



2026 Trade Receivables Finance

A playbook for success in your
trade receivables finance program

FIS

Navigating complex global supply chains requires robust working capital management. In 2026, corporate leaders face volatile markets, supplier fragility and a pressing need to optimize the cash conversion cycle. **Trade receivables finance (TRF)** provides a strategic pathway to enhance liquidity, secure supplier resilience and meet evolving environmental, social and governance (ESG) standards. This white paper offers expert insights to help you scale your global TRF programs effectively.

Trade receivables finance



TRF allows your business to manage cash flow and credit risk. By selling or borrowing funds secured against your receivables book, you convert outstanding invoices into working capital. This empowers you to stabilize your cash position, support Tier 2 or 3 suppliers, and mitigate risks associated with delayed payments.

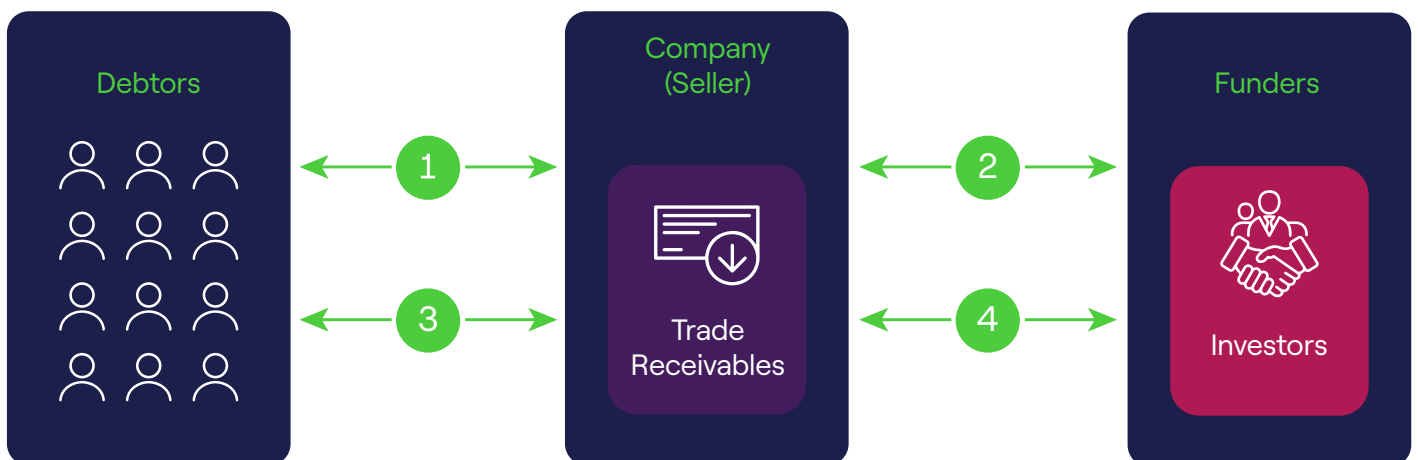
How does it work?

The process integrates seamlessly with your enterprise resource planning (ERP) systems. Once you issue an invoice, the TRF platform processes the data in real time, allowing a financing provider to advance a percentage of the invoice value. When the buyer pays the invoice, the provider remits the remaining balance minus a small fee.

Benefits of TRF

Implementing a TRF program unlocks significant advantages for global operations:

-  **Risk mitigation:** Protect your balance sheet against buyer defaults.
-  **Optimized working capital:** Accelerate your days sales outstanding (DSO) and improve your cash conversion cycle.
-  **Off-balance-sheet transactions:** Access capital without adding traditional debt.
-  **Improved KPIs:** Meet crucial financial targets with predictable liquidity.
-  **Cost-effective funding:** Leverage the credit rating of your buyers to secure favorable rates.
-  **Scalability:** Expand the program globally to support procurement transformation.



