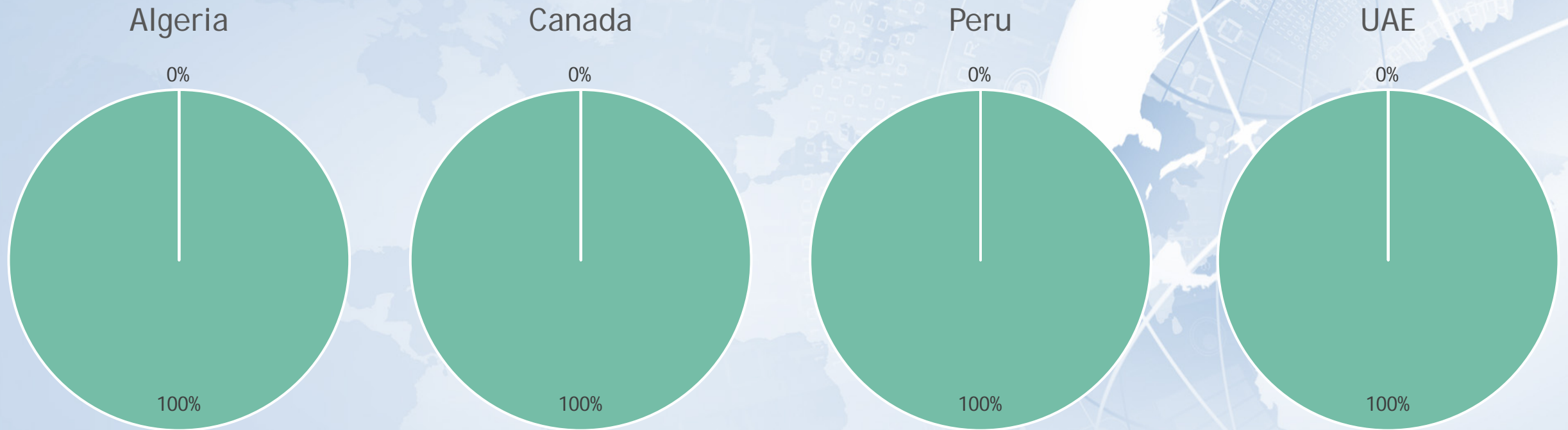


January 2023

FCIB Credit & Collections Survey

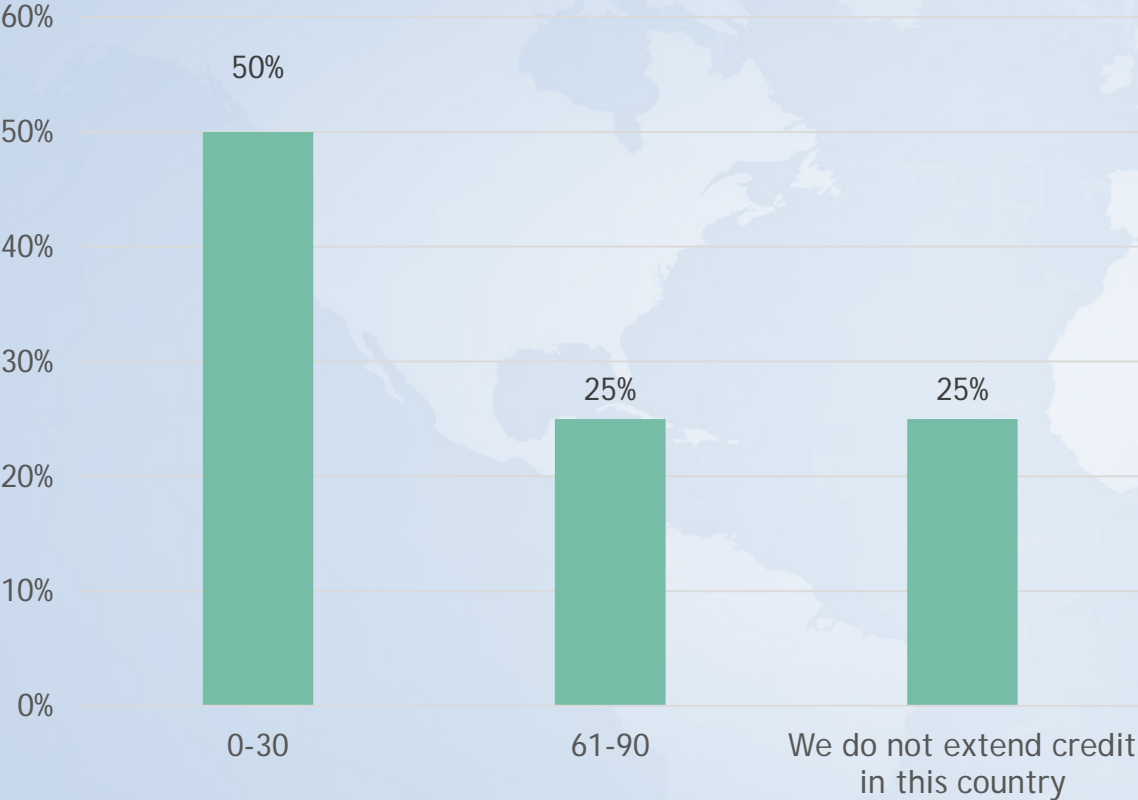
Algeria, Canada, Peru, UAE

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

