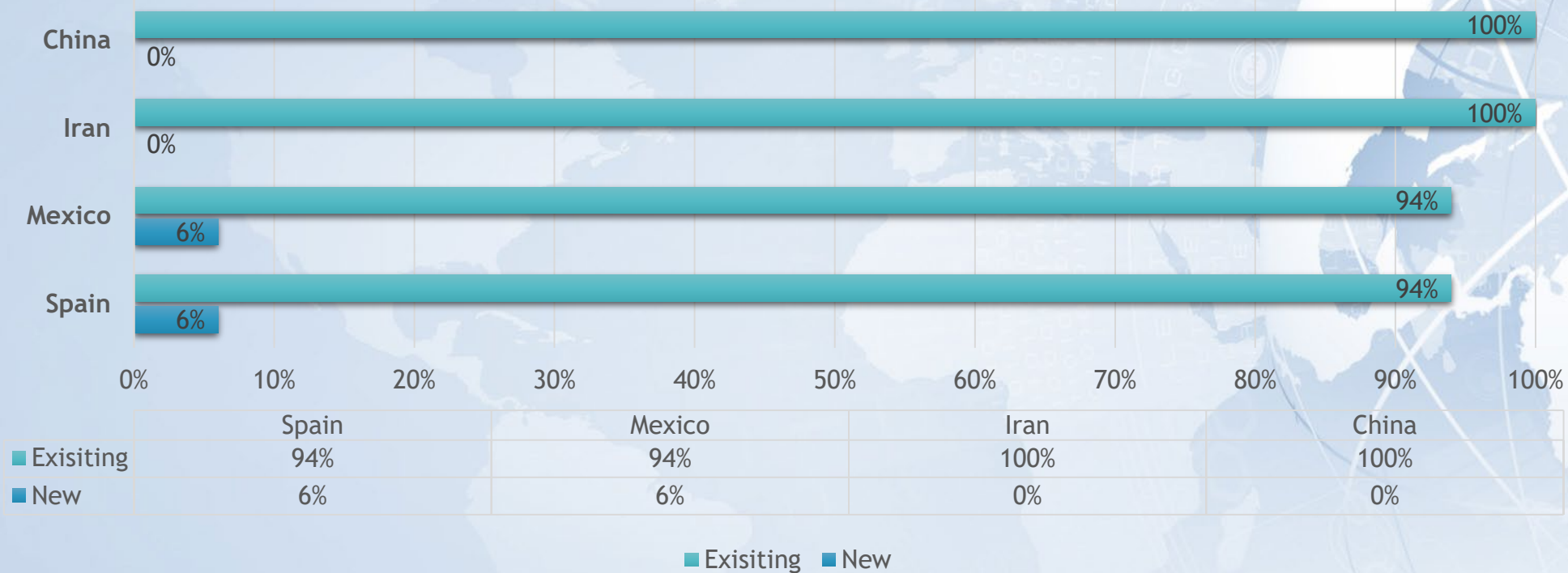


May 2024

FCIB Credit & Collections Survey

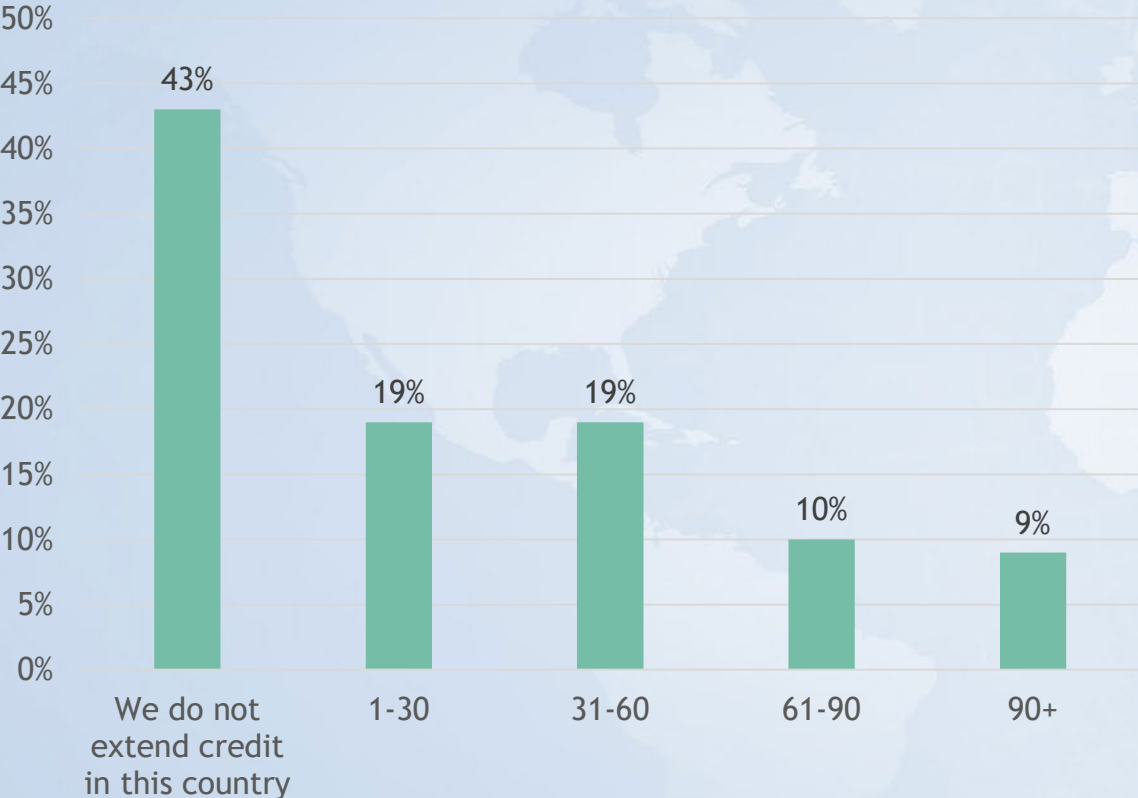
China, Iran, Mexico, Spain

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

