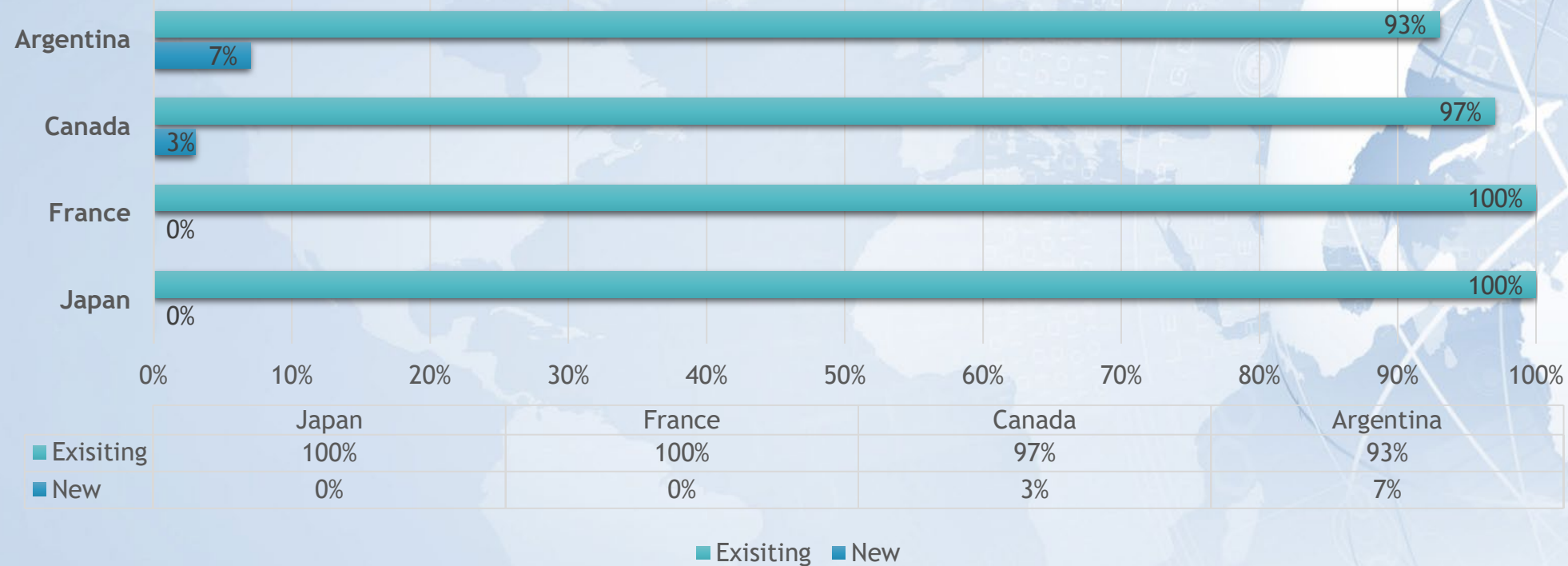


March 2024

FCIB Credit & Collections Survey

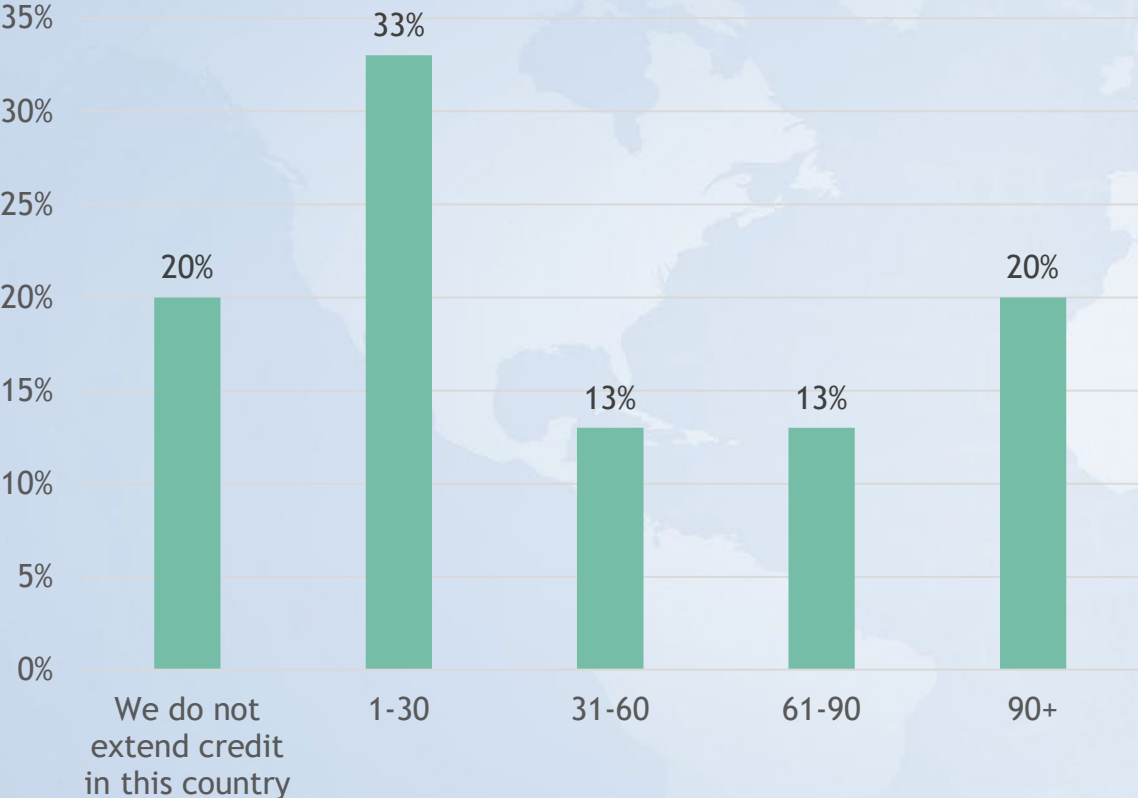
Argentina, Canada, France, Japan

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

