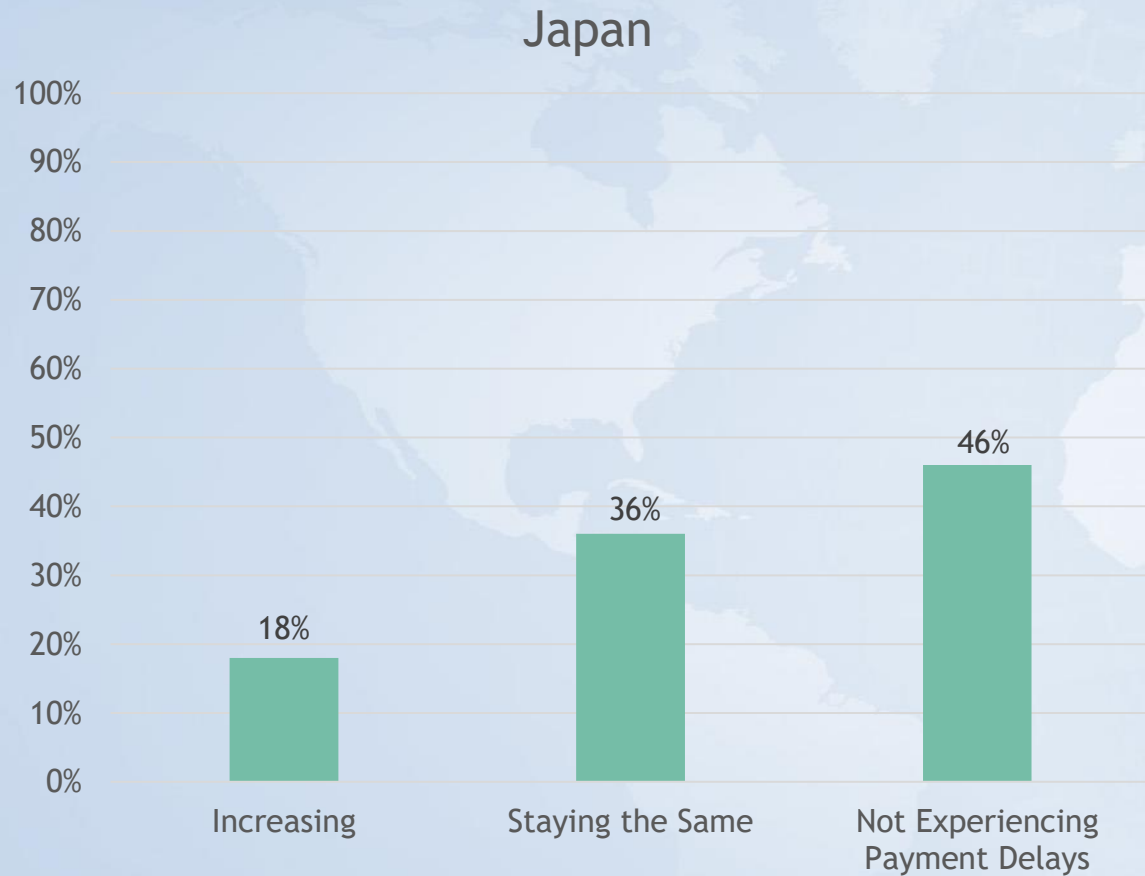
What is the average number of days beyond terms in these countries?



Are payment delays increasing, decreasing, or staying the same?