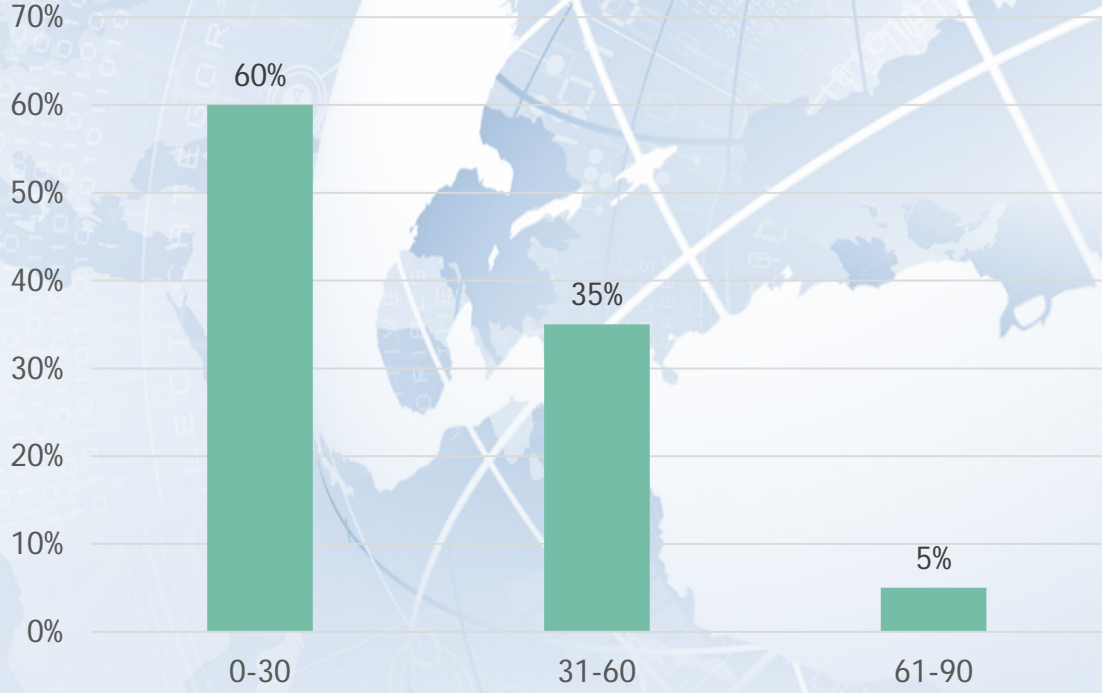


On average, what payment terms are you granting?

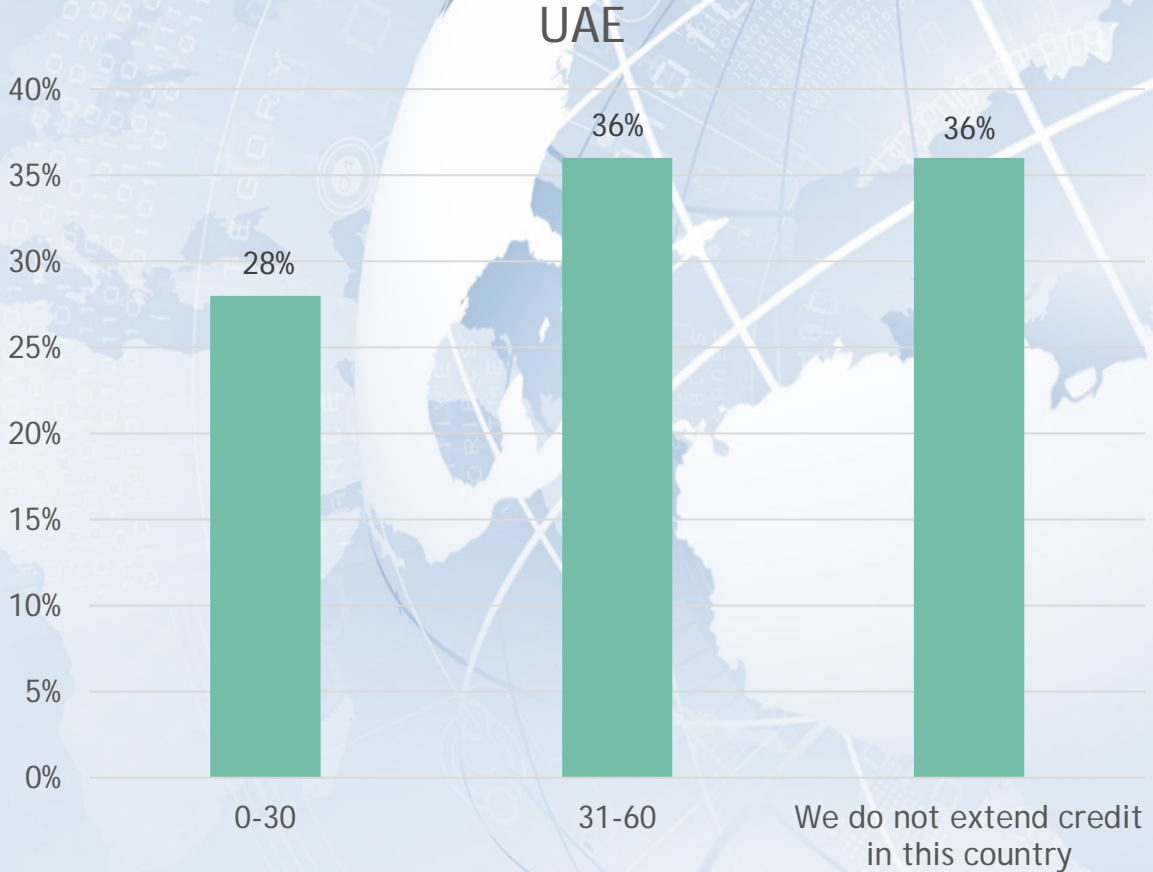
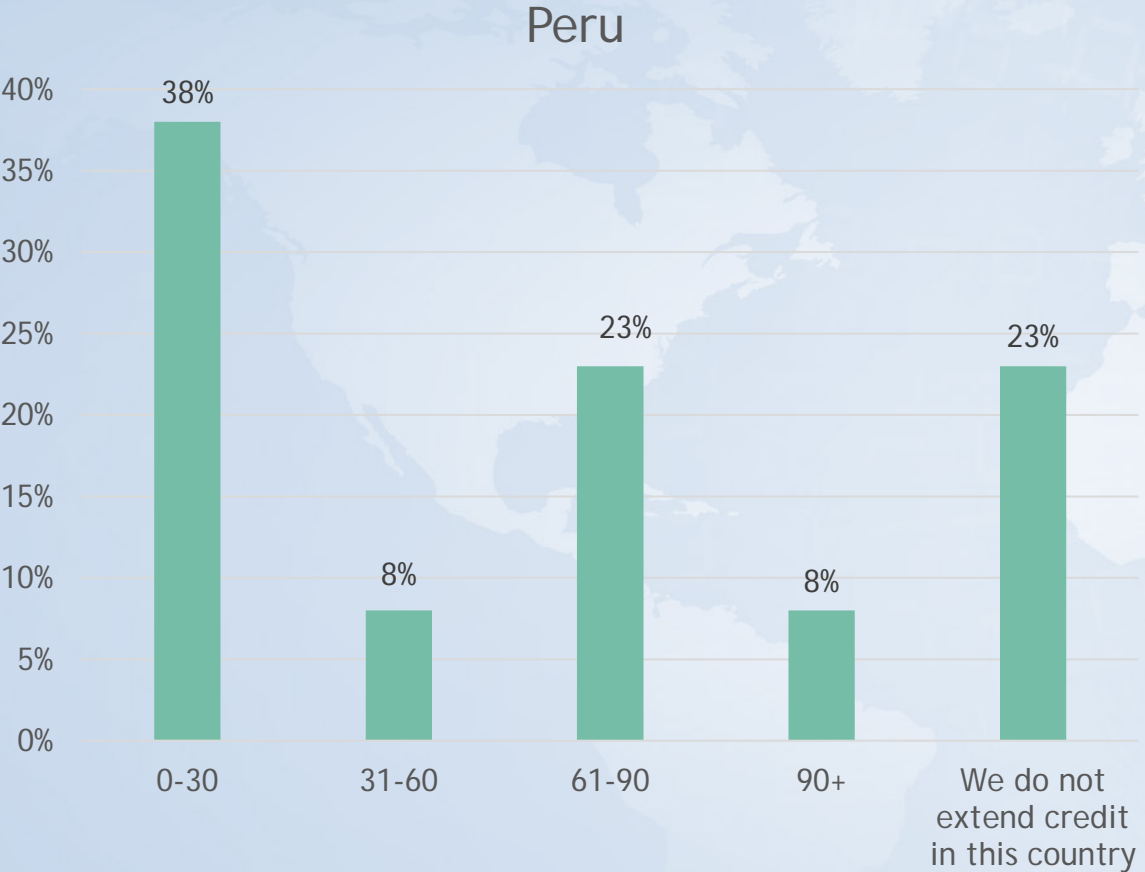
Algeria