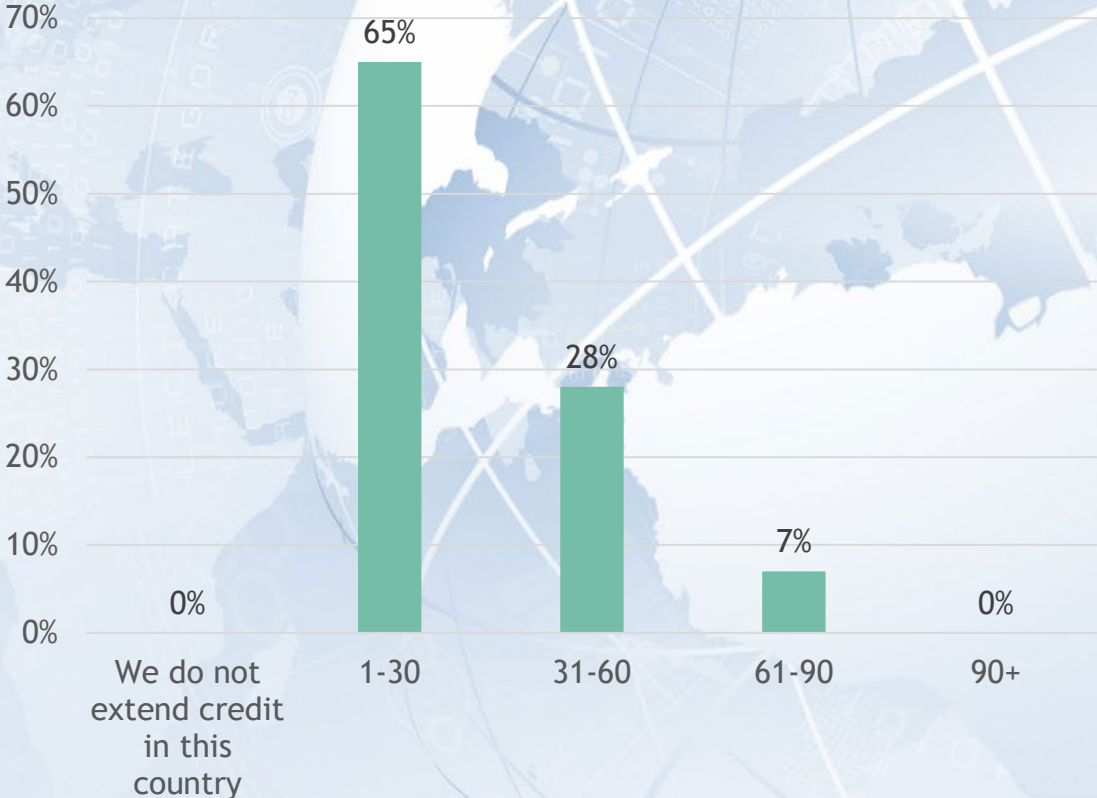


On average, what payment terms are you granting?

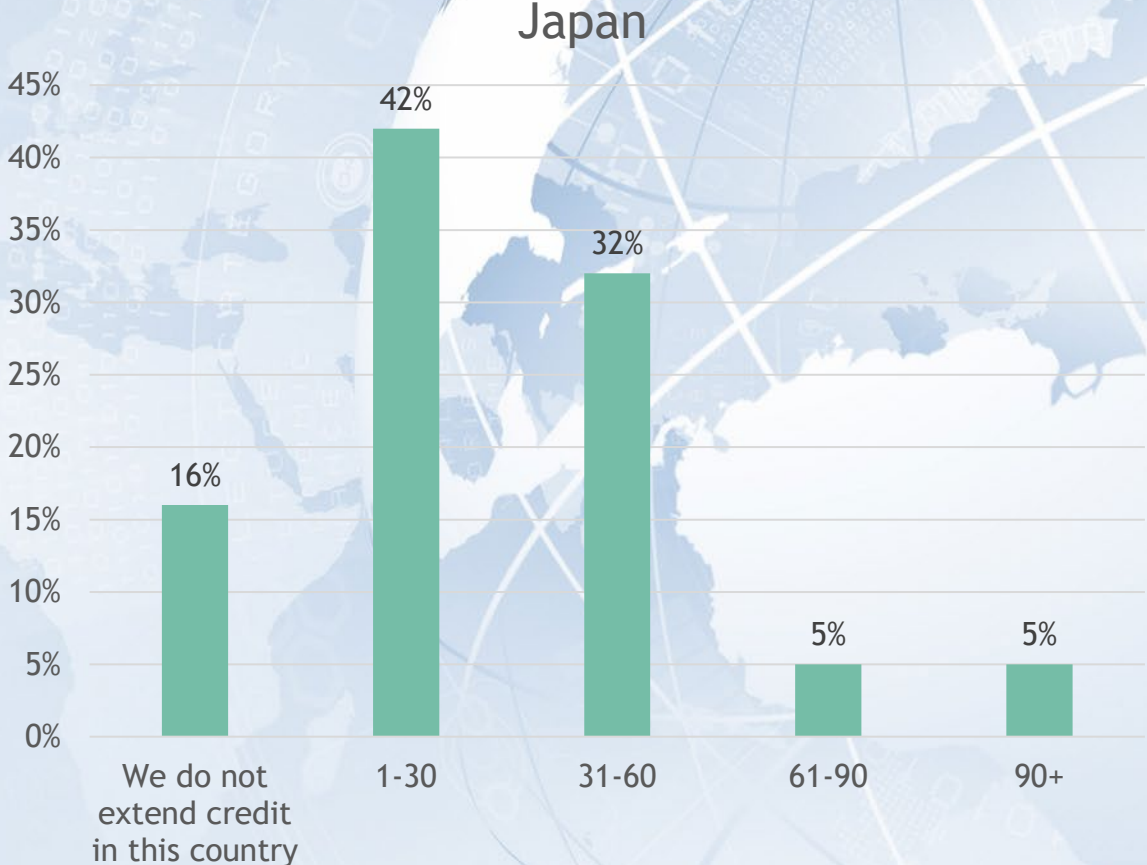
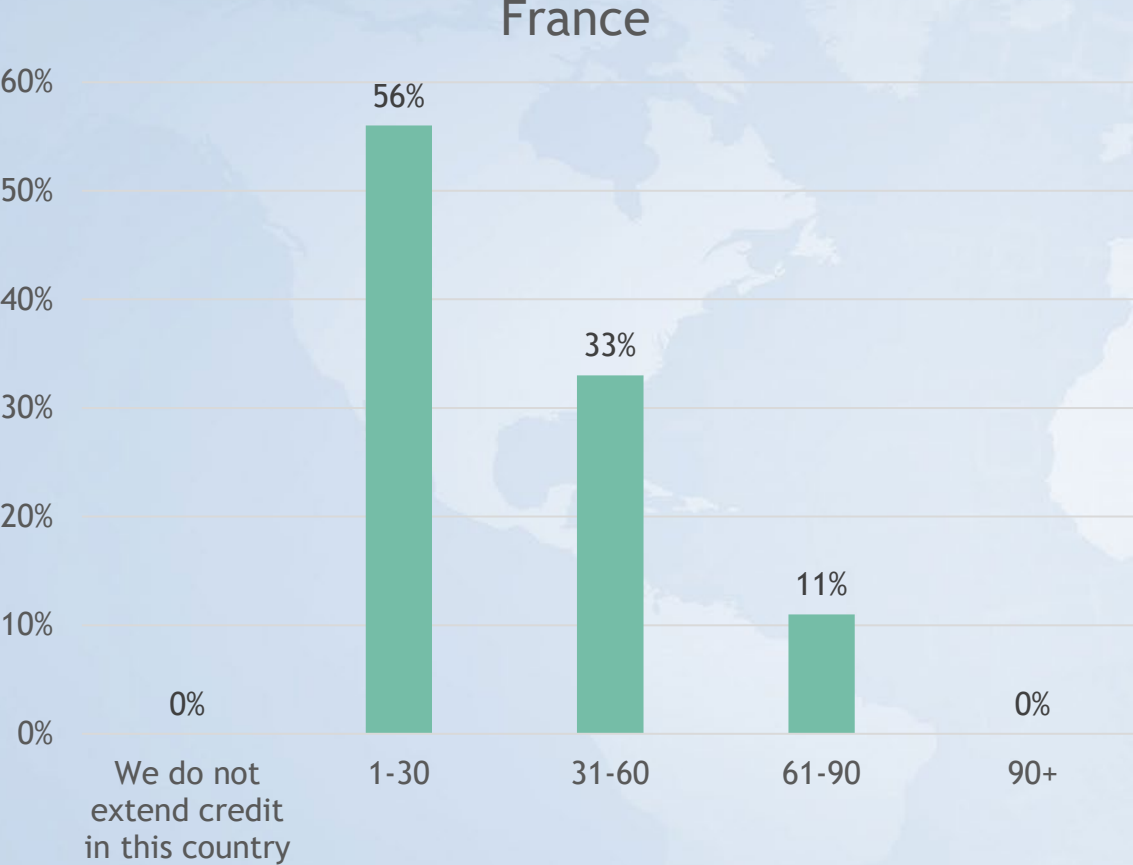
Argentina