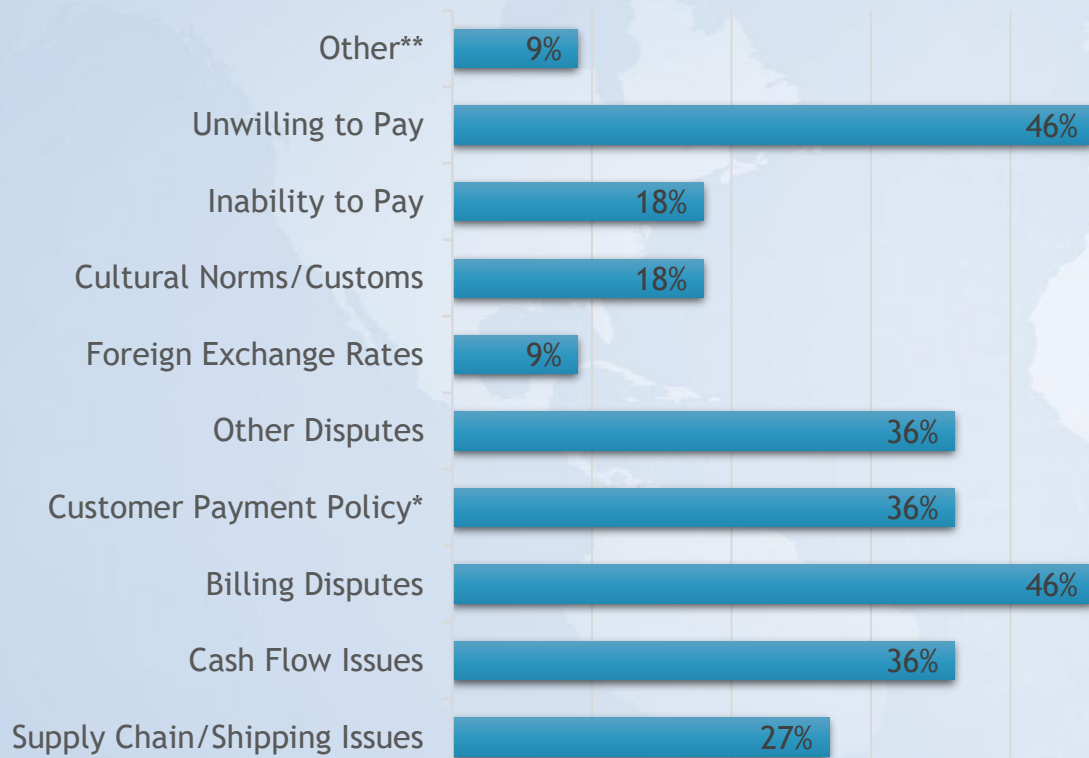


Are payment delays increasing, decreasing, or staying the same?