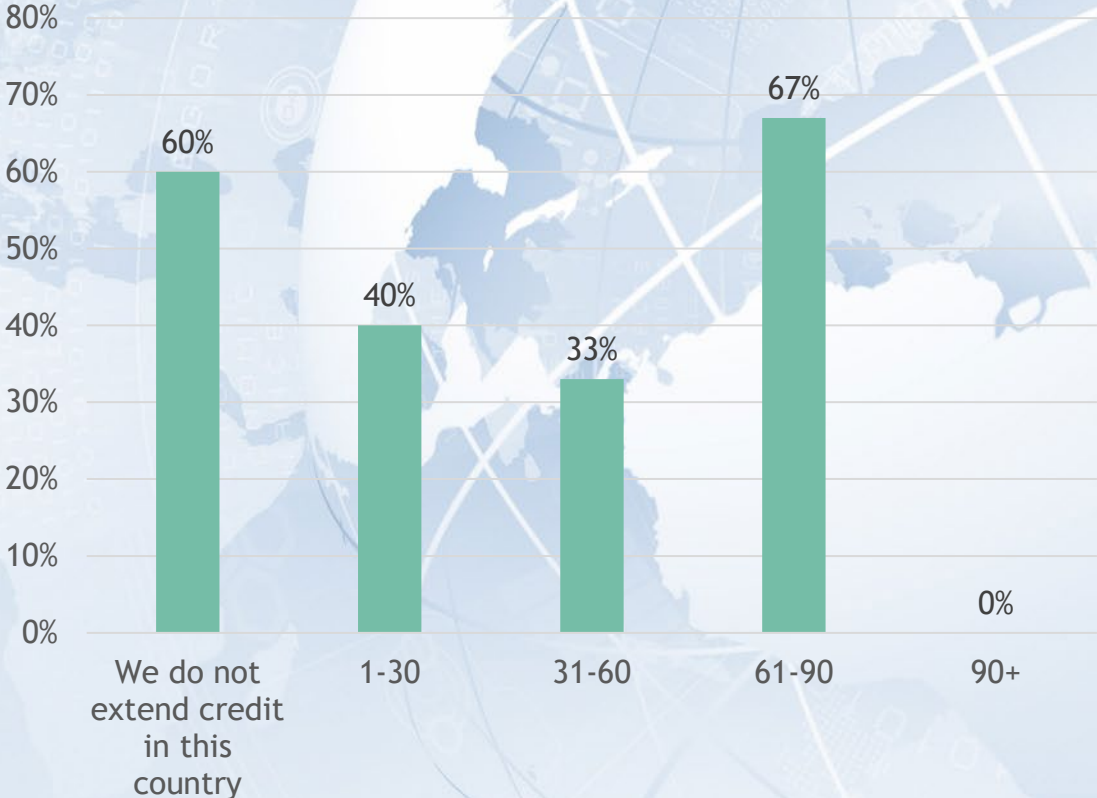


On average, what payment terms are you granting?

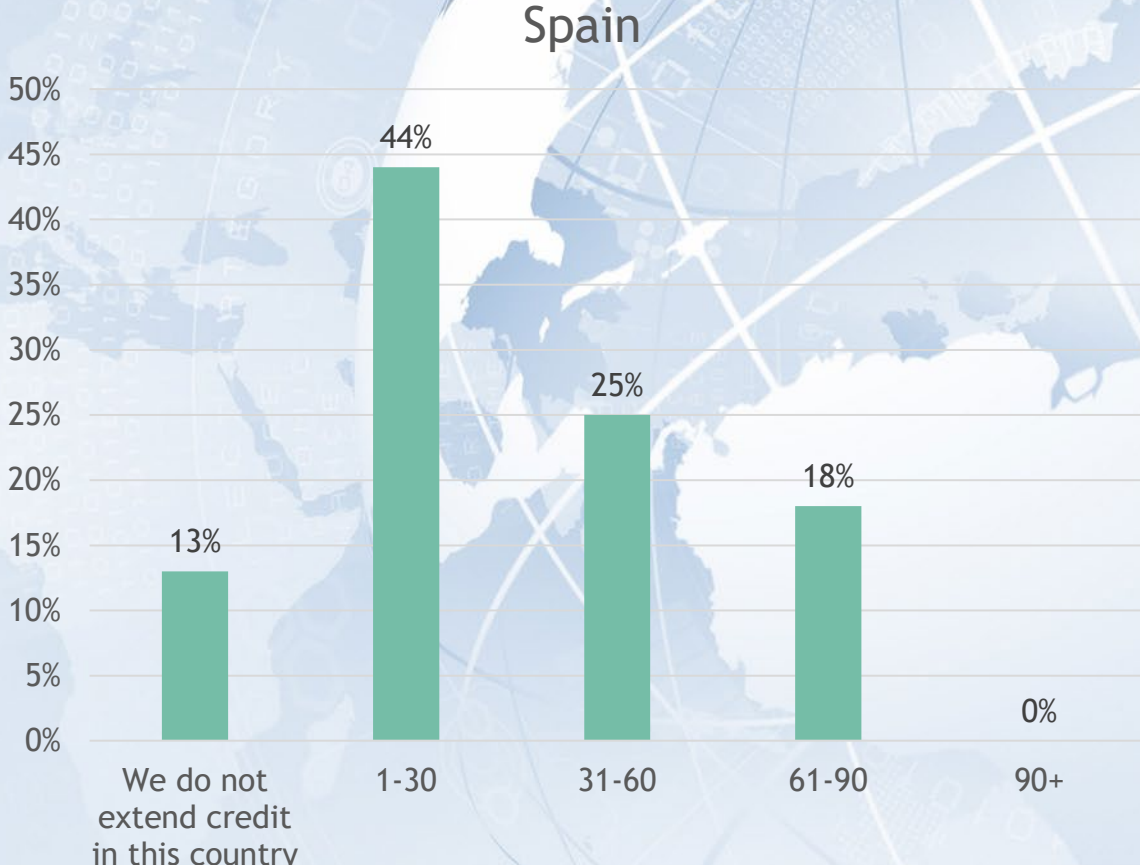
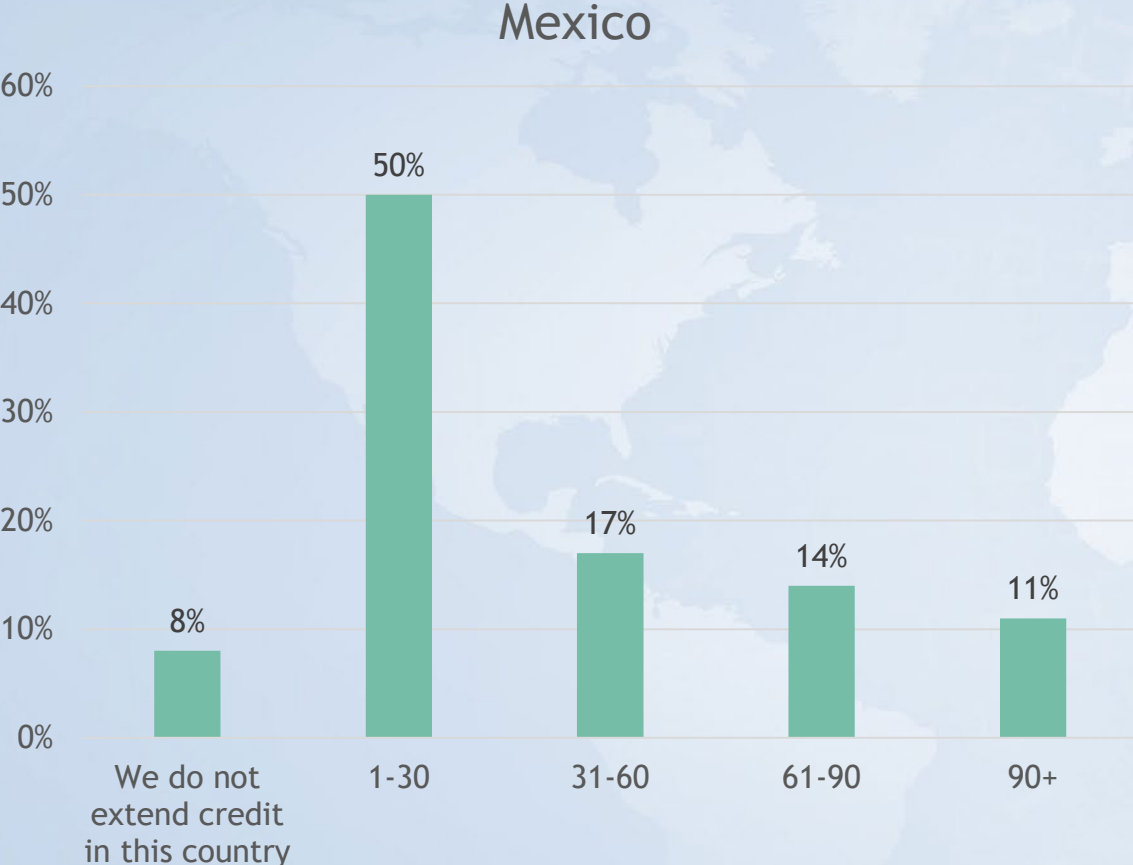
China