Canada



On average, what payment terms are you granting?



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

Argentina

51

Canada

10

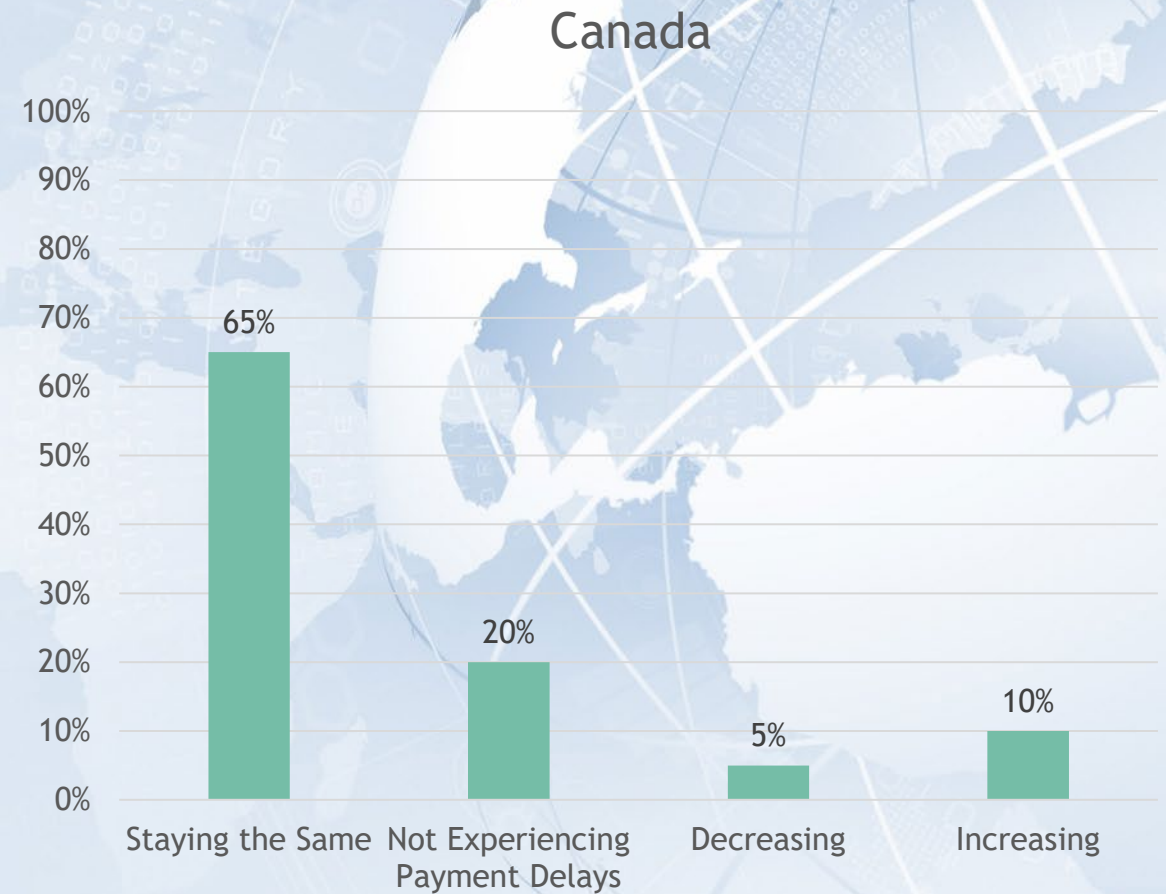
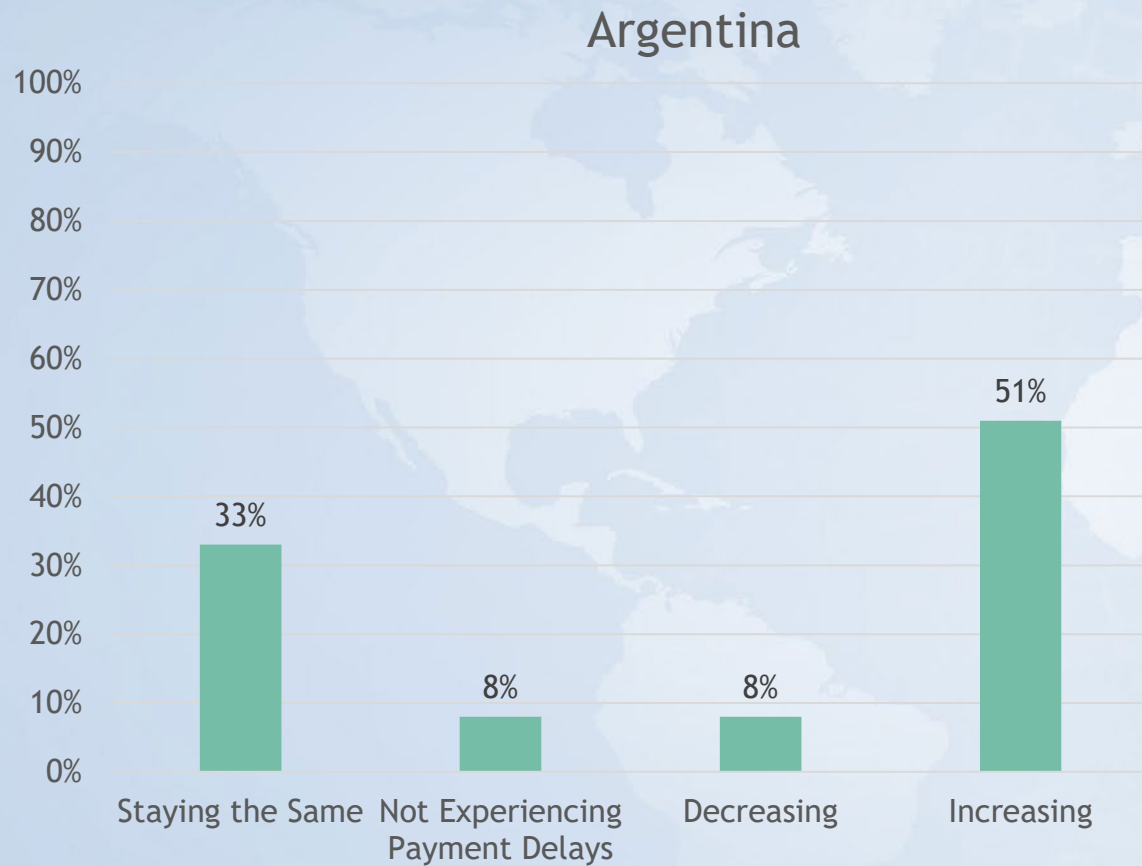
France