The most common causes of payment delays

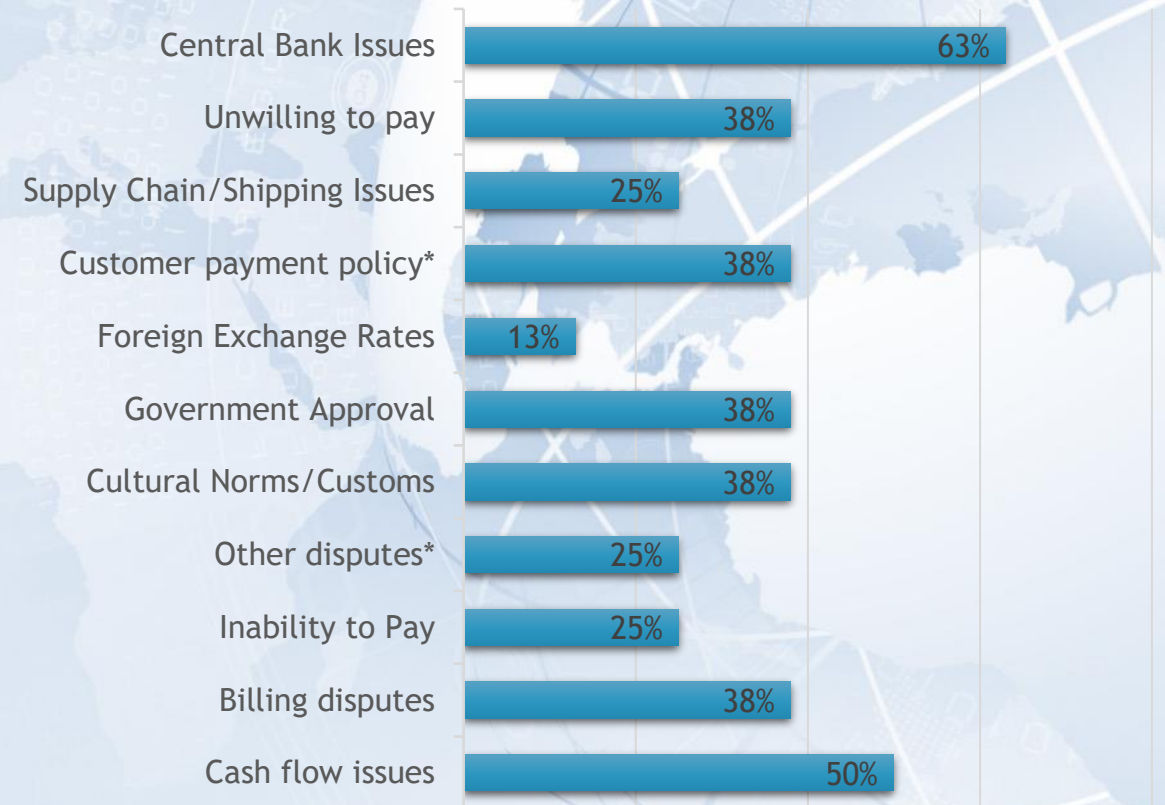
France



** (i.e. political unrest)

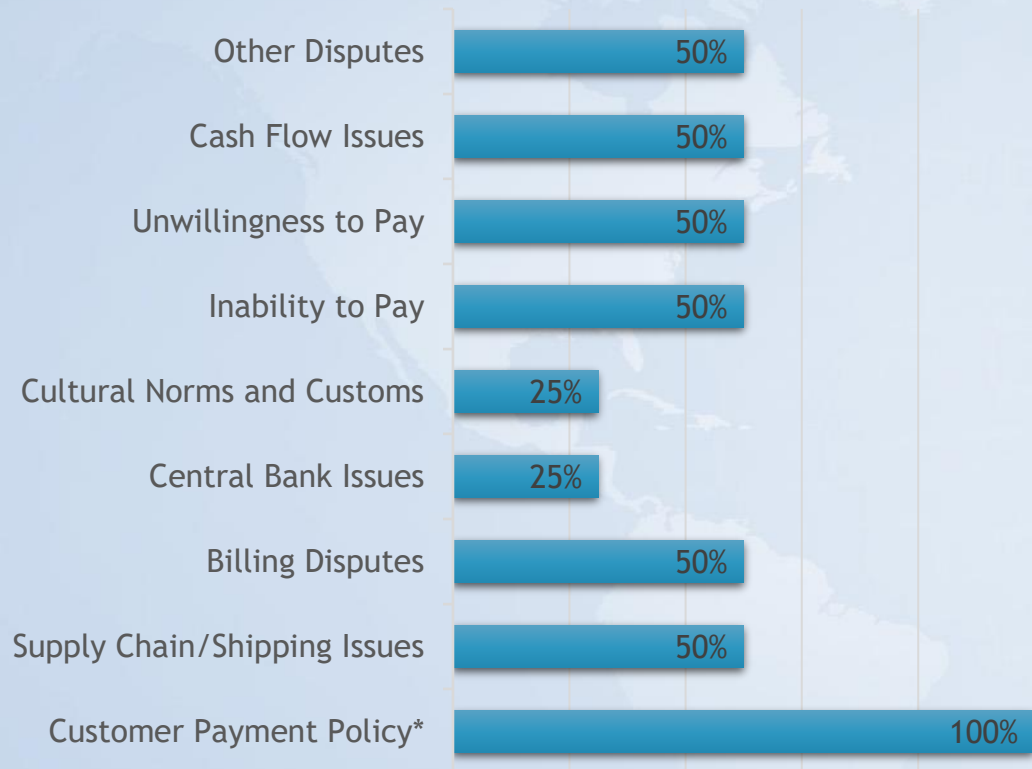
* (i.e. customer only pays on a set day of the month)

