

From Zero to Hero: How Invoice Trading Can Catapult Your Business Success

Invoice Trading: A Modern Approach to Accessing Capital

Invoice trading, also referred to as peer-to-peer invoice financing, is a contemporary financial practice that allows businesses to sell their unpaid invoices to investors or multiple funders through online platforms. This method provides a means for companies to swiftly access capital by leveraging their accounts receivable.

Understanding Invoice Trading:

- 1. Invoice Creation: Businesses issue invoices to customers for goods or services provided, specifying payment terms and deadlines.
- 2.Engagement with Online Platforms: The business registers on an online invoice trading platform. These platforms connect businesses seeking funding with investors or funders willing to purchase their invoices.
- 3.Invoice Listing and Bidding: The business lists its invoices on the platform, indicating the invoice amount, terms, and discount rate. Investors then bid on these invoices, offering to purchase them at a discounted rate.
- 4. Funding Acquisition: Upon successful bidding, the business receives immediate funds from the investor or multiple funders, typically a percentage (e.g., 70-90%) of the invoice value. This capital injection aids in meeting financial obligations or investing in business operations.
- 5.Repayment to Investors: When the invoice payment is due, the customers settle their invoices with the business. The business, in turn, repays the investors or funds the full invoice amount, completing the transaction.

<u>Falcon</u> is one of the leading P2P Invoice Discounting platforms in India where we connect blue chip companies with investors. We aim to revolutionize the investment market in India by creating a one-stop shop for all borrowers & investors with varied profiles and needs who can

have access without any risk. Unlike banks and financial institutions Falcon increases investor's yields by eliminating mediators like commercial banks, depository institutions et

Benefits of Invoice Trading:



- 1.Access to Quick Capital: Invoice trading provides businesses with a fast and flexible way to access funds tied up in unpaid invoices, aiding in managing cash flow.
- 2.Diverse Funding Sources: It allows businesses to access capital from multiple investors or funders, diversifying funding sources beyond traditional financing options.
- 3. Competitive Discount Rates: Due to the bidding process, businesses can often secure more competitive discount rates compared to traditional financing methods.

4. Efficiency and Transparency: Online platforms provide a streamlined process, offering transparency and efficiency in trading invoices.

Considerations with Invoice Trading:

- 1.Costs and Fees: Invoice trading platforms charge fees for their services, impacting the overall profitability of the transaction.
- 2.Risk of Non-Payment: In cases where customers fail to pay, businesses remain liable to repay the investors or funders.
- 3.Platform Reliability: Businesses need to ensure they select reputable and reliable platforms to conduct their invoice trading activities.