10

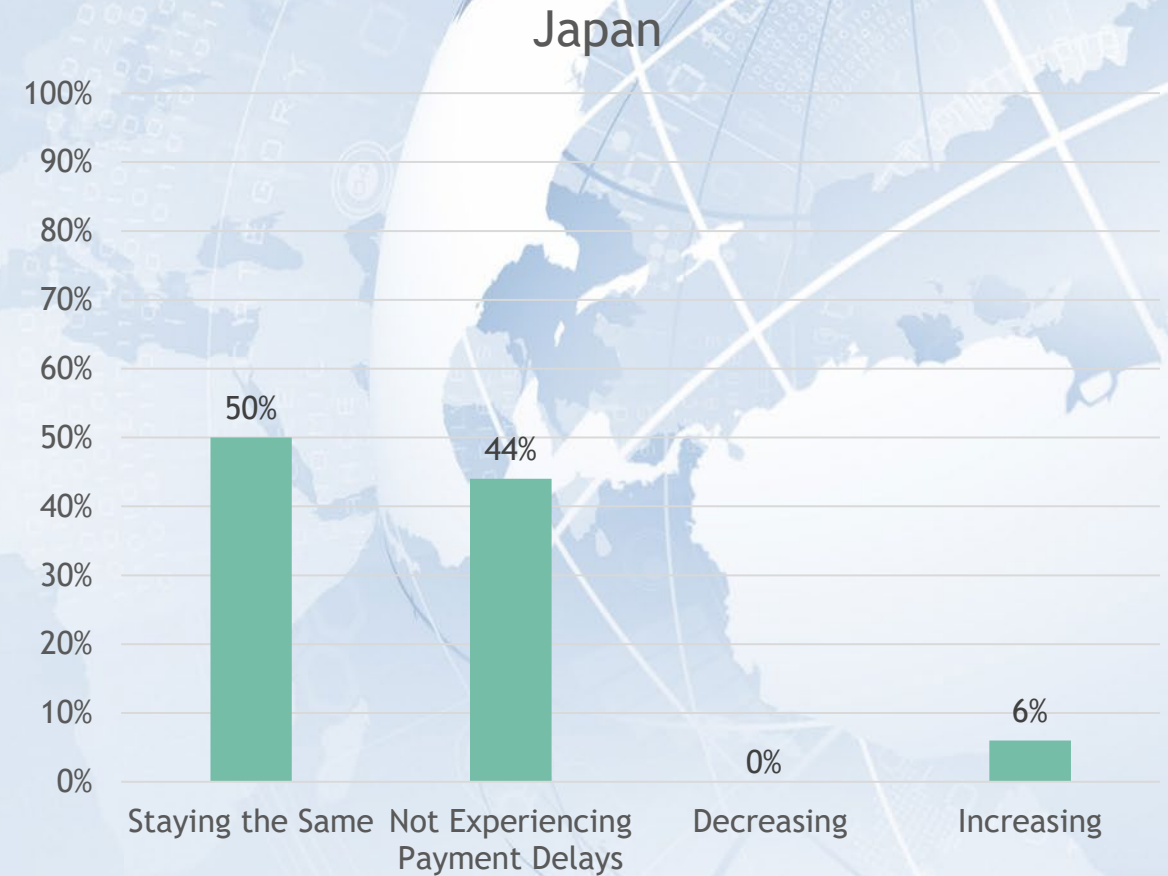
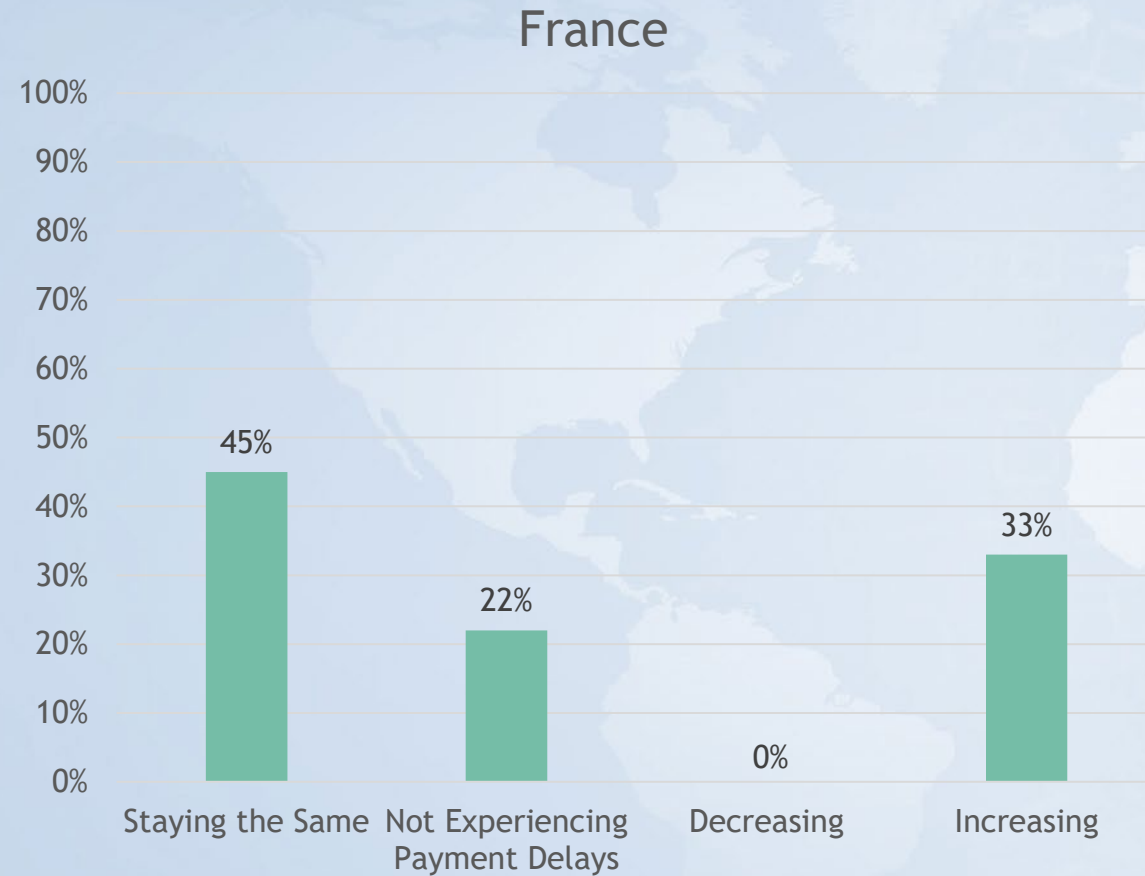
Japan