India

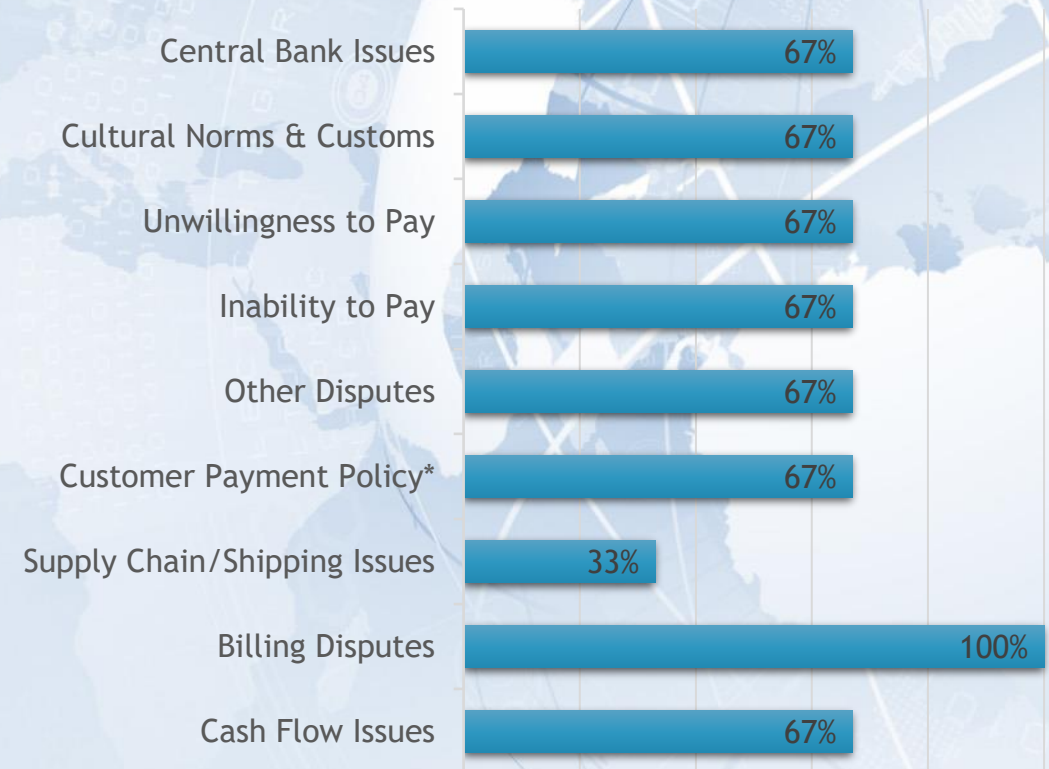


The most common causes of payment delays

Japan



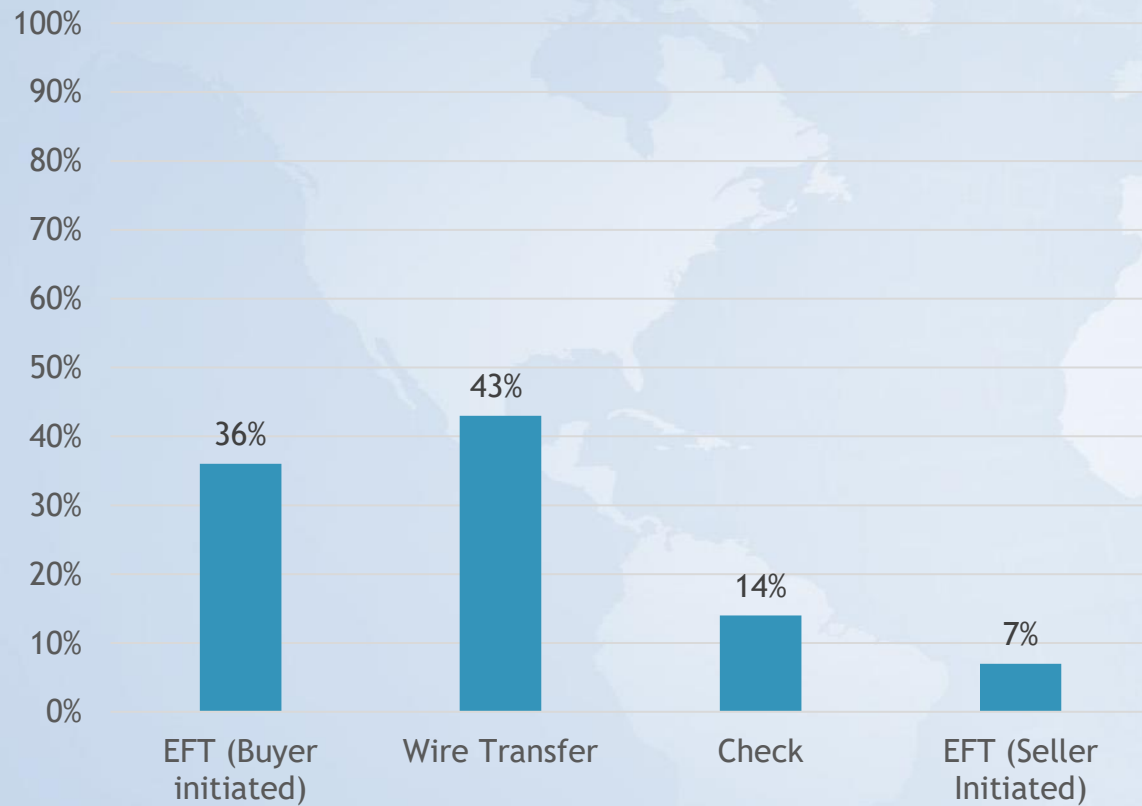