Canada



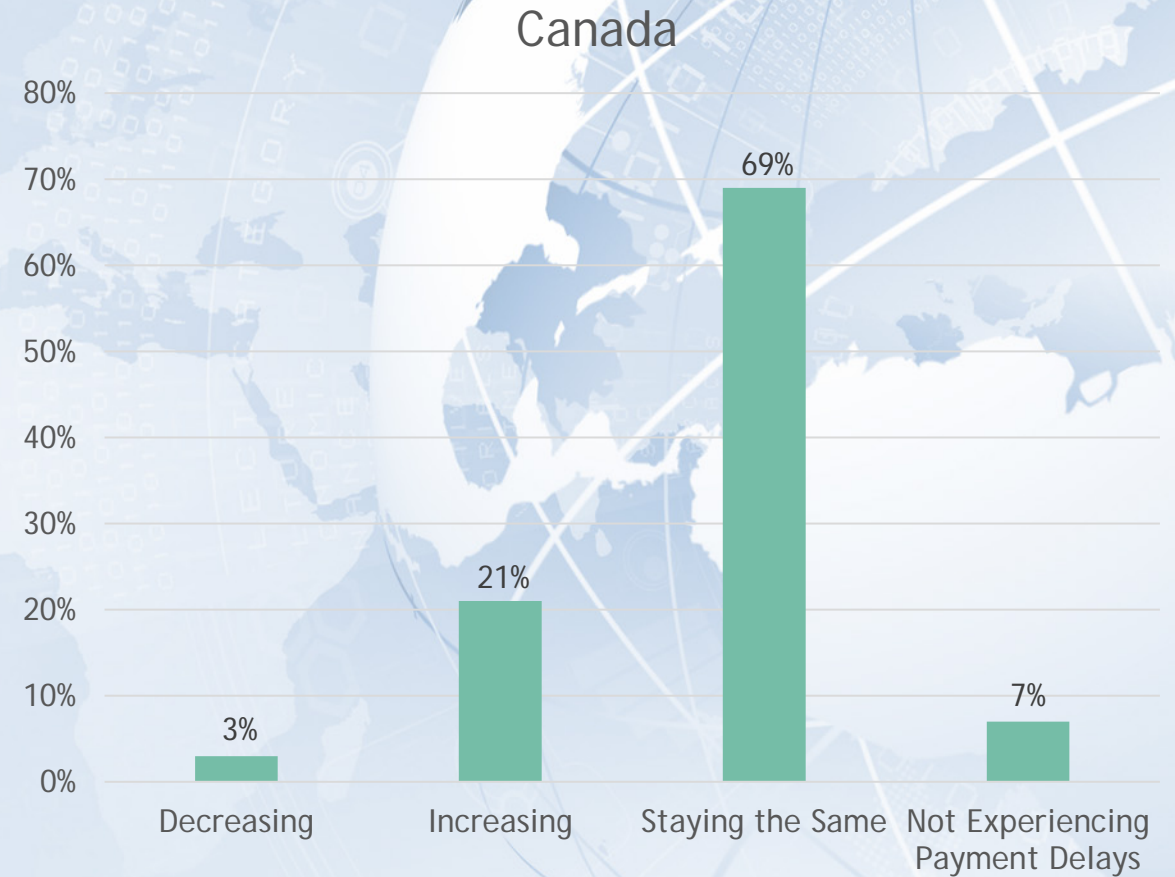
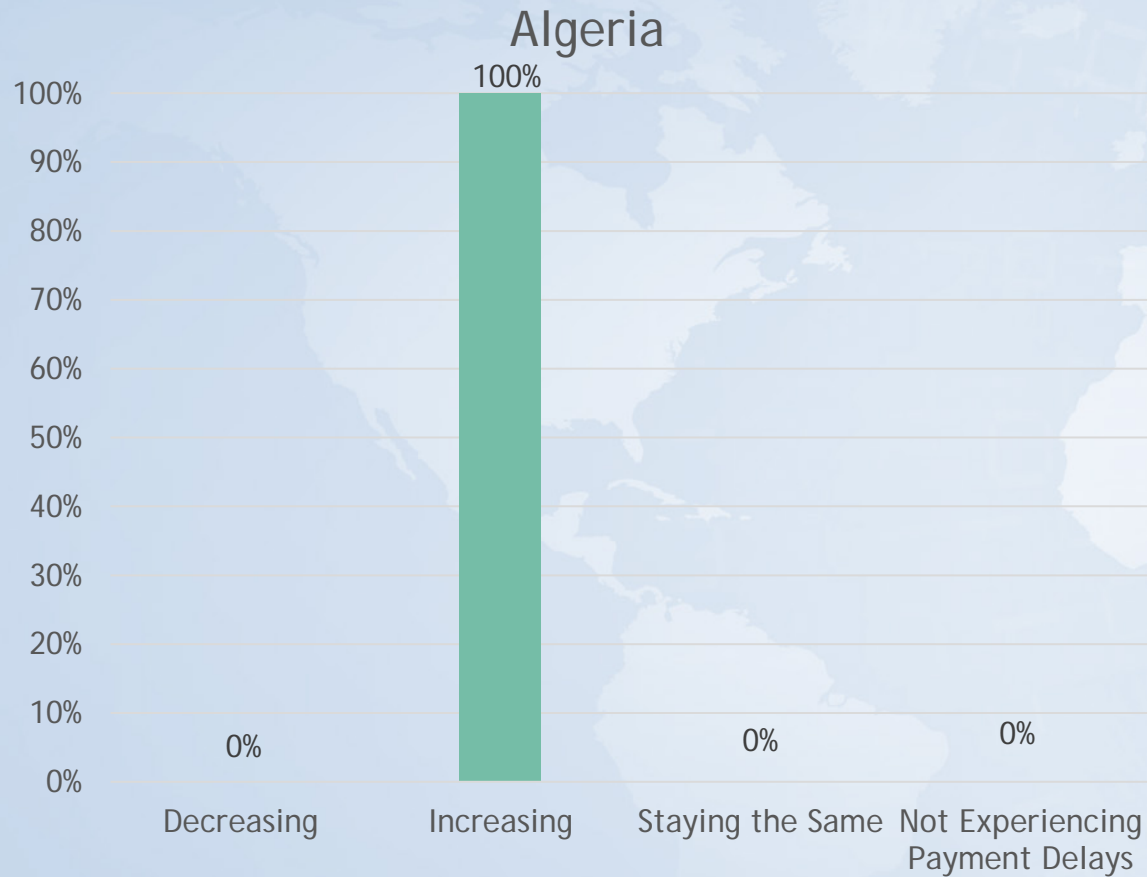
On average, what payment terms are you granting?