Iran



On average, what payment terms are you granting?



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

China

10

Iran

12

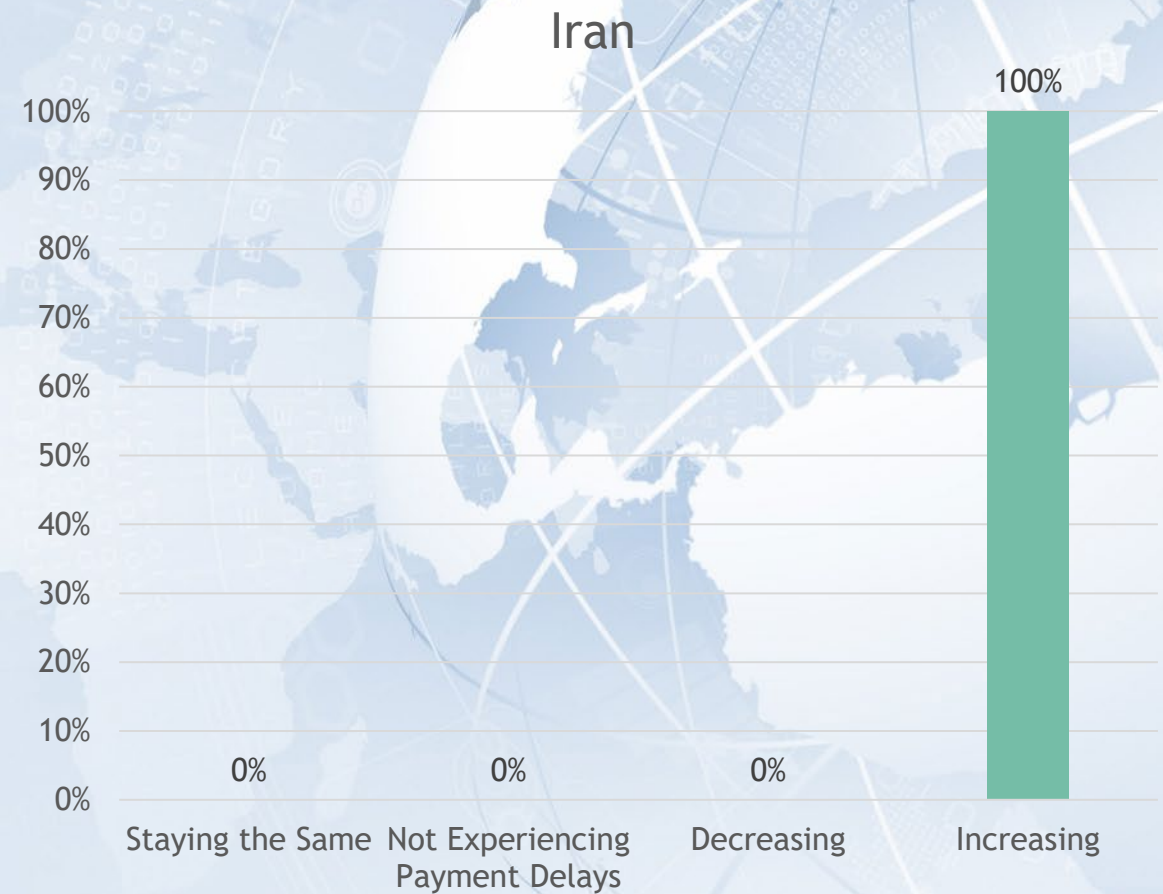
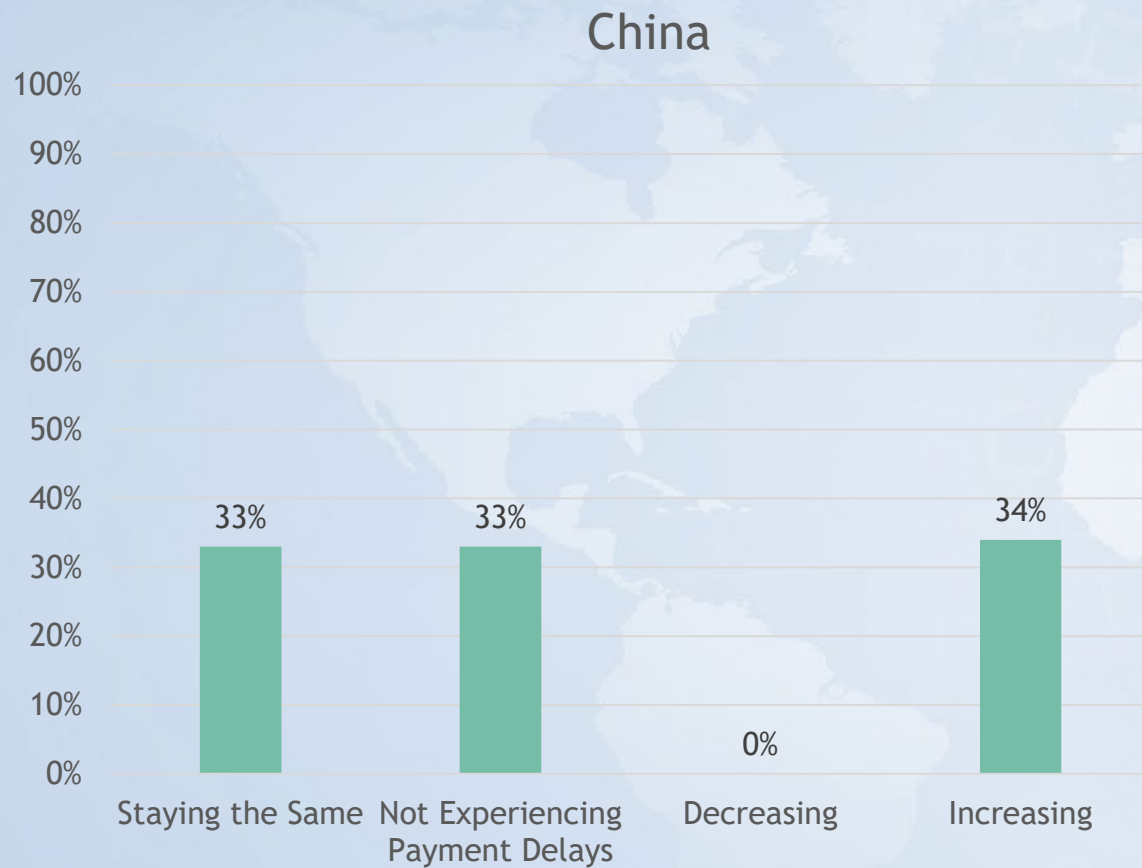
Mexico

