Supply Chain Finance Support Services

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The 4th APEC Supply Chain Finance Conference
Did you know?

“PwC is the only Big 4 Advisory Firm in Malaysia & Vietnam with a dedicated team that focuses on end-to-end SCF advisory.”
Our thought leaderships

Our publications

Malaysia-centric

Optimising Working Capital for Growth
2019 Malaysia Working Capital Study

Vietnam-centric

Cash for growth or growth for cash?
2018 working capital performance assessment for Vietnam

Supply Chain Finance publications

SCF Barometer
2018/2019
Entering a New Era of Maturity and Solutions

SCF Barometer

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Ground realities for SCF adoption

- Lack of awareness
- Lack of local expert advisors
- Insufficient Government support
- Restrictive KYC norms
- Manual banking processes
- Cautious uptake

Source: PwC analysis
The 4th APEC Supply Chain Finance Conference
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Key success factors

Impact to SCF program success

High

Accounting Treatment

On-boarding of Trading Partners

Analysis of Spend/Sales Volume and Trading Partners

Medium

Right Goals Decisions

Alignment of Management

Selecting the Right Partner

Low

Pricing

Legal Documentation

Pre-sales analysis

Selecting the Right Structure

Low Medium High

Program Design

Pre-sales analysis

Selecting the Right Structure

Source: New York Institute of Finance

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What are corporates looking for?

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Source: New York Institute of Finance
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Off balance sheet financing (1/2)

Questions for consideration

1. Has the invoice been assigned or novated to the bank?

2. What is the purpose of the introduction of supplier finance?

3. Has the supplier finance scheme been introduced in conjunction with a change in payment terms such as a change in dates?

4. Who negotiates the terms of the supplier finance and puts it to the supplier?
Off balance sheet financing (2/2)

Questions for consideration

5. Is there, in substance or in practice, a tri-partite agreement between the supplier, buyer and bank?

6. Will the arrangement affect the timing of cash flows of the buyer with respect to the timing of payment, recognition of early payment discounts, treatment of credit notes and payment of late interest?

7. Does the buyer receive any fees or other payments from the bank or make any payments to the bank other than payment of the original invoice under its terms?
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Thank you

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