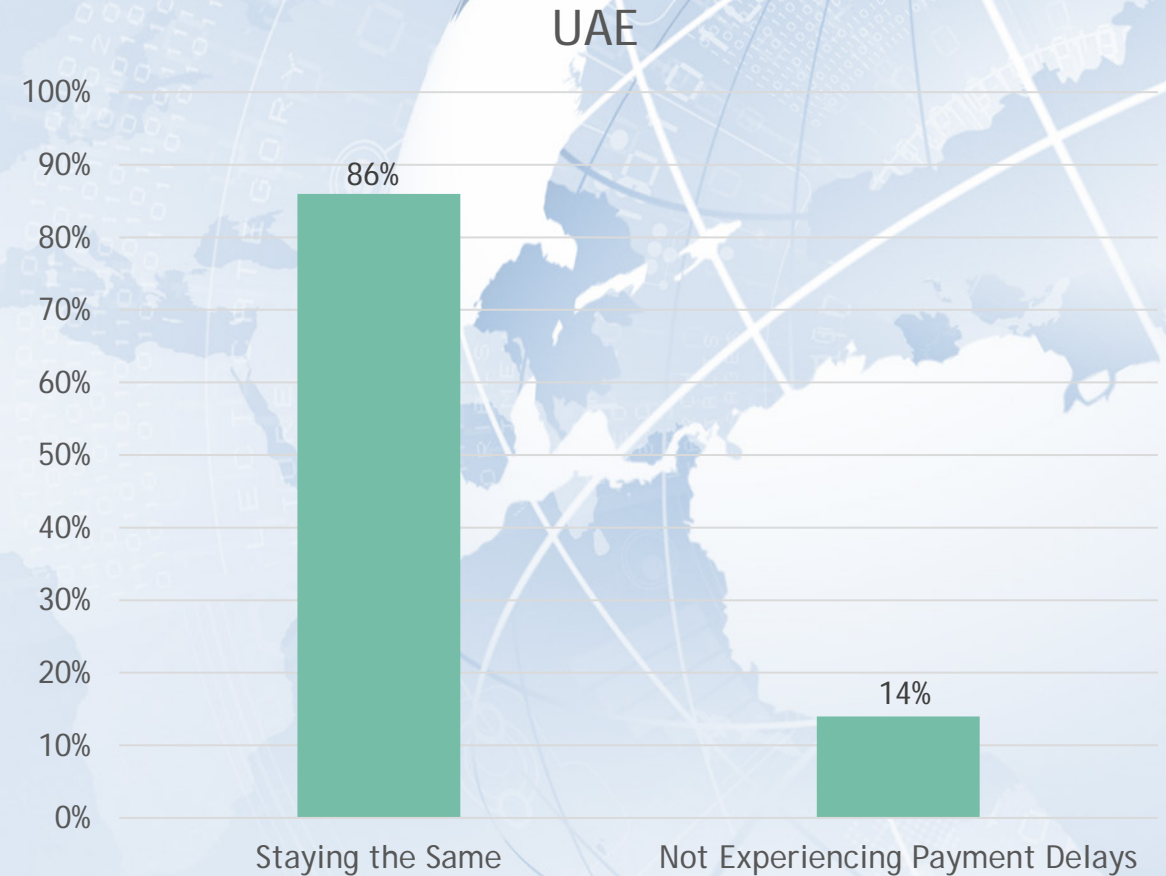
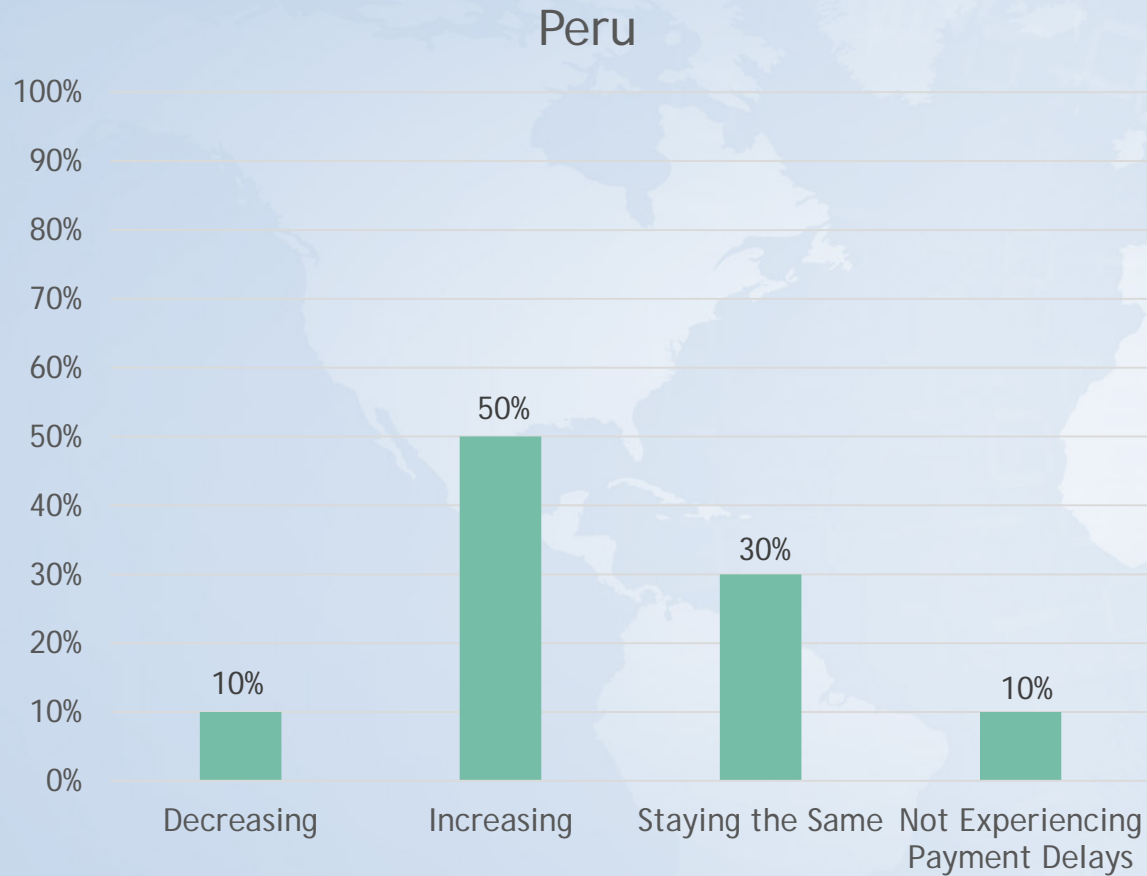
What is the average number of days beyond terms in these countries?