27

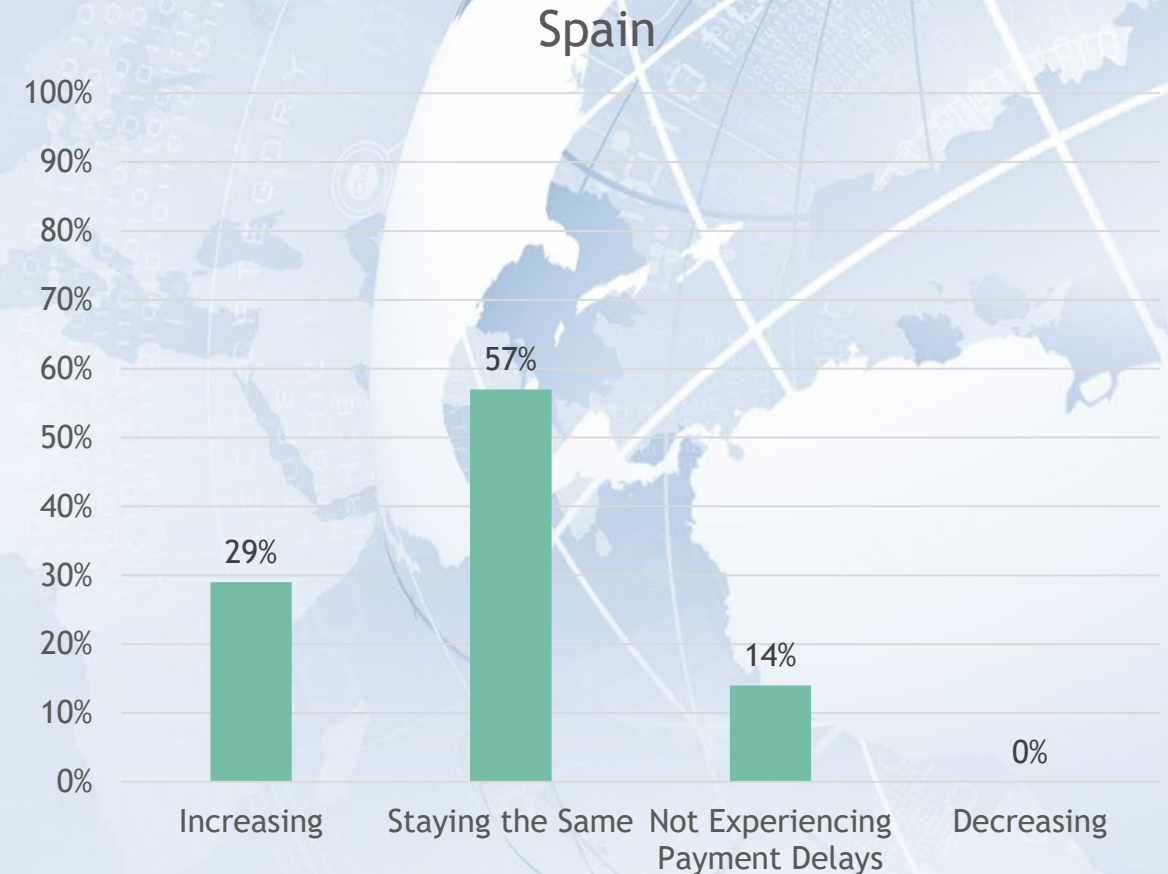
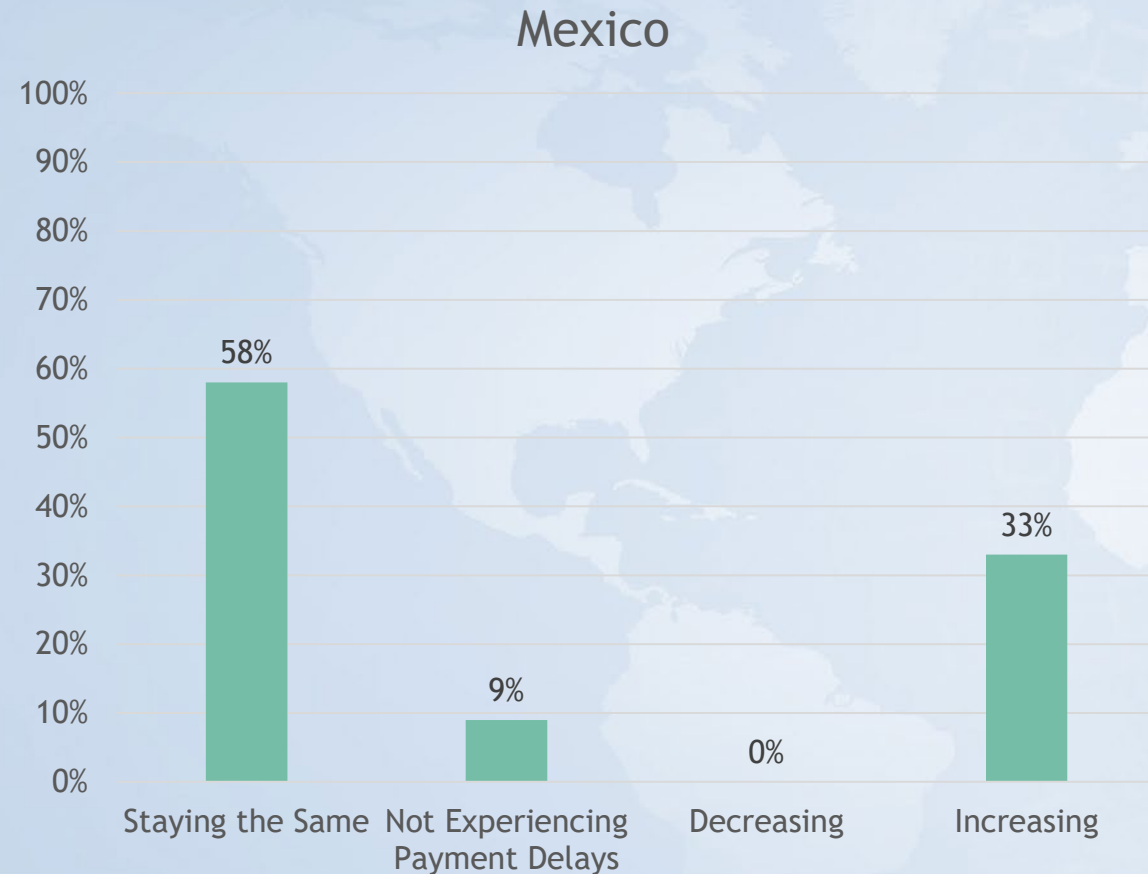
Spain

