



**TCG** **Finance** LTD  
Trade Finance & Equity Fund

**RECEIVABLE FINANCE**

# Accounts Receivable Financing

## Invoicing in US Dollars

### Conversion of Credit Sales into Cash Sales



- Financing invoice by invoice or by customer account.
- Annual line of credit in USD, Current Account, Revolving.
- This is a Non-Bank Credit, so it is reported as "supplier" or "creditor" in financial statements.
- Elimination of the accounts receivable and the complicated collection procedures.
- Reduction of staff and collection controls.
- Elimination of losses for bad accounts.
- Funds available up to 100% of the sale at 48 hours after the shipment of the product.
- Accounts receivable in Mexico to customers domiciled in Mexico.
- Accounts receivable derived from invoices for product sales actually made and completed. The sale of services does not qualify.
- Eligible for midsize borrowers who bill at least US\$30 million a year.
- Minimum credit lines of US\$250,000 per customer – with good payment history.
- Financing in USD.
- An average fixed interest rate of 1.0% for every 30 days of the term of each invoice.
- Approval of the credit line for use in 4-6 weeks.
- Electronic invoicing following current Mexican tax rules.
- Delivery of credit funds to the bank of borrower's choice.
- The Lender is taking the buyer's risk of non-payment.
- When receivables are used as collateral assigned in a Trust, it allows an extra credit up to 80% of the collateral with additional liquidity to the collection of the receivables. The factoring is so complemented by an additional unlimited revolving loan as long as the collateral is maintained.
- Start operating in 4 to 5 weeks.
- No mortgage guarantee required. No collateral is requested on the fixed assets of the borrower.
- No reciprocity in checking account, no payroll administration, or any other reciprocity in exchange for credit.

## COMPANIES CAN TRADE **CASH** FLOWS LATER FOR **CASH** FLOWS NOW Export Receivables & Domestic Receivables in USD

“Accounts Receivable Finance”, also called Factoring & Forfaiting, is a method of selling receivables collectables in 30-120 days typical of a customer payment in order to obtain cash for company operations now. Accounts receivable (A/R) are amounts owed by customers for goods and services a company has sold to those customers.



This scheme of financing can be structured in a variety of formats that best accommodate to both the Lender and the Borrower, since a sale of invoices one by one, a sale of all current and future invoicing to one customer account, or to utilize its receivables (e.g., customer payments) as collateral in exchange for a credit advance.

Accounts receivable financing has several other benefits, including:

1. Total customization and management options. Take what you need when you need it.
2. Your financing will match the true value of your receivables.
3. You can expect up to 100% of the payment in advance.
4. The decision is based mainly on your customer's creditworthiness, not wholly on the degree of your business' financial strength.
5. Your clients are usually unaware of the details of the financial arrangement.
6. When utilized as collateral, you can double cash the funding. Cash from the credit now plus cash from customers' payments in 30-120 as collections.