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

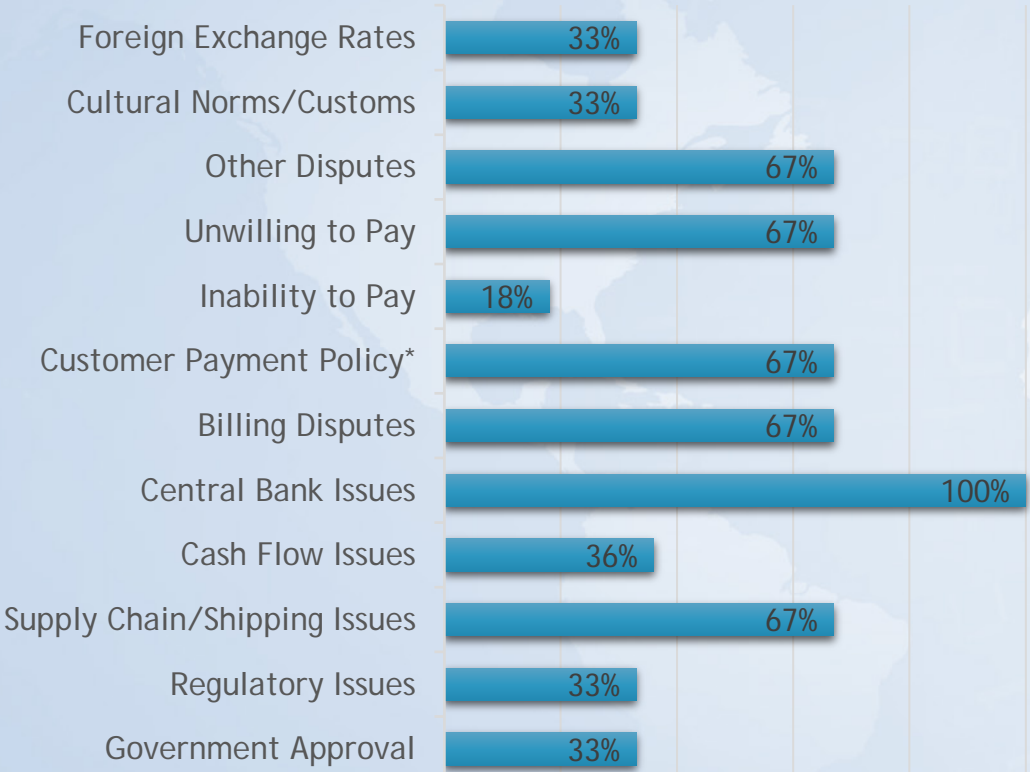


Are payment delays increasing, decreasing, or staying the same?

