PAYABLES FINANCE

Identified by one industry survey as the most popular supply chain finance technique, payables finance is setting the pace for increased SCF activity. Provided through a buyer-led programme, payables finance allows sellers in the buyer’s supply chain to access finance by means of receivables purchase. As DCW continues its coverage to shed light on standard definitions for techniques of supply chain finance, Christian Hausherr and David Trecker offer their perspectives on what makes payables finance an attractive option for buyers, suppliers, and third party investors. They then confront the challenges and uncertainties linked to payables finance before addressing industry-led initiatives underway to chart a path forward, including anticipated release of a guidance document to elevate clarity and consistency of market practices regarding payables finance.