1 Sales of goods and services/issuance of invoice

2 Sell receivables and receive funding

3 Collect payments

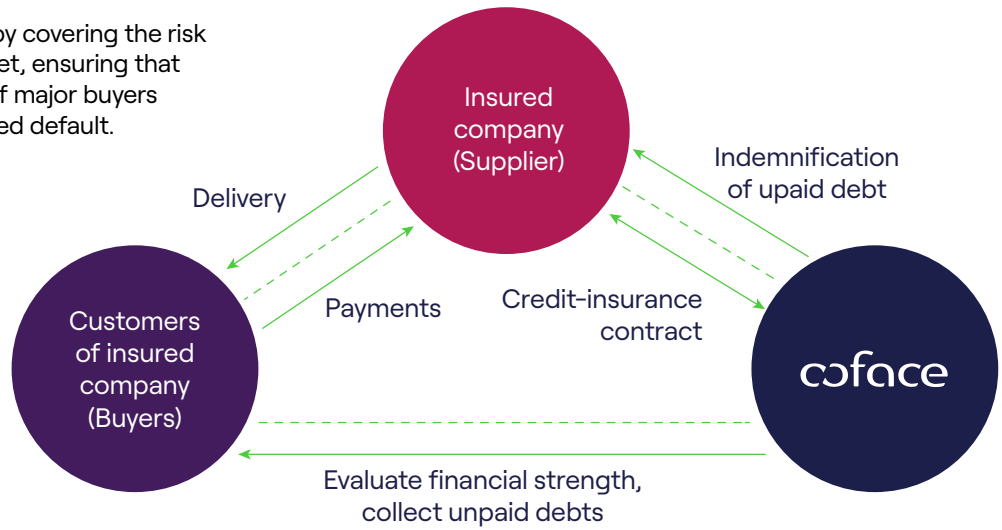
4 Transfer payments collections

Credit insurance

Credit insurance complements TRF by covering the risk of non-payment. It acts as a safety net, ensuring that your business remains resilient even if major buyers default due to insolvency or protracted default.

How does it work?

You purchase a policy that covers a specific portfolio of buyers. The insurer monitors the financial health of these buyers and provides early-warning risk alerts. If a covered buyer fails to pay, the insurer compensates you for the insured percentage of the invoice.



Credit insurance is often a requirement when using TRF. This is because the funder will want to protect its interests.

Benefits of credit insurance

- Risk mitigation:** Transfer default risk to highly-rated insurers.
- Global coverage:** Support international trade with comprehensive geographical insights.
- Improved cash flow:** Maintain steady working capital despite market disruptions.
- Risk management support:** Access expert credit management resources.
- Access to financing:** Banks often require credit insurance to provide favorable TRF terms.
- Investor demand:** Satisfy institutional investor criteria for asset-backed structures.

A funder’s appetite for a certain transaction will vary depending on different criteria.

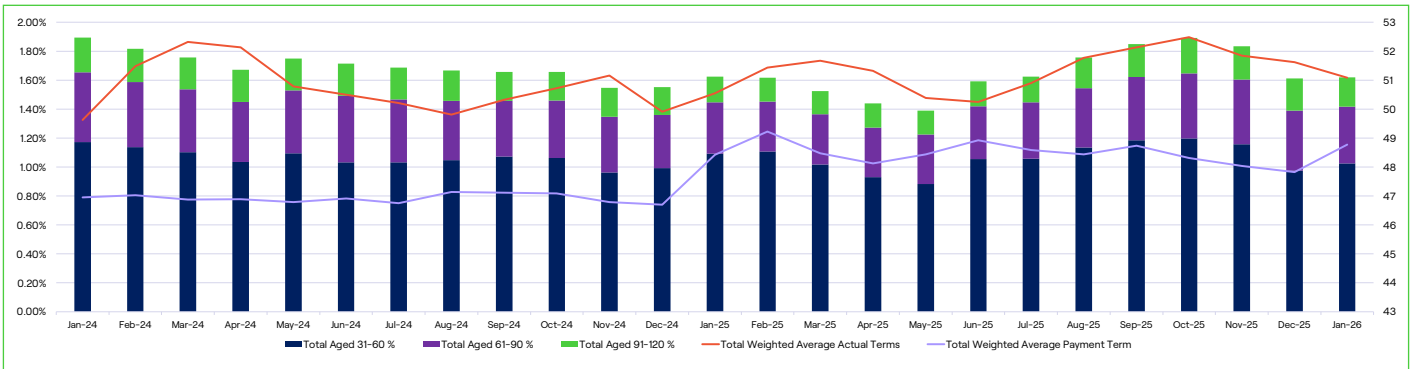
Criteria	Bank securitization desk	Bank trade desk	Factoring houses	Institutional investors	
Product type	TRS	TRF/SCF	TRF	TRS/TFR/SCF	
Credit insurance required	Sometimes	Sometimes	Often	Often	
Cross-border capabilities	High	High	Mainly Europe	Mid; typically regional	
Speed of execution	10-16 weeks	8-12 weeks	6-12 weeks	4-12 weeks	
Credit rating required/prior relationship	Often implied; relationship useful	Typically not needed; relationship key	Not required	Sometimes; no relationship	Infrequently; no relationship
Indicative pricing only	CoF + 0.75% to CoE + 2.25% (Senior notes @ [implied] AAA = A)	CoF + 0.75% to Base + 3%	CoF + 1% to Base + 2.5%	CoF + 1% to CoF + 4%	CoF + 4% to CoF + >10%

This summary illustrates how the appetite for financial transactions varies significantly across different types of funders, driven by their unique requirements and operational capabilities.