17

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

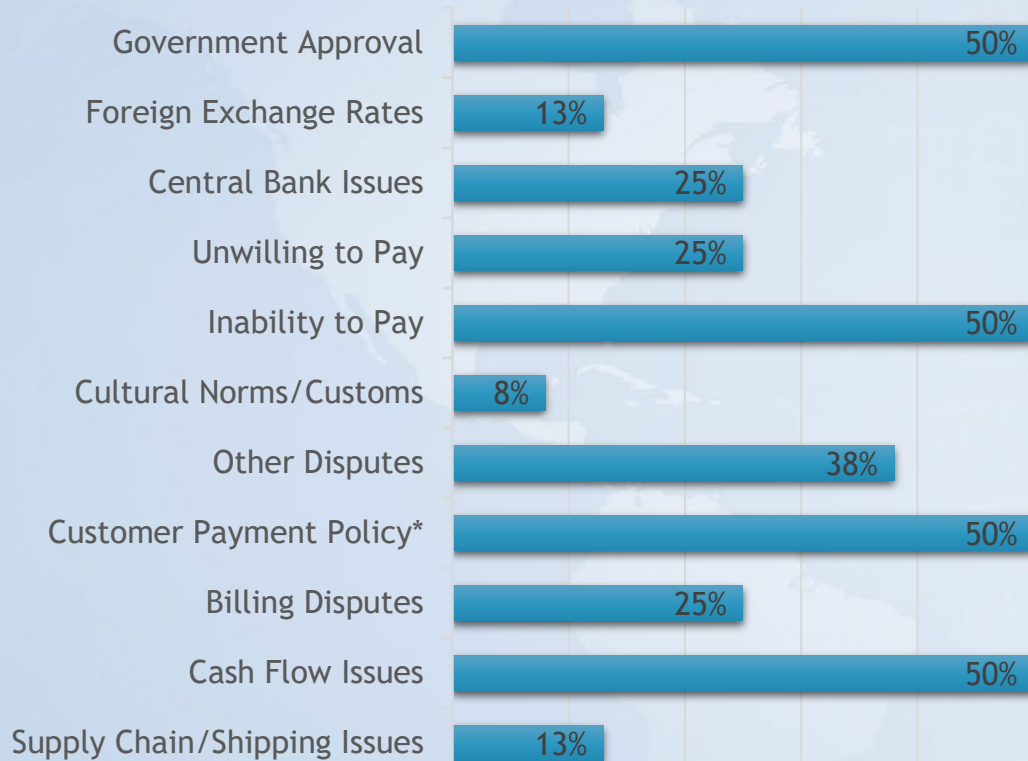


Are payment delays increasing, decreasing, or staying the same?