South Korea



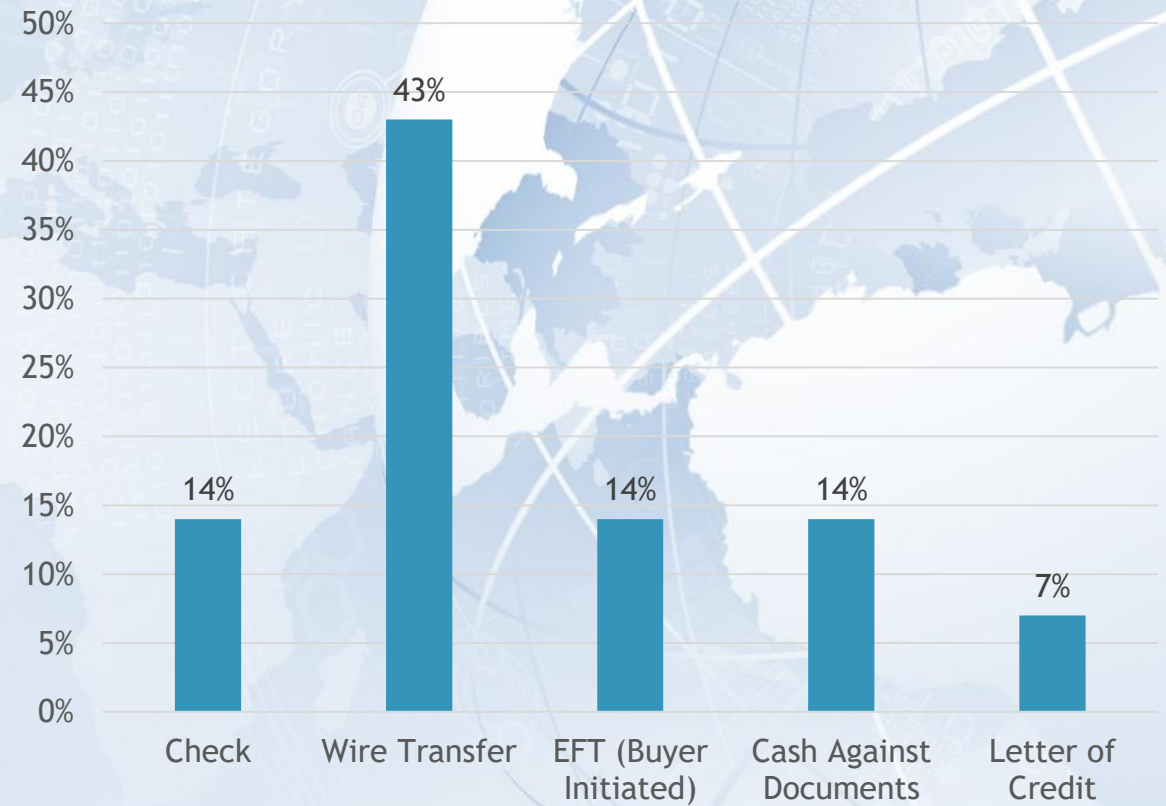
*(i.e. customer only pays on a set day of the month)