The current market

The FIS® Supply Chain Finance Platform sees over \$300 billion worth of B2B invoices flow every year. Anonymizing and analyzing this data enables us to understand the trends in sales values, payment terms, and proportion of defaults and delinquencies.

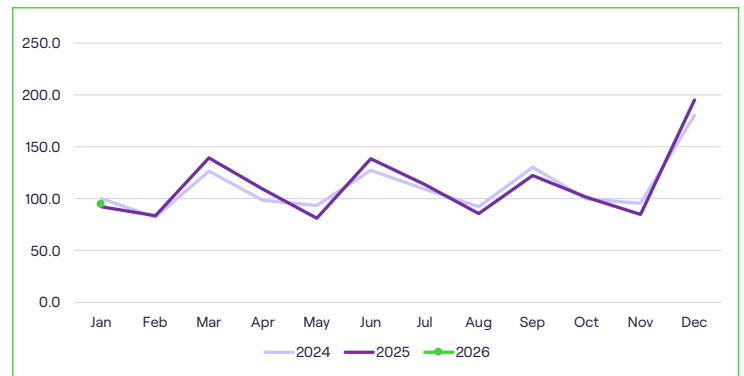
The 2026 macroeconomic landscape presents unique challenges and opportunities: geopolitics, trade tensions and economic volatility, to name a few. Our data indicates some sectors, such as IT and telecoms, entered the year on a strong footing; others, such as food production, were already down relative to previous years and may suffer further with the challenges 2026 brings. Aggregate payment terms as of January 2026 show a slight fall from their October 2025 peak. This will be interesting to track as the year plays out.



IT and telecoms

Sales data through 2025 and into January 2026 shows sustained activity in the IT and telecoms sector, driven by AI investment, ongoing digitalization and procurement transformation. Here, the story is growth – businesses in this sector must have sufficient liquidity to fund production, as demand continues to ramp up.

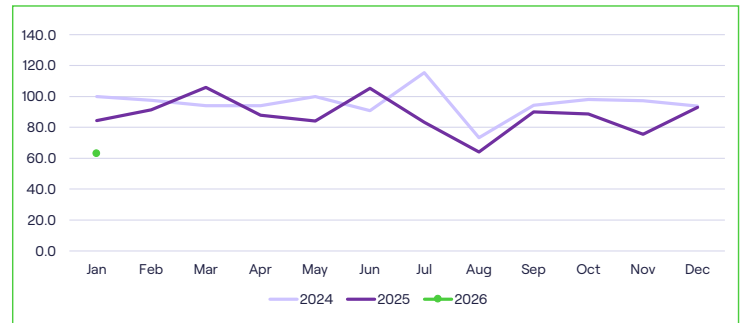
Sales



Manufacturing

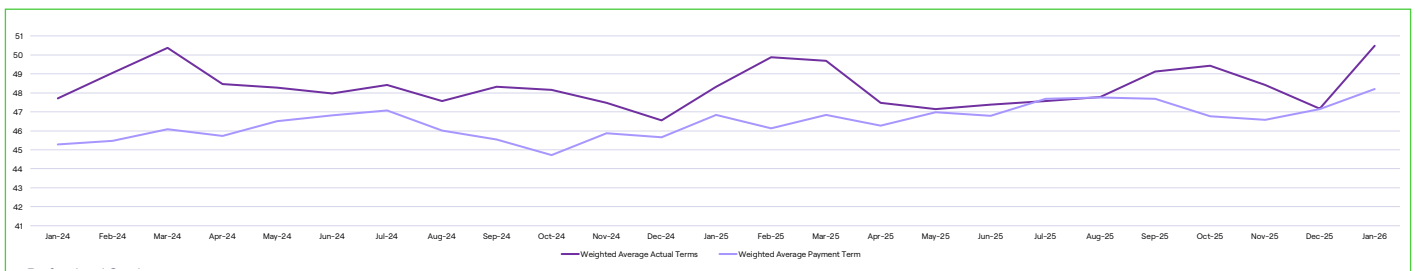
The manufacturing sector continues to navigate supply chain fragility, with sales values for January 2026 almost 25% down on the same period in 2025. January also saw an increased spread between stated payment terms and the actual dates when invoices were settled. This can indicate a sector at risk of stress, and emphasizes the need for efficient working capital management in these businesses to ensure a consistent flow of liquidity.