4

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

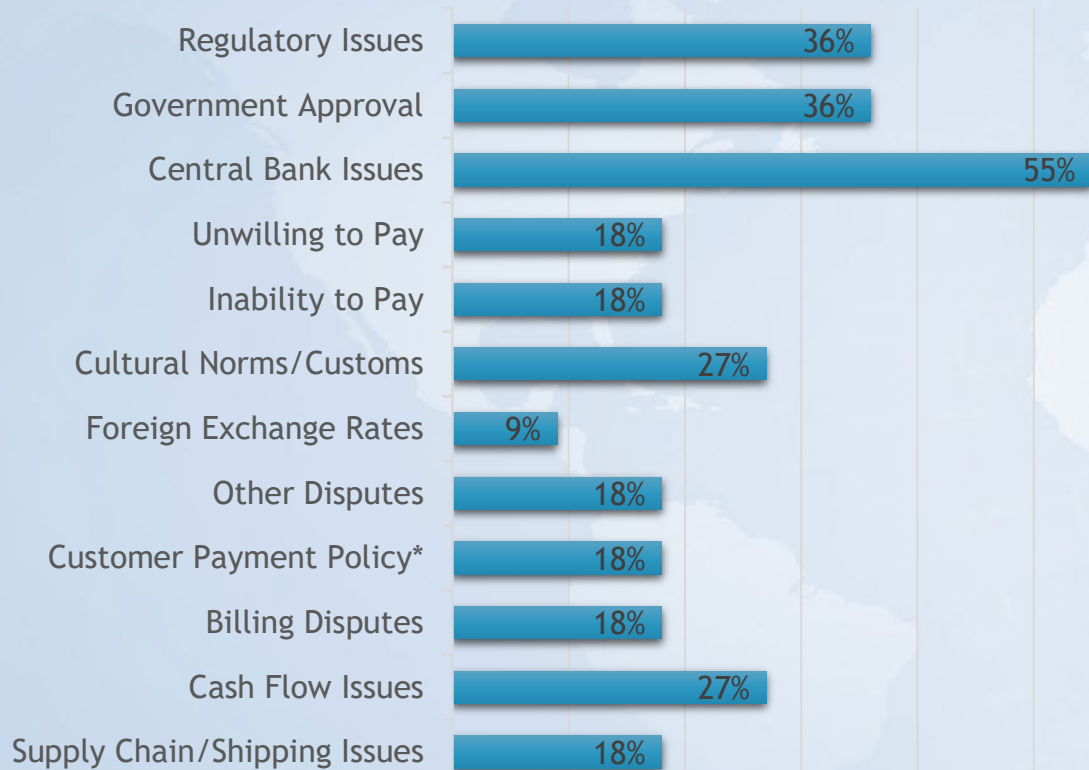


Are payment delays increasing, decreasing, or staying the same?