Methods used to secure payment

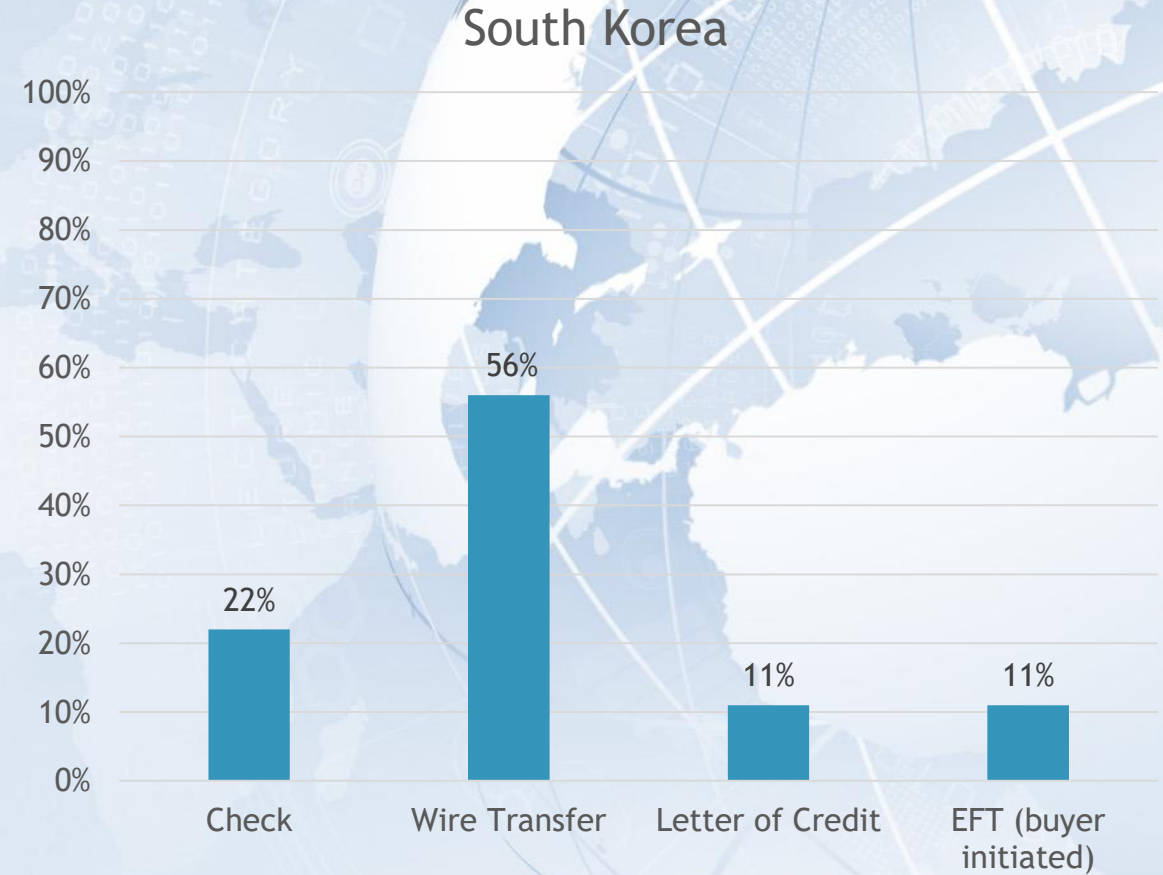
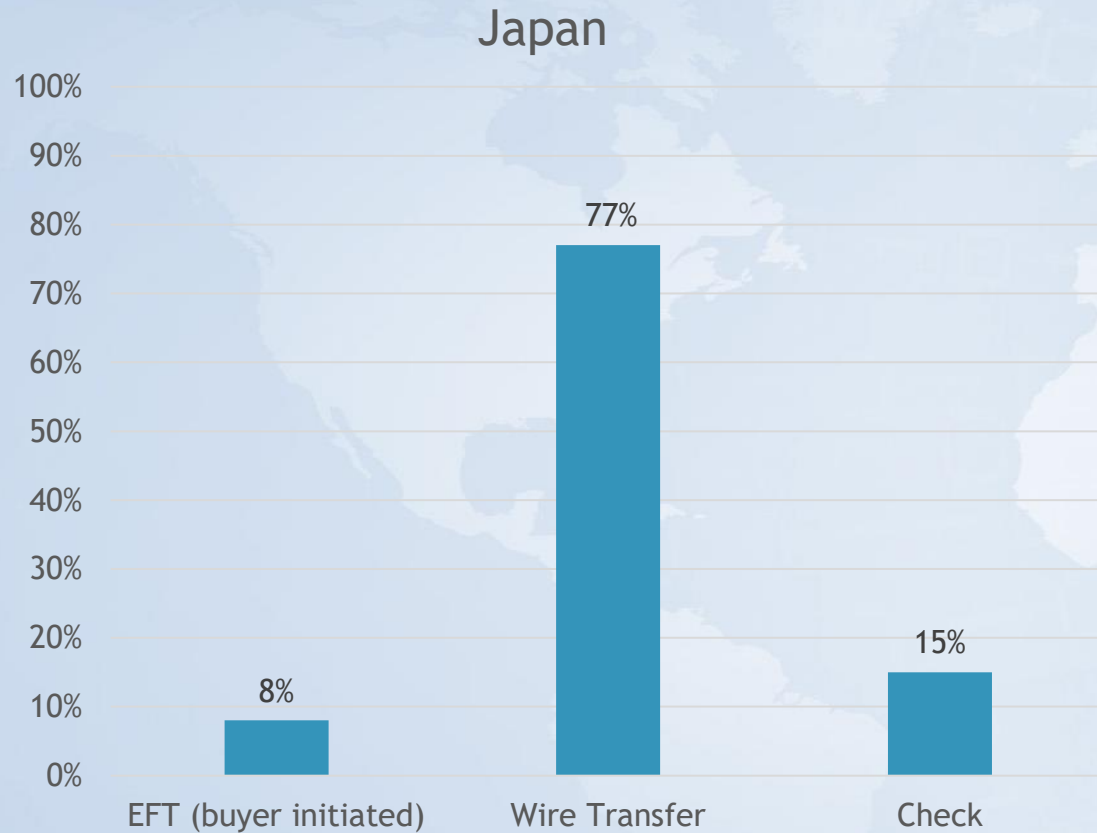
France