Sales



Year-on-year sales comparison show 2025 consistently down vs prior year

Stated vs actual payment terms

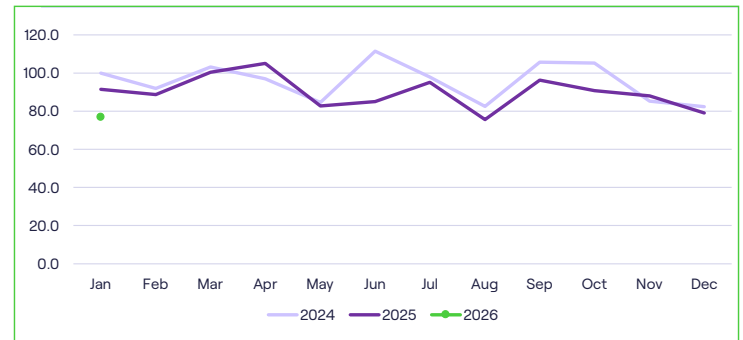


January '26 saw 3-day increase in actual payment relative to stated terms

Wholesale and retail

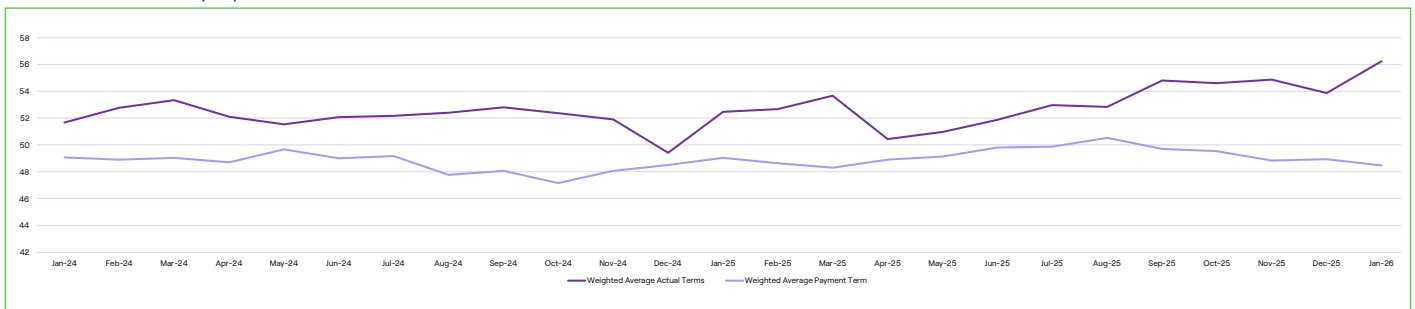
Data through 2025 showed the wholesale and retail sector – businesses selling goods into large big-box retailers – trended down over the course of the year, potentially reflecting weak consumer sentiment as cost-of-living concerns continue. We also see a widening gap between average payment terms and actual terms, another sign of a sector under pressure.

Sales



Downward trendline of sales began in 2024 and continued through '25

Stated vs actual payment terms



Gap between stated terms and actual terms grew over H2 2025, reaching highest level for two years



TRF compared to other solutions

Asset-based lending (ABL)

ABL secures loans using company assets like inventory or equipment. While effective, it often requires extensive audits and places debt on the balance sheet, unlike TRF, which typically involves the true sale of receivables.

Term loans

Traditional term loans provide fixed lump sums for specific investments. They lack the flexibility of TRF, which scales dynamically with your sales volume.

Revolving credit facilities

Revolvers offer a flexible line of credit, but they tie up existing credit lines and often come with restrictive financial covenants that TRF programs avoid.

Reverse factoring

Reverse factoring involves a buyer arranging financing for its suppliers. While excellent for supplier stability, TRF focuses on your own receivables, optimizing your specific liquidity needs.

Key challenges of creating a TRF program



Opaque funding market: Navigating bank appetites requires expert guidance.



Data readiness: Real-time, accurate ERP data is essential for automated processing.



Resource constraints: Cross-functional collaboration across Treasury, IT and Procurement takes time.



Legal structure: Navigating multi-jurisdictional legal requirements can be complex.



Coverage limitations: Insurers may reduce limits in volatile markets.



Supply chain disruptions: Geopolitical events can impact physical trade flows.



Cost considerations: Upfront legal and platform costs must be weighed against long-term liquidity gains.



Market volatility: Interest rate fluctuations impact financing costs.



Legal considerations

True sale

Ensuring the transaction is recognized as a “true sale” is vital for achieving off-balance-sheet treatment.