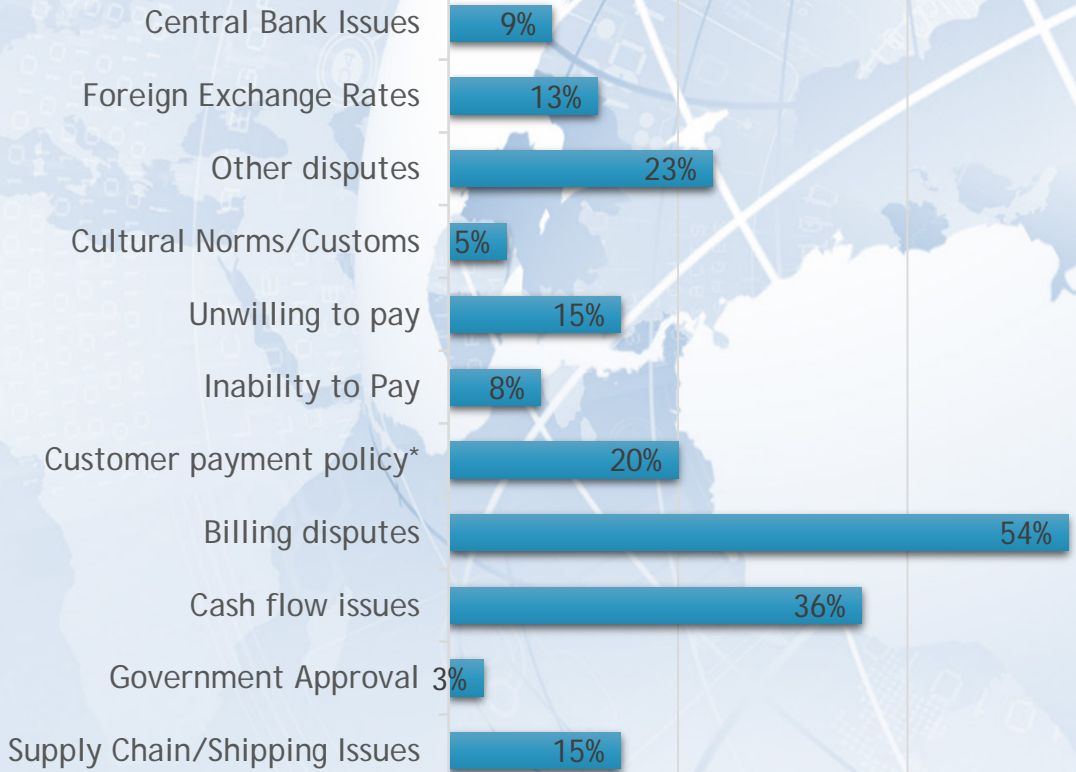


The most common causes of payment delays

Algeria



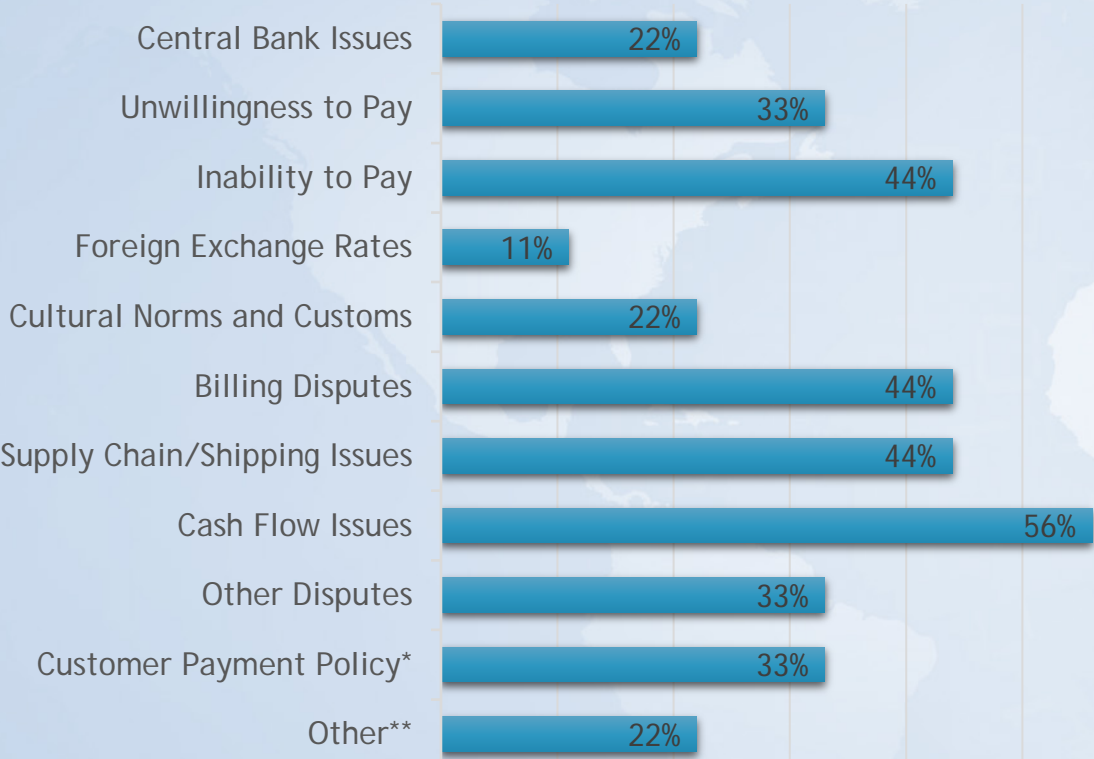
Canada



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

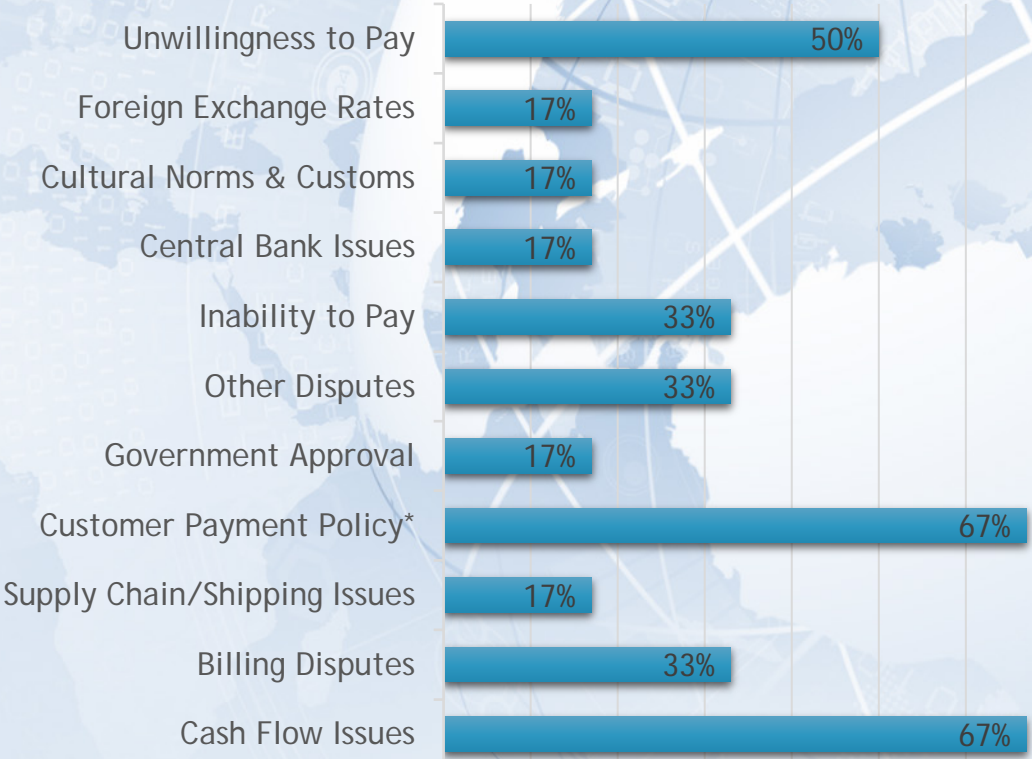
The most common causes of payment delays