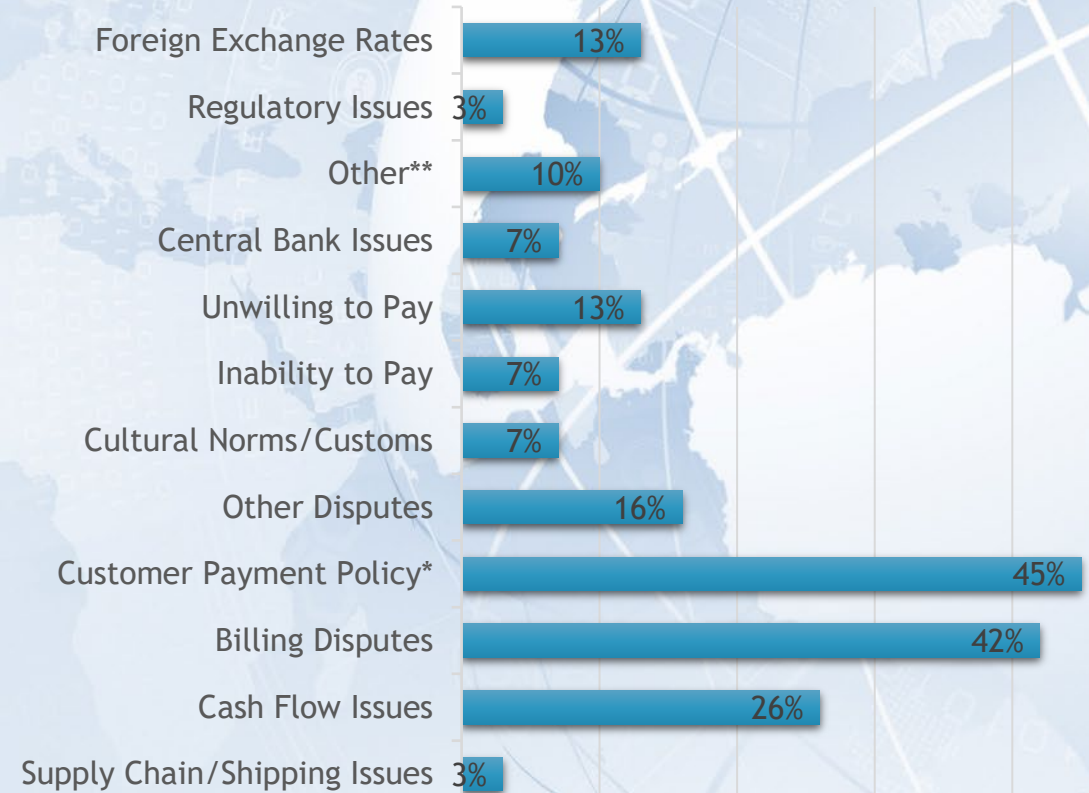


The most common causes of payment delays

Argentina



Canada

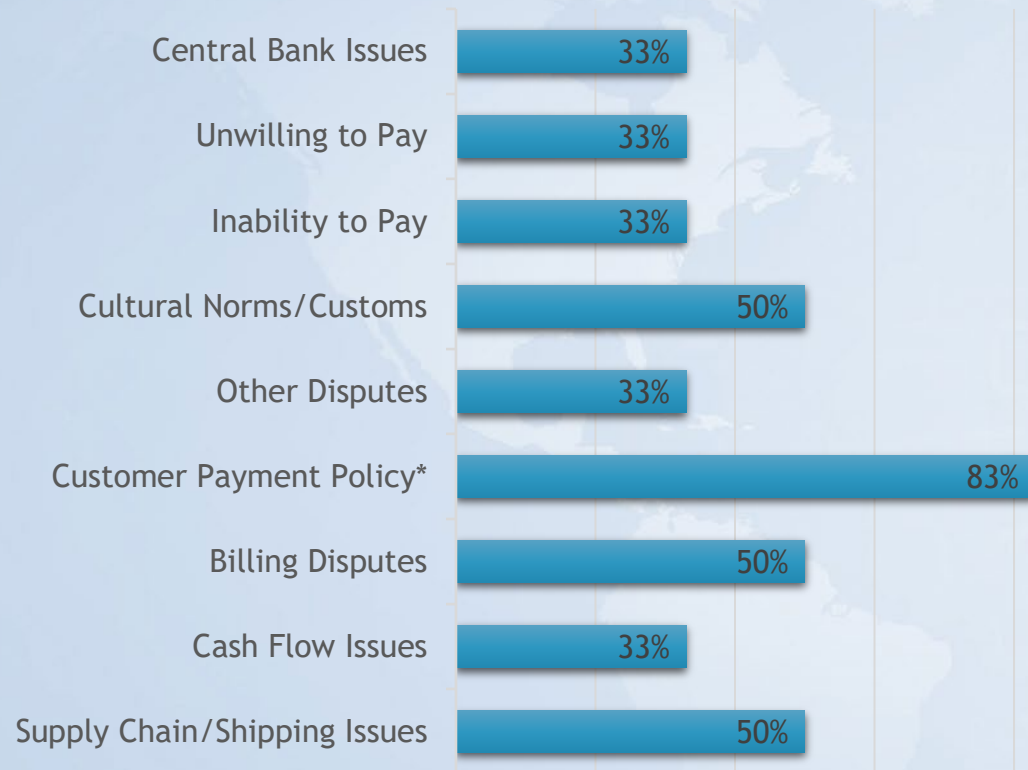


* (i.e. customer only pays on a set day of the month)

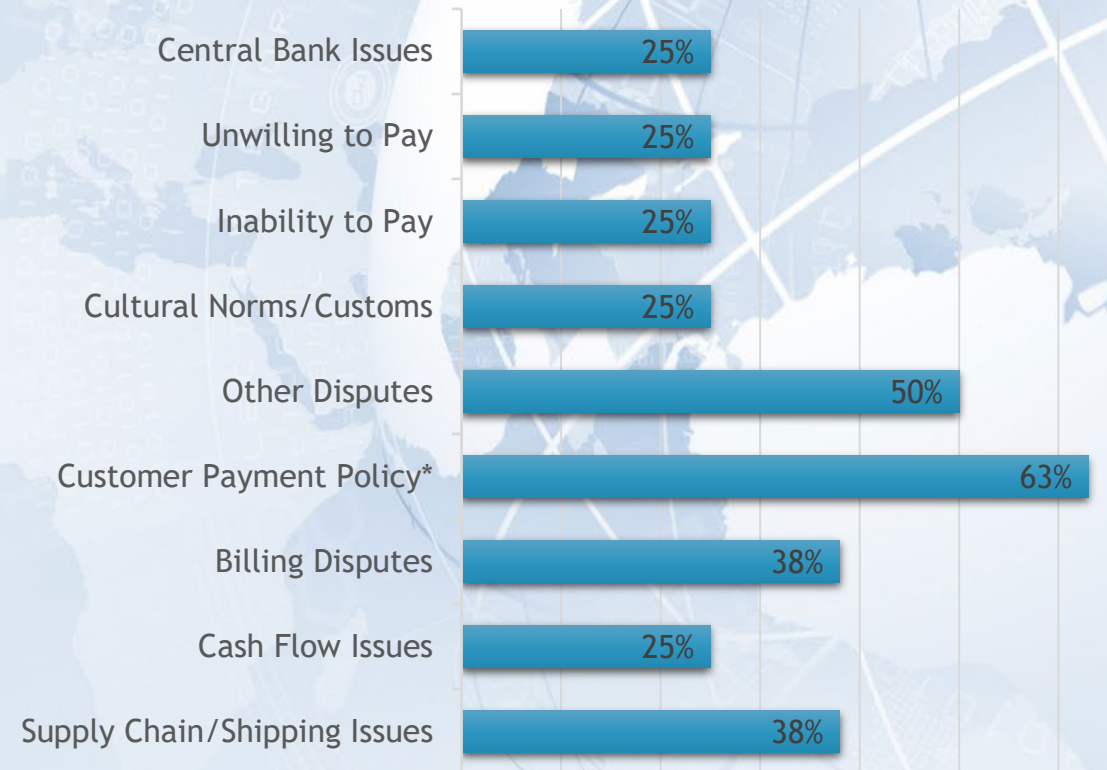
** (i.e. transit time for payment, changing terms after sale)