Claw-back

Legal structures must protect investors from claw-back risks in the event of seller insolvency.

Perfection

Properly perfecting the assignment of receivables ensures priority over other creditors.

Regulation

Programs must comply with local financial regulations and ESG-linked compliance standards.

Servicing

Agreements must clearly define who services the receivables and handles collections.

Tax

Cross-border programs require careful tax structuring to avoid adverse withholding tax implications.

Recognition of law and enforcement of judgments

Contracts should specify governing law to ensure enforceability across jurisdictions.

Currency remittance

Global programs must account for foreign exchange controls and currency fluctuations.

Conclusion

As you navigate 2026, building a resilient supply chain requires more than traditional funding. Trade receivables finance empowers you to optimize your cash cycle, strengthen supplier stability and align with global ESG initiatives. By leveraging real-time data integration and expert partnerships, you can transform your receivables into a strategic asset.

About FIS

FIS offers comprehensive supply chain finance solutions designed to help you optimize working capital. Our platforms provide end-to-end integration, real-time analytics and scalable global deployment to support your financial transformation journey.

[LEARN MORE](#)



Contributors



Scott Morrison
 Head of Financial
 Institutions, UK & Ireland
Coface

Scott drives strategies to support financial institutions in managing credit risk. He brings over 20 years of experience in trade credit and financial risk management.



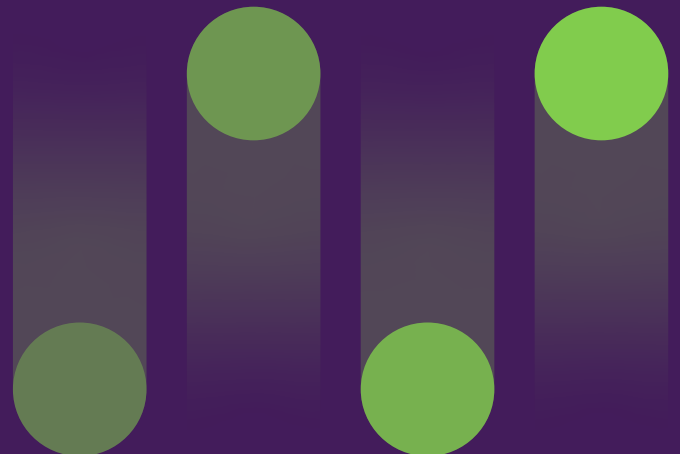
Johannes Wehrmann
 Managing Director,
 FIS Supply Chain Finance

Johannes leads the Corporate Solutions business. He has two decades of experience in supply chain, receivables and structured finance.



Kate Cofman
 Partner Structured Finance
 and Derivative
Simmons and Simmons

Kate advises on a range of cash securitization and structured trade finance transactions. She is a core member of the firm's fintech practice.



Money at rest. Money in motion. Money at work.™

Our **technology** powers the global economy across the money lifecycle.

Money at rest

Unlock seamless integration and human-centric digital experiences while ensuring efficiency, stability, and compliance as your business grows.

Money in motion

Unlock liquidity and flow of funds by synchronizing transactions, payment systems, and financial networks without compromising speed or security.

Money at work

Unlock a cohesive financial ecosystem and insights for strategic decisions to expand operations while optimizing performance.

About FIS

FIS is a financial technology company providing solutions to financial institutions, businesses. We unlock financial technology that underpins the world's financial system. Our people are dedicated to advancing the way the world pays, banks and invests, by helping our clients confidently run, grow and protect their businesses. Our expertise comes from decades of experience helping financial institutions and businesses adapt to meet the needs of their customers by harnessing the power that comes when reliability meets innovation in financial technology. Headquartered in Jacksonville, Florida, FIS is a member of the Fortune 500® and the Standard & Poor's 500® Index. To learn more, visit FISGLOBAL.COM. Follow FIS on LinkedIn, Facebook and X (@FISglobal).

 fisglobal.com/contact-us

 linkedin.com/company/fis

 x.com/fisglobal

This material is for information purposes only of the intended recipient. We have taken care in the preparation of this information but will not be responsible for any losses or damages including loss of profits, indirect, special or consequential losses arising as a result of any information in this document or reliance on it (other than in respect of fraud or death or personal injury caused by negligence). Terms and conditions apply to all our services. The content of this material may not be reproduced without prior consent of FIS.

© 2026 FIS.
FIS and the FIS logo are trademarks or registered trademarks of FIS or its subsidiaries in the U.S. and/or other countries. Other parties' marks are the property of their respective owners. 4529784



Advancing the way the world
pays, banks and invests™