Peru



**Political/Civil Unrest and Martial Law

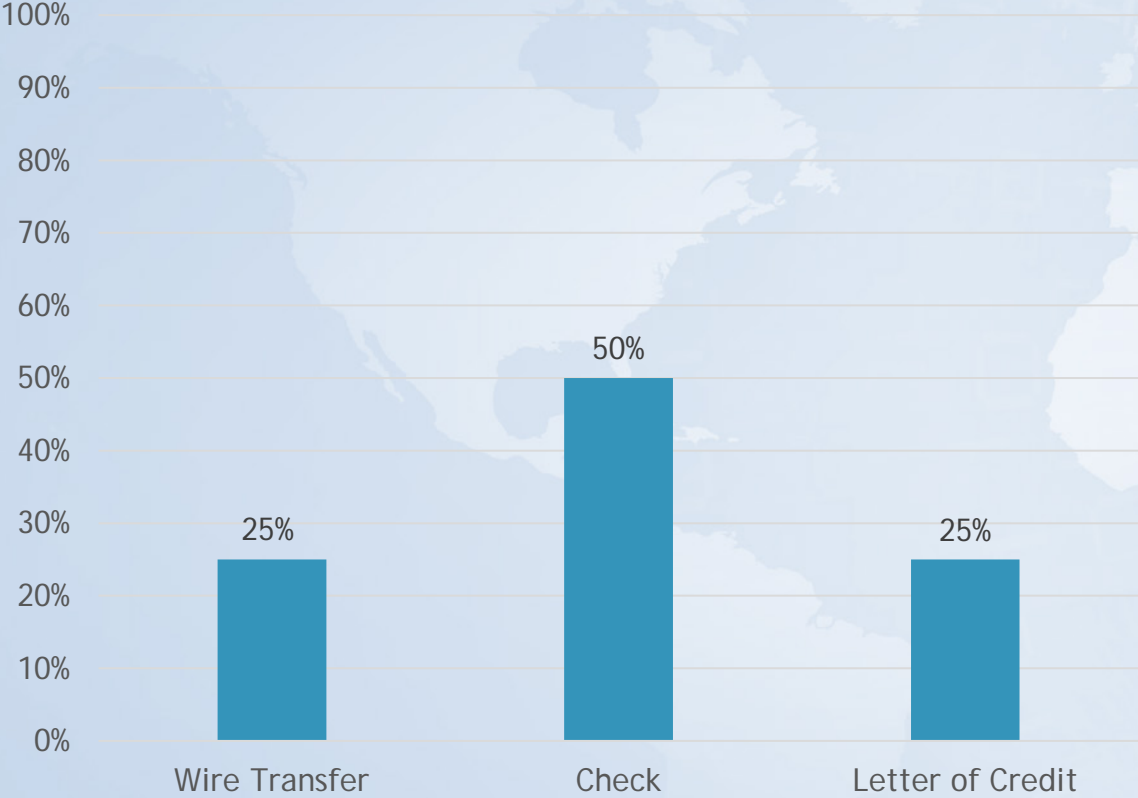
UAE



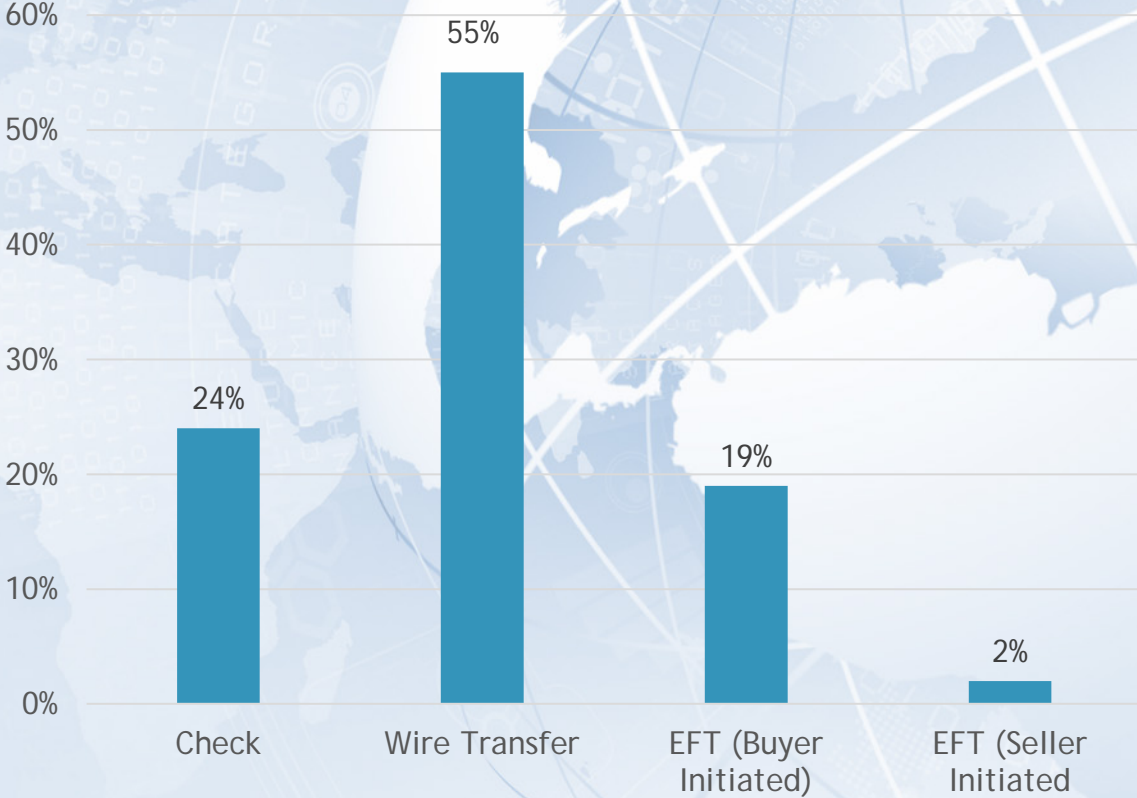
*(i.e. customer only pays on a set day of the month)