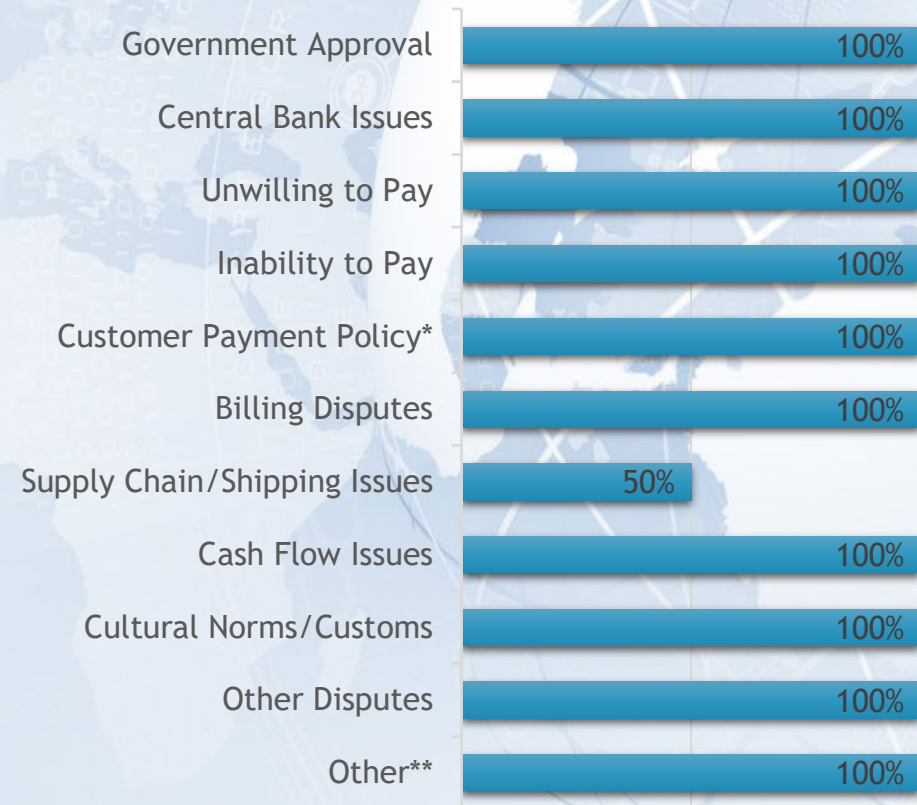


The most common causes of payment delays

China



Iran

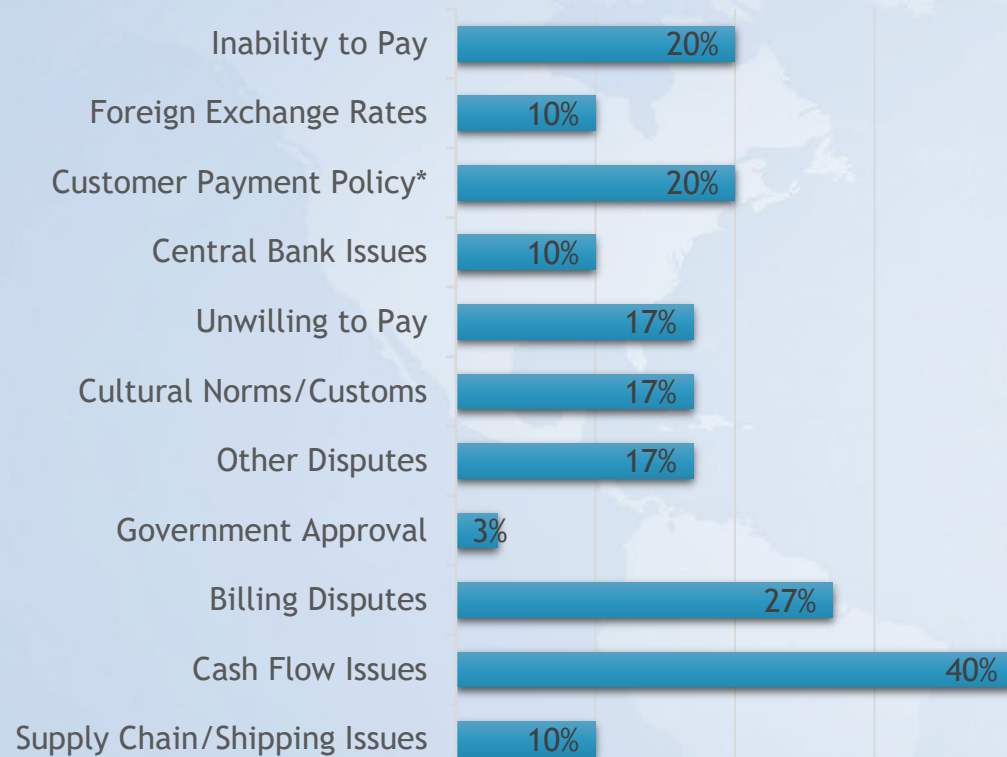


*(i.e. customer only pays on a set day of the month)

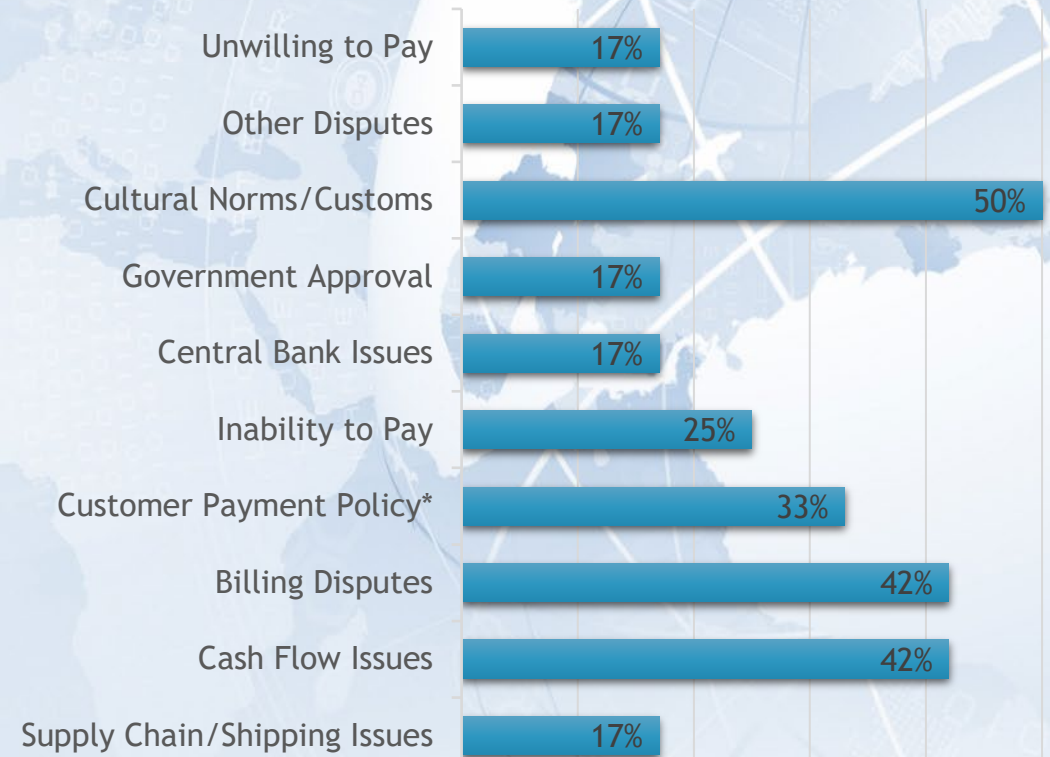
** (i.e. Israel-Hamas conflict)