The most common causes of payment delays

France



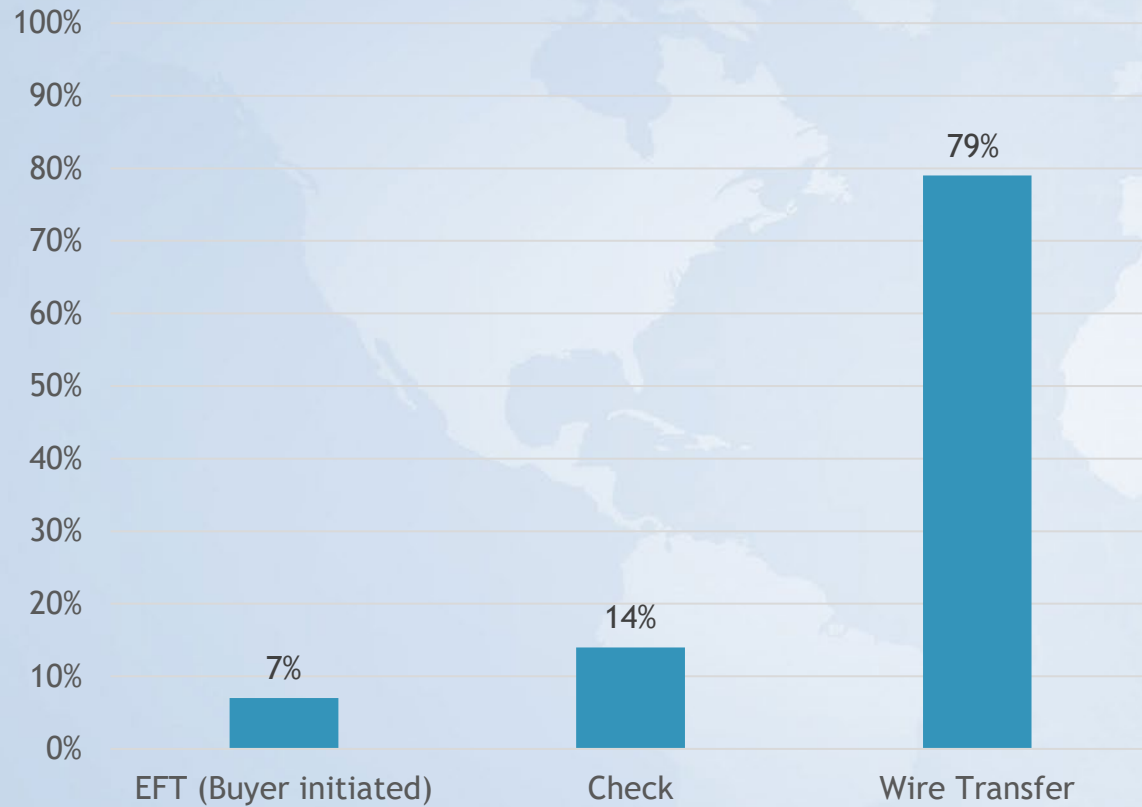
Japan



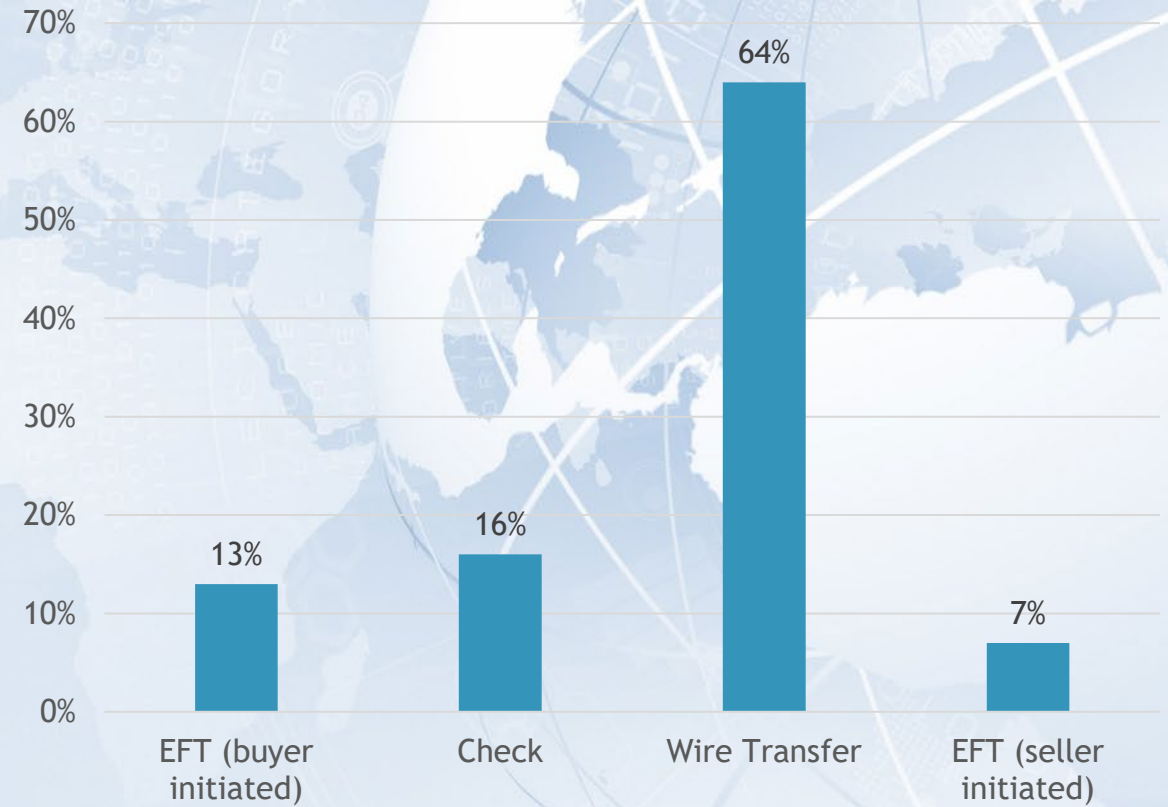
*(i.e. customer only pays on a set day of the month)