India



Methods used to secure payment



Insights from Credit Professionals

France

- Establish good working relationship with customer's. Secure credit with SBLOC's. Consistent follow up is important.
- Invoice accuracy is crucial as these customers do not make partial payments. Instead, they await credit or corrected invoice.
- Do not exceed the maximum 60 days terms.

Japan

- 5 C's of Credit (know your true legal customer not their trade/dba name) and make sure your credit application is fully executed.

India

- Maintain a SBLOC for the small open credit line we extend to customer. Larger shipments must be secured with a documentary or stand by letter of credit.
- Know your customer. If funds are not received in advance, there will be many issues with taking unfounded deductions/discounts. It is very hard to collect if funds not received in advance.
- Be prepared for incredible amounts of red tape for payments coming out of India banks.

South Korea

- Our customers in South Korea are pre-paid only.

Insights from Credit Professionals

Non-country-specific Advice from the survey.

- Know your real customer, not the Trade/Banner name but the True Legal Entity (5 C's of Credit).
- Start early building a relationship with your customer, and include your salesperson - you'll make a team and teams work together.
- Follow up with the customer's Procurement Dept and Finance Dept as many times as necessary.
- Obtain updated credit information Look for owner and addresses verification, as changes are often not communicated by the customer. Know all you can about the customer. Pull a credit report for payment history and legal status and name verification.
- Do due diligence for all prospect customers especially to those small/medium privately held companies with no Financials, credit report, etc. Check the profile and validate like business address, company domain e-mail address, etc. and start with small, reasonable credit line and reasonable payment terms.
- It is important to know customer's payment process to avoid misunderstandings or delays due to administrative issues.
- Obtain financial statements on your customers and backstop sales with credit insurance.
- Ensure payment language is on the wire payments received.