The most common causes of payment delays

Mexico

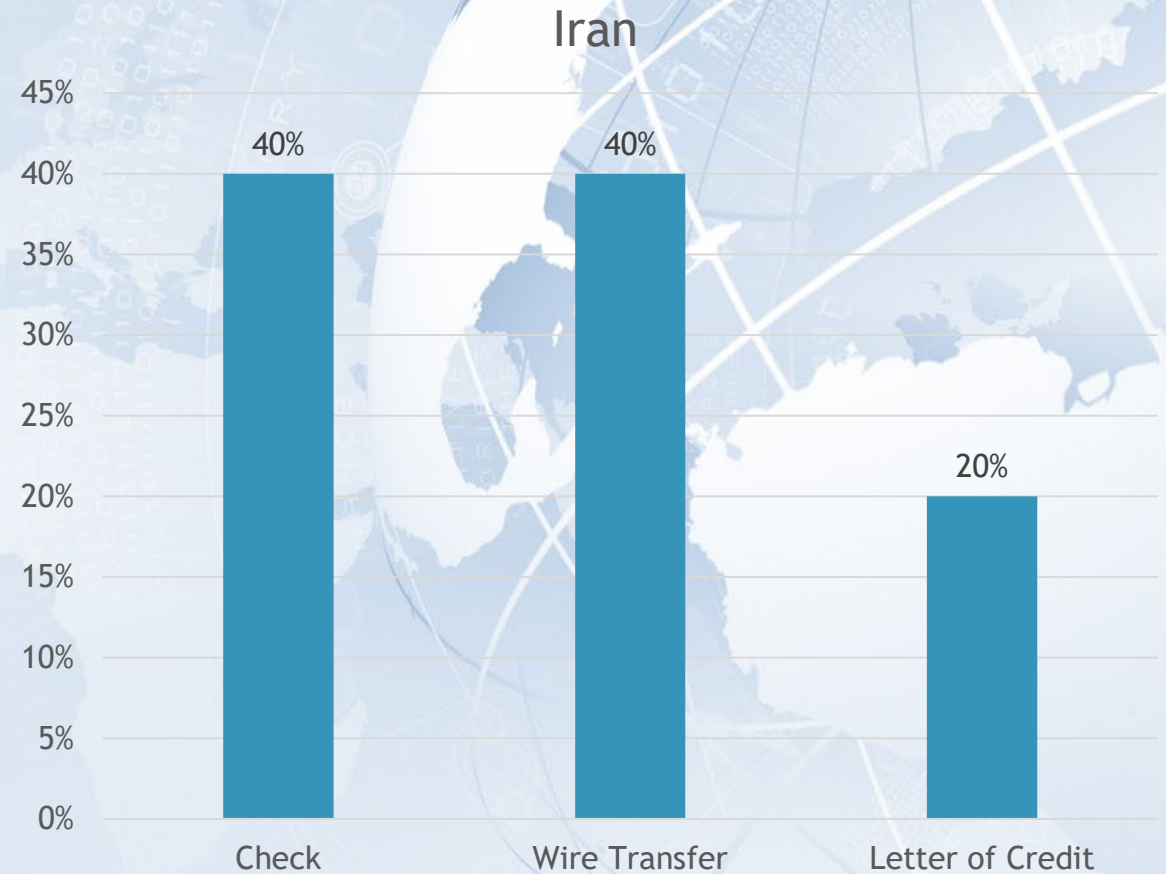
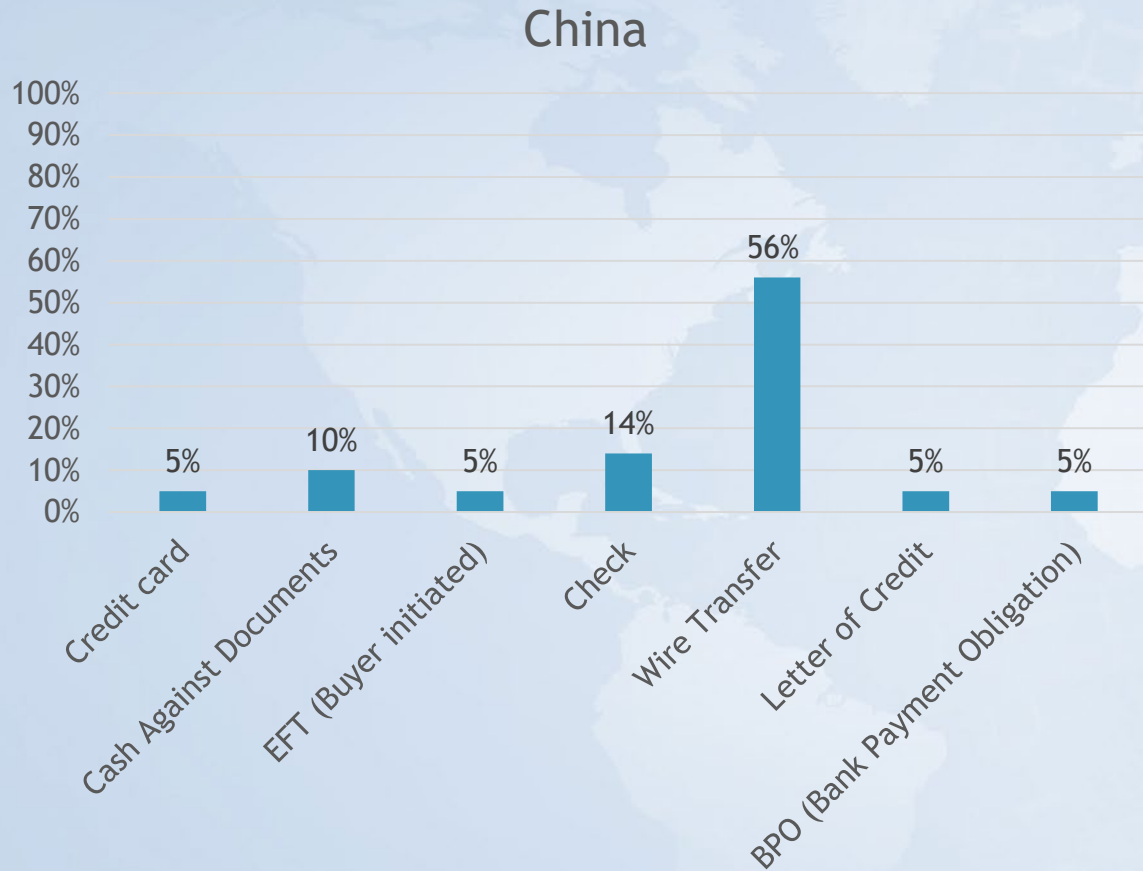