Methods used to secure payment

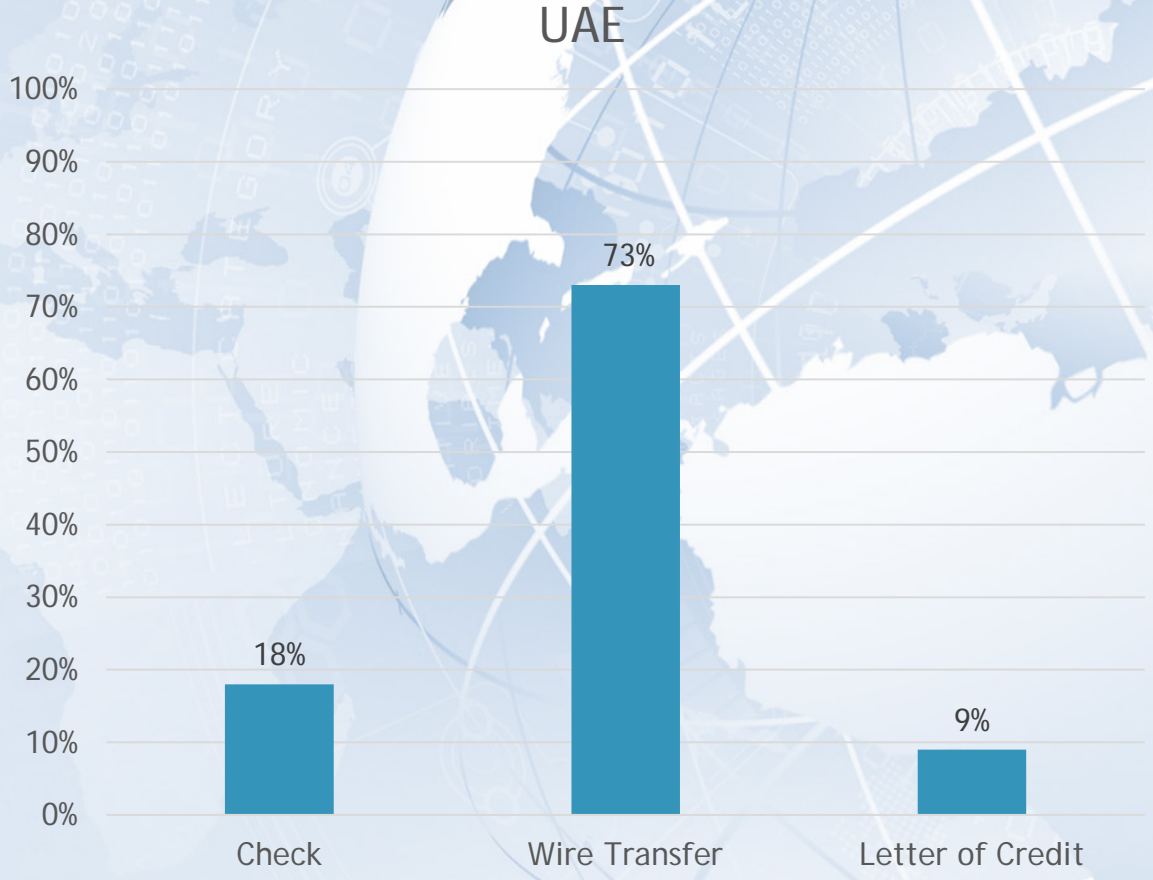
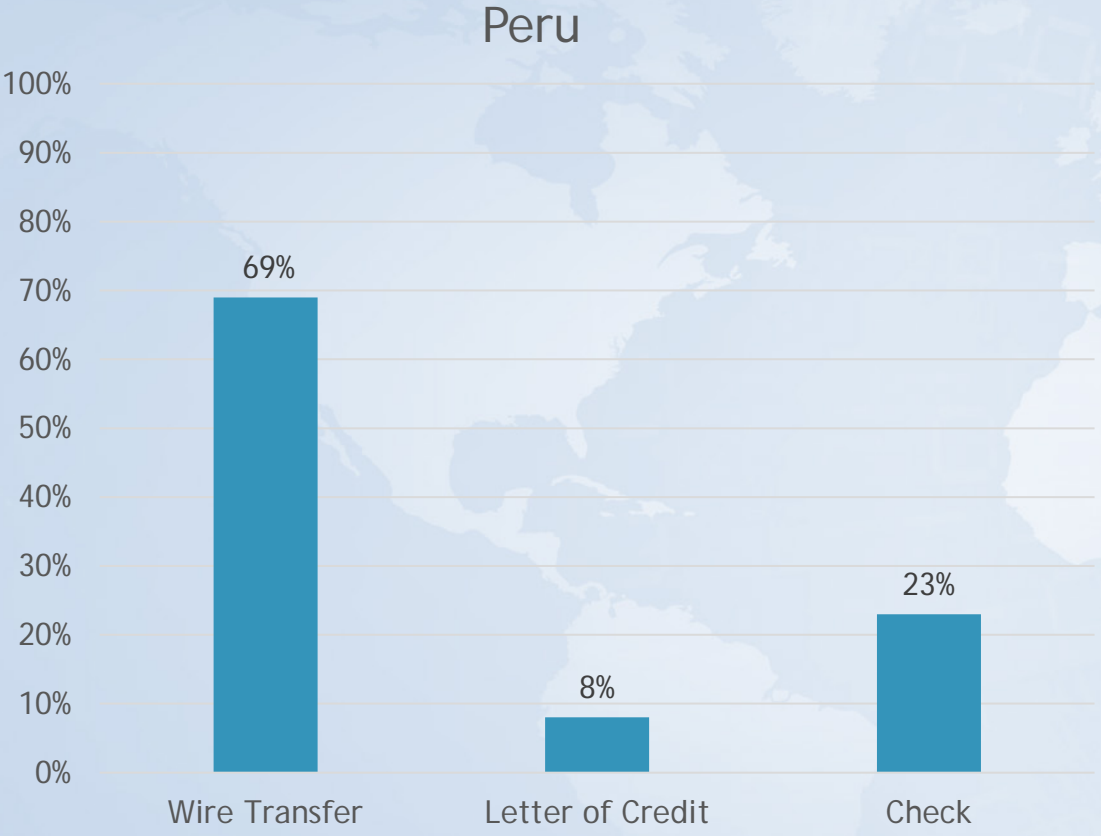
Algeria



Canada



Methods used to secure payment



Insights from Credit Professionals

Algeria

- Recommended to only use Letters of Credit.
- It is required to be very cautious while supplying to Algerian customers because of the FX issues and regularity aspects, payments are delayed significantly up to 2-3 months which can have substantial impact on your cash flow position.

Canada

- Good environment to do business overall.
- There needs to be continuous follow up to improve average days late beyond terms.
- Contact the customer at least 10 days prior to payment to make sure they have received the invoice and the shipment for no delay in payment.
- If shipping from the U.S. into Canada, Customs can be a problem. Documentation must be accurate or delays are likely. Use Credit Insurance to mitigate risk.
- Do not be fooled by the fact Canada is close to the US that it operates completely like the US. There are subtle differences that can effect collections.
- Taking checks from Canada will take too long to arrive set up EFT from the start.

Peru

- Obtain financial statements and backstop with credit insurance.
- Assess your customer credit worthiness and understand their payables process. If you request an LC, make sure to confirm it through your bank to avoid any fake documents.
- Over the past few years political unrest has intermittently interrupted commerce. These incidents appear to be escalating in both severity and duration.

UAE

- Send payment reminders frequently.
- Keep in contact with the customers, early and often.

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.