Methods used to secure payment

Argentina

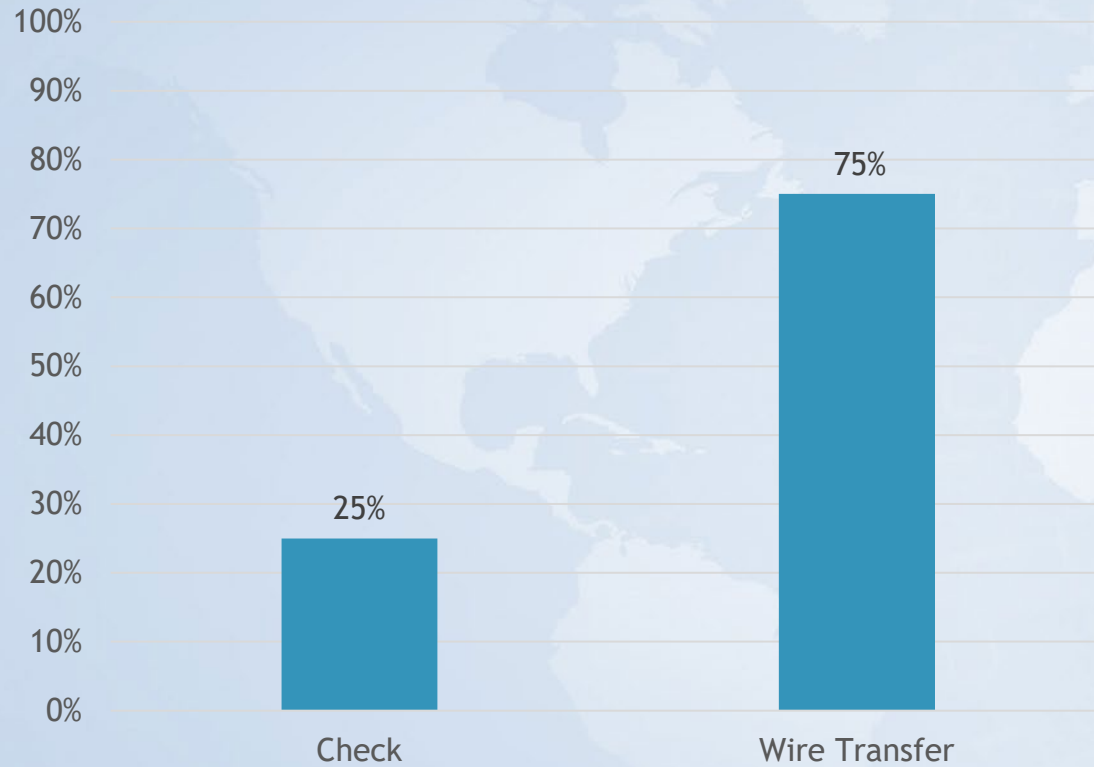


Canada

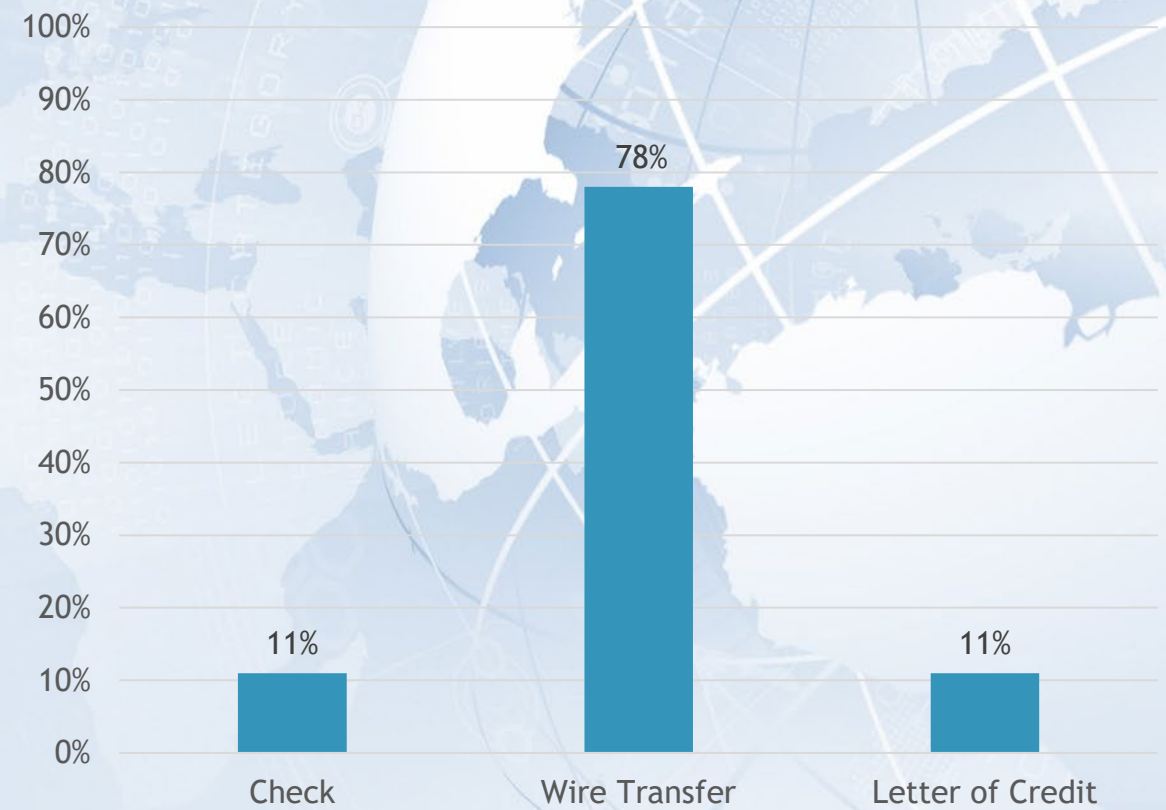


Methods used to secure payment

France



Japan



Insights from Credit Professionals

Argentina

- “The situation now is really better than some months ago and the crucial aspect is the dynamics of reserves progressing toward normalization. That's what needs to be monitored. However, since the situation of improvement is quite recent (2-3 months), the credit team cannot guarantee that there will be no changes to local regulations, reserves or macroeconomic conditions.”
- “When selling to well-known customers, expect up to 120 days and be cautious to new companies looking for credit. If you have cash flow issues, don't sell to Argentina on credit.”
- “Business is possible on credit terms, but there are defined rules and regulations to receive payment on extended terms. Know these before you do business on credit terms. Prepayment is preferred, but likely not a possibility due to the govt regs.”
- “The new administration appears to be making the right moves to allow importers to settle their debts and place new orders. However, Milei's timeline for all BCRA restrictions to be discontinued by June 2024 feels too ambitious based on the realities of their circumstances. If the administration is successful in cooling inflation over the remainder of the year, I am leaning toward Q4 to see any dramatic changes to foreign payment restrictions.”

Canada

- “Have customers pay by EFT to avoid payment delays.”
- “This is a good country to do business with if you understand their processes and complete due diligence.”
- “Make sure you have a good contract and all your documents in line. If you have that they are fairly easy to work with.”
- “Require ACH/EFT/Wire payments. Mail too slow.”
- “Fairly simple doing business in Canada. You have to watch the Quebec region as different laws apply compared to the other regions. We had to place a few customers on CIA due to their late payment situations but overall pretty easy to do business and collect monies.”
- “We are not experiencing any issues with Canada except exchange rate concerns.”
- “Make sure your contract states the currency that you are going to bill in and the currency you are going to be paid in, or you can be left with a lot of money you cannot collect.”

Insights from Credit Professionals

France

- “Payment promptness over the summer is typically slower due to French companies operating with many staff members on holiday. Any billing disputes open in June may have to wait until August for resolution.”
- “There are some cultural differences like unwillingness to work in English vs French language.”

Japan

- “Obtain financial statements from your customer and complete financial analysis of those and complete due diligence.”
- “Good country to do business with. Very detail oriented with documents, etc. Rarely an issue.”
- “Mostly honorable customer base.”

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.
- With continued global inflation, war in Ukraine and high interest, you need to know your true legal customer to prevent fraud and keep your A/R secured.
- 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.