Spain

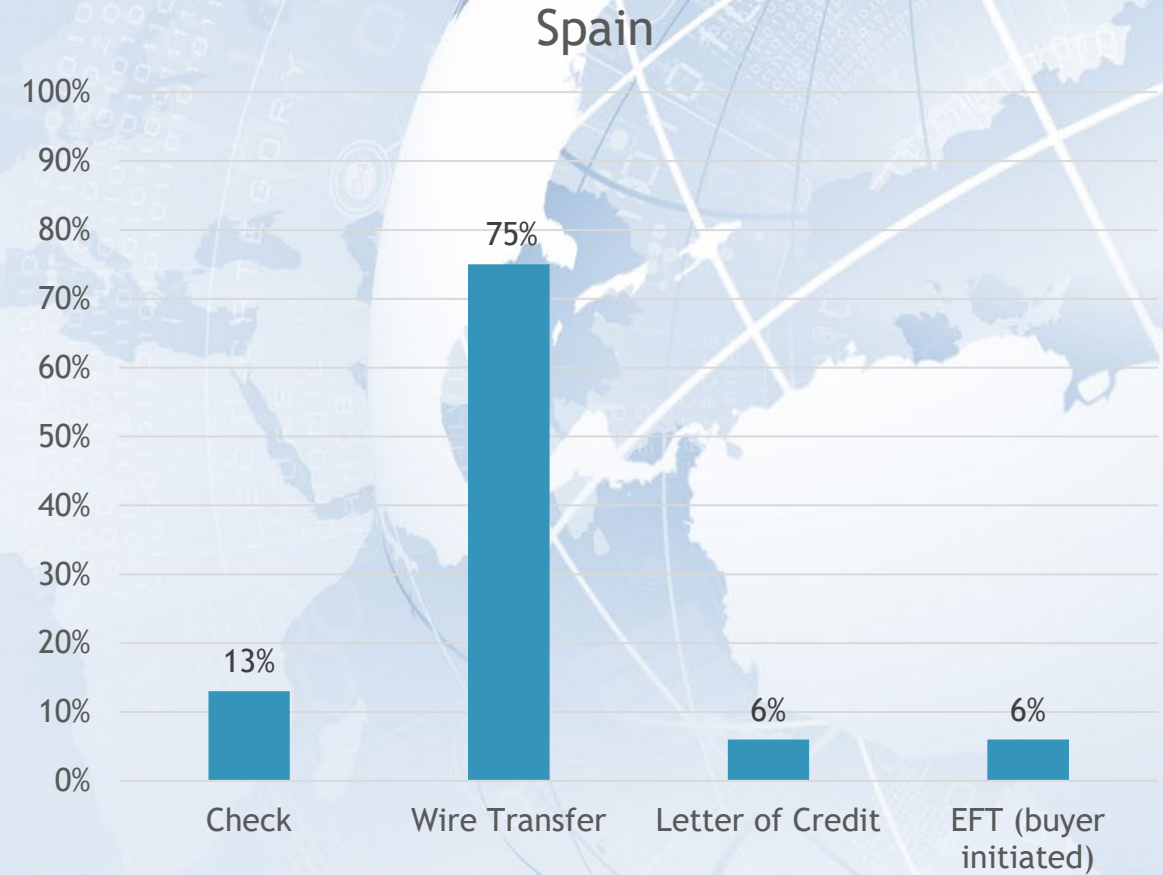
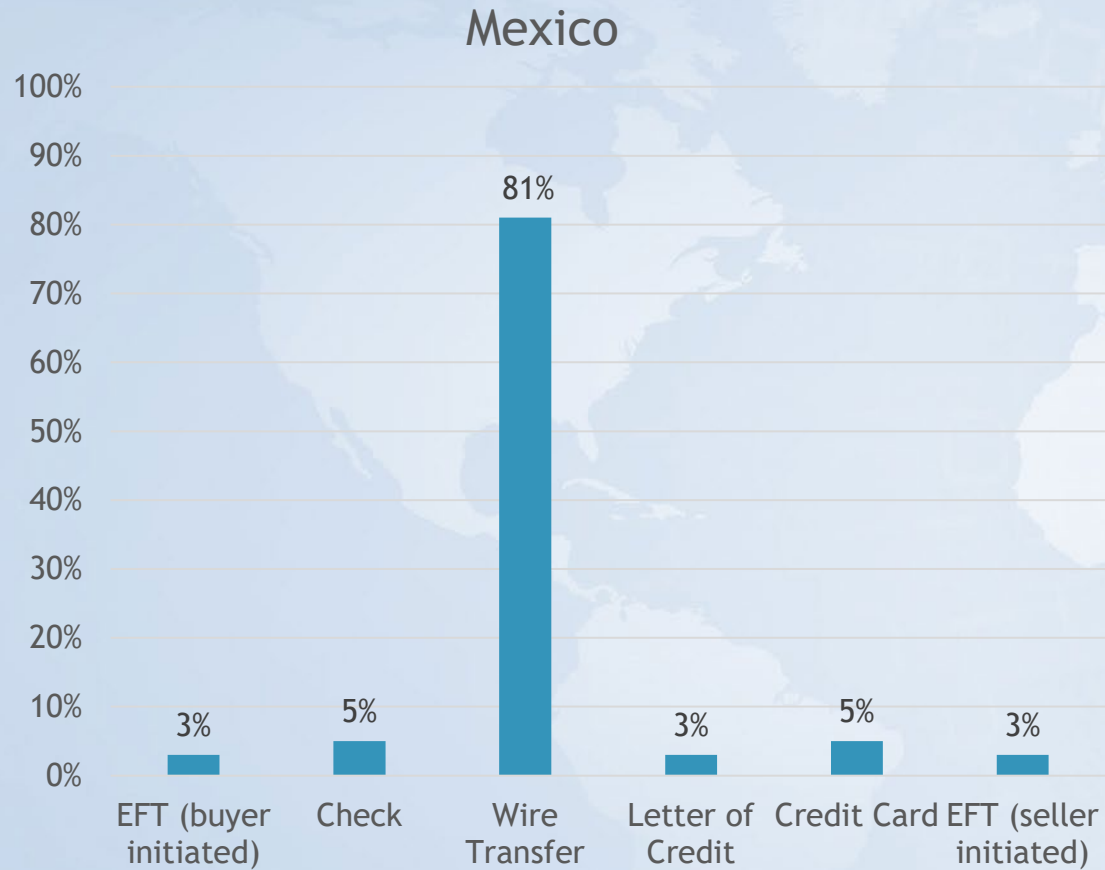


*(i.e. customer only pays on a set day of the month)

Methods used to secure payment



Methods used to secure payment



Insights from Credit Professionals

China

- “No credit terms to be given to small and medium sized companies.”
- “Monthly accounts monitoring and assessments.”
- “Secured payment terms. Transparency in financial information.”

Iran

- “Know your True Legal customer (5 C's of Credit) especially these days of high interest rates, fraud and increase financial defaults.”

Mexico

- “Check the credit carefully & update ever 6 months.”
- “If you are collecting debt invoiced in USD, companies will pay you in MXN since the government rules do not force them to pay in the same currency as invoiced. Most of them prefer to pay in MXN exposing you to currency conversion losses.”
- “Be ready to always have to negotiate.”
- “Slow payment is normal.”
- “CIA TERMS WORKS BEST FOR US.”
- “Understand Governmental Regulations.”
- “Start conservatively. Build from there if positive payment behavior is consistent and communication is solid.”

Spain

- “Clearly define terms and how you expect payment.”
- “Strict credit compliance and blocking orders in case of overdues.”

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.