

Hogan
Lovells

Supply Chain Finance

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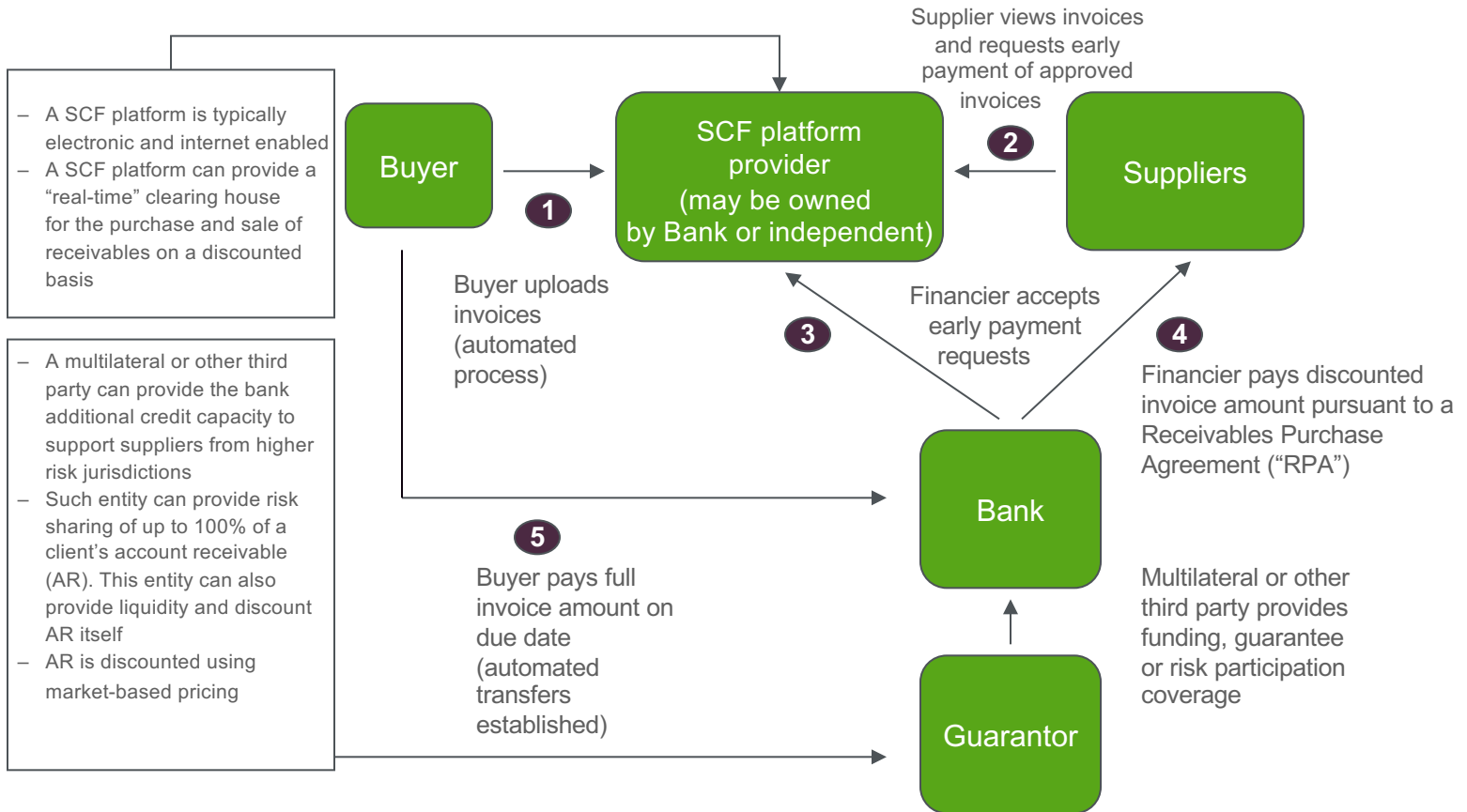
Traditional trade environment

- Working capital is a zero sum game in the supply chain



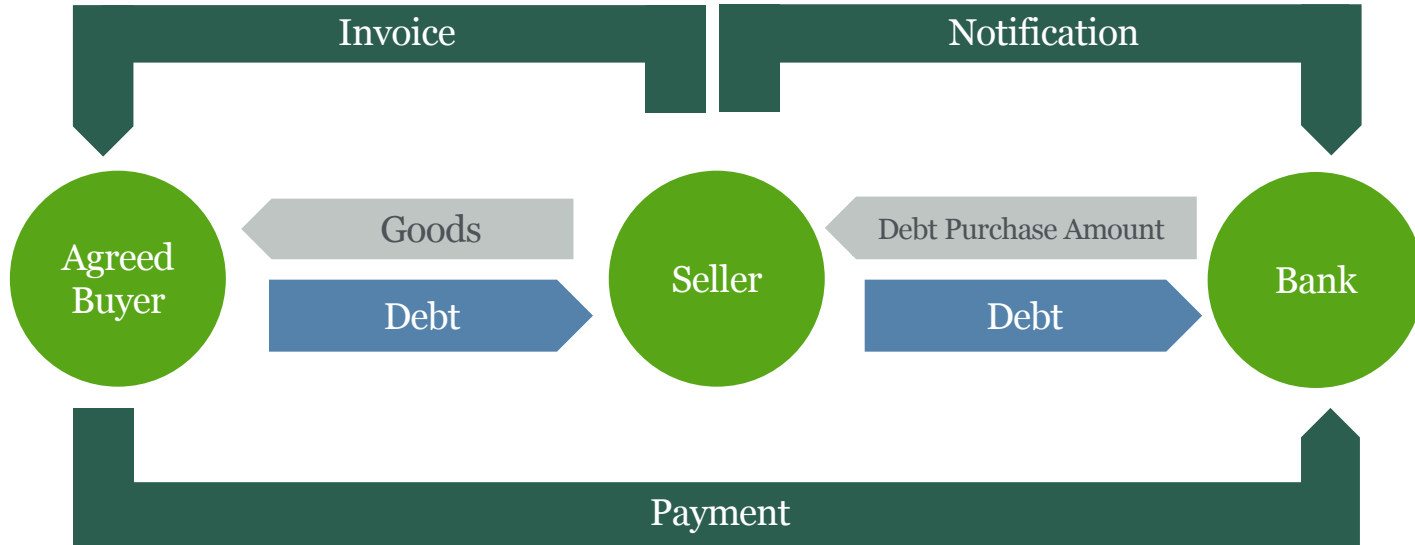
- Buyers want to pay later, sellers want to get paid earlier
 - Burden often pushed to the party that can least afford it
- Adds cost, capital and risk in the supply chain
 - Unnecessary cash flow stress placed on suppliers
 - Increased costs imposed upon suppliers
 - Hurts supplier relationships
 - Seller takes Buyer credit risk

Supply Chain Finance via Electronic Platform



RPA Structure

Purchase of Accounts Receivable



Issues Pertaining to International Supply Chain Finance Transactions

- UCC-1 Filings in Washington D.C.
- Filings with Local Register (e.g., the R.U.G. in Mexico and PPSA in Canada)
- Notice to Account Debtors
- Process Agent
- Local Law Addendums

Conclusions and Final Issues for Consideration



There Continue to be
Developments in this
Area



Technology,
Globalization and
Increased Competition
are Drivers for Growth



There is Not a “One-
Size Fits All” Approach



Role of Legal Counsel
Will Always Remain
Central